

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



NOLA&DOLA

Necessity of Life with Activities & Dreams of Life with Activities

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

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 Wellness Care 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.

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



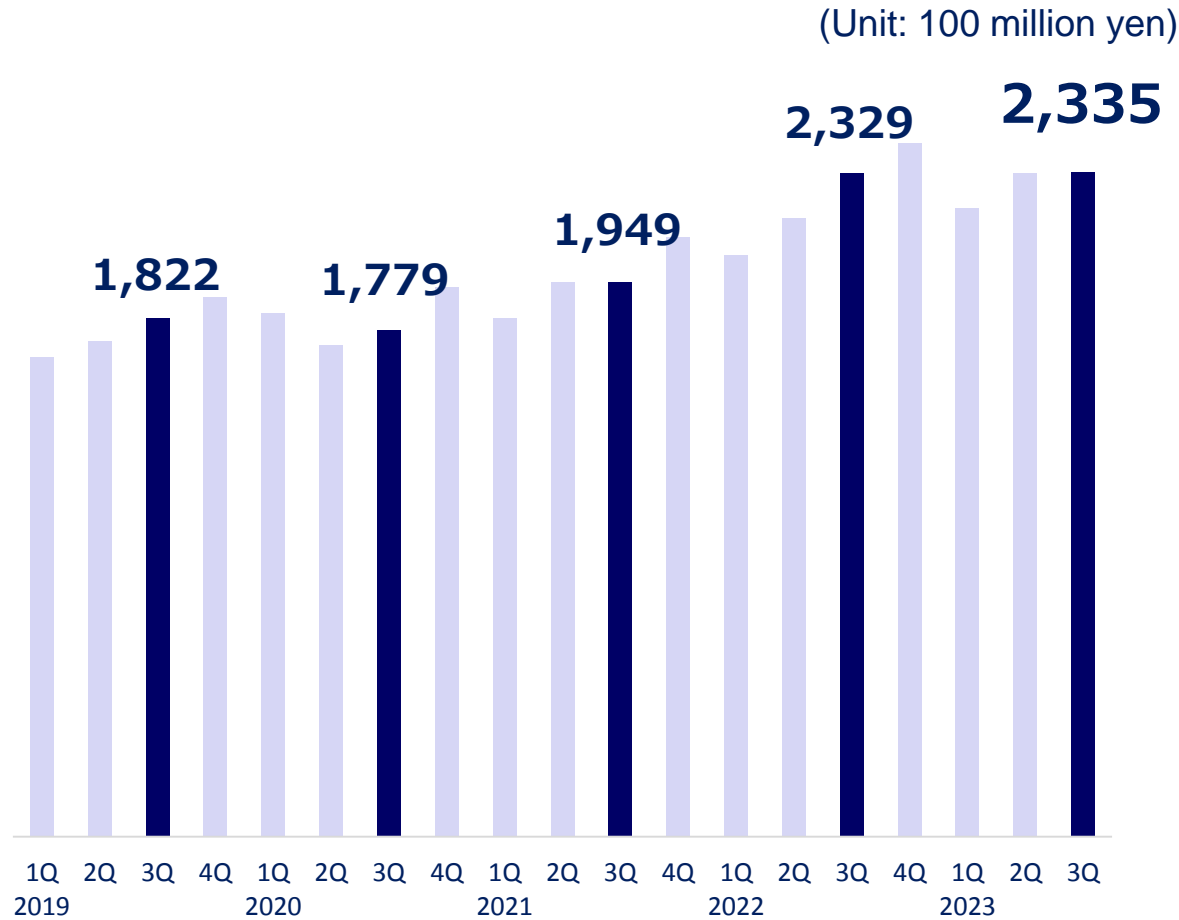
● Consolidated account highlights (From Jan. to Sep.)

| | 3Q of FY Ended Dec. 31, 2022 | 3Q of FY Ending Dec. 31, 2023 | Gap(yen) | Gap(%) | (Forecast) FY Ending Dec. 31, 2023 | (100 millions of yen) Achievement (%) |
|---|------------------------------------|--|----------|-------------------------|--|---|
| Net sales | 6,545 | 6,874 | +329 | +5.0% | 9,635 | 71.3% |
| Core operating income (margin-%) | 917 (14.0%) | 927 (13.5%) | +11 | +1.2% (-0.5P) | 1,410 (14.6%) | 65.8% |
| Profit before tax (margin-%) | 914 (14.0%) | 1,010 (14.7%) | +96 | +10.5% (+0.7P) | 1,375 (14.3%) | 73.5% |
| Profit attributable to owners of parent company (margin-%) | 525 (8.0%) | 610 (8.9%) | +85 | +16.2% (+0.9P) | 809 (8.4%) | 75.4% |
| EBITDA (profit before tax + depreciation/ amortization) | 1,236 | 1,328 | +92 | +7.4% | 1,795 | 74.0% |
| Base earnings per share (JPY) | 88.10 | 102.99 | +14.89 | +16.9% | 137.06 | 75.1% |
| USD Rate (JPY) | 128.05 | 138.11 | +10.06 | +7.9% | 130.00 | — |
| CNY Rate (JPY) | 19.35 | 19.61 | +0.26 | +1.3% | 19.20 | — |

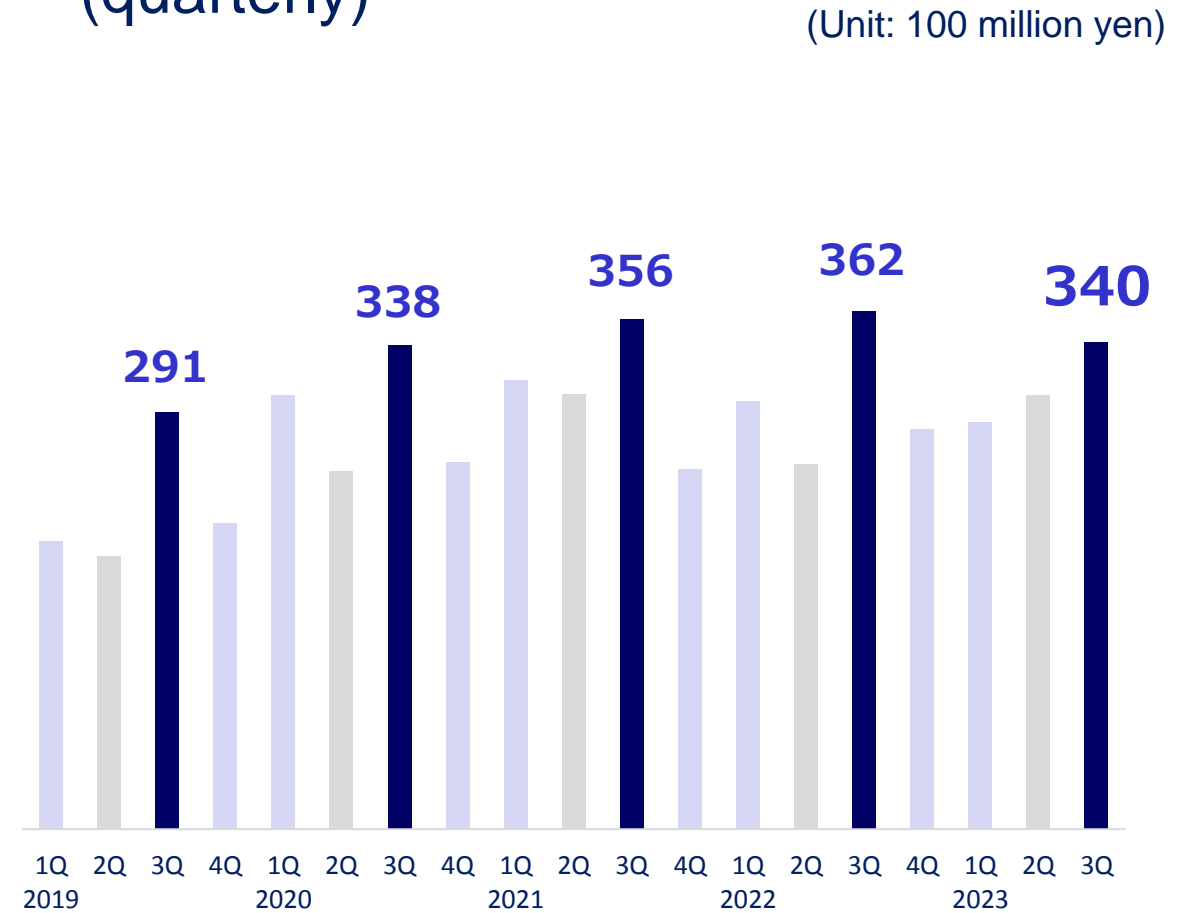
**Sales grew steadily at high level with continued value-shifting
Profitability improved with value-shifting after bottoming out
in the fourth quarter (from Oct. to Dec.) of FY2022**



● Sales trend (quarterly)



● Core operating income trend (quarterly)

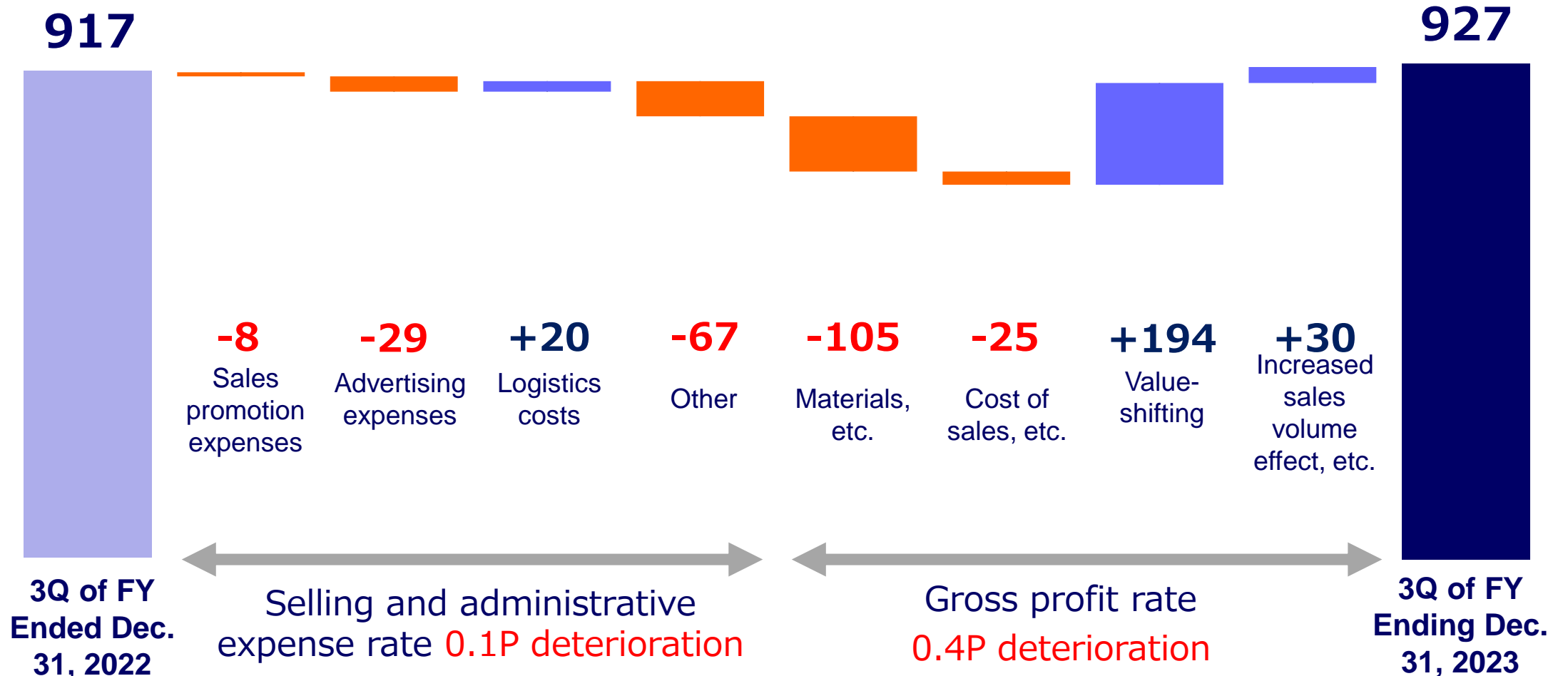


Core operating income increased by 1 billion JPY as a result of absorbing cost rises such as raw materials by continuing value-shifting



(Unit: 100 million yen)

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



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 | 2,307 | +100 | +4.5% | — |
| | Core operating income | 415 | 452 | +36 | +8.8% | — |
| | (margin-%) | (18.8%) | (19.6%) | | (+0.8P) | |
| Asia | Net sales | 3,163 | 3,247 | +84 | +2.6% | -0.8% |
| | Core operating income | 399 | 335 | -64 | -16.1% | -19.2% |
| | (margin-%) | (12.6%) | (10.3%) | | (-2.3P) | |
| Others *2 | Net sales | 1,175 | 1,320 | +145 | +12.3% | +6.8% |
| | Core operating income | 101 | 138 | +37 | +37.2% | +27.2% |
| | (margin-%) | (8.6%) | (10.5%) | | (+1.9P) | |
| Consolidation | Net sales | 6,545 | 6,874 | +329 | +5.0% | +2.3% |
| | Core operating income | 917 | 927 | +11 | +1.2% | -1.3% |
| | (margin-%) | (14.0%) | (13.5%) | | (-0.5P) | |

【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%

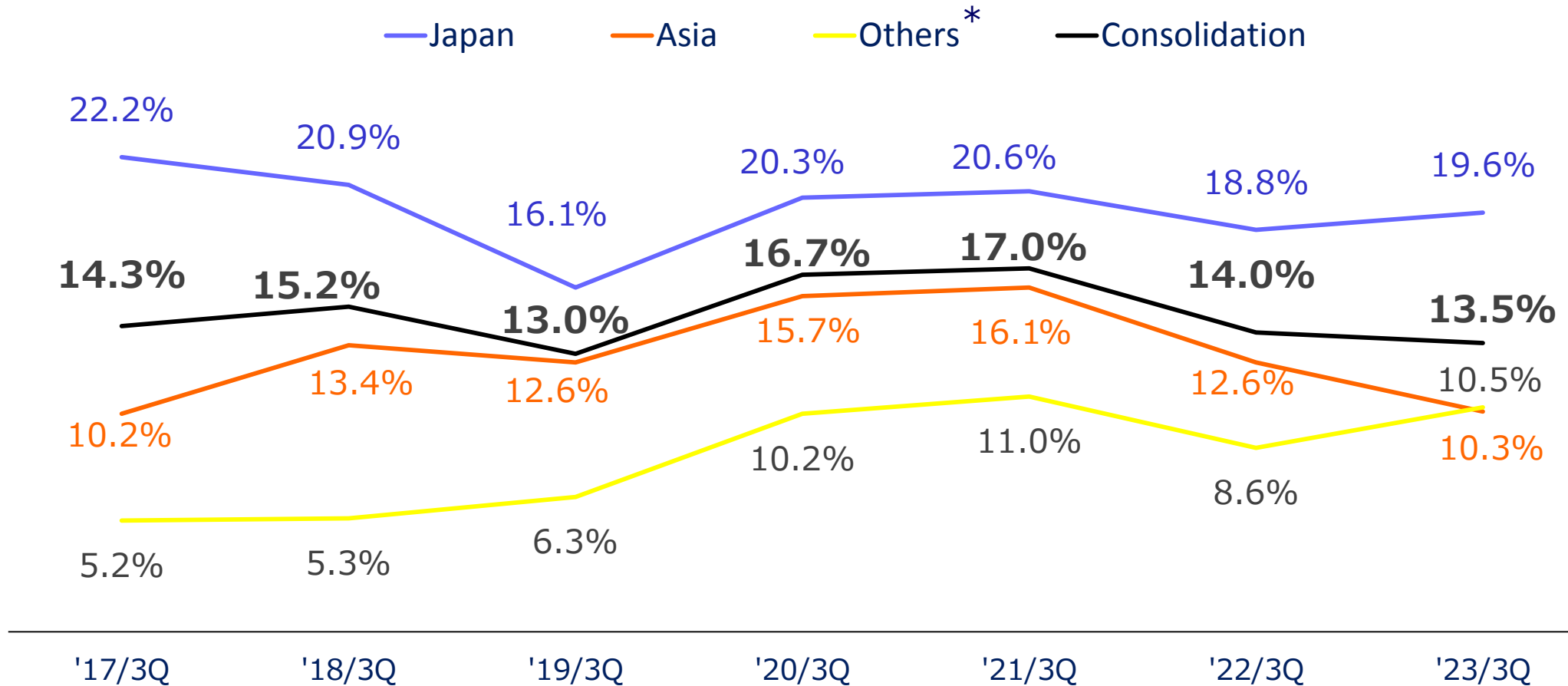
*1 : Actual gap rate excluding exchange effects

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

Establishment of high profitability base through continuous penetration and expansion of value-added products

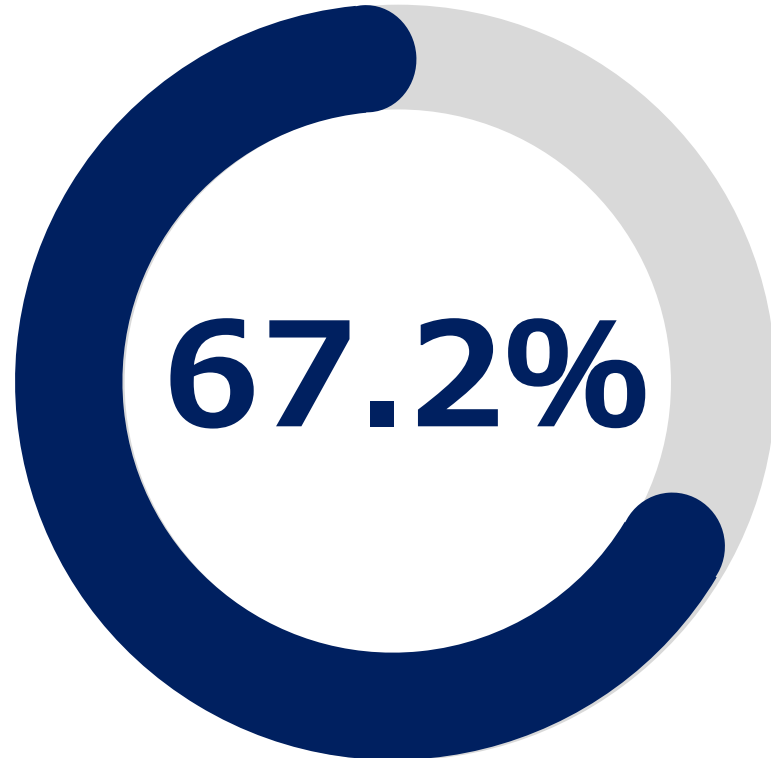


● Core operating income margin by geographical segment (from Jan. to Sep.)

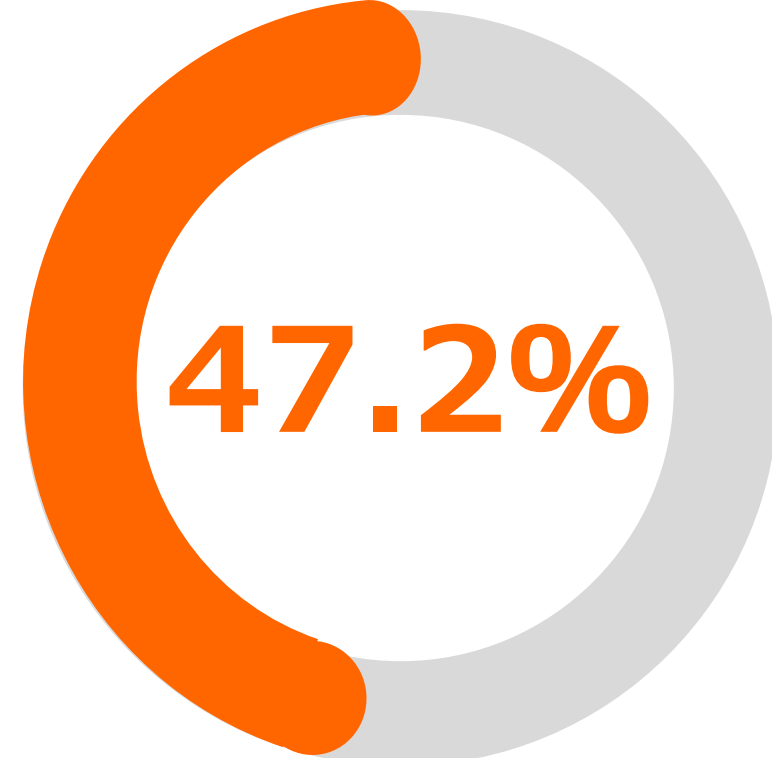


* Others: Main regions are North America, Saudi Arabia, Brazil and the Netherlands

- Sales ratio of overseas markets



- Sales ratio of Asian markets



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 | 5,801 | +199 | +3.6% |
| | Core operating income (margin-%) | 792 (14.1%) | 750 (12.9%) | -42 | -5.3% (-1.2P) |
| Pet Care | Net sales | 888 | 1,013 | +125 | +14.1% |
| | Core operating income (margin-%) | 121 (13.6%) | 175 (17.3%) | +54 | +44.6% (+3.7P) |
| Others [*] | Net sales | 56 | 60 | +4 | +7.4% |
| | Core operating income (margin-%) | 3 (6.1%) | 2 (3.2%) | -2 | -44.3% (-2.9P) |
| Consolidation | Net sales | 6,545 | 6,874 | +329 | +5.0% |
| | Core operating income (margin-%) | 917 (14.0%) | 927 (13.5%) | +11 | +1.2% (-0.5P) |

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

**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 | 19.61 | +1.3% |
| Indonesia (IDR) | 0.0088 | 0.0092 | +4.5% |
| Saudi Arabia (SAR) | 34.17 | 36.87 | +7.9% |
| Thailand (THB) | 3.70 | 4.01 | +8.4% |
| India (INR) | 1.66 | 1.69 | +1.8% |
| Vietnam (VND) | 0.0056 | 0.0058 | +3.6% |
| USA (USD) | 128.05 | 138.11 | +7.9% |
| Netherland (EUR) | 135.95 | 149.62 | +10.1% |
| Taiwan (TWD) | 4.38 | 4.47 | +2.1% |
| South Korea (KRW) | 0.1010 | 0.1063 | +5.2% |
| Malaysia (MYR) | 29.46 | 30.59 | +3.8% |
| Australia (AUD) | 90.38 | 92.36 | +2.2% |
| Brazil (BRL) | 25.01 | 27.62 | +10.4% |
| Egypt (EGP) | 7.15 | 4.51 | -36.9% |

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

Fiscal Year Ending December 31, 2023

Summary of Consolidated Performance Forecast



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 forth 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.

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 | 9,635 | +655 | +7.3% | +8.4% |
| Core operating income (margin-%) | 1,196 (13.3%) | 1,410 (14.6%) | +214 | +17.9% (+1.3P) | +18.1% |
| Profit before tax (margin-%) | 1,157 (12.9%) | 1,375 (14.3%) | +218 | +18.8% (+1.4P) | |
| Profit attributable to owners of parent company (margin-%) | 676 (7.5%) | 809 (8.4%) | +133 | +19.7% (+0.9P) | |
| Basic earnings per share (JPY) | 113.61 | 137.06 | +23.45 | +20.6% | |

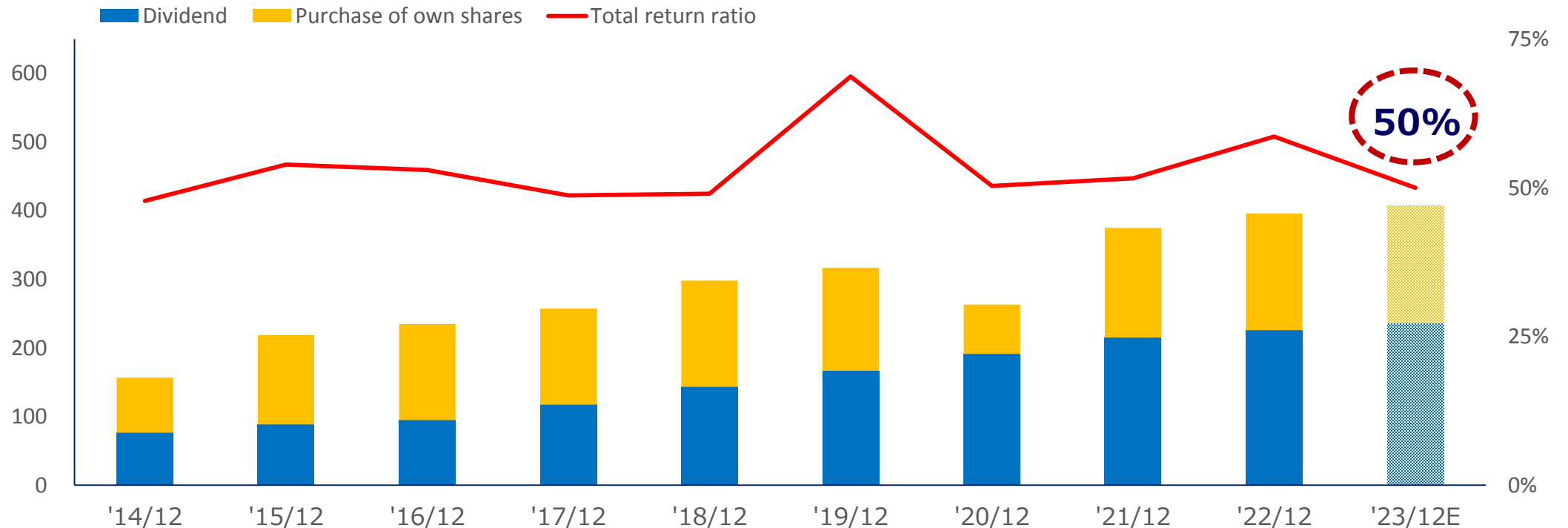
*1 Actual gap rate excluding exchange effects

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 2023

● Shareholders return policy

(Unit: 100 million yen)



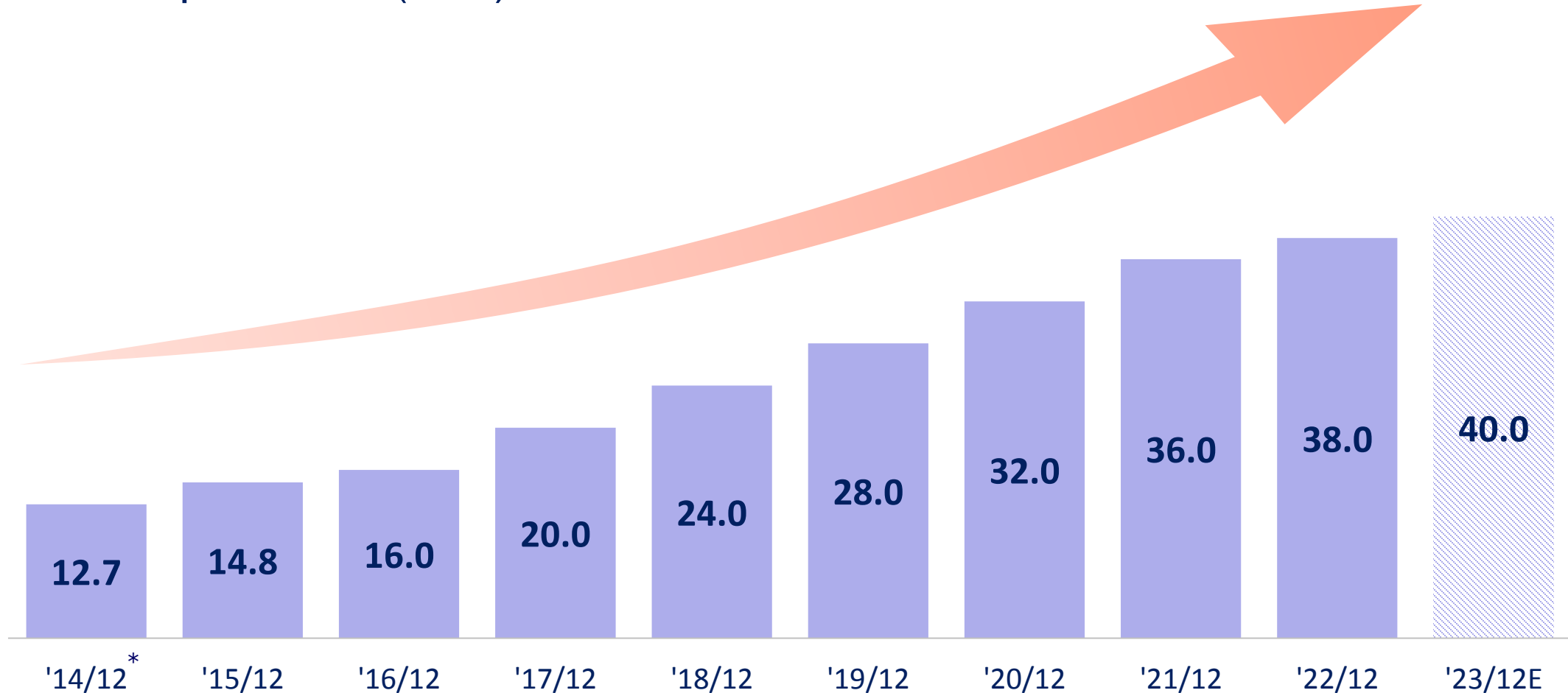
We are aiming at returning profits to our shareholder **with a goal of total return ratio of 50%** by paying dividends on a consistent and continuous basis and buying back our own shares, upon necessity, on a flexible manner based on the growth of med-to-long term consolidated earnings while focusing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

Dividend per share

Plan to increase dividend for 22 consecutive years (40 yen a year)



●Dividends per share (JPY)



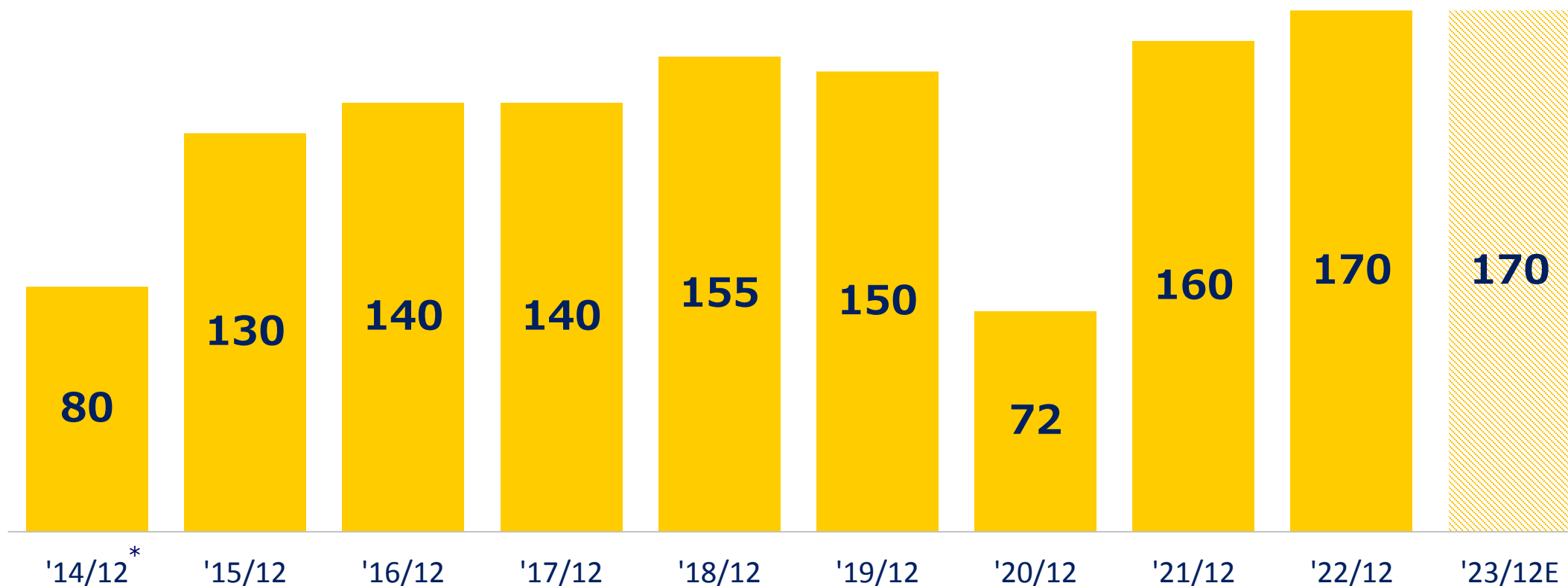
* Irregular accounting period of 9 months

Flexible purchase of own shares depending on the cash condition

Purchase 17 billion JPY (3.08 M shares) in 2023 as planned



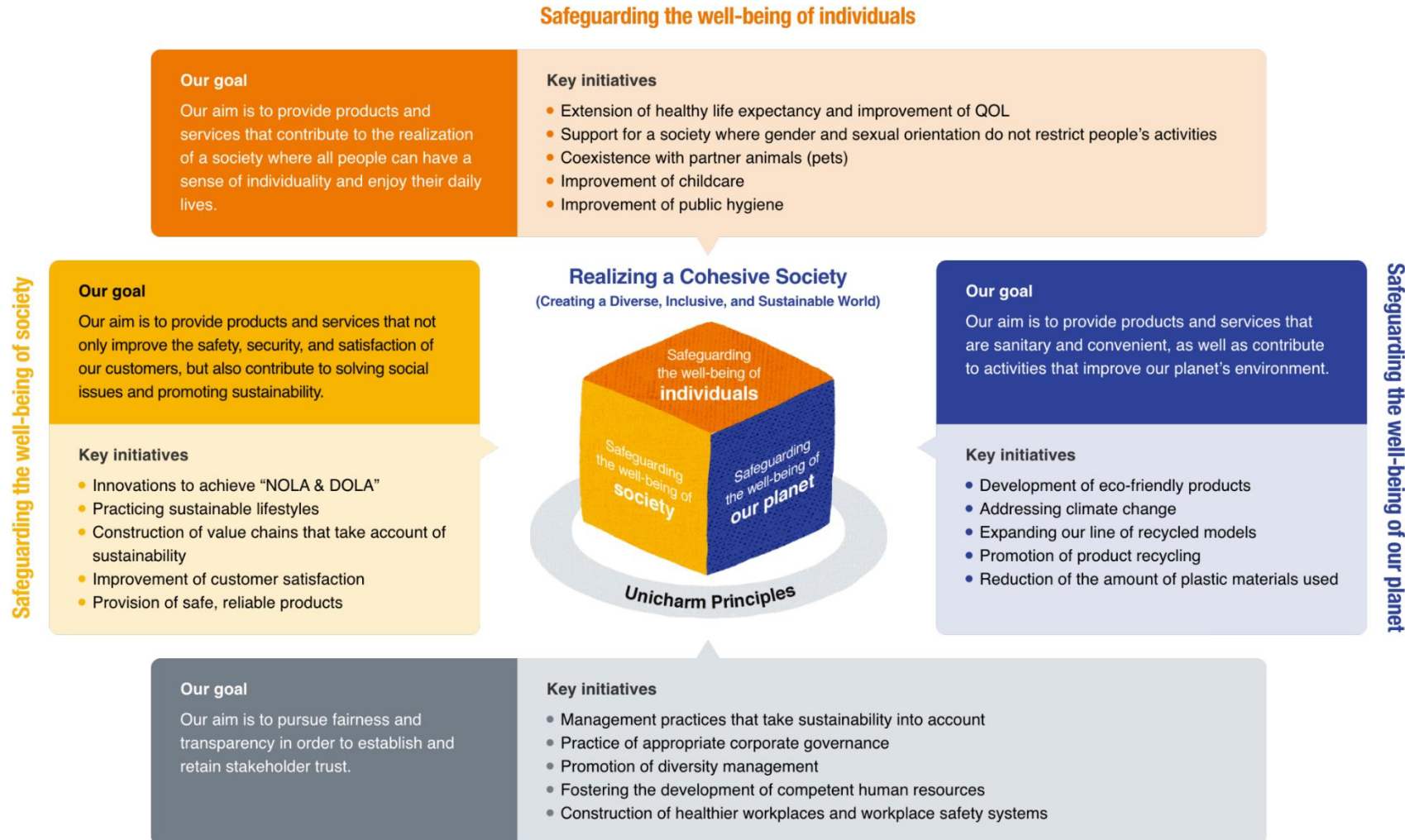
● Share buy-back history (100 million JPY)



* Irregular accounting period of 9 months

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

◆ 20 key themes with the goal in 2030



Safeguarding the well-being of society

Safeguarding the well-being of our planet

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

Safeguarding the well-being of individuals

- 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 pets
- Improvement of childcare
- Improvement of public hygiene

Safeguarding the well-being of society

- 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

Safeguarding the well-being of our planet

- 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

Unicharm Principles

- 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

◆ 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 |

(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

From 1995 ~



From 2010's ~



Year 2030 Goal
Continuation
of 100%



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

➤ Supporting independent excretion by developing unique products that match the user’s 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



(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

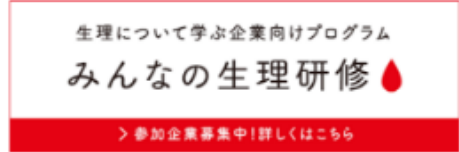


Year 2030 Goal
Continuation
of 100%



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



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



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

➤ Promote women empowerment support globally



Menarche education



Female Entrepreneur Creation Project



Culturally sensitive plant dedicated to women

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



TOKYO CREATIVITY AWARDS

(Safeguarding the well-being of each individual)

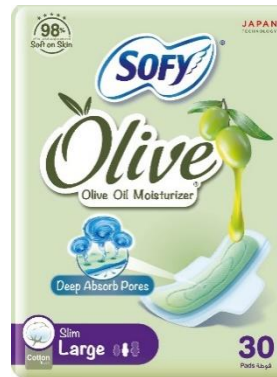
Unique new value proposals that match the characteristics of each country and region



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



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



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



(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



(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)



◆ Improvement of public hygiene



Year 2030 Goal
Continuation
of 100%



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



◆ 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 |

(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”



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



Year 2030 Goal
Continuation
of 100%



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

➤ 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)

◆ 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 |

➤ 「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 ^{※1} | ▲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 | — | — | 38% (6 countries / regions) | 50% (8 countries / regions) | 56% | Rolled out at all Group companies | |
| | Eliminating the use of plastic in sales promotional items | — | 2019 | ▲8.9% (Japan) | ▲81.8% (Japan) | ▲30% | 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 | 9.7% (Japan) | ▲12.6% (Japan) | ▲14.3% (Japan) | ▲17% | Realizing a society with net zero CO ₂ emissions |
| | Reducing CO ₂ emissions in manufacturing | Per unit of sales | 2016 | ▲26.9% | ▲35.2% | ▲38.6% | ▲34% | |
| | Reducing CO ₂ 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 ^{※2} | — | 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 (PEFC ^{※3} - and CoC-certified) | Percentage of certified factories ^{※3} | — | 52.0% | 56.0% | 64.0% | 100% | |
| | | Percentage of certified materials procured | — | 76.0% | 72.3% | 75.0% | | |
| | Expanding the use of certified palm oil (RSPO ^{※6} -certified) | — | — | 77% | 72.2% | 80.0% | 100% | |
| | Promoting the recycling of used disposable diapers | — | — | Development ongoing | 2 ^{※4} | 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, Higashiyamato and in 2021, Machida will conduct verification experiments on the collection of used disposable diapers.)

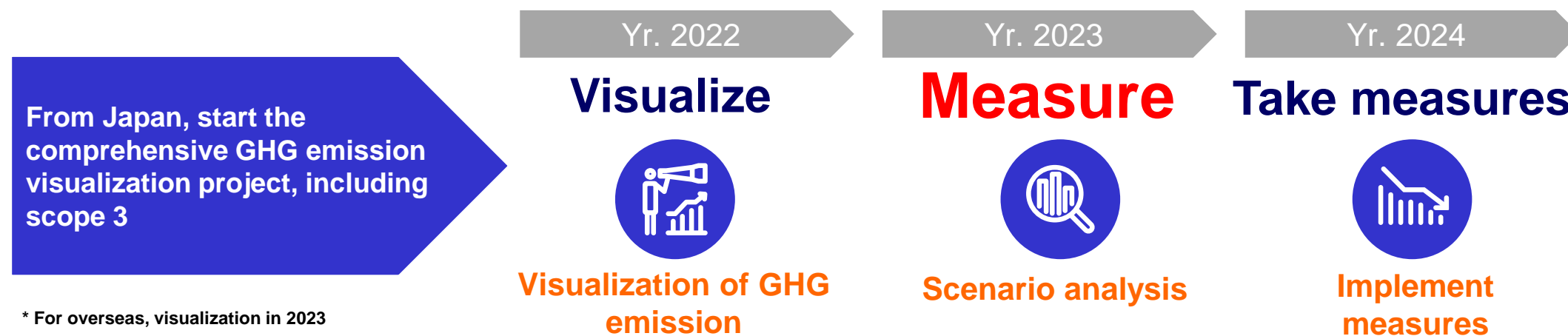
➤ **Initiatives towards a society with zero CO₂ emissions by 2050**

| 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"> ✓ Start of deliberation on modification to 1.5°C target ✓ Start of a comprehensive GHG emission volume visualization project, including Scope 3. |
| 2024 | <ul style="list-style-type: none"> ✓ Application to be made to SBTi for 1.5°C target ✓ Eco Plan 2030 to be modified based on the 1.5°C scenario |

*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.

- 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 ₂ 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 ₂ emissions |
| | Reducing CO ₂ emissions in manufacturing | Per unit of sales | 2016 | ▲26.9% | ▲35.2% | ▲38.6% | ▲34% | |
| | Reducing CO ₂ 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

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

◆ Addressing climate change



Use of renewable power

- 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 (Jaguaruiuna Factory)



US (Hartz Pleasant Plain Factory)



(Safeguarding the well-being of our planet)

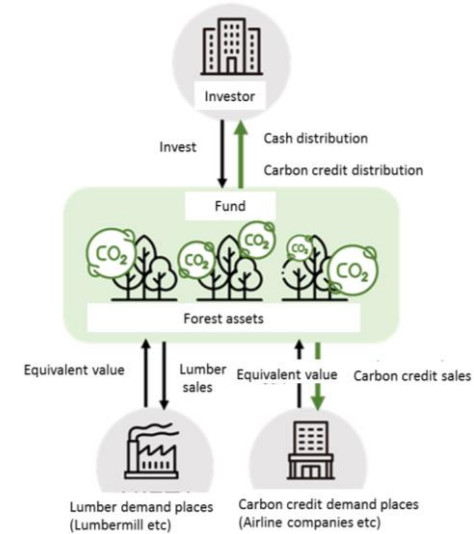
Carbon Neutral Initiatives to Address Climate Change



- 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) *1USD = 144.46 yen (Calculated based on July 3, 2023 rate) |
| 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.

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



- Development of logistics bases for local consumption and suburb areas

Osaka



Saitama



- Expansion of modal shift by railways and ships



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



(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

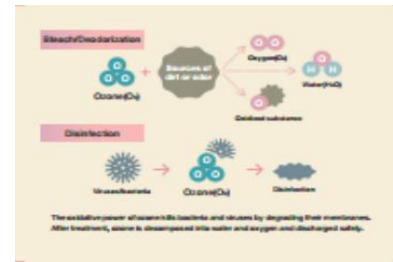
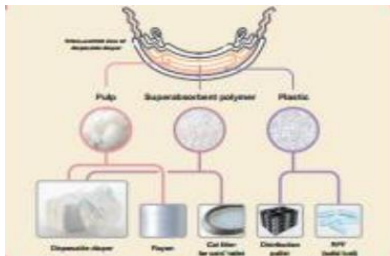
➤ Keep it safe and convenient, toward the future where recycling is the norm

Recycle
all materials

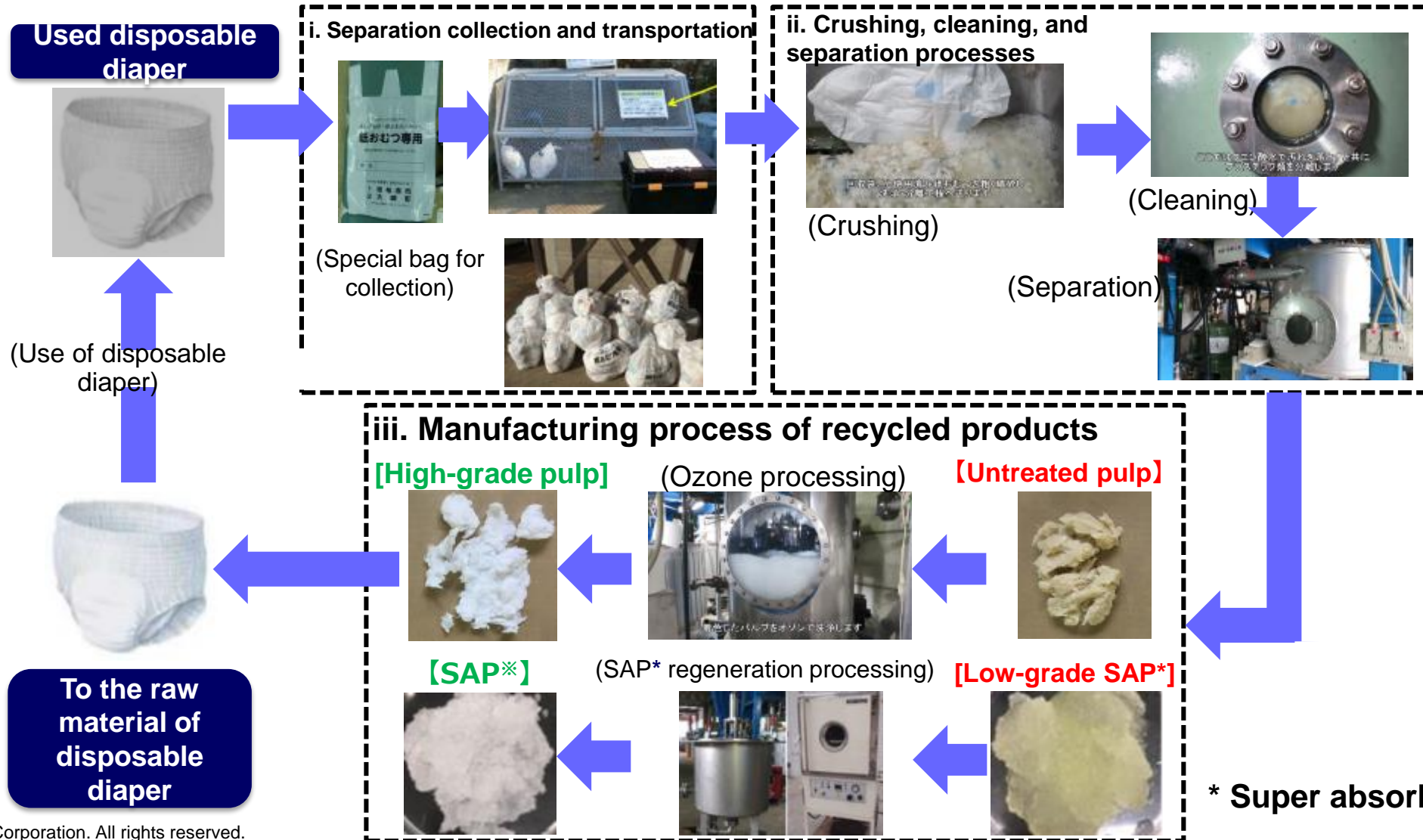
Cleaning used disposable diapers to
sanitary material quality

No pollution to water and air
By ozone bleach and sterilization

Approaching
The future where recycling is the norm



➤ 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**



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



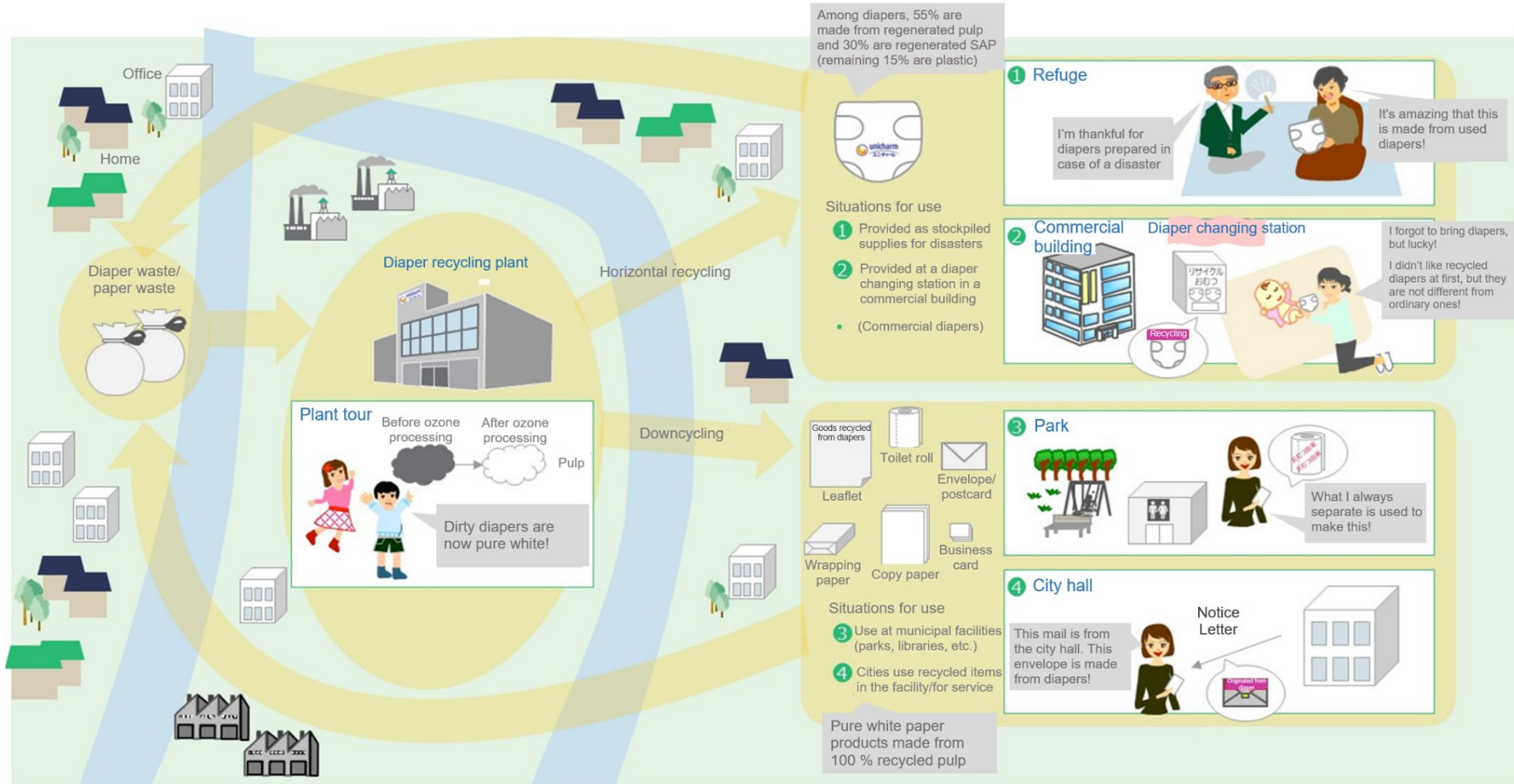
- **Utilize SNS to transmit information to promote understanding of “horizontal disposable diaper-to-disposable diaper recycling”**



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



➤ Future vision using recycled materials (image)

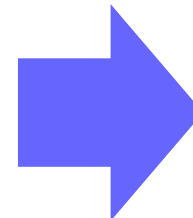


◆ **Advancing Product Recycling**



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**



2030 Target
 Reduced by half
 (Compared to 2020)

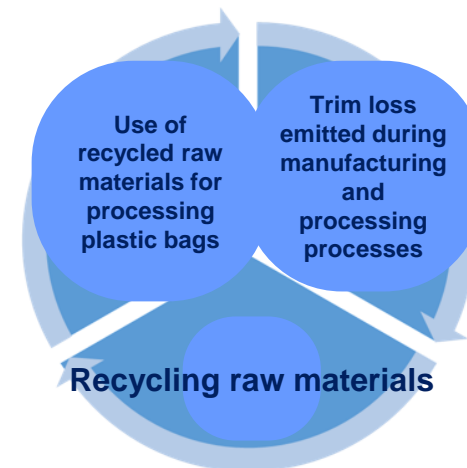


Ratio of virgin petrochemical-derived plastics to plastics

➤ **Began recycling plastic “trim loss” emitted in the manufacturing process as raw material**



Trim loss emitted at the factory



Recycling-oriented system

◆ 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)

Introduction of ESG evaluation system for all employees following on from executive evaluation to maximize social and economic value

◆ Management practices that take sustainability into account

Purpose

Contribution to achievement of SDGs



We support the Sustainable Development Goals (SDGs)

Every year starting from 2026: Max level



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

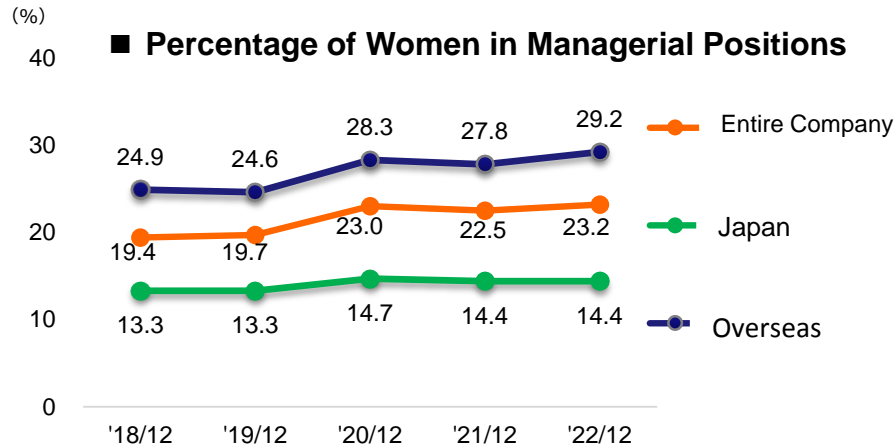
HR system

Realize a "Cohesive Society (Social Inclusion)"

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

R&D D&I training

Understand biases and recognize one's unconscious biases

Empowerment system

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

President / Leader Lunch meetings

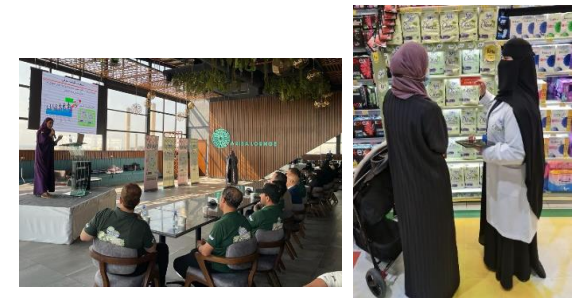
Expanding perspectives and cultivating desire to realize a career path

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

Creating Women Entrepreneurs in Rural India

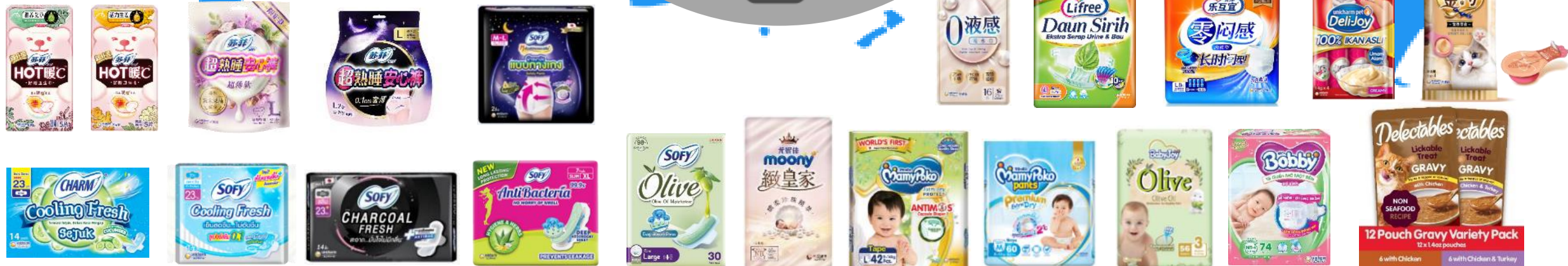


Providing New Opportunities for Women in Saudi Arabia



- Localization ratio of general manager and above

Local executive employee ratio 44.3% (As of January 2023)



◆ Fostering the development of competent human resources

2022 Employee satisfaction (Entire company)

Max. score 5

4.39

2021 4.07 (Japan)



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.

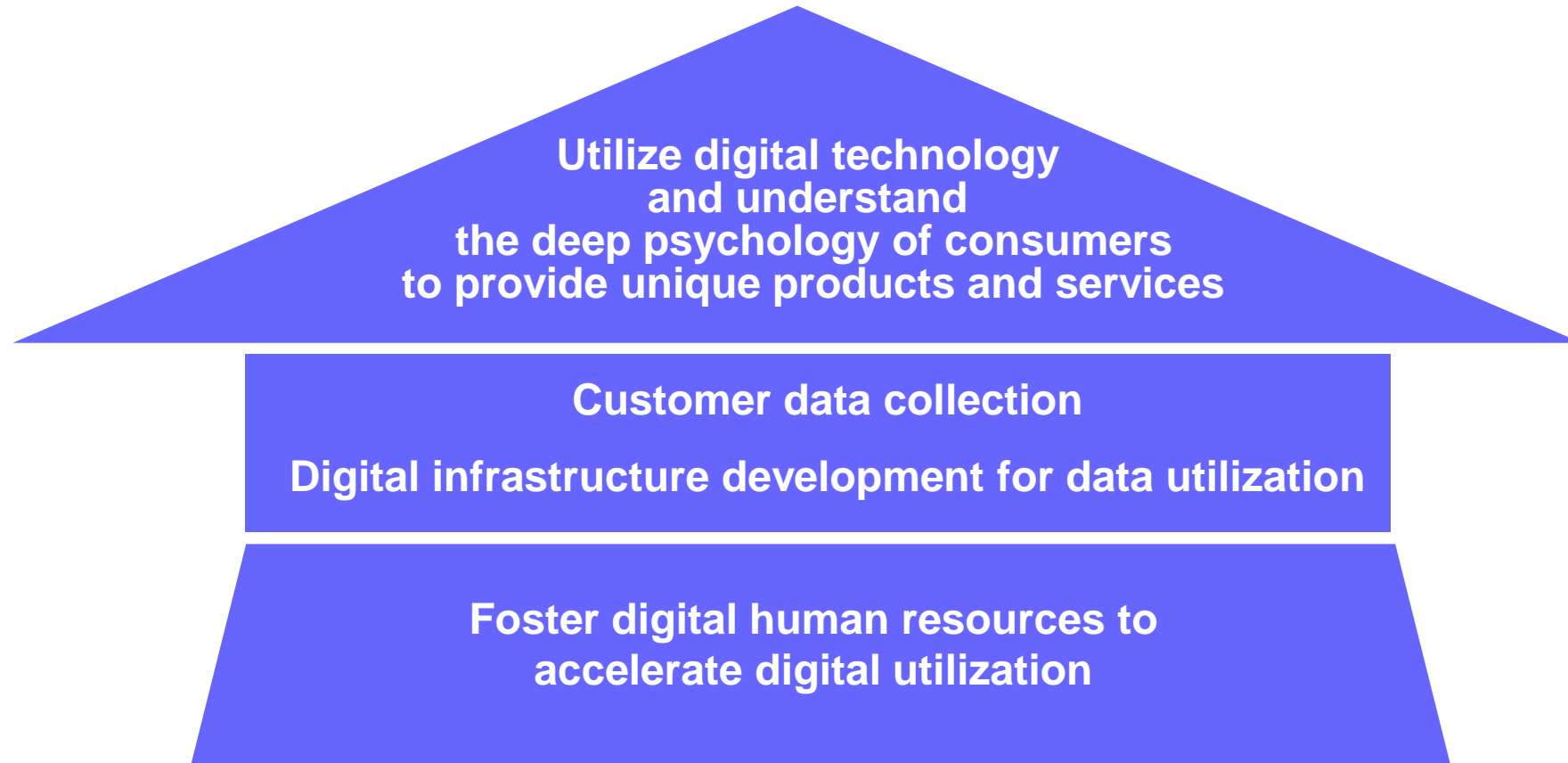
(4) The board of directors nominates candidates for directors and executive officers based on the opinion of the Nomination Committee.

(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

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

NOLA & DOLA

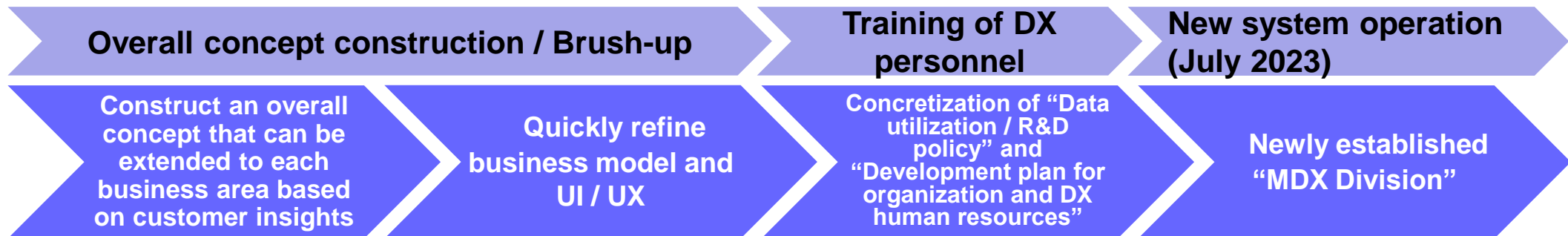
Necessity of Life with Activities & Dreams of Life with Activities

Eliminating discomfort
(transformative change from negative to neutral)

Changing from no discomfort to feeling good
(transformative change from neutral to something extra)

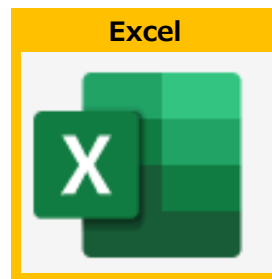
Merchandise value

Customer-based experience value



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

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

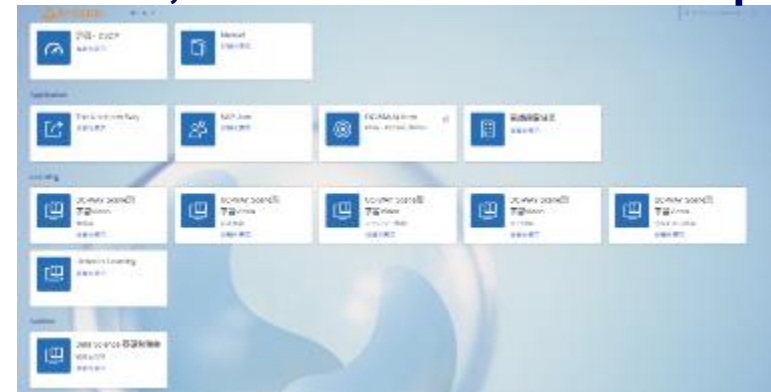
- “BOP-Ship”, Unicharm’s corporate culture that has been inherited from the establishment and evolving



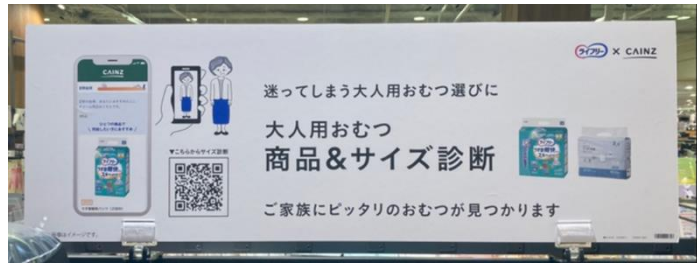
- Infiltrating “Management with Resonance” with “The Unicharm Way” app



- 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/>

- 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/>

- 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

- "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)

Japan initiatives utilizing digital technology-3

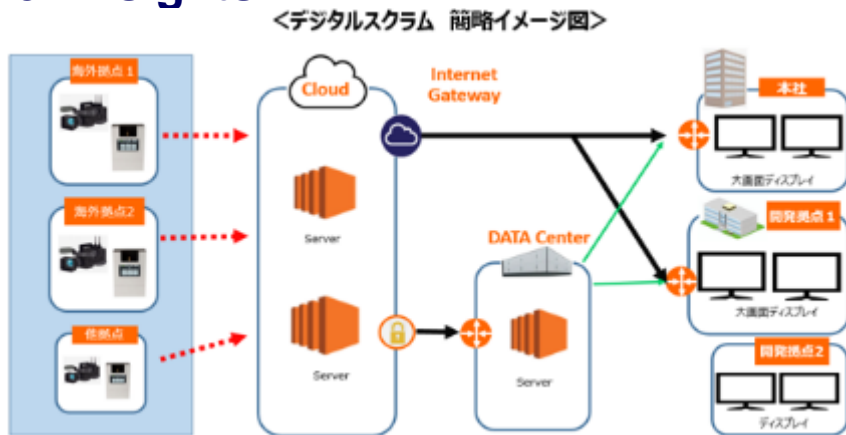
- Evolved value transmission through digital measures outside the store before visiting stores



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



- Developed “Digital Scrum System” to discover customer insights



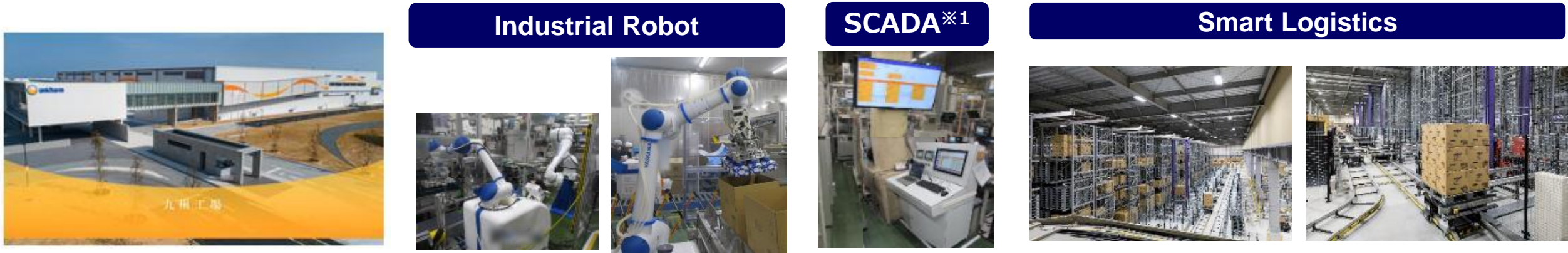
- Respond to various customer needs by strengthening the “Direct shop” system



ユニ・チャーム ダイレクトショップのサービス

| | | |
|---|---------------------------------------|--|
| POINT 1 / unicharm direct shop メーカー直販で安心! | POINT 2 / いつもの商品が手に入る! | POINT 3 / うれしい特典も! |
| POINT 4 / まとめて3,980円以上 お買い上げで送料無料 | POINT 5 / 平日午後3時までの ご注文で翌出荷日に発送 | POINT 6 / 便利なクレジットカード 代金引換も対応 <small>※一部商品にはご利用いただけず 決済手段に制限があります</small> |

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



Industrial Robot

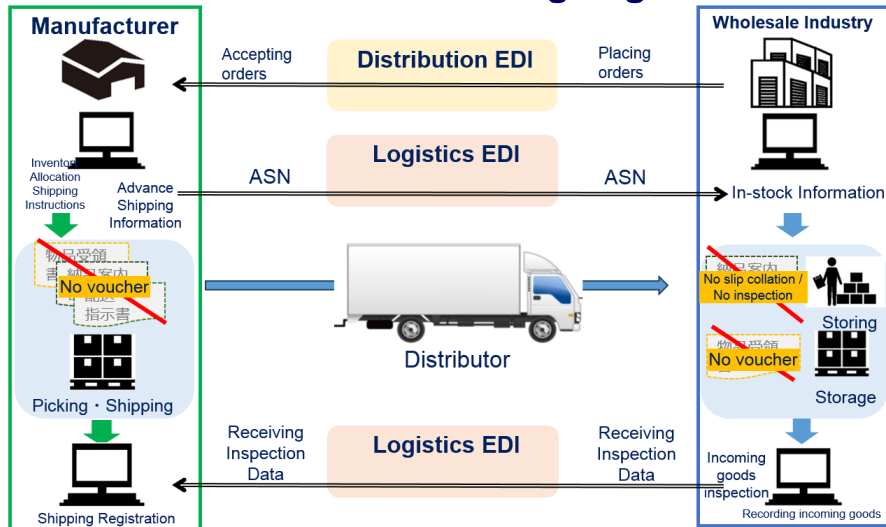
SCADA※1

Smart Logistics

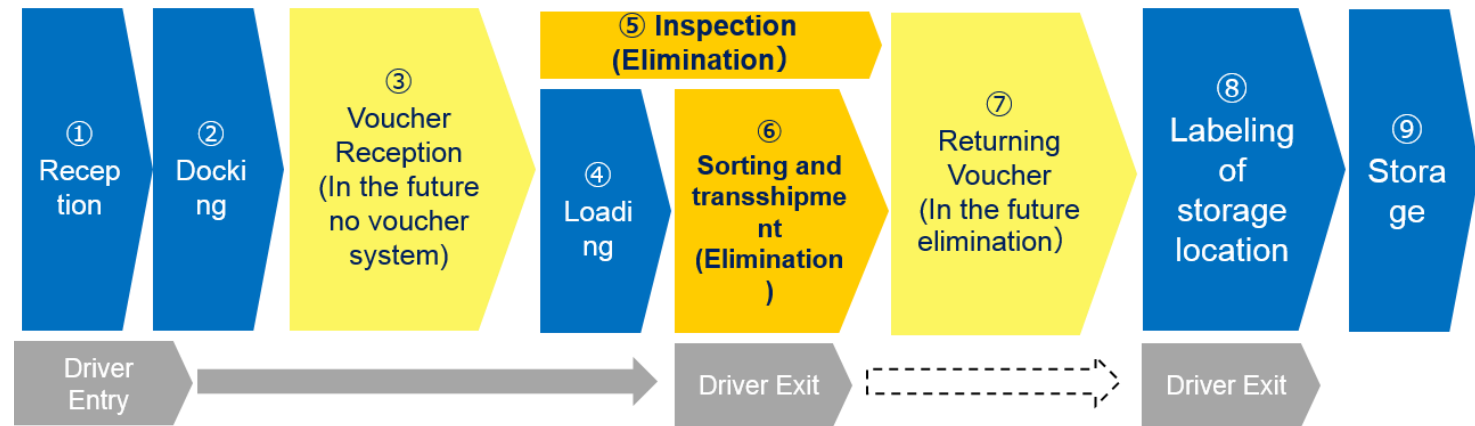
*1 Abbreviation for Supervisory Control And Data Acquisition

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

Business Reforms Utilizing Logistics EDI



Business model that eliminates inspection using ASN

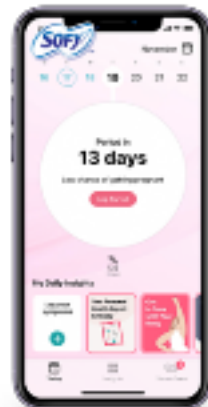


Overseas initiatives utilizing digital technology

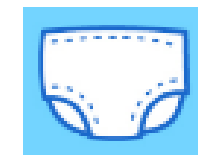
➤ Pet growth recording tool + O2O pet clinic introduction platform “Pet note”



➤ An app “Sofy Girl Talk” that supports women's physiological knowledge and worries



➤ “Mamypoko Club” that realizes a unique customer experience for baby diapers



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

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

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>

* The inclusion of Unicharm Corporation in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names herein, does not constitute a sponsorship, endorsement, or promotion of Unicharm Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.



Coordination with external organizations

WE SUPPORT



地方創生SDGs
官民連携
プラットフォーム

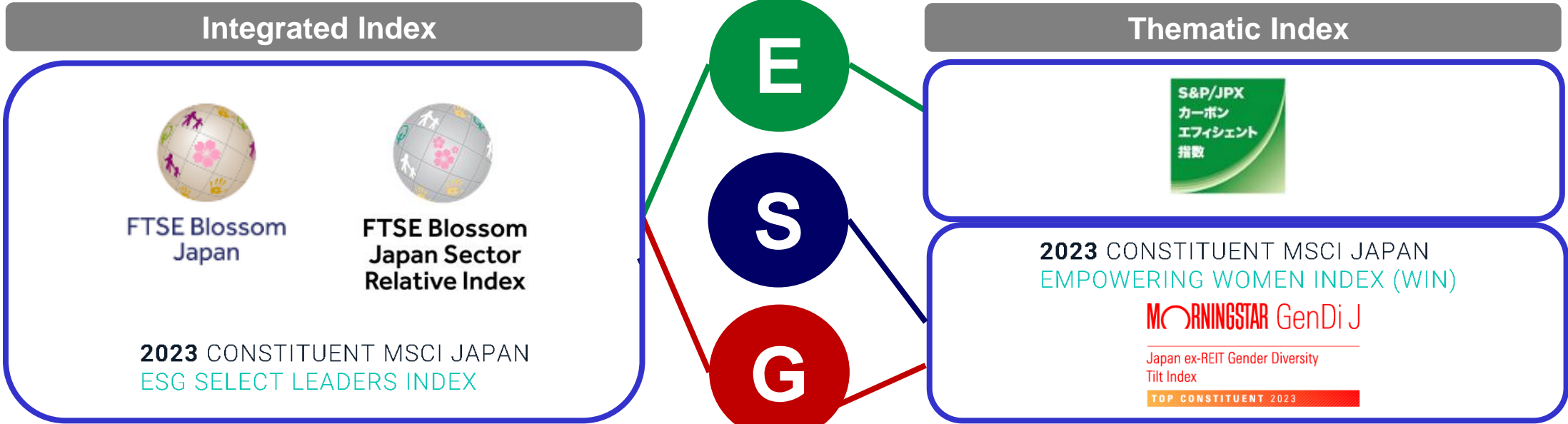


私たちは持続可能な開発目標 (SDGs) を支援しています。



Evaluation by external organizations and coordination with them

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



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

Other ESG Index



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

“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 https://www.sofy.jp/ja/campaign/minnanoseirikensyu.html | Approx. 400 companies and organizations (as of the end of June 2023) |
| Number of users for “Sofy Girl” (menstruation management app) https://www.sofy.jp/ja/app/sofygirl.html Number of users for “Sofy” (menstruation management app) https://www.sofy.jp/ja/app/sofy.html | 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)” https://www.tiktok.com/@sofy_official_7days/ | 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” https://jp.moony.com/ja/apps/moonypoint.html | 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 https://doqat.jp/ | Approx. 39,000 people (as of the end of June 2023) |



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Necessity of Life with Activities & Dreams of Life with Activities
We support the Sustainable Development Goals (SDGs)

