

Third Quarter of Fiscal Year  
Ending December 31, 2023  
(Jan 1, 2023 to Sep 30, 2023)  
Unicharm Investor Meeting  
Presentation Materials

November 7, 2023

Unicharm Corporation



My name is Hirotatsu Shimada of Unicharm.

Thank you for taking time out of your busy schedule today to participate in the Unicharm Corporation Web Conference for Q3 FY2023.

Let me begin with a explanation of the contents.

**Third Quarter of Fiscal Year  
Ending December 31, 2023  
(January 1, 2023 to September 30, 2023)  
Financial Performance Summary**

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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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The first is a summary of the financial results for Q3 of the fiscal year ending December 31, 2023.

Third Quarter of Fiscal Year Ending December 31, 2023  
(January 1, 2023 to September 30, 2023)  
Financial Results Summary



**Consolidated**

**Sales** 687.4 billion JPY (YoY +5.0%)  
**Core operating income** 92.7 billion JPY (YoY +1.2%)

- Sales hit a record high in the cumulative third quarter.
- Progress on performance forecast is that sales and core operating income are delayed, and bottom line is as expected.

**Japan**

**4.5% sales increase, 8.8% profit increase**

- Pet Care Business led the business in Japan with penetration of value-shifting.
- Sales and profit increased in WellnessCare excluding face mask and Feminine Care Business with advancement of value-shifting.
- Sales and profit increased with the effect of value-shifting in Baby Care Business. Profitability keeps improving.

**Overseas**

**5.3% sales increase, 5.4% profit decrease**

- Sales and profit increased in Asia. Strong performance continued and sales and profit increased in India. Strong performance of Feminine Care Business continued in Indonesia. Profit decrease is caused by mainly China business decline. Thai performance which was the challenge in the first half improved.
- Sales and profit increased in other regions. Strong performance continued in North America. Profitability was established with continued high growth in Brazil. The performance in Middle-East improved.

**Shareholder  
Return**

**Yearly dividend 40 yen per share**  
**Increased dividend for 22 consecutive years**

- Purchase of own shares: purchased 17 billion yen, 3,080 thousand shares, as planned.

Please see page three of the document.  
Here is a summary of Q3 of FY ending December 31, 2023.

**Sales hit a record high  
sales and profit increased in the cumulative third quarter**



● Consolidated account highlights  
(From Jan. to Sep.)

	3Q of FY Ended Dec. 31, 2022	3Q of FY Ending Dec. 31, 2023	Gap(yen)	Gap(%)	(Forecast) FY Ending Dec. 31, 2023	Achievement (%)
Net sales	6,545	<b>6,874</b>	+329	+5.0%	9,635	71.3%
Core operating income (margin-%)	917 (14.0%)	<b>927</b> <b>(13.5%)</b>	+11	+1.2% <b>(-0.5P)</b>	1,410 (14.6%)	65.8%
Profit before tax (margin-%)	914 (14.0%)	<b>1,010</b> <b>(14.7%)</b>	+96	+10.5% <b>(+0.7P)</b>	1,375 (14.3%)	73.5%
Profit attributable to owners of parent company (margin-%)	525 (8.0%)	<b>610</b> <b>(8.9%)</b>	+85	+16.2% <b>(+0.9P)</b>	809 (8.4%)	75.4%
EBITDA (profit before tax + depreciation/ amortization)	1,236	<b>1,328</b>	+92	+7.4%	1,795	74.0%
Base earnings per share (JPY)	88.10	<b>102.99</b>	+14.89	+16.9%	137.06	75.1%
USD Rate (JPY)	128.05	<b>138.11</b>	+10.06	+7.9%	130.00	—
CNY Rate (JPY)	19.35	<b>19.61</b>	+0.26	+1.3%	19.20	—

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Now, please proceed to page four. These are the highlights of the consolidated financial results.

For Q3 of the fiscal year ending December 31, 2023, net sales increased by 5% to JPY687.4 billion, marking the sixth consecutive year of record highs for the nine-month period, and core operating income increased by 1.2 percent to JPY92.7 billion.

In Q3, raw material costs remained high due to the strong dollar and weak local currencies, despite the decline in raw material unit prices since July.

Against this backdrop, the gross profit margin improved further from Q2, mainly due to continued efforts to pass on the value of high value-added products, resulting in a core operating profit margin of 13.5%. Although the profit margin is still lower than in H2 of the previous year, it is steadily improving each quarter.

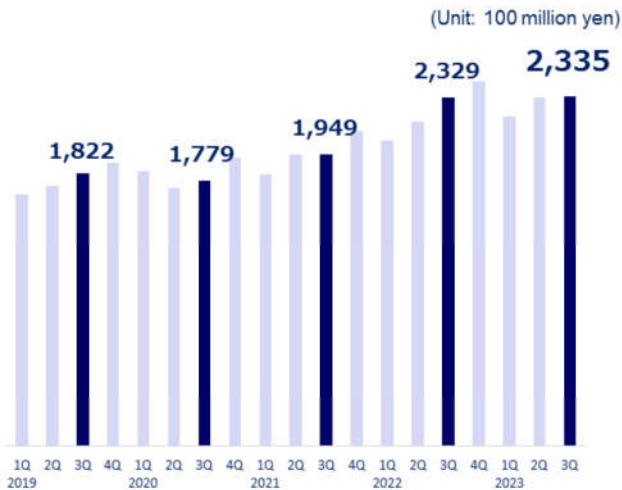
As for the consolidated earnings forecast, as shown on the right-hand side of the table, progress in net sales and core operating income has been delayed, but progress in net income attributable to owners of the parent company has so far been on the expected line because of the receipt of the insurance payment in India.

Details of our business performance and the progress of our business forecast are explained on next page and thereafter.

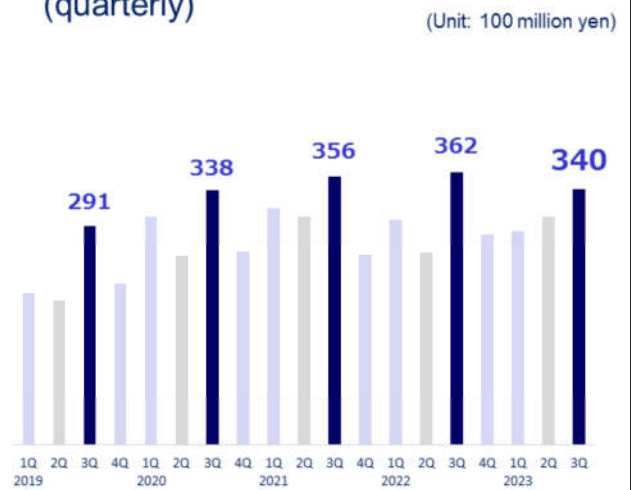
Sales grew steadily at high level with continued value-shifting  
 Profitability improved with value-shifting after bottoming out  
 in the fourth quarter (from Oct. to Dec.) of FY2022



● Sales trend (quarterly)



● Core operating income trend (quarterly)



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See page five.

This is the quarterly performance trend.

The products we handle are daily necessities, and we have been able to achieve stable sales growth while promoting continuous value shifting, resulting in another record high sales for Q3.

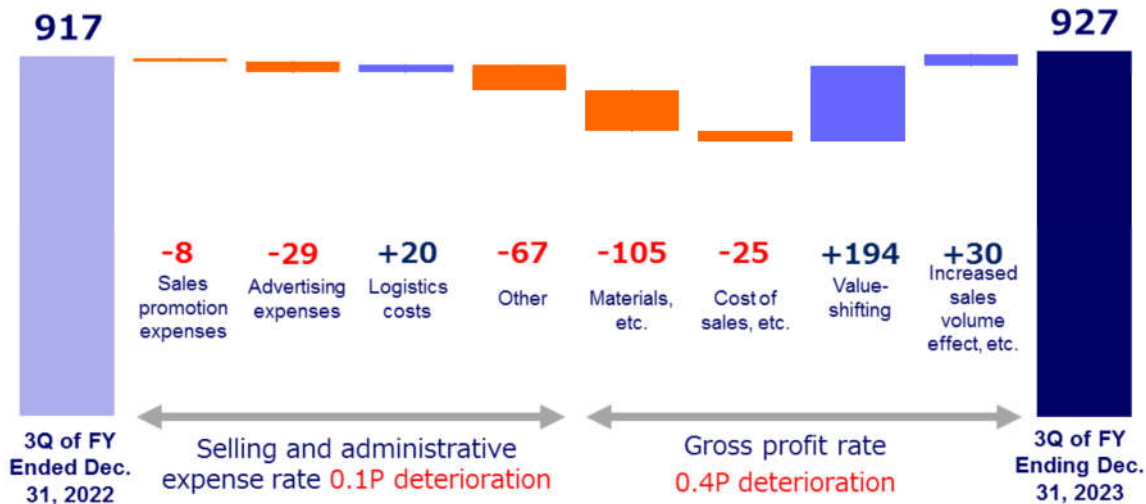
In this Q3, profit decreased due to a temporary decline in earnings in China, but the gross profit margin steadily improved due to continued promotion of value shifting mainly in Japan and cost reductions in raw material costs, which reversed in H2.

Core operating income increased by 1 billion JPY as a result of absorbing cost rises such as raw materials by continuing value-shifting



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

(Unit: 100 million yen)



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Please see page six of the document. Next is the change in core operating income. SG&A expenses as a percentage of net sales deteriorated by 0.1 percentage points, and since the portion of expenses that increased in line with higher revenues was also part of the increase, overall SG&A expenses increased by approximately JPY8.4 billion.

Within this amount, advertising expenses increased by JPY2.9 billion. In the process of penetrating value shifting, this was mainly due to further brand awareness advertising Japan pet care, Indonesia and North America pet care, and other markets. Next, other expense items increased by JPY6.7 billion, with personnel expenses increasing the most, followed by outsourcing expenses, R&D expenses, travel and transportation expenses, and market research expenses.

On the other hand, distribution costs decreased as the ratio to net sales improved by 0.6 percentage points. Among others, unit price increases due to value shifting in Japan resulted in lower shipment volumes and improved distribution ratios.

Next, regarding items related to gross profit, although the depreciation of the local currency further weakened raw material-related items, raw material unit prices declined from July, resulting in cost reductions during the three-month period from July to September.

As a result, gross profit improved from a decrease of approximately JPY12.5 billion in H1

to a decrease of approximately JPY10.5 billion.

In absorbing these costs, we were able to absorb raw material-related costs by raising value through the continuous development of value-added products in Japan, India, Indonesia, Brazil, and other countries, and through the penetration of value shifting.

Pet Care, Baby Care and Wellness Care Business led sales and profit increase with value-shifting penetration in Japan  
 Profit decreased in Asia due to temporary decline in China, on the other hand, most of other Asian countries made  
 steadily progress  
 Other regions were driven by persistent profitability in Brazil, sustainable effect of value-shifting in North America and  
 improvement in Middle East.



● Geographical segment information  
 (from Jan. to Sep.)

(Unit: 100 million yen)

		3Q of FY Ended Dec. 31, 2022	3Q of FY Ending Dec. 31, 2023	Gap (yen)	Gap(%)	(Ref.) *1 Actual gap rate
Japan	Net sales	2,207	<b>2,307</b>	+100	+4.5%	—
	Core operating income (margin-%)	415 (18.8%)	<b>452</b> <b>(19.6%)</b>	+36	+8.8% (+0.8P)	—
Asia	Net sales	3,163	<b>3,247</b>	+84	+2.6%	-0.8%
	Core operating income (margin-%)	399 (12.6%)	<b>335</b> <b>(10.3%)</b>	-64	-16.1% (-2.3P)	-19.2%
*2 Others	Net sales	1,175	<b>1,320</b>	+145	+12.3%	+6.8%
	Core operating income (margin-%)	101 (8.6%)	<b>138</b> <b>(10.5%)</b>	+37	+37.2% (+1.9P)	+27.2%
Consolidation	Net sales	6,545	<b>6,874</b>	+329	+5.0%	+2.3%
	Core operating income (margin-%)	917 (14.0%)	<b>927</b> <b>(13.5%)</b>	+11	+1.2% (-0.5P)	-1.3%

[Actual gap rate of sales in main countries] \*based on management accounting  
 China -10% Indonesia +5% Thailand -6% India +14% Vietnam -2% Middle East +7% North America +3% Brazil +39%

\*1 : Actual gap rate excluding exchange effects

\*2 : Others: Main regions are North America, Saudi Arabia, Brazil and the Netherlands

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Next, please see page seven of the document. This is the geographic segment information.

In Japan, net sales increased by 4.5% and income by 8.8%, and the core operating income margin improved by 0.8 percentage points to 19.6% as a result of the penetration of value shifting, despite the impact of the sharp rise in raw material prices due to the weak yen and other factors.

In H2, the rise in raw material prices peaked out in July, but costs still continued to rise due to the further depreciation of the yen compared to last year.

Although COVID-19 has reclassified to category 5 under the Infectious Diseases Act continued to reduce the sales floor for masks, resulting in a decline in earnings, the increase in earnings was due to value shifting as planned in pet care, baby care, and wellness care, which have been ongoing since last year.

Among them, pet care continued its high 10% sales growth from H1, while baby care posted high single-digit sales growth, and wellness care, excluding masks, also grew in the low single-digit percentage range to drove Japan performance.

Next, I would like to discuss the Asian region. In Asia, net sales increased 2.6%, core operating income decreased 16.1%, and core operating margin was 10.3%. In major Asian countries as well, while affected by soaring raw material prices, we were able to proceed with value shifting almost as planned, although there were some adjustments



in selling prices in some areas. However, a temporary performance slowdown in China had a negative impact, resulting in higher sales and lower profits.

As for that China, while feminine care saw its inventory decline in Q1 due to distribution inventory compression, the re-expansion of COVID-19 occurred toward the end of June, and deliveries were greatly advanced in response, resulting in an increase in distribution inventory. As a result, from July onward, distribution inventories were compressed more than before due to economic uncertainty and other factors, and deliveries did not proceed as expected.

On the other hand, OTC sales grew in the low single-digit range and market OTC share remained stable. Similarly, in baby care, where structural reforms were underway, there were inventory adjustments, but growth was maintained with respect to sales of premium products from China.

In any case, we believe that the impact on earnings will be temporary, as this time it is mainly due to the distribution inventory, which continues to grow in the stores.

Meanwhile, in the rest of Asia, India continued to perform well, and the profit contribution of feminine care, a new growth driver, was also seen. In Indonesia, value shifting through value-added products in feminine care also progressed steadily.

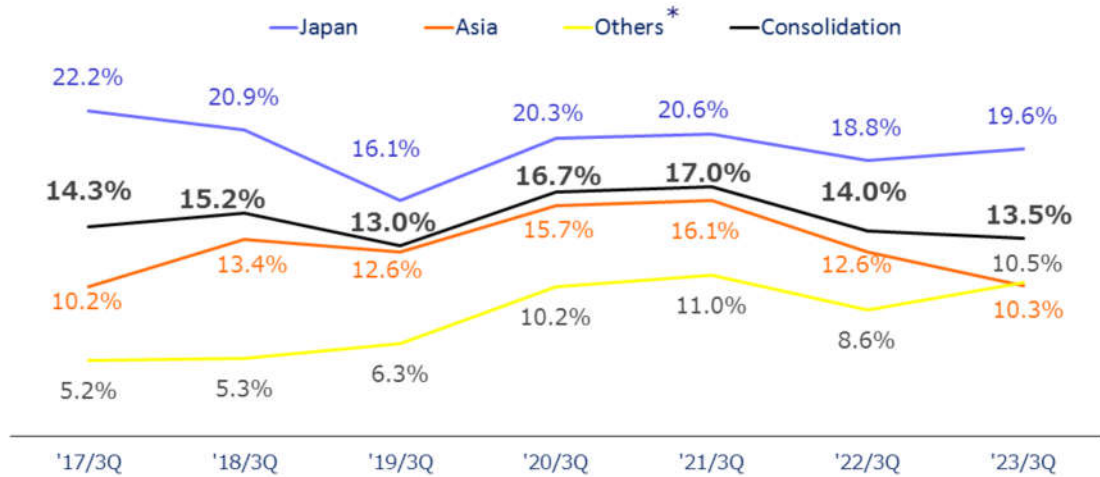
Finally, for other regions, net sales increased 12.3%, core operating income grew 37.2%, and the core operating margin improved 1.9 percentage points to 10.5%. This was driven by Middle East, Brazil, and Pet Care in North America.

As for the Middle East, the implementation of competitive value shifting, mainly in baby care, since Q2 has led to a significant improvement in Q3, putting us on a growth trajectory, including both domestic and overseas exports in Saudi Arabia.

As for Brazil, amid soaring raw material prices, we aggressively invested in advertising, especially in baby care, and strengthened our distribution while promoting value shifting, resulting in continued high growth in the top line, and profitability was firmly established.

With regard to pet care in North America, growth slowed temporarily in Q2 due to adjustments in distribution inventories, but demand has recovered since July, and we continued to see strong sales of high value-added transfer products such as cat treats from last year, resulting in high profitability and improvement.

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



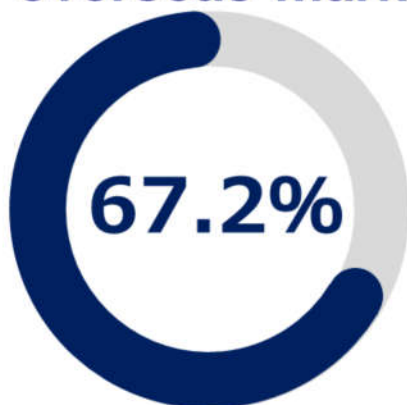
\* Others: Main regions are North America, Saudi Arabia, Brazil and the Netherlands

Next, please look at page eight of the document. This is the graph of core operating profit margin by geographic area.

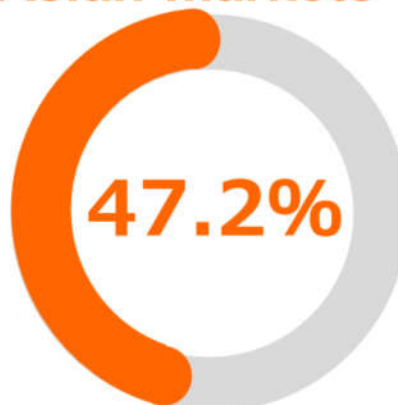
In the current quarter, the core operating profit margin for the cumulative period on a consolidated basis did not improve due to a temporary decline in business performance in China. However, the gross profit margin for the period under review has been steadily improving after bottoming out in Q4 of last year due to the cost reduction effect of opening the peak period of raw material price hikes and the progress of value shifting mainly to Japan, despite the decline in China.

As a result, core operating margin also improved. From Q4 through the next fiscal year, we will continue to build a high profitability base by expanding the penetration of continuous value-added product development.

- Sales ratio of overseas markets



- Sales ratio of Asian markets



Please see page nine of the document.  
This is the ratio of overseas sales.  
Overseas sales accounted for 67.2% of the total.

Although strong sales continued in Personal Care Business mainly in Japan, decline of face mask sales and temporary business slowdown in China caused profit decrease  
 Pet Care Business led sales and profit increase thanks to the effect of value-shifting penetration, and investment increased in China and South-East Asia



(Unit: 100 million yen)

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

		3Q of FY Ended Dec. 31, 2022	3Q of FY Ending Dec. 31,2023	Gap (yen)	Gap (%)
Personal Care	Net sales	5,602	<b>5,801</b>	+199	+3.6%
	Core operating income (margin-%)	792 (14.1%)	<b>750</b> <b>(12.9%)</b>	-42	-5.3% (-1.2P)
Pet Care	Net sales	888	<b>1,013</b>	+125	+14.1%
	Core operating income (margin-%)	121 (13.6%)	<b>175</b> <b>(17.3%)</b>	+54	+44.6% (+3.7P)
Others *	Net sales	56	<b>60</b>	+4	+7.4%
	Core operating income (margin-%)	3 (6.1%)	<b>2</b> <b>(3.2%)</b>	-2	-44.3% (-2.9P)
Consolidation	Net sales	6,545	<b>6,874</b>	+329	+5.0%
	Core operating income (margin-%)	917 (14.0%)	<b>927</b> <b>(13.5%)</b>	+11	+1.2% (-0.5P)

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

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Please look at page 10. This is business segment information.

As for the increase in sales and decrease in profit in personal care, as reported earlier in the geographic segment, we made good progress in value shifting, especially in Japan, and were able to absorb cost increases, such as the sharp rise in raw material prices.

However, the decline in mask performance in Japan and a temporary drop in performance in China had a significant impact, resulting in lower income.

In the pet care business, both sales and income increased, offsetting a decline in income from personal care. As for the details, as mentioned earlier, Japan's penetration and expansion of value shifting absorbed the impact of the sharp rise in raw material prices, resulting in a significant increase in sales and profit, which drove our business performance. In addition, North America continued to see increases in both sales and income.

In other areas, we are actively investing in China and Southeast Asia, such as Thailand and Indonesia. Also, we are preparing for business expansion, so we are in a situation where expenses are ahead of schedule.

**Impact of foreign exchange fluctuations:  
 Approx. 17.5 billion JPY increase in sales and  
 approx. 2.2 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, 2022	Exchange rate for 3Q of FY ending December 31, 2023	Rate change
China (CNY)	19.35	<b>19.61</b>	+1.3%
Indonesia (IDR)	0.0088	<b>0.0092</b>	+4.5%
Saudi Arabia (SAR)	34.17	<b>36.87</b>	+7.9%
Thailand (THB)	3.70	<b>4.01</b>	+8.4%
India (INR)	1.66	<b>1.69</b>	+1.8%
Vietnam (VND)	0.0056	<b>0.0058</b>	+3.6%
USA (USD)	128.05	<b>138.11</b>	+7.9%
Netherland (EUR)	135.95	<b>149.62</b>	+10.1%
Taiwan (TWD)	4.38	<b>4.47</b>	+2.1%
South Korea (KRW)	0.1010	<b>0.1063</b>	+5.2%
Malaysia (MYR)	29.46	<b>30.59</b>	+3.8%
Australia (AUD)	90.38	<b>92.36</b>	+2.2%
Brazil (BRL)	25.01	<b>27.62</b>	+10.4%
Egypt (EGP)	7.15	<b>4.51</b>	<b>-36.9%</b>

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Please see page 11 of the document. This is the effect of exchange rate fluctuations in each currency.

Due to changes 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 JPY17.5 billion versus Q3 FY2023. In addition, core operating income benefited from an increase of approximately JPY2.2 billion.

## **Summary of Progress on Performance Forecast FY Ending December 31, 2023**

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Next I would like to explain about the progress on performance forecast for FY2023 ending December 31, 2023

Consolidated

**Sales 963.5 billion JPY** (YoY +7.3%)  
**Core operating income 141 billion JPY** (YoY +17.9%)

【Progress】

- Progress on sales and core operating income margin is slower than expected.
- Value-shifting is penetrated and cost burdens are eased from the third quarter, the issue is temporary underperformance in China.

【Third quarter topics】

- Gross profit rate was improved after bottoming out in the fourth quarter of FY2022 (4Q'22 34.8%→1Q 35.1%→2Q 37.3%→3Q 38.0%)
- Sales and profit increased more than expected by advancing value-shifting in spite of face mask sales decline in Japan.
- The impact of increased distribution inventory in June was more than expected and performance dropped in China.
- Sales and gross profit rate improved with advancement of value-shifting in India, Brazil and Pet Care Business in North America.
- Profitability is sustained in India even with prior investment for Feminine Care and Wellness Care Business.
- The performance improved in Thailand and Vietnam despite of decreased birth rate and competition.

【Toward performance forecast achievement】

- Penetrate and expand value-shifting thoroughly in Japan, India, Indonesia, Brazil, etc. in the fourth quarter.
- Increase topline sales by balancing product value (price) and quantity in line with external environment.
- Continue growth by penetrating and advancing value-shifting in Japan with strong performance.
- Increase market share through accelerating liquidation of distribution inventory with appropriate expenses in China.
- Increase contribution of Feminine Care and Wellness Care Business, and expand high margin products of Baby Care in Thailand.
- Reduce cost as resource prices being stable.

See page 13. This is a summary of the progress of the consolidated earnings forecast.

As we have explained, we are in a difficult situation, as we are behind our earnings forecast due to declining performance in China and other factors. Please see the following information on topics for Q3. Gross profit margins are steadily improving, mainly in Japan, as value shifting has become more widespread. Excluding the case of China, other countries and regions are also performing within expectations, and Thailand and Vietnam, which were issues in Q2, are also showing improvement.

In response to this, although a month has already passed, the current cost burden has eased as we steadily implement the penetration of value shifting in each country and region in order to achieve our earnings forecast. We will continue to strive for top-line growth and expansion while keeping a close eye on the external environment and maintaining a balance between product value and volume.

In the short term, the key will be how efficiently we can handle the digestion of distribution inventory in China. Since growth in the OTC market is stable, we will strive to restore growth at a reasonable cost, not through excessive marketing investment, and to expand our market share.

## Plan to hit a record high in sales and all profit items



### ● Consolidated account highlights (from Jan. to Dec.)

(Unit: 100 million yen)

	FY Ended Dec. 31, 2022	FY Ending Dec. 31, 2023	Gap (yen)	Gap (%)	(Ref) *1 Actual gap rate
Net sales	8,980	<b>9,635</b>	+655	+7.3%	+8.4%
Core operating income (margin-%)	1,196 (13.3%)	<b>1,410</b> <b>(14.6%)</b>	+214	+17.9% (+1.3P)	+18.1%
Profit before tax (margin-%)	1,157 (12.9%)	<b>1,375</b> <b>(14.3%)</b>	+218	+18.8% (+1.4P)	
Profit attributable to owners of parent company (margin-%)	676 (7.5%)	<b>809</b> <b>(8.4%)</b>	+133	+19.7% (+0.9P)	
Basic earnings per share (JPY)	113.61	<b>137.06</b>	+23.45	+20.6%	

\*1 Actual gap rate excluding exchange effects

Please see page 14 of the document.

These are the highlights of the consolidated financial forecast for the year ending December 31, 2023.

The contents are as explained earlier, therefore, I will omit explanations.



## Shareholders Return Policy

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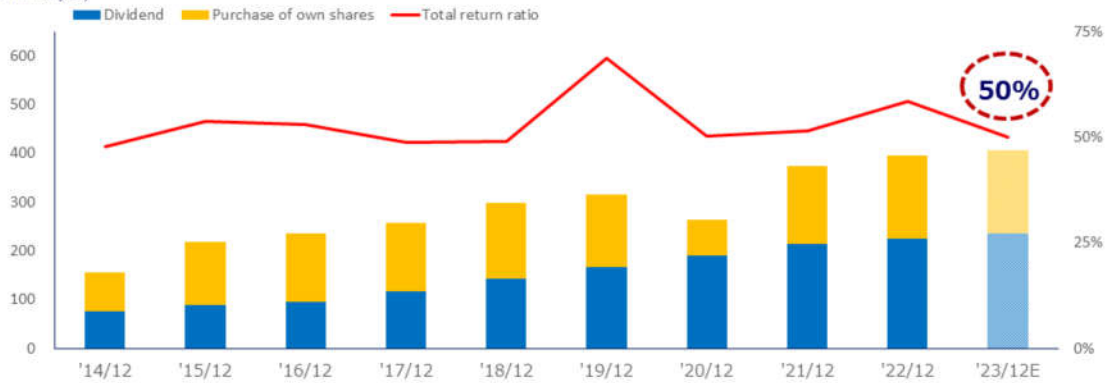
Next, I will explain our shareholder return policy.

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 2023



● Shareholders return policy

(Unit: 100 million yen)



We are aiming at returning profits to our shareholder **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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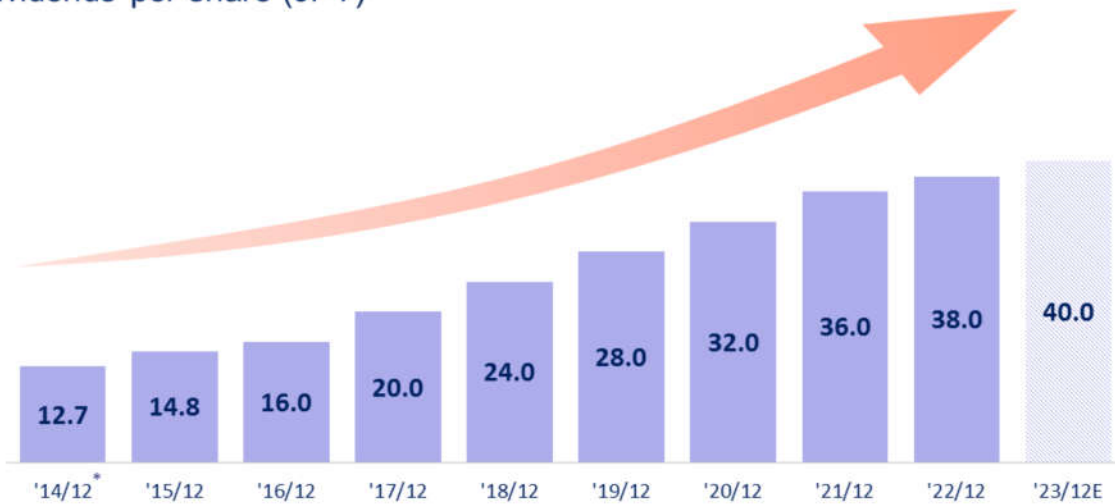
See page 16.

Regarding our shareholder return policy, we will prioritize business investment to realize sustainable growth, while paying stable and continuous dividends based on medium- to long-term consolidated earnings growth. In addition, we plan to flexibly implement share repurchases as necessary to achieve a total return ratio of 50% in FY2023.

**Dividend per share**  
**Plan to increase dividend for 22 consecutive years (40 yen a year)**



● Dividends per share (JPY)



\* Irregular accounting period of 9 months

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Please see page 17 of the document.

We will now talk about dividends per share.

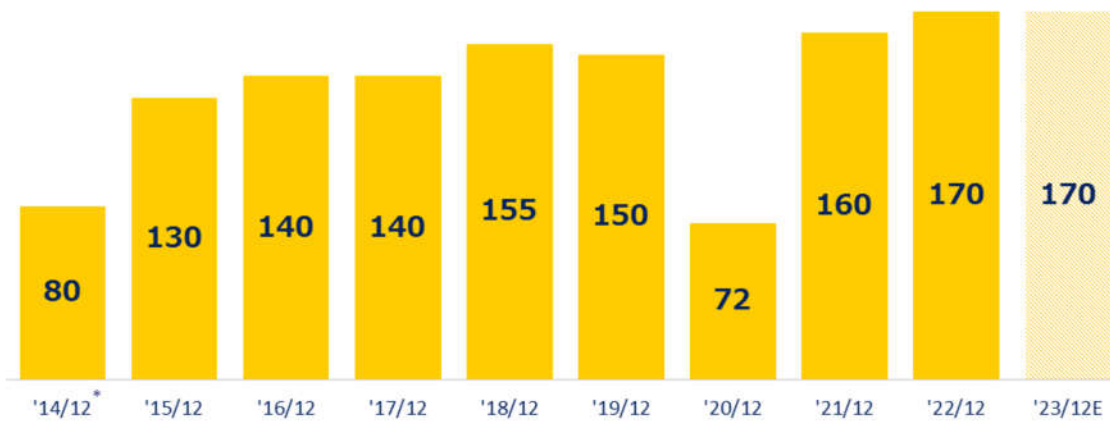
The dividend per share at the end of Q2 FY2023 has been increased by JPY1 to JPY20 per share as planned, and the Company has resolved to pay a dividend of JPY20 per share.

The year-end dividend per share will also be increased by JPY1 to JPY20.

Flexible purchase of own shares depending on the cash condition  
Purchase 17 billion JPY (3.08 M shares) in 2023 as planned



● Share buy-back history (100 million JPY)



\* Irregular accounting period of 9 months

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Next, please see page 18. This is the change in share repurchases.

In FY2023, the Board of Directors approved a resolution in February to acquire up to 3.9 million shares at a maximum acquisition cost of JPY17 billion, and by the end of September, the Company had acquired JPY17 billion as planned. We will continue to consider the return of profits to shareholders as one of our important management policies by paying stable and continuous dividends together with share buybacks and strive to increase corporate value through sustainable cash flow generation.

From page 19 of the document, I will explain the progress of our initiatives for medium- and long-term ESG targets, which I have also explained to you, but due to time constraints, I will omit the explanation.

This concludes the presentation of the financial results for Q3 of the fiscal year ending December 31, 2023.

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

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◆ 20 key themes with the goal in 2030



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

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

## Key initiatives, indicators, and target values



### ◆ Safeguarding the well-being of individuals

Key initiatives	Indicators	Results		Mid- and long- term goals	
		2021	2022	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%	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%	Continue 100%	100%	2030
Coexistence with pets	Percentage of products and services that contribute to the realization of a society where pets are welcomed by family members and community residents.	Continue 100%	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%	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%	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



### ➤ Supporting independent excretion by developing unique products that match the user's ADL (activities of daily living)



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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



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

日ウーマン 経エンパワーメント

ACC

#UNSTEREOTYPE ALLIANCE

TOKYO CREATIVITY AWARDS

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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

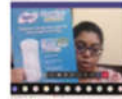
▶ 参加企業数急増中(詳しくはこちら)

Number of training videos provided:  
Approx. 400 companies and organizations  
(As of end of June 2023)

さらけだ荘

TikTok views:  
Approx. 6 million  
(As of end of June 2023)

### ➤ Promote women empowerment support globally



Menarche education

Participants:  
Approx. 571,000 in India  
(As of end of June 2023)



Female Entrepreneur Creation Project

Pink Ribbon Campaign:  
2023 is the 16th year in Japan



Culturally sensitive plant dedicated to women

(Safeguarding the well-being of each individual)

## Unique new value proposals that match the characteristics of each country and region



- Underwear-like type that reduces the anxiety of leaks, and a napkin that focuses on warmth (developed by China subsidiary)



- Cool napkin that feels less dampness and a cool, refreshing feeling and type of napkin that contains charcoal (developed by Thailand subsidiary)



- Napkin featuring anti-bacterial sheet (developed by Indian subsidiary) and napkin containing olive oil (developed by Saudi Arabia subsidiary)



- A sheet for checking the timing for pregnancy and a product that can be used together with a napkin that combines ease of use, security, and relationships (developed by Japan)



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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



◆ Coexistence with pets



Year 2030 Goal  
Continuation  
of 100%



Development of products and services that enable pets to be welcomed by people

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



➤ Toiletry products utilizing non-woven and absorbent core processing and molding technologies, and "Go with Doggie", a service that allows you to go out with your dog



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© HOKKAIDO NIPPONHAM FIGHTERS

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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



Year 2030 Goal  
Continuation  
of 100%



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

➤ “Tebura Toen”, a subscription service (fixed charge system) for nursery schools can reduce the burden on parents and child care workers, as well as infection risk

➤ Unique products that meet the needs of each country and region



Over 3,600 locations in 47 prefectures (As of June 2023)



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◆ Improvement of public hygiene



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



Year 2030 Goal  
Continuation  
of 100%



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

- Boost high value-added masks development globally



## Key initiatives, indicators, and target values



### ◆ Safeguarding the well-being of society

Key initiatives	Indicators	Results		Mid- and long- term goals	
		2021	2022	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%	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.	100%*	10.5%	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	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%	23.6%	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%	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”



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



➤ World's first\* disposable diapers that keep mosquitoes away from diapers and protect babies from the threat of dengue fever, with the addition of an affordable pants type to support areas at high risk of infection



\* The tape part is coated with microcapsules containing fragrance. Target infant disposable diapers for major global brands. (Based on Unicharm research, February 2020)



## Key initiatives, indicators, and target values



### ◆ Safeguarding the well-being of our planet

Key initiatives	Indicators	Results		Mid- and long- term goals	
		2021	2022	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	2	10 or more	2030
Addressing climate change	Percentage of renewable energy used for business operations in total.	7.3%	11.0%	100%	2030
Expanding our line of recycled models	Number of disposable paper diaper recycling facilities introduced.	Under development	1	10 or more	2030
Promotion of product recycling	Material recycling of non-woven products using recycling resources	Under development	Under development	Start of commercial usage	2030
Reduction of the amount of plastic materials used	Percentage of virgin plastics to total plastics.	Under development	Under development	Reduced by half (Compared to 2020)	2030

(Safeguarding the well-being of our planet)

Promoting Three "0" by 2050

「"0" waste plastic, "0" CO<sub>2</sub> emission, "0" natural forest destruction」



➤ 「Eco Plan 2030」

Environmental Targets 2030	Implementation Items		Base year	2021 Results	2022 Results	2023 Targets	2030 Targets	2050 Vision
Responding to the problem of plastic waste	Reducing usage of packaging materials	Per unit of sales	2019 <sup>※1</sup>	▲0.2%	▲12.3%	▲14.0%	▲30%	Realizing a new society with zero plastic waste
	Selling products that contain no petroleum derived plastic	—	—	Development ongoing	Development ongoing	Development ongoing	10 or more stock-keeping units (SKU) sold	
	Raising awareness about proper disposal of used products	—	—	33% (8 countries / regions)	50% (8 countries / regions)	58%	Rolled out at all Group companies	
	Eliminating the use of plastic in sales promotional items	—	2019	▲8.9% (Japan)	▲81.5% (Japan)	▲90%	In principle, reduced to zero at all Group companies	
Responding to climate change	Reducing CO <sub>2</sub> emissions associated with raw materials procurement	Per unit of sales	2016	9.7% (Japan)	▲12.0% (Japan)	▲14.3% (Japan)	▲17%	Realizing a society with net zero CO <sub>2</sub> emissions
	Reducing CO <sub>2</sub> emissions in manufacturing	Per unit of sales	2016	▲26.9%	▲35.2%	▲38.0%	▲34%	
	Reducing CO <sub>2</sub> emissions associated with disposal of used products	Per unit of sales	2016	23.7% (Japan)	▲11.6% (Japan)	▲14.2% (Japan)	▲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 <sup>※2</sup>	—	97%	97.1%	98.0%	Completed	Realizing a society with zero deforestation related to the purchasing of timber
		Palm oil	—	77.2%	72.2%	80.0%		
	Expanding the use of certified pulp (FSC <sup>®</sup> - and CoC-certified)	Percentage of certified factories <sup>※3</sup>	—	62.0%	66.0%	64.0%	100%	
		Percentage of certified materials procured	—	76.0%	72.3%	75.0%		
	Expanding the use of certified palm oil (RSPO <sup>®</sup> -certified)	—	—	77%	72.2%	80.0%	100%	
	Promoting the recycling of used disposable diapers	—	—	Development ongoing	2 <sup>※4</sup>	2	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 Percentage of Unicharm factories that have acquired CoC (chain of custody) certification.

※4 In 2022, recycling facilities will be in operation in two municipalities, Shibushi and Osaki, Kagoshima Prefecture. (In 2020, Higashiyama and in 2021, Machida will conduct verification experiments on the collection of used disposable diapers.)

➤ **Initiatives towards a society with zero CO<sub>2</sub> emissions by 2050**

Fiscal Year	Initiative Status
2018	✓ Certified as the 17th 2.0°C target setting company in Japan
2020	✓ Setting of “Eco Plan 2030”
2022	<ul style="list-style-type: none"> <li>✓ Start of deliberation on modification to 1.5°C target</li> <li>✓ Start of a comprehensive GHG emission volume visualization project, including Scope 3.</li> </ul>
2024	<ul style="list-style-type: none"> <li>✓ Application to be made to SBTi for 1.5°C target</li> <li>✓ Eco Plan 2030 to be modified based on the 1.5°C scenario</li> </ul>

\*SBTi (The Science Based Targets initiative): Promotes the setting of emission reduction targets by companies consistent with scientific knowledge towards the target of keeping the rise in global average temperature due to climate change to 1.5°C compared to before the Industrial Revolution.

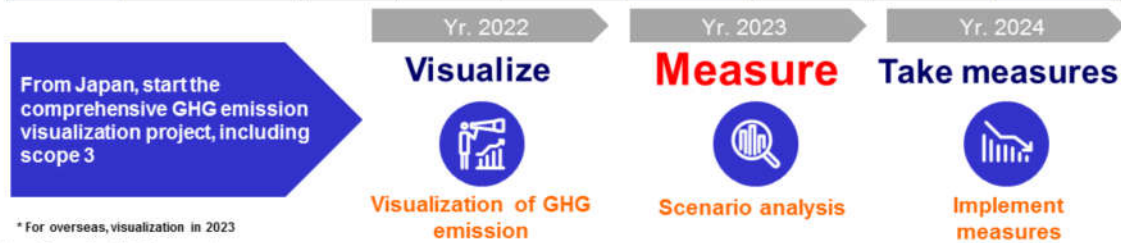
(Safeguarding the well-being of our planet)

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



- 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, and promote the efforts for “response to climate change” more aggressively

Environmental Targets 2030	Implementation Items		Base Year	2021 Results	2022 Results	2023 Targets	2030 Targets	2050 Vision
Responding to climate change	Reducing CO <sub>2</sub> emissions associated with raw materials procurement	Per unit of sales	2016	9.7% (Japan)	▲12.6% (Japan)	▲14.3% (Japan)	▲17%	Realizing a society with net zero CO <sub>2</sub> emissions
	Reducing CO <sub>2</sub> emissions in manufacturing	Per unit of sales	2016	▲26.9%	▲35.2%	▲38.6%	▲34%	
	Reducing CO <sub>2</sub> emissions associated with disposal of used products	Per unit of sales	2016	23.7% (Japan)	▲11.6% (Japan)	▲14.2% (Japan)	▲26%	



\* For overseas, visualization in 2023

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(Safeguarding the well-being of our planet)

Switch all electric power used at factories to green electric power\* aiming to reduce CO<sub>2</sub> emission



◆ Addressing climate change



➤ Ratio of renewable electricity: 11% (as of December 31, 2022); Expected to be approximately 26% in year 2023

Top five nations	Percentage of renewable electric power
Brazil	100%
U.S.A.	100%
China	About 26%
Japan	About 16%
Vietnam	About 14%



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, Toyohama Manufacturing, Mie Factory, Saitama Factory, Peparlet) 35

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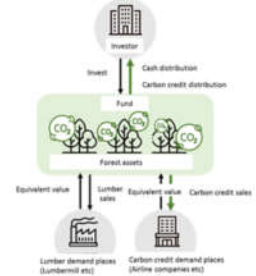
(Safeguarding the well-being of our planet)  
**Carbon Neutral Initiatives to Address Climate Change**



- **Forest fund funded by 10 Japanese companies**  
 Participate in “Eastwood Climate Smart Forestry Fund I”



Name	Eastwood Climate Smart Forestry Fund I
Operation asset scale	Approx. 60 Billion yen (Approx. 415 Million USD) <small>*1USD = 144.46 yen (Calculated based on July 3, 2023 rate)</small>
Asset	Assumes forest assets primarily in North America
Operation period	15 years
Management	Eastwood Forests, LCC (Sumitomo Forestry Group) SFC Asset Management Co., Ltd. (Sumitomo Forestry Group)
Formation period	June 2023



- **Relocated to a new ZEB Ready\*-certified office building, that reduces energy consumption to less than 50% compared to that of a conventional building**



- installation of solar power
- Installation of LED lighting with brightness sensors
- Use of multi-layered glass to improve cooling and heating efficiency
- 48% green coverage
- Use of rainwater and wastewater from air conditioning

\* One of the 4-stage ZEB (an acronym for Net Zero Energy Building) series. The ZEB Ready certification criteria is defined as a building that achieves a reduction in primary energy consumption of 50% or more from the standard primary energy consumption in terms of energy conservation, excluding renewable energy.

(Safeguarding the well-being of our planet)

## Initiatives for building an environmentally friendly and sustainable logistics system



- Separation of cargo handling and consolidated transportation by utilizing swap body containers with different industries



- Expansion of modal shift by railways and ships



- Development of logistics bases for local consumption and suburb areas

Osaka



Saitama



- Kyushu Smart Logistics equipped with self-storage facilities and the latest warehouse management system



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(Safeguarding the well-being of our planet)

Aiming for a world with “zero waste”

Taking on the Challenge of “Disposable Diapers to Horizontal Recycling from Disposable Diapers”



◆ Development of environmentally friendly products



➤ The world’s first\*1 test-sales product\*2 that uses recycled pulp treated with ozone technology as part of the absorbent core of a new disposable diaper



\*1 From used disposable diapers using ozone treatment technology to horizontal recycling technology to create disposable diapers to (Survey by Unicharm, December 2020)  
\*2 Sold at some nursing homes in the Kyushu area

2030 Target  
More than 10 cases



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

➤ Started collecting used diapers at preschools\*3 that have introduced the “Tebura Toen” program



Process flow recycling from collecting used diapers from daycare facilities to creating new product

\*3 5 daycare facilities that use the “Tebura Toen” program in Shibushi City, Kagoshima Prefecture



(Safeguarding the well-being of our planet)

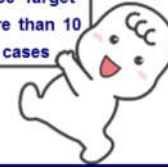
## Reduce waste disposal cost and environmental burden through recycling used disposable diaper



### ◆ 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

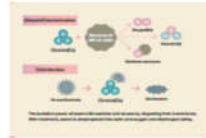
**Recycle**  
all materials



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



- Co-creation with local governments and businesses to promote recycling of used diapers



- Utilize SNS to transmit information to promote understanding of “horizontal disposable diaper-to-disposable diaper recycling”



- Collection bags made from recycled plastic which was derived from used disposable diapers



- Creating opportunities to learn about recycled pulp quality, safety, and considerations for the environment



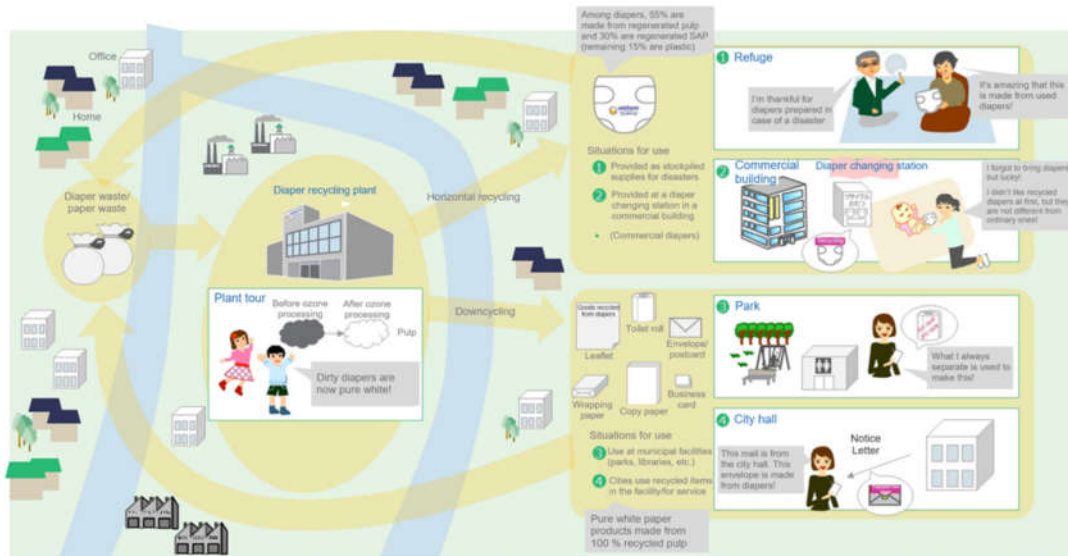
(Safeguarding the well-being of our planet)

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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◆ **Advancing Product Recycling**



**Implementation of material recycling for non-woven material products using recycled resources**

➤ **Advancing waste reduction by reusing product loss from disposable diapers as raw material for cat excretion care products (Paper Litter®)**



**Unicharm Affiliated Production Companies**



**Pet Care Product Affiliated Production Company: Peparlet company new factory**

◆ Reducing usage volume of plastic



➢ Switched to paper materials for sales promotion materials to reduce the usage volume of plastic



Ratio of virgin petrochemical-derived plastics to plastics

➢ Began recycling plastic "trim loss" emitted in the manufacturing process as raw material



Trim loss emitted at the factory



Recycling-oriented system

## Key initiatives, indicators, and target values



### ◆ Unicharm Principles

Key initiatives	Indicators	Results		Mid- and long- term goals	
		2021	2022	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	1* (Corrected)	Zero occurrences	Every year
Practice of appropriate corporate governance	Number of serious compliance violations.	Zero occurrences	Zero occurrences	Zero occurrences	Every year
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women.	22.5%	23.2%	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% (Japan)	89.2% (Entire company)	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 (Japan)	4 people (Japan)	Reduced by half (Compared to 2020)	2030

\* Number of business critical SMETA audits of own facilities and suppliers (bottom row includes results of corrective actions)

◆ Management practices that take sustainability into account

Purpose  
Contribution to achievement of SDGs



We support the Sustainable Development Goals (SDGs)



Maintain and improve ratings by external evaluation agencies.

➤ ESG evaluation introduced first in executive evaluation (directors\*, executive officers)

- ✓ Consolidated earnings: consolidated net sales, core operating income, earnings per share attributable to owners of parent (weight: 20% - 50%)
- ✓ Division earnings: division sales, division profit (weight: 0% - 40%)
- ✓ Company strategy: priority strategy, ESG performance (ratings of ESG rating agencies, etc.) (weight: 20% - 50%)
- ✓ Division strategy: division priority strategy (weight: 0% - 40%)

\*Except for directors who are audit and supervisory committee members

➤ Introduce an ESG evaluation system for all employees to visualize contributions to society and create new value through individual growth

ESG objective

Realize a "Cohesive Society (Social Inclusion)"

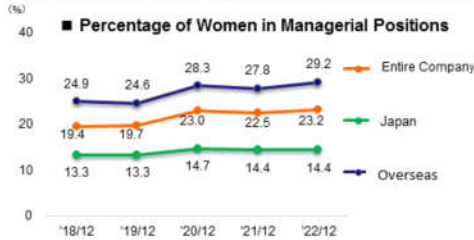
HR system

Encourage individual growth to become a global no. 1 company





◆ 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)

**Room L+**

A women's community that enhances a sense of security and motivation to work

**Empowerment system**

One-on-one meetings with executive officers bring out leaders' strengths

**R&D D&I training**

Understand biases and recognize one's unconscious biases

**President/ Leader Lunch meetings**

Expanding perspectives and cultivating desire to realize a career path

➤ Supporting women's economic independence by overcoming issues faced by countries and regions (overseas)

**Creating Women Entrepreneurs in Rural India**



**Providing New Opportunities for Women in Saudi Arabia**



(Unicharm Principles)

Developing human resources globally who create unique value that is closely connected to local area



➤ Localization ratio of general manager and above

Local executive employee ratio 44.3%

(As of January 2023)



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◆ Fostering the development of competent human resources

2022 Employee satisfaction (Entire company)

Max. score 5

4.39

2021 4.07 (Japan)



2030 Target Over 80%



Ratio of positive responses to "Real feeling of growth through work" in employee awareness survey

➤ Continuation of wage system introduced in 2008 where wages do not fall below the previous year in principle



➤ Introduction of role-based benefits to encourage employee growth and strengthen human capital

Role-based benefit
Scrum leader benefit
Brother & sister benefit
Career navigator benefit
Newly hired employee initial salary fluctuation system benefit
Skill benefit

### Management practices that take sustainability into account

(1) Each executive officers periodically conducts interviews with future director candidates and future executive officer candidates based on their career visions and career plans, and carries out human resource mapping.

(2) The Representative Director, President & CEO conducts quarterly interviews with executive officers; and gives guidance and training by setting measurable goals and objectives for executive officers and their organizations, and evaluating their achievements.

Outside directors have at least one opportunity per year to hold individual meetings with executive officers, in which they check the status of execution of business and problems in work, and provide guidance and training to help management solve problems and gain a wider, more comprehensive view by giving advice from a broad perspective.

(3) The status of this process is regularly reported to the Nomination Committee and the Compensation Committee for deliberation.

(4) The board of directors nominates candidates for directors and executive officers based on the opinion of the Nomination Committee.

(5) The Company runs "Global 15 Project" (about 15 department managers participate in this program for each three year term, during which around 18 meetings are held to learn general knowledge by practical experience) and "Secretary for Strategy" (mid-grade employees in their thirties participate in this program; they are transferred to Business Planning Office and serve as secretaries of Representative Director, President & CEO to learn how he thinks and acts) which are human resource development program under direct supervision by Representative Director, President & CEO. Medium and long-term picking-up and training of future candidates of directors and executive officers are of the purposes of these programs.

## Fostering DX human resources toward new value creation

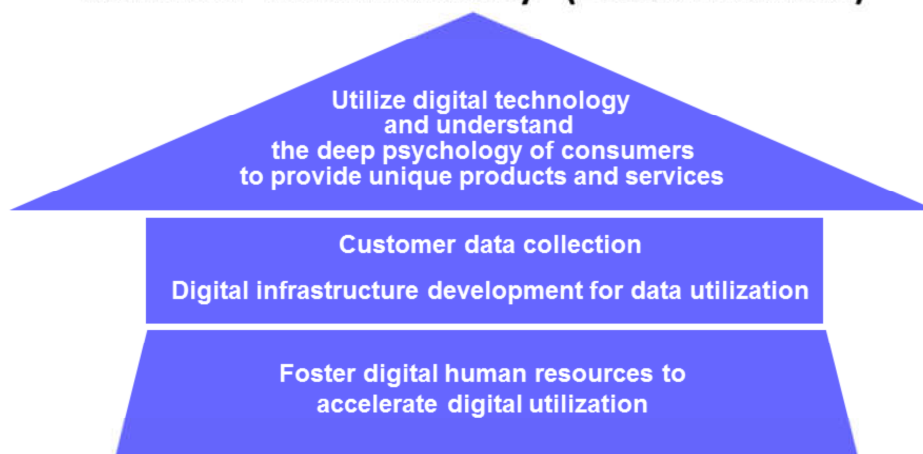
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Utilize digital technology and create absolute value for consumers in order to realize sustainable improvement of corporate value and stronger competitiveness



SUSTAINABLE DEVELOPMENT GOALS への貢献

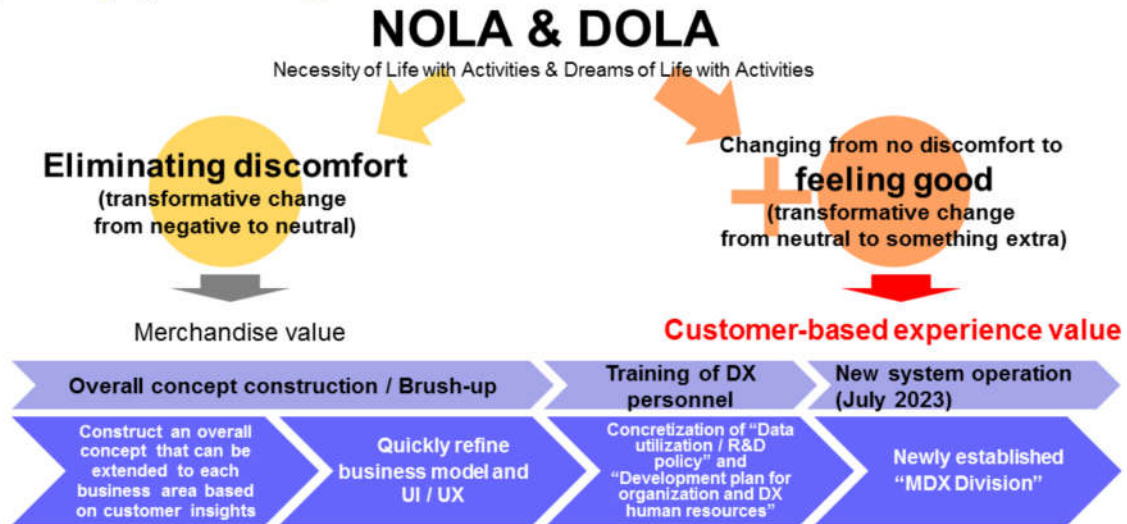
## Achieve a “Cohesive Society” (= Social Inclusion)



Newly established “MDX Headquarters (Marketing by DX)” to accelerate the realization of “DOLA” in the corporate philosophy “NOLA & DOLA”



- Aiming to create products that meet customer needs and additional value (customer experience value) by utilizing digital technology



**Efforts to develop “DX human resources” globally to maximize customers’ lifetime value**



- “DX Basic Study Session”, a program to acquire basic digital knowledge



- “EC Trainee System”, a program to develop EC human resources who can play an active role globally



- Online self-study on a global basis, “LinkedIn Learning”

	Number of users	Login ratio
Overseas	About 2,000	100%
Japan	About 1,000	100%

Realization of high login rate, high repeat rate, self-directed learning, etc.



Received the highest award in the “Learning category” of “LinkedIn Talent Awards 2022”



## Examples of initiatives using digital technology

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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



- Infiltrating “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



No. of Users: Approx. 29,000  
(As of the end of June, 2023)

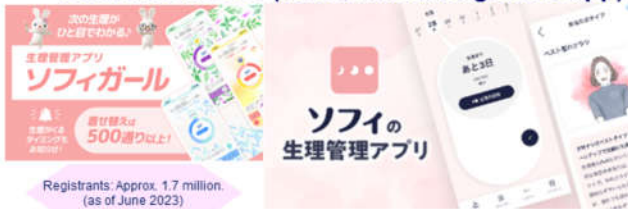
➤ Troubles about doggies and kitties are shared in DOQAT\*



※ DOQAT <https://doqat.jp/>

Registrants: 39,000 (total)  
(As of the end of June 2023)

➤ "Sofy girl" and "Sofy" that support menstruation-related concerns (menstrual management app)



Registrants: Approx. 1.7 million.  
(as of June 2023)

➤ "Team moony point program", "Online moony classes", "moony-chan toilet training app" can ease the anxiety about childbirth and childcare



Team moony  
Number of registered members  
Approx. 1.88 million members  
(as of end of June 2023)



## Japan initiatives utilizing digital technology-2



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



with  
Catlog



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

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



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

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

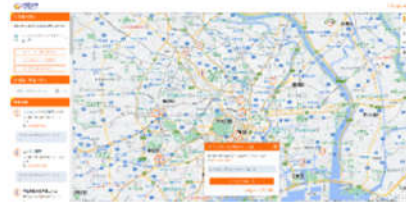


3,600+ across 47 prefectures (as of end of June 2023)

➤ 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



➤ Respond to various customer needs by strengthening the “Direct shop” system

ユニ・チャーム デイレクトショップのサービス

POINT 1 / ユニ・チャーム デイレクトショップ メーカー直販で安心!	POINT 2 / ユニ・チャーム デイレクトショップ いつもの商品が手に入ります!	POINT 3 / ユニ・チャーム デイレクトショップ 3ヵ月連続!
POINT 4 / ユニ・チャーム デイレクトショップ 送料無料で安心!	POINT 5 / ユニ・チャーム デイレクトショップ 手数料も減りますよ ご注文はそのままに!	POINT 6 / ユニ・チャーム デイレクトショップ 専用アプリダウンロード 会員登録も簡単 ※アプリダウンロード ※会員登録も簡単

➤ State-of-the-art smart factory (Kyushu) utilizing a variety of self-operating machines and IoT

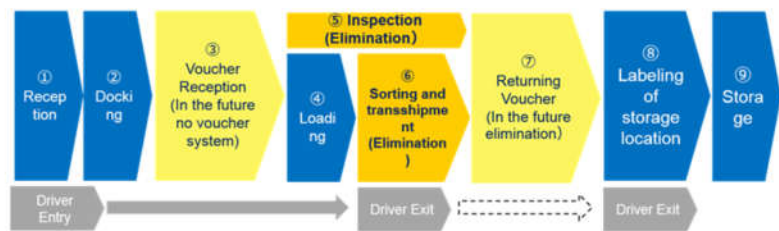


\*1 Abbreviation for Supervisory Control And Data Acquisition

➤ Promoting collaboration for logistics digitalization and efficiency through ASN\*3 distribution using logistics EDI\*2



**Business model that eliminates inspection using ASN**



Copyright (c) Unicharm Corporation. All rights reserved. \*2 Abbreviation for Electronic Data Interchange \*3 Abbreviation for Advanced Shipping Notice

## Overseas initiatives utilizing digital technology



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



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



### ➤ "Mamypoko Club" that realizes a unique customer experience for baby diapers



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## Evaluation by external organizations and coordination (FY 2023 1<sup>st</sup> Half Year)



<b>February</b>	<ul style="list-style-type: none"> <li>✓ Received the 8<sup>th</sup> ACAP “Consumer-Oriented Activity Award”</li> <li>✓ Received the “Minister of State for Special Missions Award” in 2022 Consumer-oriented Management Excellence Awards.</li> </ul>
<b>March</b>	<ul style="list-style-type: none"> <li>✓ Recognized as a “Sports Yell Company</li> <li>✓ Certified as a “Health and Productivity Management Outstanding Organization (large enterprise category)”</li> <li>✓ Selected for “Human Capital Leaders 2022”</li> <li>✓ Received the “Kagawa Prefecture Governor’s Award” for 2022 Everyone’s Child Rearing Support Team Grand Prize</li> <li>✓ Selected for “CDP 2022 Supplier Engagement Leader”</li> </ul>
<b>April</b>	<ul style="list-style-type: none"> <li>✓ Selected as “All-Star” in Institutional Investor “2023 Japan Executive Team Rankings”</li> <li>✓ Won Best award for “Learning Division” of “LinkedIn Talent Awards 2022”</li> </ul>
<b>May</b>	<ul style="list-style-type: none"> <li>✓ Received “Award of Excellence” at the 50<sup>th</sup> Environmental Awards</li> <li>✓ Selected as “2023 Noteworthy DX Company” in “Digital Transformation Stock (DX Stock) 2023”</li> </ul>



## Evaluation by external organizations and coordination (FY 2023 2<sup>nd</sup> Half Year)



July	<ul style="list-style-type: none"><li>✓ Selected as a constituent of “SOMPO Sustainability Index” for twelve years in a row</li><li>✓ Received the Excellence Award of “Supply Chain Innovation Awards 2023”</li><li>✓ Selected as a constituent of all six ESG investment indices used by GPIF</li></ul>
September	<ul style="list-style-type: none"><li>✓ Received “Award of Excellence” at the 6th EcoPro Award</li></ul>
October	<ul style="list-style-type: none"><li>✓ Received the “Porter Prize 2023” sponsored by the Hitotsubashi University Department of International Corporate Strategy, Graduate School of Business Administration</li></ul>

# Index inclusion and evaluation



DX注目企業2023  
Digital Transformation



FTSE Blossom  
Japan



FTSE Blossom  
Japan Sector  
Relative Index



FTSE4Good



2023 CONSTITUENT MSCI JAPAN  
ESG SELECT LEADERS INDEX

2023 CONSTITUENT MSCI JAPAN  
EMPOWERING WOMEN INDEX (WIN)

\* Disclaimer is posted on the following website  
<https://www.unicharm.co.jp/en/company/news/2023/0725-02.html>

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Sompo Sustainability Index



# Coordination with external organizations



地方創生SDGs  
官民連携  
プラットフォーム  
私たちは持続可能な開発目標(SDGs)を支援しています。

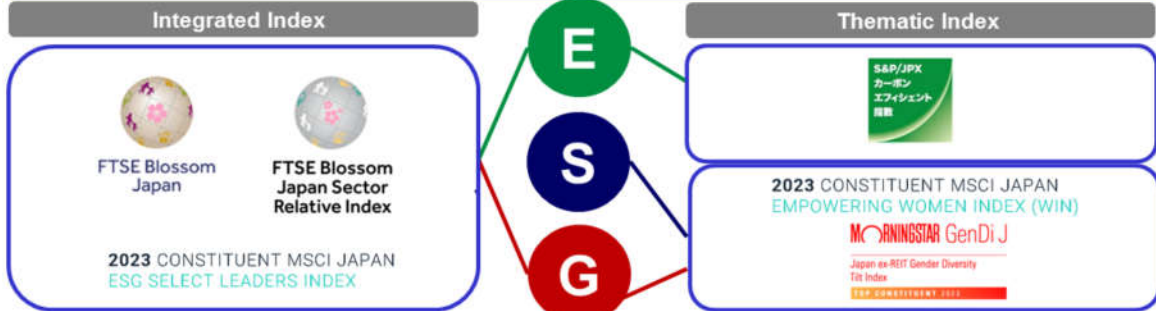


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# Evaluation by external organizations and coordination with them



## Selected in 6 ESG investment indices of stock composites adopted by GPIF



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## Other ESG Index



FTSE4Good



## ESG-related scores and ratings



		2019	2020	2021	2022
<b>CDP SCORES</b>	Climate change	B	A-	A-	A-
	Forest (timber)	B	B-	B	B
	Water security	B-	B-	B	B
<b>MSCI ESG RATINGS</b>		<b>BBB</b>	<b>A</b>	<b>BBB</b>	<b>A</b>
<b>FTSE ESG RATINGS</b>		<b>3.5</b>	<b>3.7</b>	<b>3.9</b>	<b>4.0</b>

## “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: 171 times in total (as of the end of June 2023)
	Excretion care: 323 times in total (as of the end of June 2023)
Number of users for "Adult Diaper Counseling"	Approx. 29,000 people (as of the end of June 2023)
Number of times the video "Menstruation Study for Everyone" was provided <a href="https://www.sofy.jp/ja/campaign/minnanoseirikensyu.html">https://www.sofy.jp/ja/campaign/minnanoseirikensyu.html</a>	Approx. 400 companies and organizations (as of the end of June 2023)
Number of users for "Sofy Girl" (menstruation management app) <a href="https://www.sofy.jp/ja/app/sofygirl.html">https://www.sofy.jp/ja/app/sofygirl.html</a> Number of users for "Sofy" (menstruation management app) <a href="https://www.sofy.jp/ja/app/sofy.html">https://www.sofy.jp/ja/app/sofy.html</a>	Approx. 1,700,000 people in total (as of the end of June 20223)
Number of views for TikTok "Sarakeda-so (Let's talk it out room)" <a href="https://www.tiktok.com/@sofy_official_7days/">https://www.tiktok.com/@sofy_official_7days/</a>	Approx. 6 million views (as of the end of June 2023)
Education of first menstruation/period (including online)	India: approx. 571,000 people (as of the end of June 2023)
Education of first menstruation/period (mother-daughter learning sessions)	India: approx. 338 sessions, about 10,000 mother-daughter groups (as of the end of June 2023)
Number of registrations for first menstruation site "Charm Girls Talk"	Indonesia: approx. 80,000 people (as of the end of June 2023)
Number of registered members for "Team moony point program" <a href="https://jp.moony.com/ja/apps/moonypoint.html">https://jp.moony.com/ja/apps/moonypoint.html</a>	Cumulative total of approx. 1,880,000 members (as of the end of June 2023)
Nursery schools using "Tebura-touen (service delivering diapers to nursery schools so that parents don't have to bring diapers)"	3,600+ across 47 prefectures (as of the end of June 2023)
Number of registrations with "DOQAT", Q&A service for pets <a href="https://doqat.jp/">https://doqat.jp/</a>	Approx. 39,000 people (as of the end of June 2023)

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