

Fiscal Year Ended  
December 31, 2023  
(Jan 1, 2023 to Dec 31, 2023)  
Unicharm Investor Meeting  
Presentation Materials

February 7, 2024

Unicharm Corporation



I am Takahisa Takahara of Unicharm.

Thank you very much for taking time out of your busy schedule to attend Unicharm Corporation's financial performance summary for the fiscal year ended December 31, 2023.

Without further ado, I would like to start explaining the contents.

**Fiscal Year Ended December 31, 2023**  
**(January 1, 2023 to December 31, 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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First, I would like to provide a summary of the financial performance for the fiscal year ended December 31, 2023.

**Consolidated**

**Sales** 941.8 billion JPY (YoY +4.9%)  
**Core operating income** 128 billion JPY (YoY +7.0%)

- All-time high for all of sales, core operating income and profit attributable to owners of parent company.
- Bottom line achieved financial forecast by increasing sales and profit, and improving profitability.

**Japan**

**4.6% sales increase, 12.4% profit increase**

- Pet Care Business led the business in Japan greatly with penetration of value-shifting.
- Profitability keeps improving by strengthening value-shifting in Wellness Care excluding face mask and Feminine Care Business.
- Sales and profit increased with the effect of value-shifting and stable profitability was established in Baby Care Business.

**Overseas**

**5.0% sales increase, 1.7% profit increase**

- Sales and profit increased in Asia. Strong performance continued and sales and profit increased in India. Strong performance of Feminine Care business continued in South-East Asia. Profit decreased in China and Thailand mainly caused by new business investment such as Pet Care Business.
- Sales and profit increased in other regions. The business expanded in Middle-East. Profitability was established with continued high growth in Brazil. Profitability improved in North America.

**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 look at page 3 of the document.

This is a summary of the financial results for the fiscal year ended December 2023.

**Sales hit a record high for 7 consecutive years**  
**Core operating income and profit attributable to owners of parent company also hit a record high**



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

	FY Ended Dec. 31, 2022	FY Ended Dec. 31, 2023	Gap(yen)	Gap(%)	(Forecast) FY Ended Dec. 31, 2023	(Unit: 100 million yen) Achievement (%)
Net sales	8,980	<b>9,418</b>	+438	+4.9 %	9,635	97.7%
Core operating income (margin-%)	1,196 (13.3%)	<b>1,280 (13.6%)</b>	+84	+7.0% (+0.3P)	1,410 (14.6%)	90.8%
Profit before tax (margin-%)	1,157 (12.9%)	<b>1,323 (14.0%)</b>	+166	+14.3% (+1.1P)	1,375 (14.3%)	96.2%
Profit attributable to owners of parent company (margin-%)	676 (7.5%)	<b>861 (9.1%)</b>	+184	+27.3% (+1.6P)	809 (8.4%)	106.4%
EBITDA (profit before tax + depreciation/ amortization)	1,615	<b>1,791</b>	+176	+10.9%	1,795	99.8%
Base earnings per share (JPY)	113.61	<b>145.42</b>	+31.81	+28.0%	136.71	106.4%
USD Rate (JPY)	131.43	<b>140.56</b>	+9.13	+6.9%	130.00	—
CNY Rate (JPY)	19.48	<b>19.82</b>	+0.34	+1.7%	19.20	—

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Please see page 4 of the document.

This is the highlight of the consolidated financial results.

Regarding the financial results for the fiscal year ended December 31, 2023, sales were 941.8 billion yen, an increase of 4.9%, a record high for the seventh consecutive year, and core operating income was 128 billion yen, an increase of 7.0%, which is also a record high.

In the period under review, raw material costs remained high, partly due to the strong dollar against local currencies, despite a decline in unit prices of raw materials since July. Against this backdrop, we continued to pursue our value shifting strategy with value-added new products and renewed products, resulting in steady quarterly improvement in profit margin, and core operating margin improved by 0.3 percentage points to 13.6%.

As shown on the right side of the chart, our plan for FY2023 was to significantly improve sales and profits by shifting value in accordance with the stage of each country and region, however, the goal was not achieved.

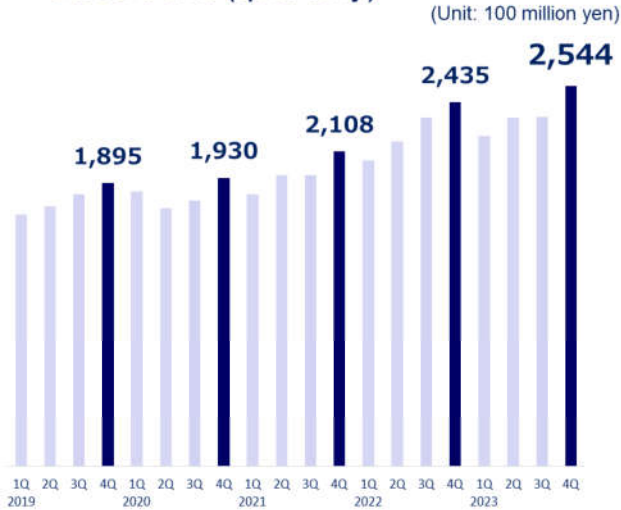
This was due to factors such as an increase in distribution inventory due to the slowing growth of the China economy, sluggish growth in the number of births in Asia, and the rise of emerging companies. However, the value shifting strategy in

Japan and other countries made steady progress. Both sales and core operating income reached record highs. Regarding Profit attributable to owners of parent company, the income from insurance claims in India and the revision of provisions for retained tax benefits in subsidiaries resulted in a decrease in the effective tax rate, which helped the company achieve its forecast and record results. Details of our business results and the progress of our business forecast will be explained on the next page.

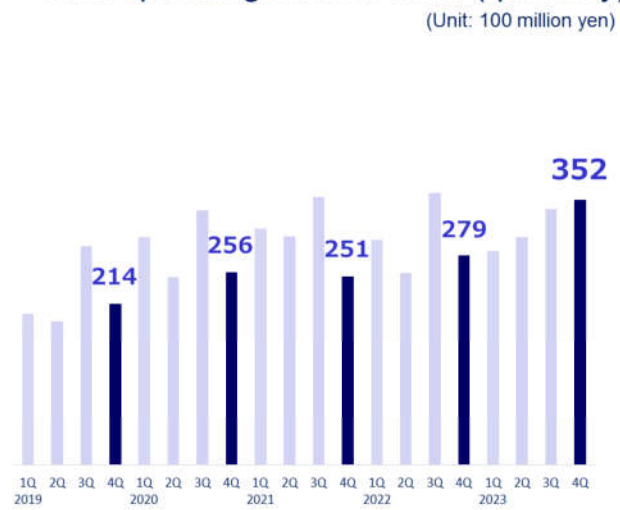
Sales of fourth quarter hit record high with stable sales growth and profitability improvement by continuous value-shifting in the fourth quarter of FY2023



● Sales trend (quarterly)



● Core operating income trend (quarterly)



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Please refer to page 5 of the document.  
This is the quarterly financial results.

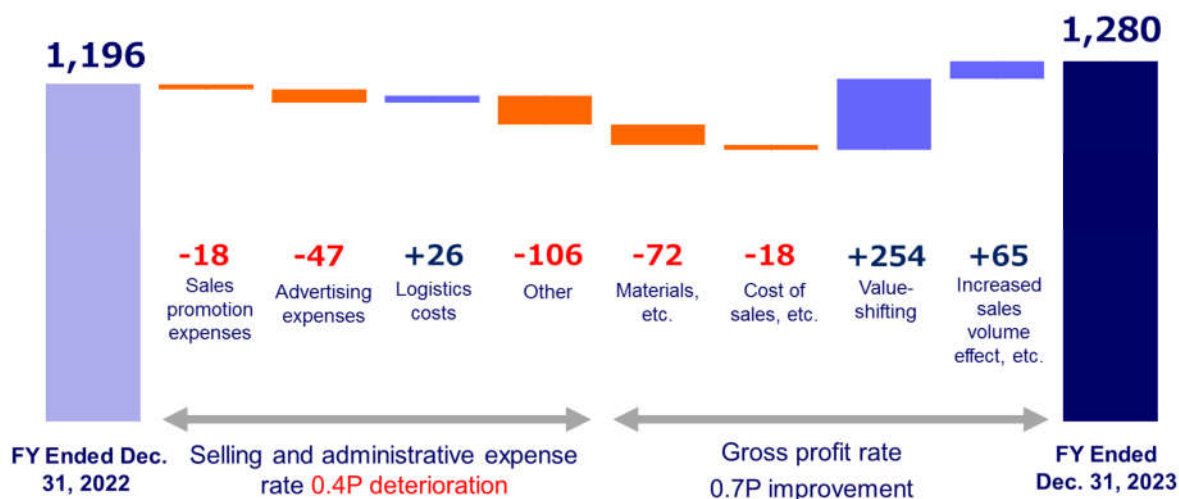
The products we handle are daily necessities, and we have been able to achieve stable sales growth while continuously promoting value shifting, with the current fourth quarter sales reaching a record high on a quarterly basis. Core operating income was affected by a temporary decline in performance in China, but profit margin steadily improved each quarter and profit grew due to the continued penetration and expansion of value shifting mainly in Japan and cost reductions in raw material costs, which reversed in the second half of the fiscal year.

Core operating income increased by 8.4 billion JPY as a result of absorbing cost rises such as raw materials by continuing value-shifting



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

(Unit: 100 million yen)



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Please see page 6 of the document.  
Next is the change in core operating income.

Regarding S&A expenses, the sales ratio deteriorated by 0.4P, and as there were expenses that increased due to increased sales, overall S&A expenses increased by approximately 14.5 billion yen.

Among these, “advertising expenses” increased by 4.7 billion yen. This is mainly due to the fact that in the process of spreading value shifting, we conducted advertising to further improve brand recognition in Japan, North America Pet Care, the Middle East, Indonesia, and other countries.

Next, the 10.6 billion yen increase in “Other” expense items is due to the largest increase in personnel costs, followed by outsourcing costs, research and development costs, travel expenses, market research costs, etc.

On the other hand, “logistics costs” decreased as the sales ratio improved by 0.6 points. Among these are an improvement in the distribution cost ratio due to the value shifting effect in Japan, a decrease in imports and exports between affiliated companies, and a decline in container freight rates.

Next, regarding items related to gross profit, although the local currency depreciated further in “raw material-related” costs, the unit price of raw materials fell from July, resulting in cost reductions in the second half. As a result, gross profit improved from a decrease of approximately 12.5 billion yen in the first half to approximately 7.2 billion yen.

In order to absorb these costs, we have been able to absorb increases in SG&A expenses and raw material-related expenses as a result of increasing value through the continuous development of value-added products and the penetration of value shifting in countries such as Japan, India, Indonesia, and Brazil.



Pet Care, Wellness Care and Baby Care Business led sales and profit increase through the penetration of value-shifting in Japan. The performance improved with sales and profit increase in main countries in Asia except for China and Thailand. The business in other regions were driven by improvement in Middle-East, persistent profitability with high growth in Brazil and effect of value-shifting in North America.



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

(Unit: 100 million yen)

		FY Ended Dec. 31, 2022	FY Ended Dec. 31, 2023	Gap (yen)	Gap(%)	(Ref.) *1 Actual gap rate
Japan	Net sales	3,076	<b>3,218</b>	+142	+4.6%	—
	Core operating income	578	<b>650</b>	+72	+12.4%	—
	(margin-%)	(18.8%)	<b>(20.2%)</b>		(+1.4P)	
Asia	Net sales	4,283	<b>4,382</b>	+99	+2.3%	-1.4%
	Core operating income	476	<b>435</b>	-41	-8.7%	-12.6%
	(margin-%)	(11.1%)	<b>(9.9%)</b>		(-1.2P)	
Others *2	Net sales	1,621	<b>1,818</b>	+197	+12.1%	+7.0%
	Core operating income	139	<b>191</b>	+51	+36.9%	+27.7%
	(margin-%)	(8.6%)	<b>(10.5%)</b>		(+1.9P)	
Consolidation	Net sales	8,980	<b>9,418</b>	+438	+4.9%	+2.2%
	Core operating income	1,196	<b>1,280</b>	+84	+7.0%	+4.4%
	(margin-%)	(13.3%)	<b>(13.6%)</b>		(+0.3P)	

[Actual gap rate of sales in main countries] \*based on management accounting  
China -9% Indonesia +3% Thailand -7% India +8% Vietnam +4% Middle East +10% North America +0% Brazil +34%

\*1 : Actual gap rate excluding exchange effects

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

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Please look at page 7.

Next is geographical segment information.

First, in Japan, sales increased by 4.6% and profit by 12.4%, and the core operating income margin improved by 1.4P to 20.2% as a result of the penetration of value shifting, despite the impact of soaring raw material prices due to the weak yen. In the second half of the year, the rise in raw material prices peaked out, but due to the depreciation of the yen compared to FY2022, high costs continued. Since COVID-19 was changed to a Category V Infectious Diseases under the Infectious Disease Control Act in May, the mask sales (shelf) area continued to shrink and business results declined, but profits increased due to the progress of value shifting that has been ongoing since FY2022 in areas such as Pet Care, Baby Care, and Wellness Care. In particular, sales of Pet Care continued to increase in the high 10% range from the first half, Wellness Care (excluding masks) increased in the low single digits, and Baby Care also increased in the low single digits, driving the performance in Japan.

Next, I would like to talk about the Asia region.

In the Asian region, sales increased by 2.3%, core operating income decreased by 8.7%, and core operating income margin was 9.9%.

On the other hand, in China, where there are challenges, there was a temporary decline in performance due to inventory reductions resulting from an increase in distribution inventories caused by slowing economic growth and a reduction in sales activities due to the Fukushima treated water issue. In addition, sales in Asia increased but profits decreased due to the deterioration of the Baby Care market environment in Thailand.

Finally, in other regions, sales increased by 12.1%, core operating income increased by 36.9%, and core operating income margin improved by 1.9 points to 10.5%.

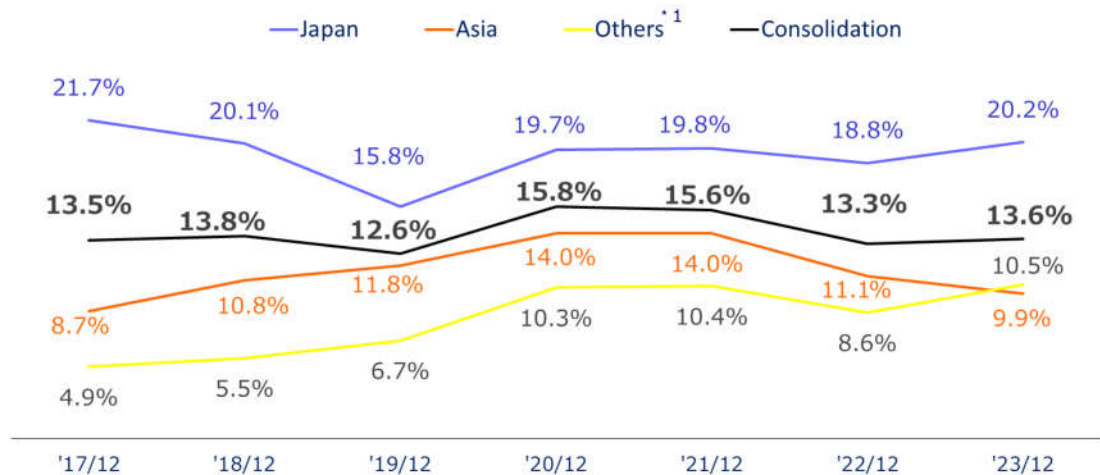
This was driven by the Middle East, Brazil, and North America Pet Care.

In the Middle East, we implemented competitive value shifting mainly in Baby Care from the second quarter, and as a result we made significant improvements from the third quarter, and were able to put both domestic and overseas exports in Saudi Arabia on a growth track.

In Brazil, despite soaring raw material prices, we aggressively invested in advertising, mainly in Baby Care products, and strengthened distribution while promoting value shifting. As a result, sales continued to grow at a high rate and became firmly in the black.

For Pet Care in North America, sales growth slowed temporarily due to inventory adjustments, but value-shifting products such as cat treats continued to perform well, and profitability improved significantly.

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



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

Please refer to page 8 of the document.

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

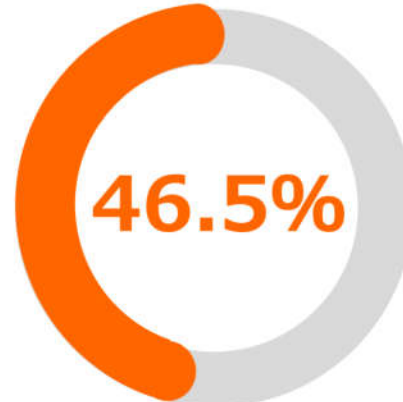
The quarterly gross profit margin has steadily improved after bottoming out in the fourth quarter of FY2022, and as a result, the core operating income margin has also improved, despite the impact of lower performance in China and other factors, due to the cost reduction effect of the peak out of raw material price hikes and progress in passing on value, especially in Japan.

We will continue to build a high profitability base through the continued penetration and expansion of value-shifting products, and will continue to make improvements toward achieving 17% by FY2030.

● Sales ratio of overseas markets



● Sales ratio of Asian markets



Please look at Page 9.

This the graph for sales ratio of overseas markets.

Overseas sales accounted for 66.5% (65.6% excluding the effect of exchange rates).

Sales and profit increased in Personal Care Business led by strong performance mainly in Japan despite lower sales of face mask and China business decline.  
 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 Dec.)

		FY Ended Dec. 31, 2022	FY Ended Dec. 31, 2023	Gap (yen)	Gap (%)
Personal Care	Net sales	7,649	<b>7,938</b>	+289	+3.8%
	Core operating income (margin-%)	1,009 (13.2%)	<b>1,045 (13.2%)</b>	+36	+3.6% (±0P)
Pet Care	Net sales	1,253	<b>1,394</b>	+141	+11.3%
	Core operating income (margin-%)	184 (14.6%)	<b>231 (16.6%)</b>	+47	+25.8% (+2.0P)
* 1 Others	Net sales	78	<b>85</b>	+7	+8.9%
	Core operating income (margin-%)	4 (4.5%)	<b>4 (4.8%)</b>	+1	+16.6% (+0.3P)
Consolidation	Net sales	8,980	<b>9,418</b>	+438	+4.9%
	Core operating income (margin-%)	1,196 (13.3%)	<b>1,280 (13.6%)</b>	+84	+7.0% (+0.3P)

\* 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 mentioned earlier in the geographical segment, personal care sales and profits increased despite cost increases such as raw material price hikes, declining mask performance in Japan, and temporarily lower performance in China, as a result of steady progress in shifting value in Japan and other strong performing countries.

In Pet Care, we achieved stable and high growth this fiscal year, resulting in increased sales and profits.

In terms of content, as I mentioned earlier, Japan's penetration and expansion of value shifting helped absorb the impact of soaring raw material prices and led to a significant increase in sales and profits, driving performance.

Additionally, sales and profits continued to increase in North America.

In addition, we are actively investing in Southeast Asian countries such as China, Thailand, and Indonesia, which will serve as pillars of growth in the medium to long term, and have begun sales activities for pet care products.

**Impact of foreign exchange fluctuations:**  
**Approx. 24.1 billion JPY increase in sales and**  
**approx. 3.1 billion JPY increase in core operating income**



● **Rate fluctuations by currency (Jan. to Dec. average rate)**

Currency	Exchange rate for FY ended December 31, 2022	Exchange rate for FY ended December 31, 2023	Rate change
China (CNY)	19.48	<b>19.82</b>	+1.7%
Indonesia (IDR)	0.0089	<b>0.0093</b>	+4.5%
Saudi Arabia (SAR)	35.06	<b>37.52</b>	+7.0%
Thailand (THB)	3.75	<b>4.04</b>	+7.7%
India (INR)	1.68	<b>1.71</b>	+1.8%
Vietnam (VND)	0.0056	<b>0.0059</b>	+5.4%
USA (USD)	131.43	<b>140.56</b>	+6.9%
Netherland (EUR)	138.04	<b>152.00</b>	+10.1%
Taiwan (TWD)	4.41	<b>4.51</b>	+2.3%
South Korea (KRW)	0.1018	<b>0.1078</b>	+5.9%
Malaysia (MYR)	29.83	<b>30.82</b>	+3.3%
Australia (AUD)	91.01	<b>93.34</b>	+2.6%
Brazil (BRL)	25.48	<b>28.17</b>	+10.6%
Egypt (EGP)	6.91	<b>4.58</b>	<b>-33.7%</b>

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Please refer to page 11 of the document.

This is the impact of exchange rate fluctuations in each currency.

Due to exchange rate fluctuations in each currency, the impact of conversion of financial statements on closing rates had an effect of increasing sales by approximately 24.1 billion yen compared to FY2022.

Additionally, core operating income increased by approximately 3.1 billion yen.

## Summary of Performance Forecast FY Ending December 31, 2024

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Next, I would like to provide an overview of our performance forecast for the fiscal year ending December 31, 2024.



**Fiscal Year ending December 31, 2024**  
**Summary of Consolidated Performance Forecast**



**Consolidated**

**Sales** 1,006 billion JPY (YoY +6.8%)  
**Core operating income** 144 billion JPY (YoY +12.5%)

- All time high for sales and core operating income.
- Despite increase in selling, general and administrative expenses by 0.7P due to increase of DX, R&D and labor cost, improve gross profit margin by 1.4P and core operating income by 0.7P through continuous practice of value-shifting.
- Capital investment: approx. 45 billion yen (depreciation: approx. 42 billion yen)

**Japan**

**5 ~ 7% sales increase, profit decrease**

- Business in Japan led by Wellness Care Business through penetrating value-shifting in adult excretion care products.
- Increase in DX related costs etc. for core system integration and product development.

**Overseas**

**6~8% sales increase, profit increase**

- Increase sales and profit in Asia region, recover Feminine Care Business in China, performance in Asia driven by Baby Care Business through turning profitable, increase sales and profit with continued high growth in India, increase sales and profit by growing mainly Wellness Care Business in South-East Asia.
- Increase sales and profit in other regions, continue strong performance in North America, continue high growth and improve profitability in Brazil.

**Shareholder  
Return**

**Yearly dividend 44 yen per share**  
**Increased dividend for 23 consecutive years**

- Purchase of own shares: plan to purchase up to approx. 19 billion yen, approx. 4.5 million shares

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Please see page 13 of the document.

This is a summary of consolidated performance forecasts for the fiscal year ending December 31 2024.



## All-time high for sales and all profit items for 8 consecutive years



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

(Unit: 100 million yen)

	FY Ended Dec. 31, 2023	FY Ending Dec. 31, 2024	Gap(yen)	Gap(%)	(Ref) *1 Actual gap rate
Net sales	9,418	<b>10,060</b>	+642	+6.8%	+5.8%
Core operating income (margin-%)	1,280 (13.6%)	<b>1,440</b> <b>(14.3%)</b>	+160	+12.5% (+0.7P)	+12.0%
Profit before tax (margin-%)	1,323 (14.0%)	<b>1,440</b> <b>(14.3%)</b>	+117	+8.8% (+0.3P)	
Profit attributable to owners of parent company (margin-%)	861 (9.1%)	<b>900</b> <b>(8.9%)</b>	+39	+4.6% <b>(-0.2P)</b>	
Base earnings per share (JPY)	145.42	<b>152.48</b>	+7.06	+4.9%	
USD Rate (JPY)	140.56	<b>143.00</b>	+2.44	+1.7%	
CNY Rate (JPY)	19.82	<b>19.90</b>	+0.08	+0.4%	

\*1 : Actual gap rate excluding exchange effects

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Please refer to page 14 of the document.

These are the highlights of the consolidated account highlights forecast for the fiscal year ending December 31 2024.

The contents are as explained earlier, so I will omit the explanation.

## Shareholders Return Policy

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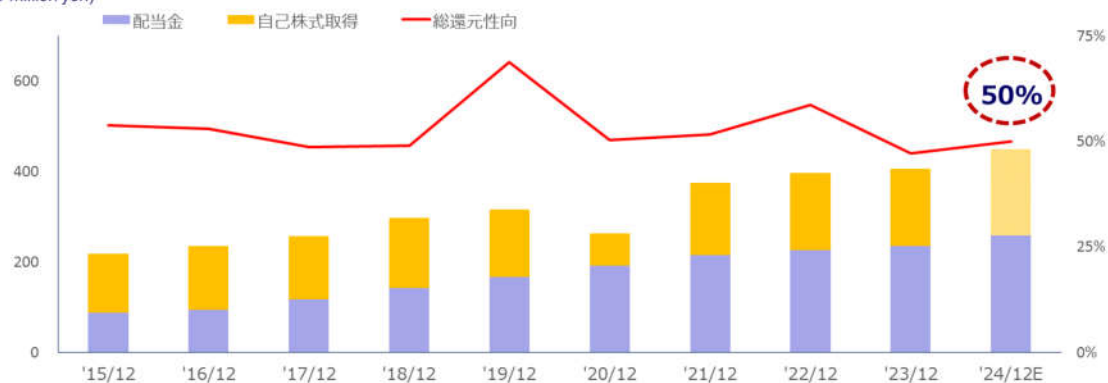
Next, I would like to explain our shareholder return policy.

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 2024



### ● 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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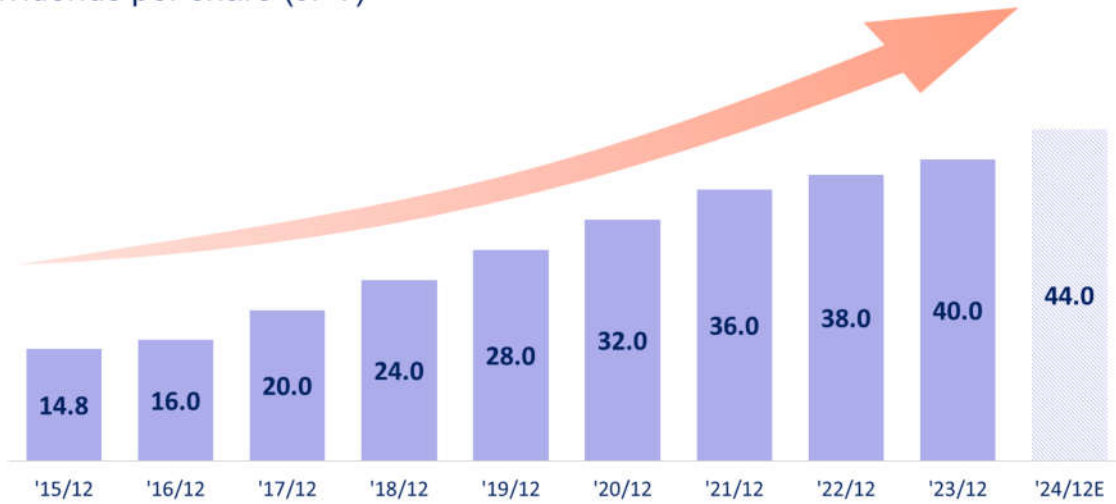
Please see page 16 of the document.

Regarding our shareholder return policy, we prioritize business investment to achieve continuous growth, while paying stable and continuous dividends based on medium-to-long-term consolidated business performance growth. In addition, by flexibly implementing share repurchases as necessary, we plan to aim for total return ratio of 50% in FY2024.

**Dividend per share**  
**Plan to increase dividend for 23 consecutive years (44 yen a year)**



● Dividends per share (JPY)



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Please look at pg.17 of the document.

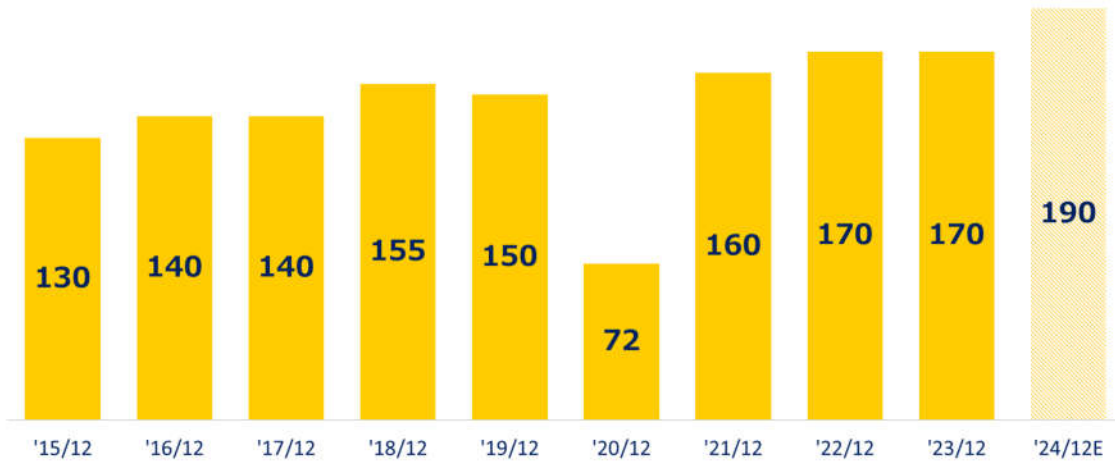
As for the dividend per share, we expect to raise the annual dividend by 2 yen to 40 yen per share in FY2023 as planned.

In FY2024, our plans is the dividend per share at the end of the second quarter will increase by 2 yen to 22 yen, and the year-end dividend per share will also increase by 2 yen to 22 yen, and the annual dividend will increase by 4 yen to 44 yen. As a result, this will mean 23rd consecutive year of increased dividends.

Flexible purchase of own shares depending on the cash condition  
Purchase 19 billion JPY (4.5 M shares) in 2024 as planned



●Share buy-back history (100 million JPY)



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Please refer to page 18 of the document.  
This is the transition of the share buy-back.

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 ¥17.0 billion, and by the end of September, the Company had acquired approximately ¥17.0 billion as planned.

In FY2024, the Board of Directors recently approved a resolution to repurchase up to 4.5 million shares at a maximum repurchase price of 19 billion yen, and we will continue to repurchase shares in a flexible manner.

We will continue to consider the return of profits to shareholders as one of our important management policies, combining stable and continuous dividend payments with share buybacks, and will strive to increase corporate value through sustainable cash flow creation.

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

**The 12<sup>th</sup> Mid-term Management Plan**  
**Financial Goal**

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Next pages will be about the 12<sup>th</sup> Mid-term Management Plan Financial Goals.

Towards realizing “Cohesive Society” in 2030 and becoming world’s No.1 company, target in 2026 is “sales 1,150 billion JPY” aiming sales CAGR approx. 7%.



● Financial Goal

**Kyo-Sei Life Vision 2030**

The 11th Mid-term Group Management Plan (Results)      The 12th Mid-term Group Management Plan



Indicator	2023
CAGR	9.0% <sup>※1</sup>
COPM	13.6%
ROE	13.1%

Indicator	2026
CAGR	6.9% <sup>※2</sup>
COPM	15.8%
ROE	15.0%

Indicator	2030
CAGR	6.9% <sup>※3</sup>
COPM	17.0%
ROE	17.0%

※1 FY20年→FY23

※2 FY23→FY26

※3 FY23年→FY30

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## **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

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(累計)は204社

Number of training videos provided:  
Approx. 430 companies and organizations  
(as of end of December 2023)

さらけだ荘

TikTok views:  
approx. 21 million  
(as of end of December 2023)

### ➤ Promote women empowerment support globally



Menarche education

Participants:  
Approx. 580,000 in India  
(as of end of December 2023)



Female Entrepreneur Creation Project



Culturally sensitive plant dedicated to women

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



(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)



- Discharge sheet that checks pregnancy timing and various care products that correspond to the lifestyle of women (developed in 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



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 4,600 locations in 47 prefectures (as of the end of January 2024)



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(Safeguarding the well-being of each individual)

Protect everyday health and support safe and comfortable living



◆ Improvement of public hygiene



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

➢ Pursuing comfort, functionality, and design, creating products that match consumers' actual usage and needs



➢ Boost high value-added masks development globally



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## Key initiatives, indicators, and target values



### ◆ Safeguarding the well-being of society

Key initiatives	Indicators	Results		Mid- and long-term goals	
		2021	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”



➤ 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)

## 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	-	-	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 <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%	
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%	96.0%	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 <sup>®</sup> and CoC-certified)	Percentage of certified factories <sup>※3</sup>	-	62.0%	56.0%	64.0%	100%	
		Percentage of certified materials procured	-	76.0%	72.3%	75.0%		
	Expanding the use of certified palm oil (RSPO <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 air-laid 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.)

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➤ **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.



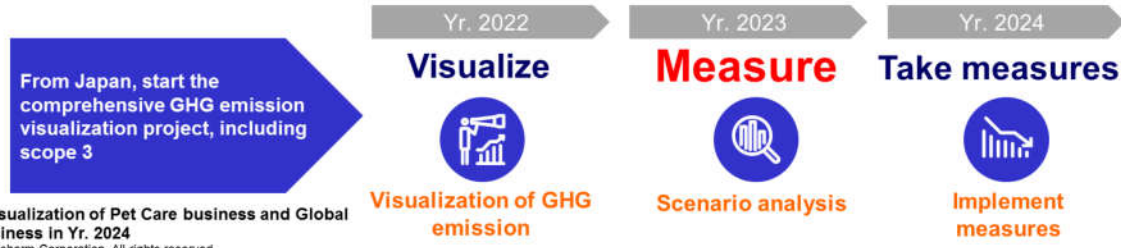
(Safeguarding the well-being of our planet)

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%	



\* Visualization of Pet Care business and Global business in Yr. 2024

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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 (Jaguarluna Factory)



US (Hartz Pleasant Plain Factory)



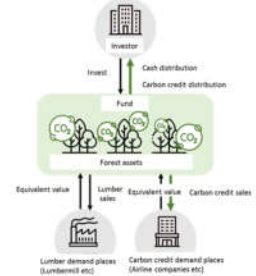
Japan (Kyushu, Toyohama Manufacturing, Mie Factory, Saitama Factory, Peparlet)



➤ **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.

(Safeguarding the well-being of our planet)

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



- Expansion of modal shift through separation of cargo handling operations, consolidated transportation, and utilizing swap body containers with different industries by railways, and ships



- Developing logistics bases near local consumption areas



- Kyushu Smart Logistics is equipped with automated warehouse equipment and the latest warehouse management system



- Products with improved comfort and compression ratio using patented ultrasonic bonding technology, as well as products that reduce food loss and contribute to long-term preservation, improve the efficiency of logistics delivery and reduce greenhouse gas emissions



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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



2030 Target  
More than 10 cases

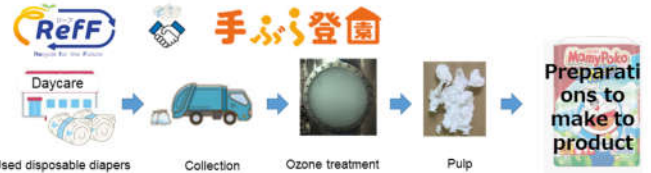


Number of products and services that implement 3Rs + 2Rs based on unique approach

➤ Launched<sup>\*2</sup> the World's First<sup>\*1</sup> product using recycled pulp treated with ozone technology as part of the absorbent material in new disposable pants product



➤ Started collecting used diapers at preschools<sup>\*3</sup> that have introduced the "Tebura Toen" program



\*1 Horizontal recycling technology from disposable pants to disposable pants using ozone treatment technology (Based on UC research, December 2020)

\*2 Sold at hospitals and nursing care facilities in the Kyushu area

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

(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



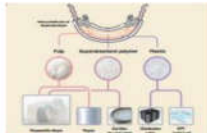
2030 Target  
More than 10  
cases



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



Soo Recycle Center

### ➤ To expand the supply of disposable pants using recycled pulp, developed processing technology for converting recycled pulp into base paper for disposable pants with Havix Corporation, and started commercial use of recycled pulp



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



### ➤ Creating opportunities to experience quality, safety, and environmental friendliness of recycled pulp, and transmitting information utilizing SNS







◆ **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

## 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  
49.0%

(As of December 2023)



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◆ Fostering the development of competent human resources

2023 Employee satisfaction (Entire company)

Max. score 5

4.04

2022 4.39 (Japan)



2030 Target Over 80%



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

➤ Realized a company-wide compensation increase rate that exceeds the CPI (Consumer Price Index)



➤ 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

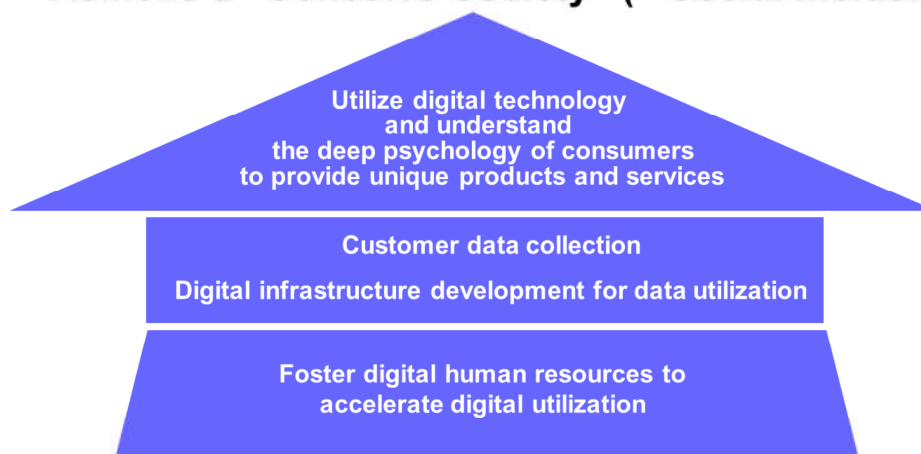
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Utilize digital technology and create absolute value for consumers in order to realize sustainable improvement of corporate value and stronger competitiveness



SUSTAINABLE DEVELOPMENT GOALS Contributions "Love Your Possibilities"

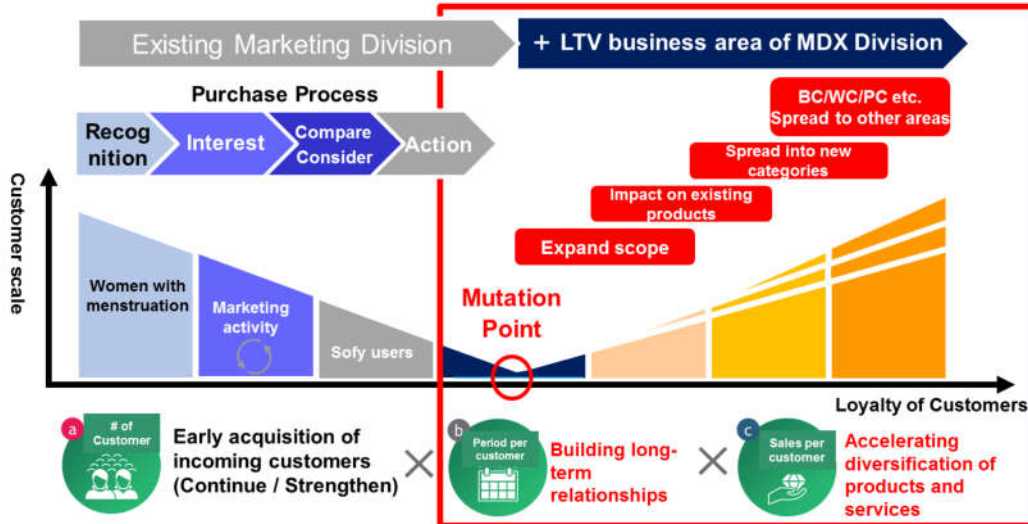
## Achieve a "Cohesive Society" (= Social Inclusion)



**Creating a model to maximize Life Time Value (LTV) based on women**  
**Building long-term relationships with customers and accelerating the diversification of products and services**



➤ LTV business area of MDX Division (Marketing by DX)



Initiatives to develop “DX human resources” globally to maximize customer lifetime value



- Create specialized learning opportunities through training sessions such as “DX Basic Study Group” to acquire basic digital knowledge



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

	Number of users	Login ratio
Global	Approx.2,000	100%
Japan	Approx.1,000	100%



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



- Introduced UniChat (Unicharm version generative AI Chat), a digital tool that helps save time and improve work efficiency



## 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 December, 2023)

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



※ DOQAT <https://doqat.jp/>

Registrants: 44,000 (total)  
(as of the end of December 2023)

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



No. of Users: Approx. 2,000,000  
(As of the end of December, 2023)

Addition of desire to be pregnant mode

➤ "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. 1.94 million members  
(as of end of December 2023)



## Japan initiatives utilizing digital technology-2



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



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

- 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



4,600+ across 47 prefectures (as of end of January 2024)

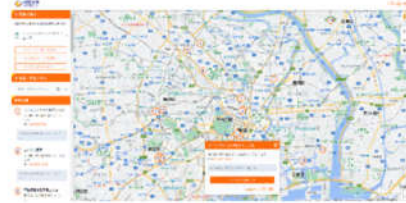
## Japan initiatives utilizing digital technology-3



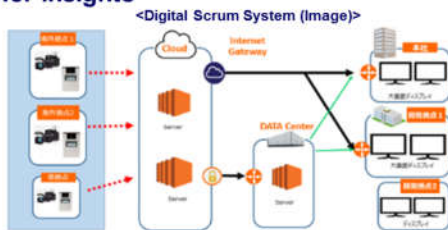
- Evolved value transmission through digital measures outside the store before visiting stores



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



- Developed “Digital Scrum System” to discover customer insights



- Strengthening “Direct Shop” system to meet various needs of customers in all categories

ユニ・チャームダイレクトショップのサービス

POINT 1 / ユニ・チャーム メーカー直販で安心！	POINT 2 / いつでも商品が手に入る！	POINT 3 / うれしい贈品も！
POINT 4 / まじまじと見せられ、お買い上げで満足！	POINT 5 / 平日午後5時までのご注文で翌日お届けに可能！	POINT 6 / 便利なクレジットカード 決済ももちろん！ ※クレジットカード決済は、お申し込みが必要です。

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



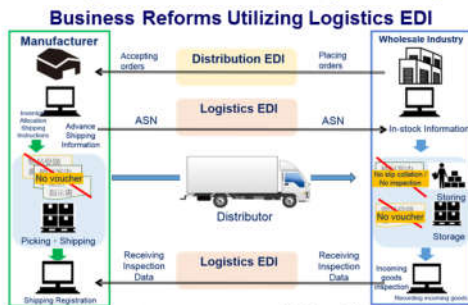
Industrial Robot

SCADA\*1

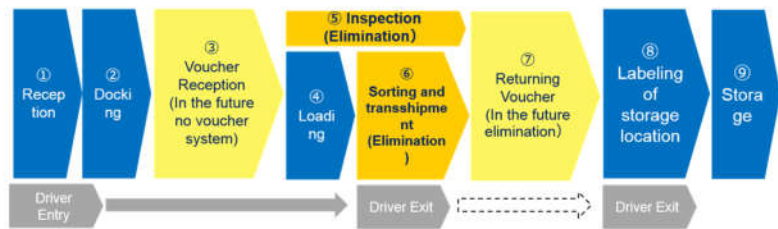
Smart Logistics

\*1 Abbreviation for Supervisory Control And Data Acquisition

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



Business 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> <li>✓ Selected for “2023 Bloomberg Gender-Equality Index” 3 consecutive years</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> <li>✓ Acquired certification from Indonesia National Museum of Records for “MamyPoko Royal Soft Organic Cotton” which is manufactured and sold by Indonesian subsidiary PT Uni-Charm Indonesia Tbk</li> </ul>
December	<ul style="list-style-type: none"> <li>✓ Certified as “Best Workplace” in “D&amp;I AWARD 2023”</li> </ul>
2024 January	<ul style="list-style-type: none"> <li>✓ Received Grand Prize at “Nikkei Excellent Products and Services Awards 2023” with “Fresh Pro” launched by Cosmotec</li> <li>✓ Certified as “Reiwa 5th year (2023) Tokyo Sports Promotion Company” by Tokyo Metropolitan Government</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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Sampo Sustainability Index



# Coordination with external organizations



地方創生SDGs  
官民連携  
プラットフォーム  
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## Collaboration with external organizations

### Local community contribution activities at Ehime Prefecture, the birthplace of Unicharm



- Support activities for children who are responsible for the future of the region through corporate hometown tax payments



Next Generation Baseball Player Development Project

Purchase children's books for Shikokuchuo City Digital Library

- As a “partner for realizing a cohesive society”, we will contribute to regional revitalization through sports business together with FC Imabari players, staff, and supporters



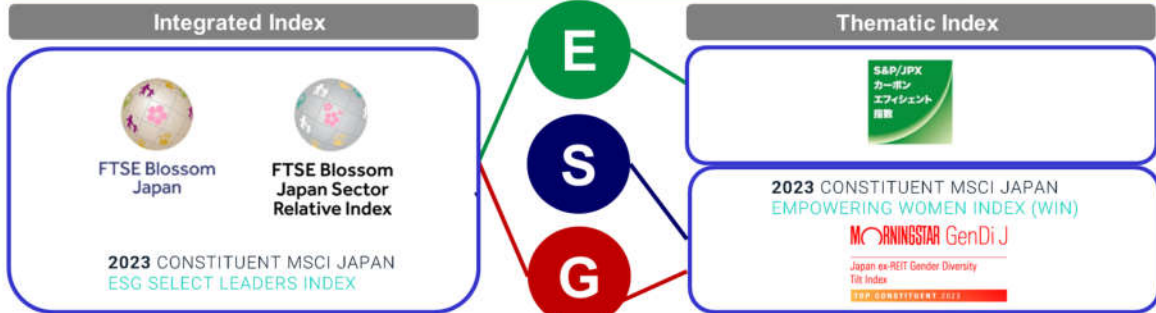
- Sponsoring “Unicharm Trophy 2023 Ehime International Open”, officially authorized by Men’s Professional Tennis Association



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



## ESG-related scores and ratings



		2019	2020	2021	2022	2023
<b>CDP SCORES</b>	Climate change	B	A-	A-	A-	A-
	Forest (timber)	B	B-	B	B	A
	Water security	B-	B-	B	B	A
<b>MSCI ESG RATINGS</b>		BBB 5.3	A 5.3	BBB 4.7	A 5.1	AA 5.7
<b>FTSE ESG RATINGS</b>		3.5	3.7	3.9	4.0	4.2

## “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: 176 times in total (as of the end of December 2023)
	Excretion care: 329 times in total (as of the end of December 2023)
Number of users for "Adult Diaper Counseling"	Approx. 29,000 people (as of the end of December 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. 430 companies and organizations (as of the end of December 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. 2,000,000 people in total (as of the end of December 2023)
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. 21 million views (as of the end of December 2023)
Education of first menstruation/period (including online)	India: approx. 580,000 people (as of the end of December 2023)
Education of first menstruation/period (mother-daughter learning sessions)	India: approx. 345 sessions, about 10,400 mother-daughter groups (as of the end of December 2023)
Number of registrations for first menstruation site "Charm Girls Talk"	Indonesia: approx. 82,000 people (as of the end of December 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. 1,940,000 members (as of the end of December 2023)
Nursery schools using "Tebura-touen (service delivering diapers to nursery schools so that parents don't have to bring diapers)"	4,600+ across 47 prefectures (as of the end of January 2024)
Number of registrations with "DOQAT", Q&A service for pets <a href="https://doqat.jp/">https://doqat.jp/</a>	Approx. 44,000 people (as of the end of December 2023)





私たちは持続可能な開発目標(SDGs)を支援しています。

