

**Third Quarter of Fiscal Year
Ending December 31, 2022
(Jan 1, 2022 to Sep 30, 2022)
Unicharm Investor Meeting
Presentation Materials**

November 7, 2022

Takahisa Takahara
President and CEO
Unicharm Corporation



I am Hirotatsu Shimada of Unicharm Corporation. Thank you very much for taking time out of your busy schedules to participate in today's web conference for Unicharm Corporation's financial results for 3Q of the fiscal year ending December 2022.

I would like to explain the financial results.

**Third Quarter of Fiscal Year
Ending December 31, 2022
(January 1, 2022 to September 30, 2022)
Financial Performance Summary**

Projections stated in these materials include those based on the Company's currently obtained assumptions, forecasts and plans regarding the future. Therefore, actual results may differ significantly from projections due to risks and uncertainties associated with market competition, foreign exchange rates, etc

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First, I would like to explain the summary of the financial results for 3Q of the fiscal year ending December 31, 2022.

Third Quarter of Fiscal Year Ending December 31, 2022
(January 1, 2022 to September 30, 2022)
Financial Results Summary



Consolidated

Sales 654.5 billion JPY (YoY +14.5%)

Core operating income 91.7 billion JPY (YoY - 5.9%)

- Sales hit a record high. Profits were affected by the soaring material and logistics costs.
- The sales showed better performance than expected, core operating income margin improved as expected.

Japan

3.6% sales increase, 5.4% profit decrease

- Feminine Care Business, Pet Care Business, and Wellness Care Business showed sales increase and keep good performances.
Profit increased as a result of value pass-through and improved product mix in the third quarter (Jul.-Sep.).
Profitability recovered.

Overseas

20.9% sales increase, 6.1% profit decrease

- Increase in sales and decrease in profits in Asia. Increased sales are driven by India, Indonesia, and Vietnam. The third quarter (Jul.-Sep.) showed increase in profits thanks to the recovery of Feminine Care Business in China and moving into the black in India.
- Increase in sales and profits in other regions. Good progress with value pass-through drove performance in North America.

**Shareholder
Return**

Yearly dividend 38 yen per share

Increased dividend for 21 consecutive years

- Purchase of own shares: Purchased 17 billion yen as planned.

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Please look at page three of the document. This is the financial results summary for 3Q.

**Sales hit a record high even under a harsh environment
Profitability steadily improved compared with that in the
cumulative second quarter**



● Consolidated account highlights (from Jan. to Sep.)	(100 millions of yen)					
	3Q of FY Ended Dec. 31, 2021	3Q of FY Ending Dec. 31, 2022	gap(yen)	gap (%)	(Forecast) FY Ending Dec. 31, 2022	Achievement (%)
Net sales	5,719	6,545	+827	+14.5%	8,500	77.0%
Core operating income (margin-%)	974 (17.0%)	917 (14.0%)	-58	-5.9% (-3.0P)	1,270 (14.9%)	72.2%
Profit before tax (margin-%)	1,017 (17.8%)	914 (14.0%)	-102	-10.1% (-3.8P)	1,260 (14.8%)	72.6%
Profit attributable to owners of parent company (margin-%)	619 (10.8%)	525 (8.0%)	-95	-15.3% (-2.8P)	792 (9.3%)	66.3%
EBITDA (profit before tax + depreciation/ amortization + fire accident loss)	1,300	1,236	-64	-4.9%	1,660	74.4%
Basic earnings per share (JPY)	103.64	88.10	-15.54	-15.0%	133.49	66.0%
USD Rate (JPY)	108.50	128.05	+19.55	+18.0%	113.50	-
CNY Rate (JPY)	16.78	19.35	+2.57	+15.3%	17.50	-

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Now, let's move on to page four, the consolidated account highlights.

As for business results, net sales increased by JPY654.5 billion, or up 14.5%, to a record high for 3Q.

Core operating income decreased by JPY91.7 billion, or down 5.9%, but is improving in the three-month period from April to September, achieving an increase despite last year's hurdle.

The core operating income margin deteriorated by 3 percentage points to 14%, due to a further rise in raw material costs in 2H, partly reflecting the recent high level of oil prices, as well as an increase in the distribution cost ratio. However, the core operating income margin from July to September was 15.6%, showing steady improvement compared to 1H of the fiscal year.

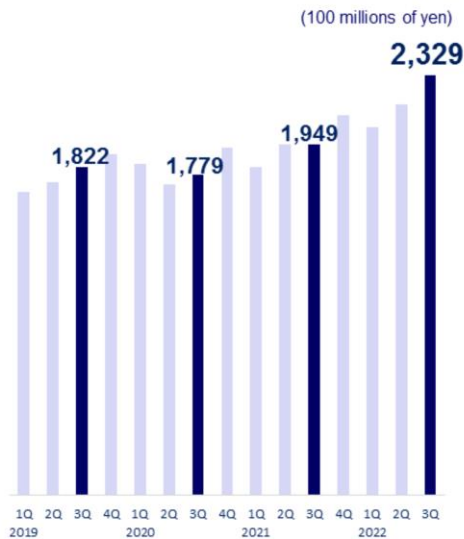
As shown on the right side of the table, the consolidated forecast for profit attributable to owners of the parent company is slightly behind the plan, but core operating income and profit before tax are within expectations, and net sales, an important factor, are on track.

The main reason for the delay in profit attributable to owners of the parent company is the higher-than-expected depreciation of the yen in the tax expense portion and the higher burden tax rate due to tax effects related to retained earnings of local subsidiaries. The details of the financial results will be explained in the next and subsequent pages.

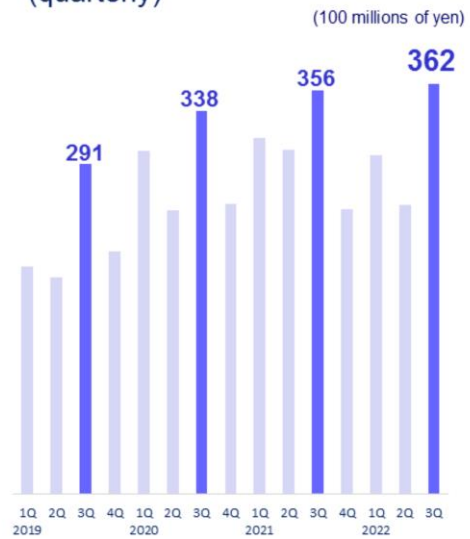
Stable sales growth amid COVID-19 pandemic with continuing value pass-through
 This quarter updated record high core operating income under the pressure of cost rise



● Sales trend (quarterly)



● Core operating income trend (quarterly)



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Please turn to page five. This is the quarterly performance trend.

Even with COVID-19 situation starting in 2020, the products we handle are daily necessities, and we continue to see stable sales growth while promoting value pass-through, reaching another record high of JPY232.9 billion in the quarter.

Core operating income also reached a record high of JPY36.2 billion during the quarter, despite the severe price hikes of further raw material and logistics costs. Profitability also improved to 15.6% after bottoming out in 2Q from April to June.

Although there are some lockdowns in each country and region, the market for the product categories we use is improving. We will continue to expand our top line and increase core operating income by promoting value pass-through in response to changes in the environment.

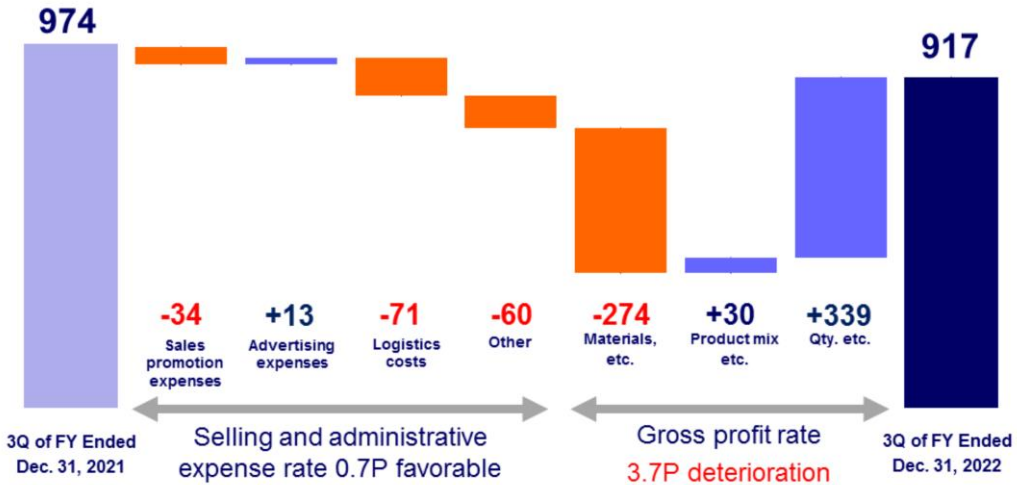
Effective investment of marketing expenses amid a harsh business environment

Absorbed the soaring prices of raw materials through the volume effect of continuous expansion of value-added products



● Core operating income fluctuation (from Jan. to Sep.)

(100 millions of yen)



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Next, please see page six. This is the changes in core operating income.

SG&A expenses, shown on the left, increased by approximately JPY15.2 billion, partly due to an increase in sales, but as a percentage of net sales, they improved by 0.7 percentage points.

Logistics costs, in particular, increased in Indonesia, China, and India, due in part to recent supply chain disruptions and soaring oil prices.

The JPY6 billion increase in other expenses is mainly due to increases in personnel expenses, R&D expenses, digital-related expenses, outsourcing expenses, and the environmental tax in Vietnam, which will be levied from this fiscal year.

On the other hand, advertising expenses decreased by JPY1.3 billion as a result of more efficient advertising placement in media viewed by consumers, mainly in Japan.

The next item is related to gross profit. In the raw material-related business, gross profit decreased by approximately JPY27.4 billion due to the sharp rise in raw material unit prices since 2H of last year and the deterioration of foreign exchange rates when purchasing raw materials.

In order to absorb these costs, we were able to successfully promote value-added products to consumers in each country and region, and were able to absorb the sharp rise in raw material prices by striking a balance between price and volume, and significantly increasing gross profit. Further increases in raw material prices are expected in the future.

We will strive to absorb this by strongly promoting value transfer through new value-added products and other measures, efficient marketing, and productivity improvement in each country and region.

Although profit decreased in Japan and Asia due to continuing harsh environment, value pass-through and improved product mix led to increased profits in the third quarter (Jul.-Sep.)



● Geographical segment information (from Jan. to Sep.)		3Q of FY Ended Dec. 31, 2021	3Q of FY Ending Dec. 31, 2022	(100 million of yen)		
				gap(yen)	gap (%)	(Ref.) Actual gap rate *1
Japan	Net sales	2,130	2,207	+77	+3.6%	—
	Core operating income (margin)	439 (20.6%)	415 (18.8%)	-24	-5.4% (-1.8P)	—
Asia	Net sales	2,684	3,163	+479	+17.9%	+4.1%
	Core operating income (margin)	433 (16.1%)	399 (12.6%)	-34	-7.8% (-3.5P)	-18.8%
Others *2	Net sales	905	1,175	+270	+29.9%	+13.0%
	Core operating income (margin)	99 (11.0%)	101 (8.6%)	+1	+1.5% (-2.4P)	-14.5%
Consolidation	Net sales	5,719	6,545	+827	+14.5%	+5.3%
	Core operating income (margin)	974 (17.0%)	917 (14.0%)	-58	-5.9% (-3.0P)	-12.4%

[Actual gap rate of sales in main countries] *based on management accounting
 China -9% Indonesia +12% Thailand -1% India +29% Vietnam +5% Middle East -1% North America +19% Brazil +10%

*1 : Actual gap rate excluding foreign exchange effects
 *2 : Others: Main regions are North America, Saudi Arabia, Brazil and the Netherlands

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Please see page seven. Next will be the geographical segment information.

First, in Japan, net sales increased by 3.6% and income decreased by 5.4%. The core operating income margin deteriorated by 1.8 percentage points to 18.8% due to the impact of soaring raw material prices and distribution costs.

Among them, wellness care, pet care, and feminine care are the performance drivers. In wellness care, disposable adult diapers continued to perform well. In pet care, value pass-through is progressing and high growth is maintained. Feminine care sales each increased in the high single-digit range due to increased premiumization. From 2H, despite further cost increases and the impact of the yen's depreciation, sales and income increased during the same period from July to September, and the core operating income margin has been improving, exceeding 20%.

Next, I would like to comment on Asia. In Asia, net sales increased by 17.9%, core operating income decreased by 7.8%, and core operating income margin was 12.6%. In major Asian countries, although affected by the sharp rise in raw material prices, sales are progressing steadily within expectations. As shown in the actual change in sales in major countries in the bottom row, the increase in sales was driven by Indonesia, India, and Vietnam.

And as for the decrease in profit, the main reason is the decrease in profit in China. In particular, the decrease in profit from the China baby care business had a negative impact. This was mainly due to inventory adjustments made in 1Q by shifting from Japan-made to more profitable China-made premium products, as well

as a decrease in profits resulting from a significant decline in sales, mainly due to the reduction of distribution inventories, mainly by e-commerce companies.

On the other hand, feminine care recovered from the lockdown in the period from July to September with continued strong sales of premium products, such as those made of organic cotton, leading to higher sales and profit in the feminine care business and driving the China business.

For the period from July to September, Asia as a whole showed an improvement trend, with both sales and profit increasing, as in Japan.

Finally, for the rest of the world, sales and profit increased, with net sales up 29.9%, core operating income up 1.5%, and core operating margin at 8.6%, a deterioration of 2.4 percentage points.

The increase in sales and profit was driven by the pet care in North America. In the pet care business in North America, we increased sales by 19% and improved profitability as a result of value shifting while adding value through cat treats, flea control collars, toys, and other products.

As for the Middle East, in Saudi Arabia, we promoted value pass-through in the baby care, but were unable to increase volume amid intensifying competition, resulting in a decline in sales. Meanwhile, the feminine care and the wellness care maintained high growth.

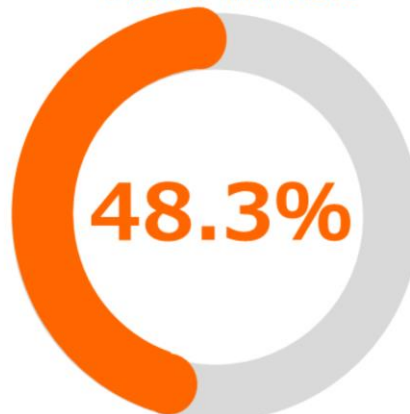
Export sales also continued to grow. As for Brazil, 1Q was affected by the re-expansion of COVID-19, but the market recovered in 2Q and we were able to shift to a growth trend in the baby care.

In addition, although we proceeded with value pass-through, the exchange rate environment was unfavorable, and we were unable to fully absorb the impact of the sharp rise in raw material prices, resulting in a decrease in profit. However, in August and September, we were able to turn a profit in a single month due to progress in value pass-through and efficiency improvements in marketing expenses.

● Sales ratio of overseas markets



● Sales ratio of Asian markets



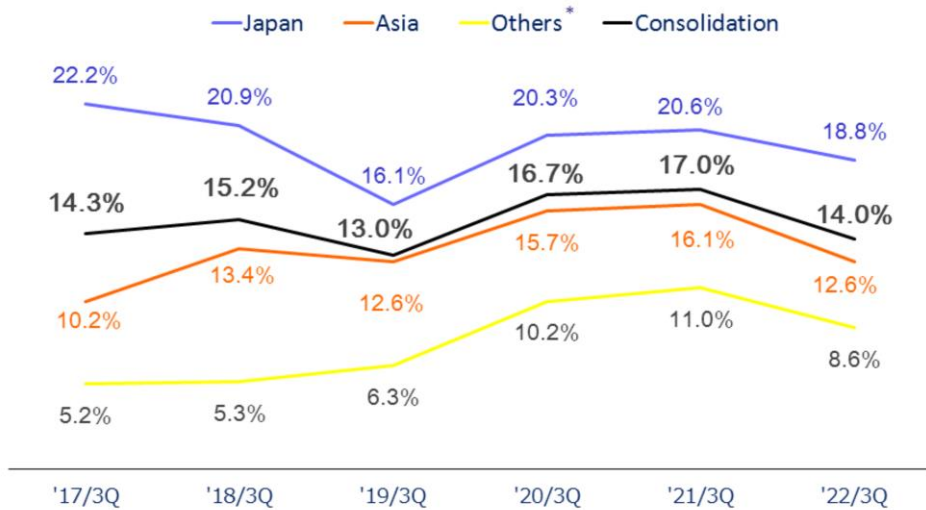
Please see page eight of the document. This graph shows the sales ratio of overseas markets.

Overseas sales accounted for 66.8% of the total, or 63.9% excluding foreign exchange, with Asia expanding to 48.3%.

Influence of further cost increases was seen from 2H, however, high profitability was maintained thanks to the expansion of value-added products



■ Core operating income margin by geographical segment (from Jan. to Sep.)



* Others: Main regions are North America, Saudi Arabia, Brazil and the Netherlands

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Please see page nine of the document.

This is a graph of core operating income margin by geographical segment.

In 2H, core operating margin deteriorated in the period from January to September compared to the previous year due to further cost increases and other factors, but in the period from July to September, profitability improved in Japan and Asia, and we were able to maintain high profitability on a consolidated basis.

We believe that we have been able to maintain high profitability even in such a difficult environment as a result of our continuous efforts in each country and region to introduce value-added products that are close to and understand consumers, and to steadily improve the product mix and productivity in a sustainable manner in line with demographic and economic conditions.

Starting in 4Q, we will strive to improve profitability by further expanding value transfer through new value-added products and other measures in each country and region.

**Feminine Care and Baby Care Business led Personal Care Business
Pet Care Business in North America shows strong sales with
continued value pass-through**



■ Business Segment Information
(from Jan. to Sep.)

(100 millions of yen)

		3Q of FY Ended Dec. 31, 2021	3Q of FY Ending Dec. 31, 2022	gap(yen)	gap (%)
Personal Care	Net sales	4,927	5,602	+675	+13.7%
	Core operating income	862	792	-70	-8.1%
	(margin)	(17.5%)	(14.1%)		(-3.4P)
Pet Care	Net sales	748	888	+140	+18.7%
	Core operating income	108	121	+13	+11.9%
	(margin)	(14.5%)	(13.6%)		(-0.9P)
Others*	Net sales	44	57	+13	+27.7%
	Core operating income	4	3	-1	-16.5%
	(margin)	(9.3%)	(6.1%)		(-3.2P)
Consolidation	Net sales	5,719	6,545	+827	+14.5%
	Core operating income	974	917	-58	-5.9%
	(margin)	(17.0%)	(14.0%)		(-3.0P)

* Other products refer to those related to industrial materials, etc.

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Please see page 10 of the document. This is the business segment information.

Regarding the increase and decrease in personal care sales and income, all businesses increased in terms of sales. Among them, the feminine care, the wellness care, and the kirei care each posted high growth with double-digit sales growth.

The decrease in profit was due to the impact of higher costs for raw materials and logistics, as explained earlier. In addition, while profit decreased in the baby care due to inventory adjustments in China and slowdown in births in Thailand, Vietnam, the Middle East, and Japan, profit increased in the feminine care due to steady growth.

As for the pet care, both sales and income increased. In terms of content, North America led the way with increased sales and profit. As explained earlier by region, we implemented value pass-through, and cat treats and other products contributed significantly.

Meanwhile, we continued to achieve strong sales growth in Japan. Value pass-through has been implemented since April and is gradually yielding results. Profitability has deteriorated, partly due to the sharp rise in raw material prices, but is gradually improving in the period from July to September. Improvements are underway in the period from October to December with further value pass-through.

In addition, in Asia, we are actively investing in China to prepare for business expansion. Costs are ahead. We are also expanding our business in Thailand and Indonesia in the same manner.

**Impacts of foreign exchange fluctuations:
Approx. 52.3 billion JPY increase in sales and
approx. 6.3 billion JPY increase in core operating income**



■ Rate fluctuations by currency (Jan. to Sep. average rate)

Currency	Exchange rate for 3Q of FY ended December 31, 2021	Exchange rate for 3Q of FY ending December 31, 2022	Rate change
China(CNY)	16.78	19.35	+15.3%
Indonesia(IDR)	0.0076	0.0088	+15.8%
Saudi Arabia(SAR)	28.97	34.17	+17.9%
Thailand(THB)	3.45	3.70	+7.2%
India(INR)	1.48	1.66	+12.2%
Vietnam(VND)	0.0047	0.0056	+19.1%
USA(USD)	108.50	128.05	+18.0%
Netherland(EUR)	129.83	135.95	+4.7%
Taiwan(TWD)	3.88	4.38	+12.9%
South Korea(KRW)	0.0960	0.1010	+5.2%
Malaysia(MYR)	26.28	29.46	+12.1%
Australia(AUD)	82.36	90.38	+9.7%
Brazil(BRL)	20.37	25.01	+22.8%
Egypt (EGP)	6.90	7.15	+3.6%

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Please see page 11 of the document. This is the impact of foreign exchange fluctuations of each currency.

Due to fluctuations in the exchange rates of various currencies, the impact of translating financial statements at the closing rate had the effect of increasing net sales by approximately JPY52.3 billion YoY. Core operating income increased by approximately JPY6.3 billion.

Summary of Performance Forecast FY Ending December 31, 2022

Next, I would like to present the summary of our consolidated performance forecast.

Fiscal Year Ending December 31, 2022 Summary of Consolidated Performance Forecast



Consolidated

Sales 850 billion JPY (YoY +8.6%)

Core operating income 127 billion JPY (YoY +3.7%)

[Progress]

- Sales show better performance than expected. Core operating income shows the move in line with the expected line.
- No change in performance forecast.

[Third quarter topics]

- Pet Care Business steadily improves with the value pass-through effect in Japan.
- Feminine Care Business recovers amongst the continuing partial lockdown in each area in China.
- Value pass-through is promoted in Indonesia to extend topline sales. Profitability continues.
- High growth continues in India following the advancement of value pass-through. Increased market share. Returning to profit.
- Despite progress in value pass-through in Thailand, the Middle East, and Vietnam, decreased birth rate affects the performance.

[Toward performance forecast achievement]

- High growth of topline sales is achieved in the 4th quarter as well by promoting value pass-through furthermore.
- Shifting to profitable businesses, such as Feminine Care and Wellness Care Businesses, is accelerated.
- Reduce cost by more improved marketing efficiency and better product spec.
- Promote stronger supply chains to cope with the lockdown in China.
- Stable level of weak yen against each currency.

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Please see page 13. This is a summary of the consolidated performance forecast.

Net sales were JPY850 billion, up 8.6%, and core operating income was JPY127 billion, up 3.7%, in line with our initial forecast. As for progress, sales are trending upward and core operating income is trending along the expected line.

The environment has changed significantly since the initial forecast. The current situation in Ukraine is uncertain, and raw material-related costs are expected to rise in relation to this situation. The cost related to those raw materials was initially planned to increase by JPY17.4 billion, but due to the worsening economic and foreign exchange situation, the cost is expected to soar by JPY18.9 billion compared to the initial plan, to JPY36.3 billion for approximately one year.

In order to absorb this cost increase, in 3Q, we implemented a value pass-through in the pet care in North America and Japan, as well as with value-added products in Indonesia, India, etc., and this is gradually yielding results. The feminine care is also recovering in China, although partial lockdowns continue after the major lockdowns have been lifted.

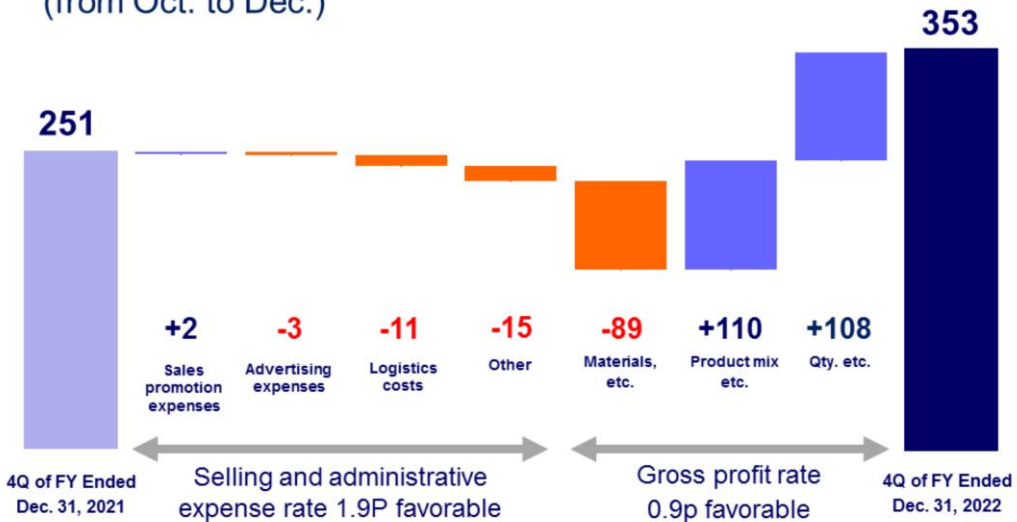
We hope to achieve performance throughout the year through the penetration and expansion of value pass-through with value-added products. We will also continue to increase the mix of highly profitable businesses, such as the feminine care and the wellness care, and absorb costs by continuing to improve the efficiency of marketing expenses, such as sales promotion and advertising expenses, and productivity improvements, in order to achieve our performance forecast.

Absorb the soaring prices through the certain execution of value pass-through onto value-added products and volume effect in order to achieve forecast performance



● Expected core operating income fluctuation (from Oct. to Dec.)

(100 millions of yen)



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Please see page 14 of the document. This graph shows the change in core operating income for the period from October to December.

With an increase of JPY10.2 billion from October to December, the Company expects to achieve its annual forecast of JPY127 billion. This graph has been revised to reflect the increase/decrease from the announcement of the 2Q financial results to take 3Q financial results into account.

As I explained earlier, to reiterate, during the period from October to December, we will implement and expand value pass-through in various ways in Japan, Asia, and other regions. In addition, the Company aims to achieve its business performance by absorbing cost increases in raw materials and distribution costs through continued product mix improvement, more efficient marketing expenses, and productivity improvements

Shareholders Return Policy

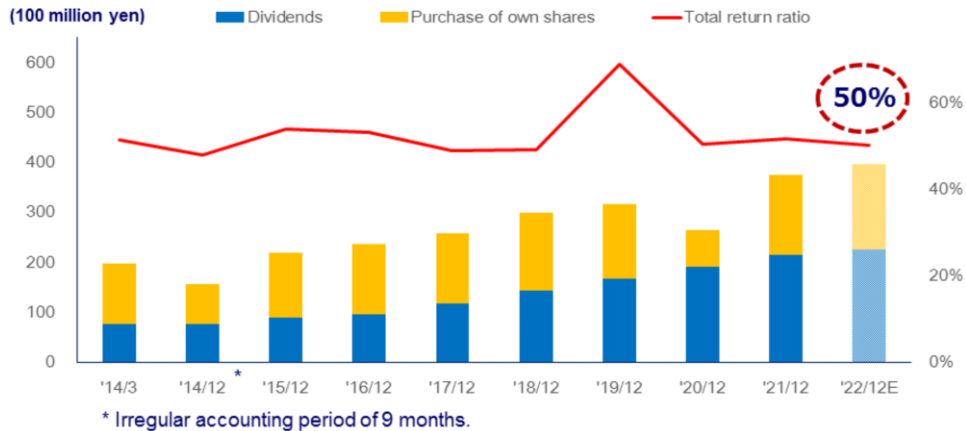
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Next, I would like to explain our shareholders return policy.

Through the payment of dividend linking to the business performance and buy-back of our own shares, we are also aiming for total return ratio of 50% in 2022



● Shareholders return policy



* Irregular accounting period of 9 months.

We are aiming at returning profits to our shareholders **with a goal of total return ratio of 50%** by paying dividends on a consistent and continuous basis and buying back our own shares, upon necessity, on a flexible manner based on the growth of med-to-long term consolidated earnings while focusing on the business investment for achieving the uninterrupted growth.

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Please see page 16 of the document.

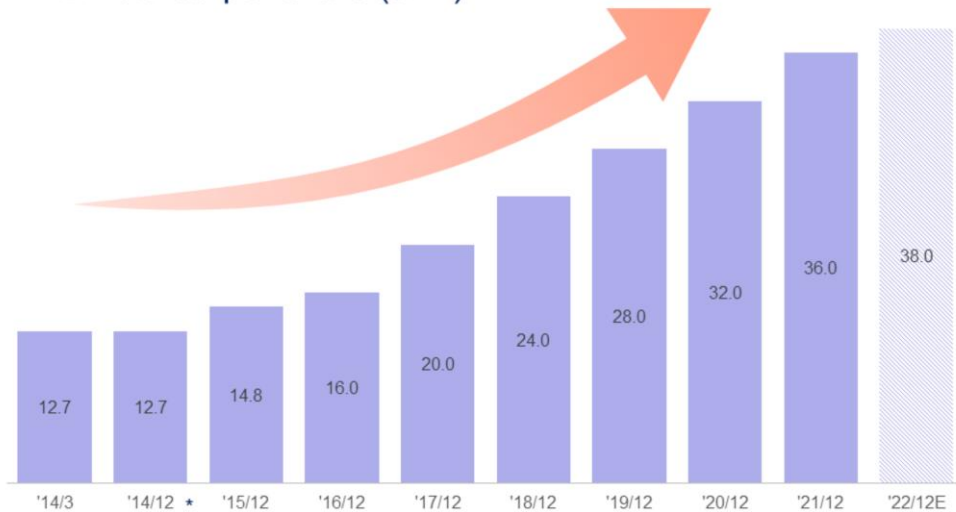
Regarding the Company’s shareholders return policy, while prioritizing business investment to achieve sustainable growth, the Company will pay stable and continuous dividends based on medium- to long-term consolidated earnings growth.

With regard to buying back our own shares, we will implement it flexibly as needed, and we aim for a total return ratio of 50% in FY2022.

Dividend per share
Plan to increase dividend for 21 consecutive years
(38 yen a year)



● Dividends per share (JPY)



* Irregular accounting period of 9 months

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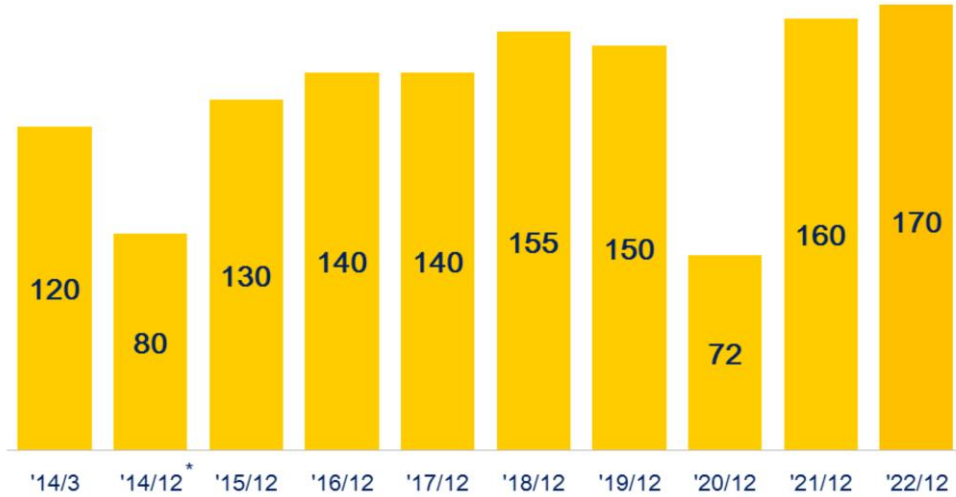
Please see page 17 of the document.

As for the dividend per share, we plan to increase the dividend per share by 1JPY to 19JPY at the end of 2Q as planned, and we also plan to increase the year-end dividend per share by 1JPY to 19JPY, for an annual dividend of 38JPY per share, an increase of 2JPY.

Flexible purchase of own shares depending on the cash condition
Purchase 17 billion yen in 2022 as planned



● Share buy-back history (100 million JPY)



* Irregular accounting period of 9 months

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Please see page 18 of the document. This is the share buy-back history.

In FY2022, as the Board of Directors resolved in February to repurchase up to 4.2 million shares at a maximum repurchase price of JPY17 billion, the Company flexibly repurchased its own shares for approximately JPY17 billion as planned by September.

Going forward, we will continue to implement stable and continuous dividends and share buybacks, and consider returning profits to shareholders to be one of our most important management policies. We will strive to improve corporate value by generating sustainable cash flows.

Approach to realize a “Cohesive Society (Social Inclusion)”

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From page 19 of the document, the status of our initiatives for medium- and long-term ESG targets is described, but due to time constraints, I will skip this part of the presentation.

I would like to conclude the financial results presentation for 3Q.

Formulating Mid-to-Long Term ESG Objectives "Kyo-sei Life Vision 2030"



◆ 20 key themes with the goal in 2030



Formulating Mid-to-Long Term ESG Objectives “Kyo-sei Life Vision 2030”



◆20 key themes of initiatives to realize “Cohesive Society (Social Inclusion)”

<p>Safeguarding the well-being of individuals</p>	<ul style="list-style-type: none"> • Extension of healthy life expectancy and improvement of QOL • Support for a society where gender and sexual orientation do not restrict people’s activities • Coexistence with partner animals (pets) • Improvement of childcare • Improvement of public hygiene
<p>Safeguarding the well-being of society</p>	<ul style="list-style-type: none"> • Innovations to achieve “NOLA&DOLA” • Practicing sustainable lifestyles • Construction of value chains that take account of sustainability • Improvement of customer satisfaction • Provision of safe, reliable products
<p>Safeguarding the well-being of our planet</p>	<ul style="list-style-type: none"> • Development of eco-friendly products • Addressing climate change • Expanding our line of recycled models • Promotion of product recycling • Reduction of the amount of plastic materials used
<p>Unicharm Principles</p>	<ul style="list-style-type: none"> • Management practices that take sustainability into account • Practice of appropriate corporate governance • Promotion of diversity management • Fostering the development of competent human resources • Construction of healthier workplaces and workplace safety systems

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Key initiatives, indicators, and target values



◆ Safeguarding the well-being of individuals

Key initiatives	Indicators	Results	Mid- and long- term goals	
		2021	Target value	Target year
Our aim is to provide products and services that contribute to the realization of a society where all people can have a sense of individuality and enjoy their daily lives.				
Extension of healthy life expectancy and improvement of QOL	Percentage of products and services that contribute to the realization of a society where everyone can have a sense of individuality.	Continue 100%	100%	2030
Support for a society where gender and sexual orientation do not restrict people's activities	Percentage of products and services that contribute to a society where people around the world are free from discrimination by gender or sexual orientation (including products and services that contribute to the elimination of sexual discrimination still present in certain countries and regions).	Continue 100%	100%	2030
Coexistence with partner animals (pets)	Percentage of products and services that contribute to the realization of a society where partner animals (pets) are welcomed by family members and community residents.	Continue 100%	100%	2030
Improvement of childcare	Percentage of products and services that contribute to the realization of a society where infants and their families can live healthily and happily.	Continue 100%	100%	2030
Improvement of public hygiene	Percentage of products and services that contribute to activities which can reduce the spread of preventable infectious diseases (contact transmission or droplet transmission).	Continue 100%	100%	2030

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(Safeguarding the well-being of each individual)
Support “lengthening healthy life expectancy” with products and services for the senior citizens



◆ Extension of healthy life expectancy and improvement of QOL



Lifree Rehabili-Pants was released in 1995 aiming a total of “zero bedridden elderly”



Expand toward 2030



Rollout of products and services that enable living with a sense of individuality

➤ Support independent excretion with product development that suits users' ADL (Activities of Daily Living)

- Those who have light incontinence
- Peace of mind during outings
 Those who can walk alone
 Those who can walk with assistance
- Those who can stand / sit
- Those who spend most of their time in bed



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(Safeguarding the well-being of each individual)

Rollout of activities tailored to national and regional characteristics to develop a society where women shine



◆ Support for a society where gender and sexual orientation do not restrict people's activities



Expand toward 2030



Development of products and services that enable to be free from discrimination by gender or sexual orientation

➤ Efforts to create a world where we feel free to talk about menstruation

#NoBagForMe

話そう、知ろう、生理のこと。

Internet Media AWARDS



ACC

TOKYO CREATIVITY AWARDS

生理について学ぶ企業向けプログラム
みんなの生理研修

> 参加企業募集 申請はこちら



➤ Promote women empowerment support globally



Women-only factory in consideration of culture



Project to create female entrepreneurs



Online menarche education 24

(Safeguarding the well-being of each individual)
New value proposition tailored to national and regional characteristics



- **Pants-shaped pad and heating napkin featuring warm sensation (China subsidiary Idea & Plan)**



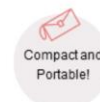
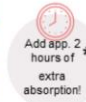
- **Cool napkin that feels less dampness and a cool, refreshing feeling and type of napkin that contains charcoal (Thailand subsidiary Idea & Plan)**



- **Napkin featuring anti-bacterial sheet (devised by Indian subsidiary) and napkin containing olive oil (Saudi Arabia subsidiary Idea & Plan)**



- **Easy, comfortable, and convenient feminine product to be used along with a regular pad (Japan Idea & Plan)**



* The amount of menstrual blood varies between individuals

(Safeguarding the well-being of each individual)
**Support everyday health of partner animals (pets)
 and the mind of owners with original technology**



◆ **Coexistence with partner animals (pets)**



Expand
toward 2030



Development of products and services that enable
partner animals (pets) to be welcomed by people

➤ **High quality and delicious pet food that
 responds to various needs to support
 health**



➤ **Toiletry products that utilize processing
 and molding technology for nonwoven
 absorbent**



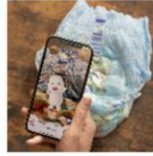
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(Safeguarding the well-being of each individual)
Support improvement of childcare environment through products and services that eliminate discomfort and create the comfort of babies and parents



◆ Improvement of childcare



Expand toward 2030



Development of products and services that enable happy and healthy life of babies and families

- Subscription service (fixed charge system) for nursery schools can reduce the burden on parents and child care workers, as well as infection risk

- Product differentiation to suit the needs of different countries and regions.



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(Safeguarding the well-being of each individual)
**Protect everyday health and support safe
and comfortable living**



◆ **Improvement of public hygiene**



Expand
toward 2030



**Development of products and services
that enable each one of us to control infection**

➤ **Pursuing functionality and comfort,
developing products that meet the actual
usage and needs of consumers**

➤ **Boost high value-added masks
development globally**



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Key initiatives, indicators, and target values



◆ Safeguarding the well-being of society

Key initiatives	Indicators	Results	Mid- and long- term goals	
		2021	Target value	Target year
Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers, but also contribute to solving social issues and promoting sustainability.				
Innovations to achieve "NOLA & DOLA"	Percentage of products and services that contribute to liberation from various burdens and finding enjoyment in life.	Continue 100%	100%	2030
Practicing sustainable lifestyles	Percentage of products and services suitable for the "SDGs Theme Guideline," an internal guideline for contributing to sustainability.	9 projects	50%	2030
Construction of value chains that take account of sustainability	Percentage of products and services that use raw materials procured from local production for local consumption, thereby contributing to local economies based on the perspectives of the environment, society, and human rights.	Under development	Double (Compared to 2020)	2030
Improvement of customer satisfaction	Percentage of products and services supported by consumers (No. 1 market share).	23.4%	50%	2030
Provision of safe, reliable products	Percentage of products to which a new internal guideline for safety and quality has been set and certification has been granted.	Continue 100%	100%	2030

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(Safeguarding the well-being of society)

Development of products and services toward the realization of social inclusion so that everyone can lead a healthy and sanitary life comfortably



◆ Innovations to achieve “NOLA & DOLA”

Expand toward 2030



Development of products and services that contribute to liberation from various burdens and finding joy in life

➤ Face masks that quickly utilize UC's own technology after listening to hearing impaired and speech impaired persons



➤ The first diaper in the world that keeps mosquitoes away from diapers to protect babies from the threat of dengue fever *



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* The structure in which microcapsule containing natural active ingredient is applied to the tape part that holds diaper. Survey targets are disposable baby diapers with major global brands. (Survey by Unicharm, December 2020) 30

Key initiatives, indicators, and target values



◆ Safeguarding the well-being of our planet

Key initiatives	Indicators	Results	Mid- and long- term goals	
		2021	Target value	Target year
Our aim is to provide products and services that are sanitary and convenient, as well as contribute to activities that improve our planet's environment.				
Development of eco-friendly products	Number of products and services that implement "3Rs + 2Rs" based on Unicharm's unique approach.	Under development	10 or more	2030
Addressing climate change	Percentage of renewable energy used for business operations in total.	7.3%	100%	2030
Expanding our line of recycled models	Number of disposable paper diaper recycling facilities introduced.	Under development	10 or more	2030
Promotion of product recycling	Material recycling of non-woven products using recycling resources	Under development	Start of commercial usage	2030
Reduction of the amount of plastic materials used	Percentage of virgin plastics to total plastics.	Under development	Reduced by half (Compared to 2020)	2030

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◆ **Development of environmentally friendly products**



2030 Target
 More than 10
 cases



Number of products and services that implement 3Rs + 2Rs based on unique approach

- Paper package products using 100% recycled materials and products using plant-derived resources as part of the raw materials

- Declared to reduce plastic volume in sales promotion items in cooperation with Shiseido Japan Co., Ltd., Fine Today Shiseido Co., Ltd., and Lion Corporation



(Safeguarding the well-being of our planet)

Switch all electric power used at factories to green electric power* aiming to reduce CO₂ emission



◆ Addressing climate change



[Unicharm factories, aerial view]

- **Renewable power ratio 7.3%**
(as of the end of December 2021)

Top five nations	Percentage of renewable electric power
Brazil	100%
U.S.A	100%
Vietnam	About 11%
Thailand	About 13%
Japan	About 6%

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2030 Target
100%



Percentage of renewable electric power used for business operation

- **Offices with 100% of renewable electric power used**



Brazil
Jaguariuna Factory



US
(Hartz Pleasant Plain Factory)



Japan
Kyushu Factory



Japan
Toyohama Manufacturing Site³³

(Safeguarding the well-being of our planet)

Reduce waste disposal cost and environmental burden through recycling used disposable diaper



◆ Expand our line of recycle model



2030 Target
More than 10
cases



Number of disposable diaper recycling facilities introduced

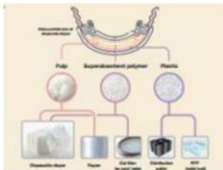
➢ Keep it safe and convenient, toward the future where recycling is the norm

Recycle
all materials

Cleaning used disposable
diapers to
**sanitary
material quality**

**No pollution
to water and air**
By ozone bleach and
sterilization

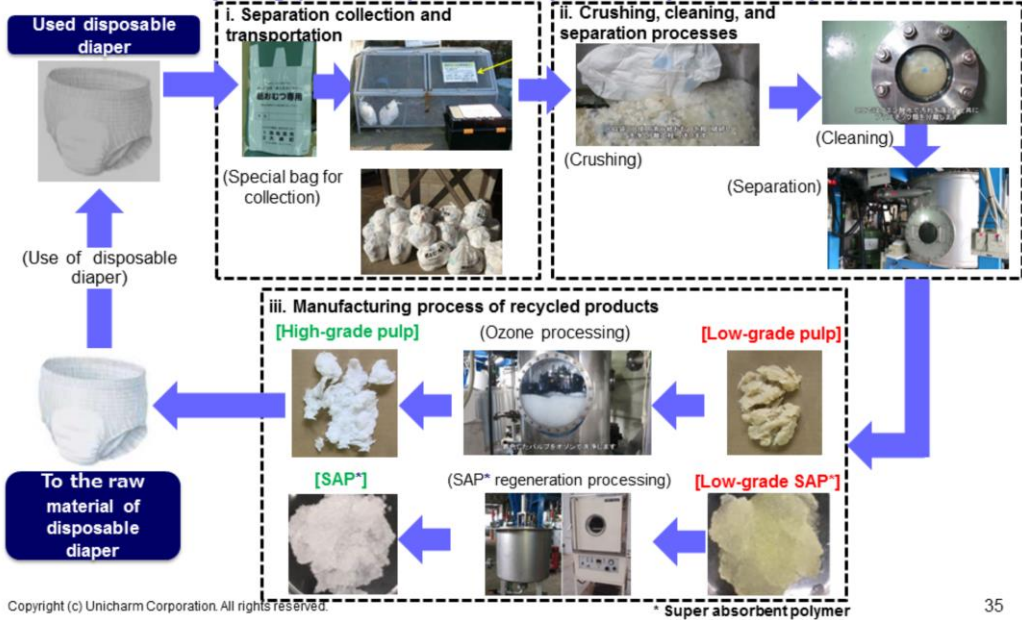
Approaching
**The future where
recycling is
the norm**



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Horizontal recycling (from disposable diaper to disposable diaper)



(Safeguarding the well-being of our planet)

Demo-project to promote recycling used disposable diapers



- Promote demo-projects of separate collection of used disposable diapers with municipalities and Odakyu Railway



<Demo-experiment diagram>

[Nursing homes, child day care centers,
general households]

[Collection]

[Recycling]



Sorting used disposable diaper



Efficient separate collection by municipalities and Odakyu Railway



Recycling Unicharm disposable diapers

Demo-project implemented in: Shibushi City, Ohsaki Town, Higashiyamato City

Through this demo-project, we will build a recycling-oriented model based on which the used disposable diaper recycling business can be rolled out in Japan and overseas and take measures while identifying the new issues.

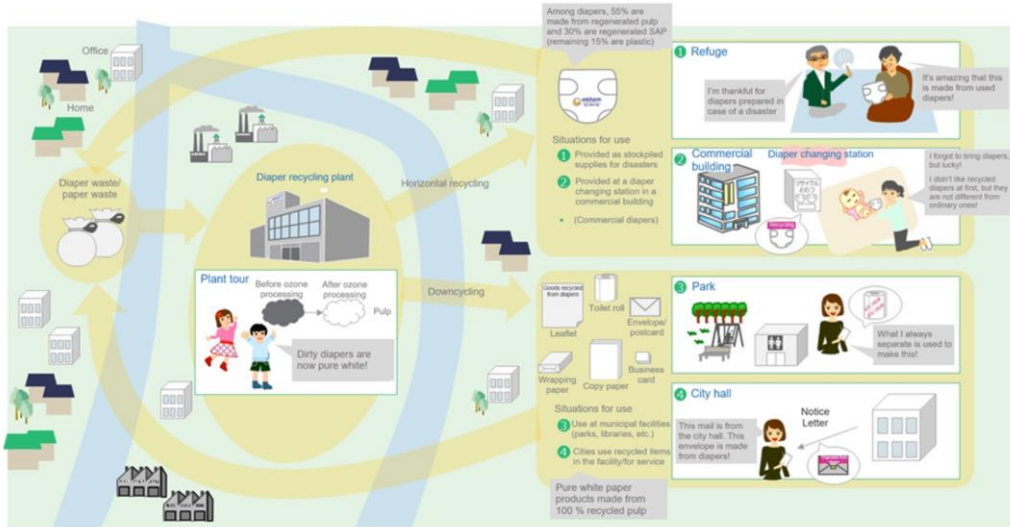
(Safeguarding the well-being of our planet)

Make more opportunities to experience recycling

Create the society where "Disposable diaper recycling is a natural matter"



➤ Future vision using recycled materials (image)



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(Safeguarding the well-being of our planet)

Released “An illustrated guide to recycling Unicharm disposable diapers” to promote recycling used disposable diapers



- Explain graphically how used disposable diapers are not garbage with four-step “Study Notes” that can be used as a material of independent research for elementary and middle school students.

Study Note ①

Unicharm's circulation-based recycling of disposable diapers



- Study Theme: What is circulation-based recycling?
- World first! Unicharm's diaper circulation-based recycling

Study Note ②

Diaper recycling technology



- Study Theme: How disposable diapers are made of?
- Study Theme: How ozone treatment restores pulp?
- Study Theme: How acid treatment restores super-absorbent polymer (SAP)?

Study Note ③

What happens to the used diapers if they are not recycled?



- Study Theme: Problems with current ways of disposing used disposable diapers
- Recycling used disposable diapers contributes to the United Nations Sustainable Development Goals (SDGs)

Study Note ④

Safeguarding the global environment by recycling diapers



- Study Theme: Benefits of recycling used disposable diapers
- How can we keep used diapers out of the “garbage”?

<https://www.unicharm.co.jp/ja/csr-eco/education.html>

(Safeguarding the well-being of our planet)

Promoting Three "0" by 2050

「0" waste plastic, "0" CO₂ emission, "0" natural forest destruction」



➤ 「Eco Plan 2030」

Environmental Targets 2030	Implementation Items		Base Year	2021 Targets	2021 Results	2022 Targets	2030 Targets	2050 vision
Responding to the problem of plastic waste	Reducing usage of packaging materials	Per unit of sales	2019*	-3%	-0.2%	-6%	-30%	Realizing a new society with zero plastic waste
	Selling products that contain no petroleum derived plastic	-	-	-	Development ongoing	Development ongoing	10 or more stock-keeping units (SKU) sold	
	Raising awareness about proper disposal of used products	-	-	30%	38% (8 countries)	45%	Rolled out at all Group companies	
	Eliminating the use of plastic in sales promotional items	Per unit of sales	-	-10%	-8.9% (Japan)	-20%	In principle, reduced to zero at all Group companies	
Responding to climate change	Reducing CO ₂ emissions associated with raw materials procurement	Per unit of sales	2016	-1.7%	9.7% (Japan)	-3.4%	-17%	Realizing a society with net zero CO ₂ emissions
	Reducing CO ₂ emissions in manufacturing	Per unit of sales	2016	-3.4%	-26.9%	-28.0%	-34%	
	Reducing CO ₂ emissions associated with disposal of used products	Per unit of sales	2016	-2.6%	23.7% (Japan)	-5.2%	-26%	
Not contributing to deforestation (response to procurement related issues)	Ensuring traceability to pulp and palm oil production locations (country/region)	-	-	Forest-derived raw materials: 98% [‡] Palm oil: 80%	Forest-derived raw materials: 97% [‡] Palm oil: 77%	Forest-derived raw materials: 95% [‡] Palm oil: 80%	Completed	Realizing a society with zero deforestation related to the purchasing of timber
	Expanding the use of certified pulp (PEFC [®] -3- and CoC-certified)	-	-	Percentage of certified factories: 50% [‡] Percentage of certified materials procured: 60% [‡]	Percentage of certified factories: 55% [‡] Percentage of certified materials procured: 70% [‡]	Percentage of certified factories: 60% [‡] Percentage of certified materials procured: 75% [‡]	100%	
	Expanding the use of certified palm oil (RSPO [®] -5-certified)	-	-	80%	77%	80%	100%	
	Promoting the recycling of used disposable diapers	-	-	-	Development ongoing	Development ongoing	Rolled out in at least 10 municipalities	

*1 We have updated our base year from 2016 to 2019 following a review in 2020.

*2 Percentage of raw materials derived from forest resources for which traceability has been established to their place of origin (country and region), in addition to third-party certified materials.

Forest-derived raw materials include pulp, tissue, separators, and airlaid pulp.

*3 Programme for the Endorsement of Forest Certification

*4 Percentage of Unicharm factories that have acquired CoC (chain of custody) certification

*5 Percentage of forest-derived raw materials including pulp, tissue, separators, and airlaid pulp that have acquired third-party certification

*6 Roundtable on Sustainable Palm Oil

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(Safeguarding the well-being of our planet)

Establish the platform to visualize GHG (Green House Gas) emissions



- Start the comprehensive GHG emission visualization project, including scope 3, with Deloitte Tohmatsu

Environmental Targets 2030	Implementation items		Base Year	2021 Targets	2021 Results	2022 Targets	2030 Targets	2050 vision
Responding to climate change	Reducing CO ₂ emissions associated with raw materials procurement	Per unit of sales	2016	-1.7%	9.7% (Japan)	-3.4%	-17%	Realizing a society with net zero CO ₂ emissions
	Reducing CO ₂ emissions in manufacturing	Per unit of sales	2016	-3.4%	-26.9%	-28.0%	-34%	
	Reducing CO ₂ emissions associated with disposal of used products	Per unit of sales	2016	-2.6%	23.7% (Japan)	-5.2%	-26%	



Aim to disclose GHG emissions by product to achieve net “zero” emissions of CO₂
 Build the GHG emission visualization platform, including CO₂ in the entire supply chain
 Promote the efforts for “response to climate change” more aggressively

Key initiatives, indicators, and target values



◆ Unicharm Principles

Key initiatives	Indicators	Results	Mid- and long- term goals	
		2021	Target value	Target year
Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.				
Management practices that take sustainability into account	Maintain and improve ratings by external evaluation agencies.	—	Highest level	Every year starting from 2026
	Number of serious human rights violations in the value chain.	Zero occurrences	Zero occurrences	Every year
Practice of appropriate corporate governance	Number of serious compliance violations.	Zero occurrences	Zero occurrences	Every year
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women.	14.4% in Japan 27.8% overseas	30% or more	2030
Fostering the development of competent human resources	Percentage of positive answers received for the "Growth through Work" employee awareness survey.	81.4%	80% or more	2030
Construction of healthier workplaces and workplace safety systems	Reduction in the percentage of employees on leave for mental or physical health reasons by improving the workplace environment so that employees can work with peace of mind and maintain mental and physical health.	6 people	Reduced by half (Compared to 2020)	2030

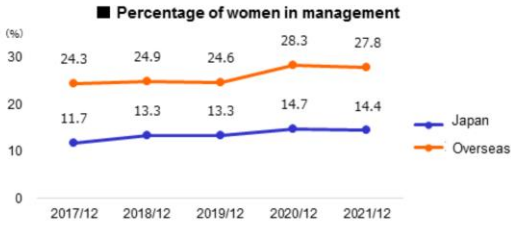
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(Unicharm Principles)
Strengthen initiatives toward women empowerment



◆ **Promotion of diversity management**



The ratio of female employees in managerial positions by providing various opportunities to female employees

➤ **Creating places where people talk about careers and concerns, with executive officers as mentors (Japan)**

➤ **Overcoming national and regional issues and providing employment opportunities for women (overseas)**

Room L+



Empowerment system



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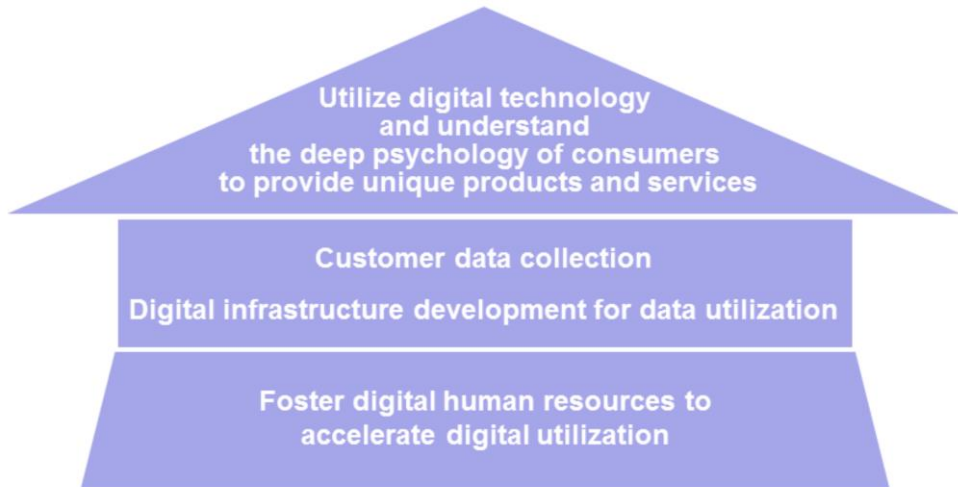
Fostering DX human resources toward new value creation

Utilize digital technology and create absolute value for consumers in order to realize sustainable improvement of corporate value and stronger competitiveness



Contribution to **SUSTAINABLE DEVELOPMENT GOALS**

Achieve a “Cohesive Society” (Social Inclusion)



Initiatives to foster global “DX human resources” to maximize customers’ life time value



- Global self-learning system through LinkedIn Learning



About
3,300 learners
(From Dec 2021 – Sep)

To acquire business, creative, technology and other skills

- Data science basic study sessions using e-learning (Japan)



Ten sessions
(From Jun 2022 – Sep)

To acquire data utilization techniques

- ID-POS analysis training using Python at Sales Division (Japan)



About
150 participants
(Sep 2022)

To acquire programming image and knowledge

- Basic training for digital human resources (Japan)



About
560 participants
(From Apr 2022 – Sep)

To improve operation efficiency and quality

Examples of initiatives using digital technology

Initiatives to foster “resonant personnel” who can realize “BOP Ship” on a global scale using digital technology



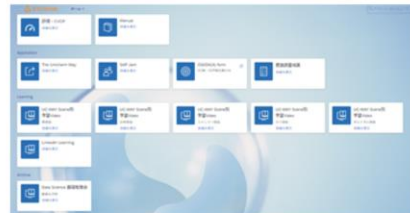
- “BOP-Ship”, Unicharm’s corporate culture that has been inherited from the establishment and evolving



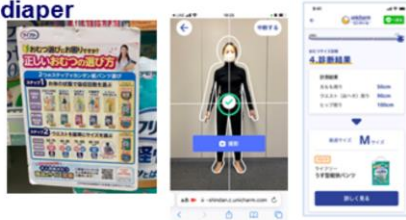
- Promote “Management with Resonance” with “The Unicharm Way” app



- Challenge to higher goals and strengthen the ability of human resource development with “KYOSHIN”, human resource development PF



- "Adult diaper counseling" that helps select the best choice of disposable diaper



- "Sofy menstruation management app" helps to address menstrual problems



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- Troubles about doggies and kitties are shared in DOQAT*



* DOQAT <https://doqat.jp/>

- "Online moony-chan class", "moony-chan toilet training app", and "Beddy-bye rhythm" can ease the anxiety about childbirth and childcare



Japan initiatives utilizing digital technology-2

- Develop health care support service for kitties through business and capital tie-up with RABO, Inc.*¹



*1 RABO, Inc. <https://rabo.cat/company/>

- Promote a good sleeping environment and appropriate care for babies through joint research with CHaiLD Co., Ltd.*³



*3 CHaiLD Co., Ltd. <https://c-c-s.jp/>

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- Accelerate the realization of a healthy childrearing environment through a capital and business alliance with FirstAscent Inc.*²



*2 A company that creates new services to enrich the childrearing environment with cutting-edge technology utilizing AI and IoT

- "Tebura Touen", which is a disposable diaper subscription service for nursery schools, can reduce the burden on parents and nursery teachers and infection risk



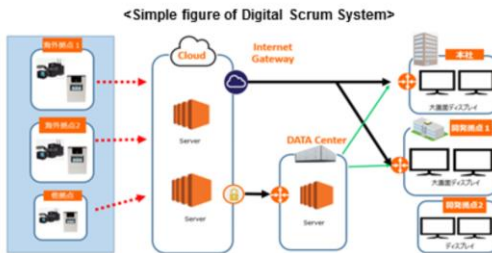
- Evolved value transmission through digital measures outside the store before visiting stores



- “Shop search system” can help find shops carrying products to improve customer satisfaction



- Developed “Digital Scrum System” to discover customer insights



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- The cutting-edge smart factory utilizes various automated equipment and IoT (Kyushu)



- Example of unmanned system through automation at the smart factory (Kyusyu)

Item	Effect (vs. existing factories)
Related to production instruction	100% automation
Related to management of material and warehouse	About 92% automation
Related to equipment operation	About 70% automation
Work for grasping weekly performance figures	About 90% automation
Work for performance input	100% automation

- Shifting to value-added work is promoted through the introduction of industrial robots, SCADA*, automated warehouse equipment, and the latest warehouse management system

Industrial robot



SCADA



Smart logistics



* Abbreviation of Supervisory Control And Data Acquisition
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Overseas initiatives utilizing digital technology



- Pet growth recording tool + O2O pet clinic introduction platform "Pet note"



宠本本
悉心记录 相伴一生

Health record



Health consultation



Health checkup



Clinic search



- An app "Sofy Girl Talk" that supports women's physiological knowledge and worries



MamyPoko CLUB



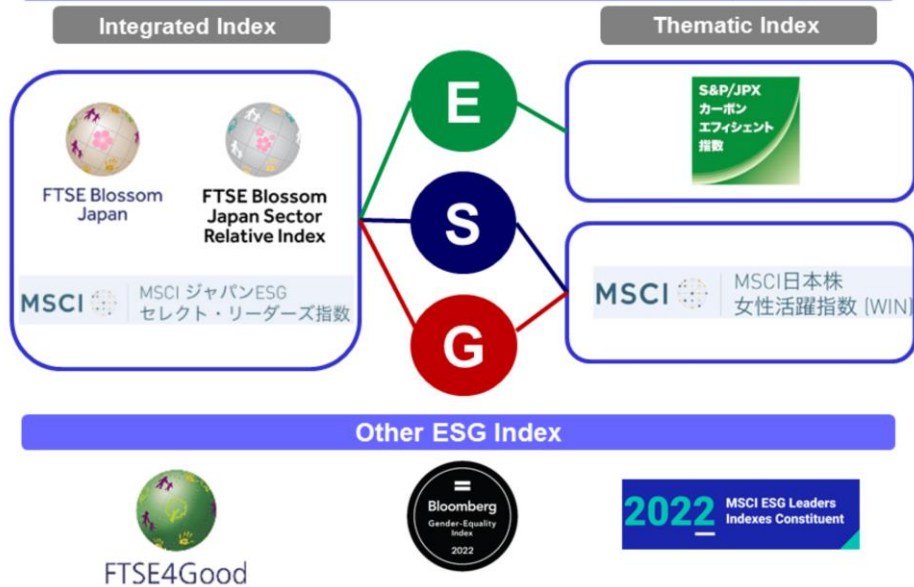
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Evaluation by external organizations and coordination with them










Selected in 5 ESG investment indices of stock composites adopted by GPIF



Evaluation by external organizations and coordination (FY 2022)



February	<p>Selected as a “DX-certified operator”  DX認定  Digital Transformation Certification</p> <p>Won 7th “Consumer-Oriented Activity Award” </p> <p>Selected as the “CDP 2021 Supplier Engagement Leader”</p>
March	<p>Won “Bronze Prize” in Environment Sustainable Corporate Segment of the 3rd ESG Finance Award Japan </p> <p>Certified as a “Health and Productivity Management Outstanding Organization (large enterprise category)” </p>
Apr	<p>Selected as the “Most Honored Company” of “2022 Japan Executive Team Ranking” by Institutional Investor</p>
May	<p>Won “Marine Transport Modal Shift Grand Prize” in Eco-ship modal shift excellent business 2021</p>
June	<p>Won “Excellent Award” in the 4th Platinum Career Award </p>
July	<p>Selected as a constituent of “SOMPO Sustainability Index” 2022 for eleven years in a row </p> <p>Won the “Advanced Technology Award” at the 23rd Logistics Environment Grand Prize</p>

Coordination with external organizations



WE SUPPORT

UN GLOBAL COMPACT

SUSTAINABLE DEVELOPMENT GOALS

JPX-NIKKEI 400

SMETA

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Sedex Member

CERTIFIED SUSTAINABLE PALM OIL
RSPO

FSC
The mark of responsible forestry
FSC® N002492

PEFC
PEFC® C144-1414

OEKO-TEX®
CONFIDENCE IN TEXTILES
STANDARD 100
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The Valuable 500

Myじんけん宣言
Declaration of Human Rights

パートナーシップ 構築宣言

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“Kyo-sei Life Vision 2030” Examples of initiatives related to important themes



Examples of initiatives	Results
“Urine incontinence care/excretion care” course	Urine incontinence care: 4 times in total (FY 2021)
	Excretion care: 38 times in total (FY 2021)
Online course “Lifree ‘Let’s Start from Today! Prevention and Care for Dementia”	Approx. 4,000 people (as of the end of Dec. 2021)
Number of times the video “Menstruation Study for Everyone” was provided https://www.sofy.jp/ja/campaign/minnanoseirikensyu.html	108 groups in total (FY 2021)
Number of registrations for “Sofy menstruation management app” https://jp.sofygirls.com/ja/teens/writer_period/writer_voice_04.html	Approx. 1,000,000 people (as of May 2022)
Education of first menstruation/period (including online)	India: approx. 35,000 people (FY 2021)
Education of first menstruation/period (mother-daughter learning sessions)	India: approx. 163 sessions, about 5,300 mother-daughter groups
Number of registrations for first menstruation site “Charm Girls Talk”	Indonesia: about 25,000 people (as of the end of Jan. 2022)
“Online moony-chan class” https://jp.moony.com/ja/campaign/school.html	10 times in total, approx. 10,000 people (as of the end of Dec. 2021)
Nursery schools using “Tebura-touen (service delivering diapers to nursery schools so that parents don’t have to bring diapers)”	More than 1,600 schools (as of the end of Jul. 2021)
Number of registrations with “DOQAT”, Q&A service for partner animals (pets) https://doqat.jp/	Approx. 23,000 people (as of the end of Dec. 2021)

