

**First Quarter of Fiscal Year  
Ending December 31, 2021  
(January 1, 2021 to March 31, 2021)  
Unicharm Investor Meeting  
Presentation Materials**

May 14, 2021

Takahisa Takahara  
President and CEO  
Unicharm Corporation



**NOLA&DOLA**  
Necessity of Life with Activities & Dreams of Life with Activities

I am Shimada of Unicharm. Thank you for participating in our web conference today. We would like to move on to the presentation of the Q1 results of the fiscal year ending December 2021, which we published earlier.

**First Quarter of Fiscal Year  
Ending December 31, 2021  
(January 1, 2021 to March 31, 2021)  
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.

First Quarter of Fiscal Year Ending December 31, 2021  
(January 1, 2021 to March 31, 2021)  
Financial Results Summary



**Consolidated**

**Sales 182 billion JPY (YoY -1.0%)**  
**Core operating income 31.4 billion JPY (YoY +3.5%)**

- Core operating income hit a record high. The highest core operating income margin ever for the first quarter.
- Performance steadily improved as expected. Profit growth was higher than expected.

**Japan**

**1.2% sales decrease, 7.2% profit increase,  
Improved core operating income margin**

- Sales decreased due to the repercussion from the special demand caused by the expansion of COVID-19 in the previous fiscal year.
- Profitability improved by the product mix increase in high profitability segments.

**Overseas**

**0.8% sales decrease, 1.0% profit increase,  
Improved core operating income margin**

- Sales and profits decreased in real terms in Asia. Recovery was seen in Southeast Asia. Supply is on the way to recovery in India.
- Sales decreased and profits increased in other areas. Brazil maintains favorable conditions. Cold wave and container shortage affected North America.

**Shareholder  
Return**

**Yearly dividend 36 yen per share**  
**Plan to increase dividend for 20 consecutive years**

- Purchase of own shares: up to 16 billion JPY, 4 million shares

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Page 3 shows the summary of financial results.

Core operating profit/quarterly profit attributable to owners of parent company achieved a new record high



● Consolidated account highlights (from Jan. to Mar.) (100 millions of yen)

	1Q of FY Ended Dec. 31, 2020	1Q of FY Ending Dec. 31, 2021	gap(yen)	gap (%)	(Forecast) 1Q of FY Ending Dec. 31, 2021	Achievement (%)
Net sales	1,838	<b>1,820</b>	-18	-1.0%	7,700	23.6%
Core operating income (margin-%)	303 (16.5%)	<b>314 (17.2%)</b>	+11	+3.5% (+0.7P)	1,190 (15.5%)	26.3%
Profit before tax (margin-%)	279 (15.2%)	<b>342 (18.8%)</b>	+63	+22.6% (+3.6P)	1,170 (15.2%)	29.2%
Profit attributable to owners of parent company (margin-%)	192 (10.5%)	<b>201 (11.0%)</b>	+9	+4.6% (+0.5P)	750 (9.7%)	26.8%
EBITDA (profit before tax + depreciation/ amortization + fire accident loss)	372	<b>434</b>	+62	+16.8%	1,570	27.7%
Basic earnings per share (JPY)	32.19	<b>33.56</b>	+1.37	+4.3%	125.17	26.8%
USD Rate (JPY)	108.92	<b>105.90</b>	-3.02	-2.8%	103.50	—
CNY Rate (JPY)	15.60	<b>16.36</b>	+0.76	+4.9%	15.80	—

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Please look at page 4. Here are the consolidated highlights.

In Q1 of FY2021, net sales were JPY182 billion, down 1% YoY. Core operating income was JPY31.4 billion, up 3.5% YoY, a record high. The core operating margin improved by 0.7 pp to 17.2%, a record high for Q1. Contributing to the core operating margin was a 1.3 pp improvement in the gross margin. Details will be provided on page 10 onward.

Profit before tax increased significantly. The substantial rise was chiefly due to some cash income from India under Other income, coupled with foreign exchange gains due to the strengthening of local currencies in the current fiscal year, as opposed to foreign exchange losses booked in the previous fiscal year under financial expenses.

We made steady progress toward the consolidated financial forecasts in both net sales and core operating income, as shown in the chart on the right. In particular, core operating income made greater progress than anticipated.

The last FY showed stable growth with special demand caused by COVID-19



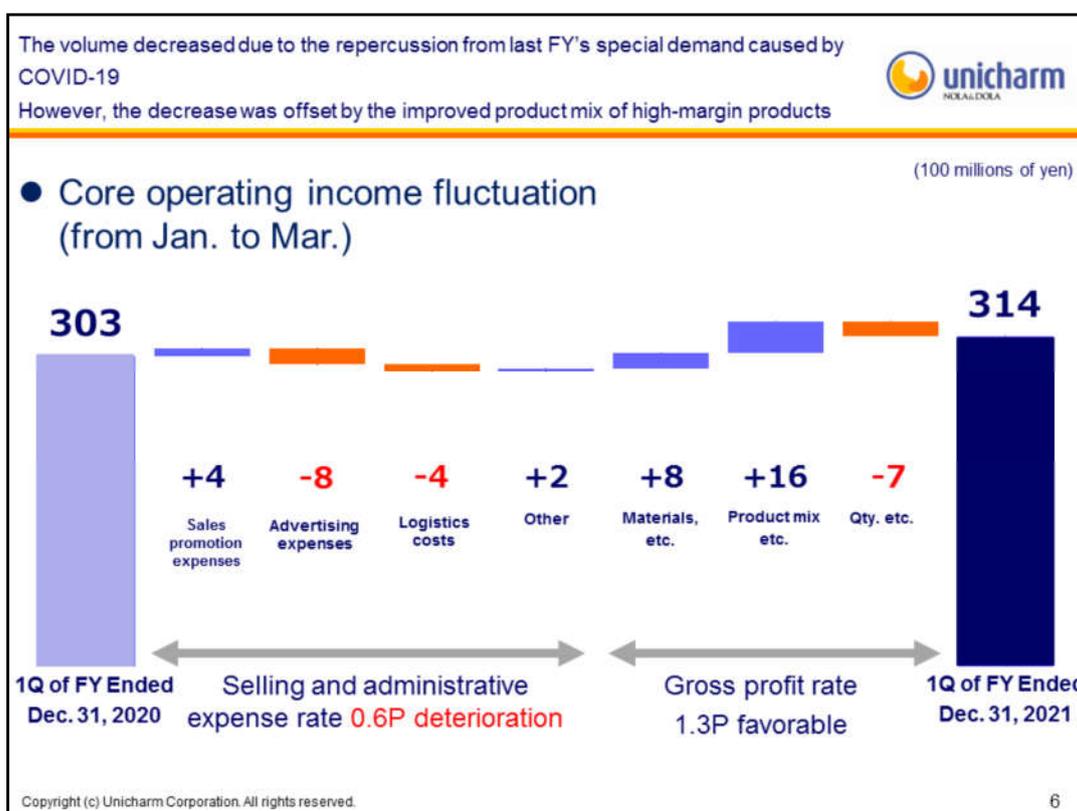
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Please see page 5. Here are the quarterly earnings trends.

In Q1 of FY2020, we especially saw special demand for hygiene-related products such as masks, wet wipes, and sanitary products due to the impact of COVID-19. Sales declined due to the absence of this special demand but grew by around 8% compared to Q1 of FY2019. Core operating income grew around 56% compared to FY2019, a substantial growth.

We realized stable sales and profit growth even under an environment of a resurgence of COVID-19 cases in Japan, India, Thailand, Indonesia, Brazil, and other countries.



Please see page 6. Here is a waterfall chart of the changes in core operating income.

From left to right, SG&A expenses negatively impacted core operating income by JPY0.8 billion as a result of aggressively running advertisements in Japan, Vietnam, the Middle East, China, and other countries.

Logistics costs increased in China and Indonesia. In Q1 last year, some parts of logistics had stopped in China due to COVID-19 for some time. As such, some of the increase was due to a rebound from that. In Indonesia, exports to India and other countries increased this quarter. Chiefly due to these reasons, logistics negatively impacted income by JPY0.4 billion.

On the other hand, sales promotion expenses and others positively impacted income by JPY0.6 billion. As a result, the SG&A expenses ratio deteriorated by 0.6 pp, and SG&A expenses negatively impacted income by JPY0.8 billion.

Lower raw material prices improved gross profit by roughly JPY0.8 billion. The product mix improved due to an increase in the sales weighting of products with high gross margins in the Healthcare and Feminine Care businesses, coupled with a reduced sales weighting of products in the Baby Care business with lower gross margins. Consequently, the product mix and other factors improved gross profit by JPY1.6 billion.

Sales volume negatively impacted gross profit by JPY0.7 billion, chiefly due to the absence of the special demand for hygiene-related products in Q1 of the previous

fiscal year in Japan. In addition, the impact of COVID-19 was minimal on our business in India in the previous fiscal year, but we were still recovering in supply aspects in this fiscal year due to a fire incident at our factory. As a result, the sales volume declined from last year. Compared to the previous fiscal year, SG&A expenses increased by roughly JPY0.6 billion, but gross profit expanded by about JPY1.7 billion. Accordingly, operating income improved by JPY1.1 billion.

Repercussion from last FY's special demand caused by COVID-19 in Japan  
 In Asia, China drove sales growth but India was short of supply



● Geographical segment information (from Jan. to Mar.) (100 million yen)

		1Q of FY Ended Dec. 31, 2020	1Q of FY Ending Dec. 31, 2021	Difference	Difference (%)	(Ref.) Actual gap rate	*1
Japan	Net sales	666	<b>657</b>	-8	-1.2%	—	—
	Core operating income (margin)	125 (18.8%)	<b>135 (20.5%)</b>	+9	+7.2% (+1.7P)	—	—
Asia	Net sales	882	<b>883</b>	+1	+0.1%	-0.7%	
	Core operating income (margin)	150 (17.0%)	<b>149 (16.9%)</b>	-0	-0.3% (-0.1P)	-2.5%	
Others *2	Net sales	290	<b>280</b>	-10	-3.5%	-0.7%	
	Core operating income (margin)	26 (9.0%)	<b>28 (10.1%)</b>	+2	+8.6% (+1.1P)	+11.7%	
Consolidation	Net sales	1,838	<b>1,820</b>	-18	-1.0%	-0.9%	
	Core operating income (margin)	303 (16.5%)	<b>314 (17.2%)</b>	+11	+3.5% (+0.7P)	+2.7%	

[Actual gap rate of sales in main countries] \*based on management accounting  
 China +9% Indonesia +3% Thailand +3% India -10% Vietnam +2% Middle East +1% North America -6% Brazil +16%

\*1 : Actual gap rate excluding foreign exchange effects  
 \*2 : Others: Main regions are U.S.A., Saudi Arabia, Brazil and the Netherlands

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Please see page 7. Here is the segment information by region.

In Japan, net sales were JPY65.7 billion, down 1.2% YoY. Core operating income was JPY13.5 billion, up 7.2% YoY. The core operating margin improved by 1.7 pp to 20.5%. In the previous fiscal year, the spread of the COVID-19 virus stoked demand for hygiene-related products such as masks as people became keenly aware of infection prevention. In addition, there was a temporary special demand for sanitary products and disposable diapers. The absence of the special demand in the current fiscal year led to the decline in net sales. Even under such circumstances, mask sales continued to grow robustly, and sales also grew for rehabilitation products under adult disposable diapers and cat-related products under Pet Care.

In Asia, net sales were JPY88.3 billion, up 0.1% YoY. Core operating income was JPY14.9 billion, down 0.3% YoY. The core operating margin deteriorated by 0.1 pp to 16.9%. The decline in net sales in real terms was mainly due to lower sales in India. In India, the impact of the lockdown from the end of March in the previous quarter was minor. However, sales declined due to the supply shortages caused by a fire incident at our factory in the current fiscal year, and we are still in the process of recovery.

In China, the year-earlier hurdle is low owing to the lockdown imposed in the same period last year due to COVID-19. Sales were favorable, up around 9% YoY. In particular, sales continued to grow robustly by about 15% YoY for feminine

care-related products, which led the growth in the China business. Demand for made-in-Japan products continued to shrink for baby care-related products. But sales have steadily expanded for made-in-China, Moony released in FY2019, and we are continuing to work toward revitalizing the premium market.

On the profit front, lower sales in India caused profit to decline. But this was largely offset by profit growth in feminine care-related products, especially in China. As a result, profit was roughly flat from the same period last year.

Lastly, in Others, net sales were JPY28 billion, down 3.5% YoY. Core operating income was JPY2.8 billion, up 8.6% YoY. The core operating income margin improved by 1.1 pp YoY to 10.1%. In the previous fiscal year, results were robust for Pet Care in North America. However, sales did not grow as anticipated for flea and tick repellents this year, partly due to the impact of a cold wave. Cat snacks continue to see strong demand. However, growth was sluggish due to the impact of a global shortage of containers. As a result, sales and profits decreased.

In the Middle East, domestic sales decreased in Saudi Arabia, but exports were favorable. As a result, overall sales and profits increased in real terms. We maintained the top market share for baby care-related products. Also, we continued to achieve robust growth for feminine care-related products, which are promoted aggressively.

In Brazil, we continued to deliver strong growth, excluding the impact of foreign exchange fluctuations. Profit increased and was in the black.

## Overseas and Asian markets keep overwhelming sales ratio



- Sales ratio of overseas markets



- Sales ratio of Asian markets



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On page 8, this shows a graph of the overseas sales ratio. There are graphs for the sales ratios of overseas markets and Asian markets.

Profitability was improved in Japan and sustained in each area  
Consolidated core operating income margin reached a new high



- Core operating income  
(from Jan. to Mar.)

Consolidation



- Core operating income margin by geographical segment



\* Others: Main regions are U.S.A., Saudi Arabia, Brazil and the Netherlands

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On page 9 we show a breakdown view of core operating income by geographical segments.

Personal Care Business was affected by last FY's special demand caused by COVID-19  
 Pet Care Business was driven by strong sales of cat-related products in Japan



■ Business Segment Information (from Jan. to Mar. )		1Q of	1Q of	(100 million yen)	
		FY Ended Dec. 31, 2020	FY Ending Dec.31, 2021	gap (yen)	gap (%)
Personal Care	<b>Net sales</b>	1,606	<b>1,578</b>	-28	-1.8%
	Core operating income	272	<b>278</b>	+6	+2.2%
	<b>(margin)</b>	(17.0%)	<b>(17.6%)</b>		(+0.6P)
Pet Care	<b>Net sales</b>	213	<b>223</b>	+10	+4.6%
	Core operating income	29	<b>33</b>	+4	+15.5%
	<b>(margin)</b>	(13.5%)	<b>(14.9%)</b>		(+1.4P)
Others*	<b>Net sales</b>	19	<b>19</b>	+1	+4.3%
	Core operating income	2	<b>2</b>	+0	+20.4%
	<b>(margin)</b>	(8.4%)	<b>(9.7%)</b>		(+1.3P)
Consolidation	<b>Net sales</b>	1,838	<b>1,820</b>	-18	-1.0%
	Core operating income	303	<b>314</b>	+11	+3.5%
	<b>(margin)</b>	(16.5%)	<b>(17.2%)</b>		(+0.7P)

\* Other products refer to those related to industrial materials, etc. and child-care video streaming service.

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Please look at page 10. Here is the segment information.

In Personal Care, sales declined, but profit increased. The absence of last year's special demand due to COVID-19 impacted negatively, but feminine care-related products and masks grew steadily and contributed to earnings. On the other hand, for C&G-related products, the absence of last year's special demand caused a double-digit decline in sales for wet wipes and cleaning products. Likewise, the absence of special demand for baby care-related products coupled with the supply shortage in India caused a decline in sales.

In Pet Care, sales and profit increased, mainly driven by Japan, where results were robust for cat-related products. On the other hand, sales and profit were down in real terms in North America due to the impact of a cold wave and the shortage of containers, as mentioned earlier in the information by regions.

Impacts of foreign exchange fluctuations:  
 Approx. 0.1 billion JPY decrease in sales and  
 approx. 0.3 billion JPY increase in core operating income



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

Currency	Exchange rate for 1Q of FY ended December 31, 2020	Exchange rate for 1Q of FY ending December 31, 2021	Rate change
China(CNY)	15.60	<b>16.36</b>	+4.9%
Indonesia(IDR)	0.0078	<b>0.0075</b>	-3.8%
Saudi Arabia(SAR)	29.07	<b>28.27</b>	-2.8%
India(INR)	1.52	<b>1.46</b>	-3.9%
Thailand(THB)	3.49	<b>3.50</b>	+0.3%
Vietnam(VND)	0.0047	<b>0.0046</b>	-2.1%
USA(USD)	108.92	<b>105.90</b>	-2.8%
Taiwan(TWD)	3.62	<b>3.78</b>	+4.4%
South Korea(KRW)	0.0915	<b>0.0952</b>	+4.0%
Australia(AUD)	71.77	<b>81.81</b>	+14.0%
Malaysia(MYR)	26.10	<b>26.05</b>	-0.2%
Brazil(BRL)	24.56	<b>19.37</b>	-21.1%
Netherland(EUR)	120.11	<b>127.69</b>	+6.3%
Egypt (EGP)	6.90	<b>6.74</b>	-2.3%

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Please see page 11. This page shows the impacts of foreign exchange fluctuations.

## **Summary of Performance Forecast FY Ending Dec.31, 2021**

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## Summary of Performance Forecast FY Ending Dec.31, 2021



### Consolidated

**Sales 770 billion JPY** (YoY +5.8%)  
**Core operating income 119 billion JPY** (YoY +3.7%)

- Both sales and core operating income are **planned to be an all-time high**.
- Changes in products, sales, production, R & D, etc. are promoted by utilizing digital technology.

### Japan

**Plan 1-5% sales increase**

- Presume a gradual recovery in baby and feminine care markets.
- Increase production to cope with the high demand for sanitary products such as masks.

### Overseas

**Plan 5-10% sales increase and profitability improvement**

- Expect a gradual market recovery from the impact of COVID-19.
- Plan higher sales and profits driven by the growth of Asia.

### Shareholder Return

**Yearly dividend 36 yen per share**  
**Plan to increase dividend for 20 consecutive years**

- Purchase of own shares: up to 16 billion JPY, 4 million shares

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Please look at page 13. Here is an overview of our earnings forecasts for the full year ending December 2021.

## No performance forecast change for FY2021



■ Consolidated (from Jan. to Dec.)	FY ended Dec. 31, 2020	FY ending Dec.31, 2021	gap(yen)	gap (%)	(100 million yen)
					(Ref.) Actual gap rate
Net sales	7,275	<b>7,700</b>	+425	+5.8%	+6.7%
Core operating income (margin-%)	1,147 (15.8%)	<b>1,190</b> <b>(15.5%)</b>	+43	+3.7% <b>(-0.3P)</b>	+4.0%
Profit before tax (margin-%)	958 (13.2%)	<b>1,170</b> <b>(15.2%)</b>	+212	+22.1% <b>(+2.0P)</b>	—
Profit attributable to owners of parent company (margin-%)	523 (7.2%)	<b>750</b> <b>(9.7%)</b>	+227	+43.3% <b>(+2.5P)</b>	—
Basic earnings per share (JPY)	87.60	<b>125.17</b>	+37.57	+42.9%	—
USD Rate (JPY)	106.82	<b>103.50</b>	<b>-3.32</b>	<b>-3.1%</b>	
CNY Rate (JPY)	15.48	<b>15.80</b>	+0.32	+2.1%	

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We have not changed our consolidated forecasts from the forecasts announced along with our earnings announcement in February. The details are explained from page 14 onward.

The key to achieving the forecasts, especially for profits, will be to offset the rising raw material prices in H2. Initially, we expected the negative impact from raw material prices to be around JPY3 billion to JPY3.5 billion in H2. Under the current situation, we anticipate an even larger negative impact.

We will need to figure out how to offset these factors expected to reduce profits.

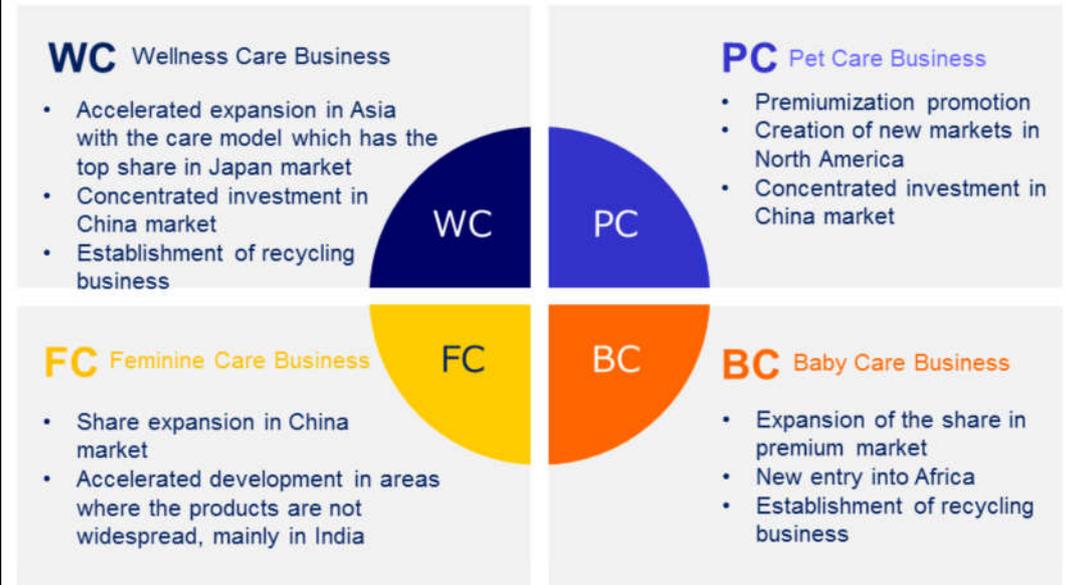
First and foremost, we need to work hard to accumulate more savings toward the forecast in H1 by maintaining solid progress in Q1 and given the foreign exchange rates. In H2, around JPY1 to JPY2 billion if the current foreign exchange rates continue. Also, we will be rolling out new and renewed products in China, Southeast Asia, Japan, and other countries. We will increase the unit price as much as possible, coupled with efficient marketing investments. Through these measures, we aim to secure sales growth and profitability in line with the initial plan.

## **Mid- and long- term strategies and financial goals (2023 and 2030)**

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From page 16 onward, we re-posted the mid-and long-term strategies and financial goals, which we announced in February.

# Outline of key strategies for continuing growth with SDGs as Purpose toward 2030



'Sustainable growth strategy' with SDGs as Purpose



### Kyo-Sei Life Vision 2030

Mid-term Management Plan  
(2021-2023)

Sales  
CAGR + 6.9%

COPM\*  
15.5%

Sales  
CAGR + 6.8%

COPM  
17%

2023  
Sales  
880 billion JPY

2030  
Sales  
1.4 trillion JPY

\* COPM means core operating income margin  
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## Shareholders Return Policy



From page 19 onward, we explain shareholder returns.

Our basic policy is to return 50% of net income attributable to owners of parent. We aim to implement stable and continuous increases in dividends based on medium-to-long term growth in consolidated earnings, while prioritizing business investments to realize ongoing growth. In FY2021, we forecast an interim dividend of JPY18 per share, up JPY2 per share from the same period last year. We forecast a year-end dividend of JPY18 per share, also up JPY2 per share from the same period last year. In total, we forecast an increase of JPY4 per share, for an annual dividend of JPY36 per share, as announced in February.

Purchase of own shares  
Plan to purchase up to 16 billion JPY  
(4 million shares) in 2021



● Share buy-back history



\* Irregular accounting period of 9 months

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On page 20, we show the trends of our share buybacks. In the current fiscal year, we plan to repurchase up to JPY16 billion in shares or 4 million shares.

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

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



## ◆ 20 key themes with the goal in 2030



# Formulating Med-to-Long Term ESG Objectives “Kyo-sei Life Vision 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 partner animals (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>

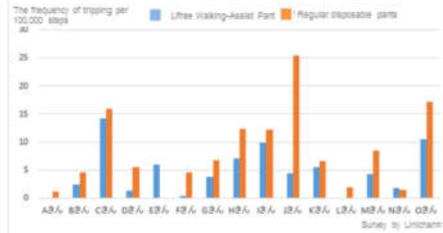
(Safeguarding the well-being of each individual)  
 Support "lengthening healthy life expectancy" with products and services for the senior citizens



◆ Reduction in tripping is proven when wearing "Lifree Walking-Assist Pants" that provides support for the torso



The frequency of tripping per 100,000 steps is reduced by half:  
 "Regular disposable pants" 6.89 times  
 "Lifree Walking-Assist Pant" 3.96 times



30 individuals, including males and females between the age of 65 to 90, used Lifree Walking-Assist Pants after using regular disposable diapers for several weeks. (The verification outcomes derived from 18 individuals whose data was continually collected.)

◆ Launch services to support "healthy life expectancy" that suits each and all members

**新提案** あなたのもっとそばで ライフリーいきいきパートナー

ライフリーから、ここからただで皆さまの「健康寿命」を支える新しいサービスが始まります。「もっとやりたい」という気持ち、「できた」という達成感をライフリーをお使いの皆さまに感じていただけるようなサービスをお届けいたします。

- Video lesson for Active rehabilitation care exercise
- Video lesson for Support and relief
- Perfect Choice
- Video lesson on how to wear/dress properly

(Safeguarding the well-being of each individual)  
Create a new market with the original technology  
Support everyday health of kitties and mind of cat owners



◆ Health-promoting food “All Well” supports cats’ mind and body with 7 features centered on reducing vomiting made with original technology



(Safeguarding the well-being of each individual)  
 New value proposition in response to changing lifestyles of  
 women and their diversifying needs



◆ Shorts-shaped pad that integrates a pad and shorts



◆ Sofy Hot “Dan” °C, a heating napkin featuring warm sensation during menstruation



◆ Cool napkin featuring refreshing cooling sensation that reduces stuffy discomfort



◆ Unbleached pads dedicated to reassurance



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(Safeguarding the well-being of each individual)

Decreasing stress during menstruation by choosing the best period care according to each and everyone's body and lifestyles



◆ "Sofy Synchro Fit", an easy, comfortable, and convenient feminine product to be used along with a regular pad



◆ "Sofy Soft Cup," an Eco-friendly feminine hygiene product



◆ Introduced Sofy menstrual cycle management app that supports concerns regarding the period



◆ Launched "can change the seven days" campaign. Launched limited-edition packaging design



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(Safeguarding the well-being of each individual)  
Aims to create a world where we feel free to talk about period  
with Sofy “#NoBagForMe”



◆ Won “Social Impact” category  
at the first Internet Media Awards



◆ Won “Unstereotype Advertisement” Award  
at Nikkei Woman Empowerment Award  
presented by Nikkei



◆ Won “ACC Silver” in Marketing Effectiveness category  
and “ACC Bronze” Branded Communication C category (PR) at  
2020 60th ACC TOKYO CREATIVITY AWARDS  
presented by All Japan Confederation of Creativity



TOKYO CREATIVITY AWARDS

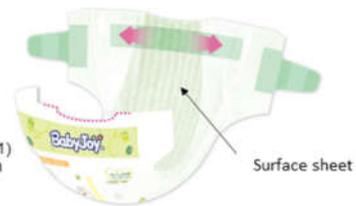
(Safeguarding the well-being of each individual)  
Launched disposable baby diaper containing olive oil in harmony with the Saudi Arabia's culture (climate, custom, awareness)



◆ Launched "BabyJoy Olive", Saudi Arabia's first<sup>※1</sup> disposable baby diaper containing olive oil that is gentle on the skin



Received the highest rating of 5 stars ("clinically tested") by dermatest<sup>※2</sup>



※1 Among major domestic baby diapers in Saudi Arabia (Survey by Unicharm, February 2021)  
※2 A testing standard established by an internationally renowned dermatological laboratory in Germany in 1978

(Safeguarding the well-being of each individual)

Launched the world's first <sup>※</sup> baby diaper that keeps dengue virus-transmitting mosquitoes away from diaper



◆ Launched "MamyPoko Extra Dry Protect" in Malaysia and Singapore featuring the world's first <sup>※</sup> AntiMos Capsule for keeping dengue virus-transmitting mosquitoes away from diaper

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



Held panel discussion with medical specialists on the dangers and preventive measures of dengue fever and sent out "Declaration to protect children from dengue fever" through "MamyPoko" video

<https://www.youtube.com/watch?v=X34Zu0jQhs4>

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(Safeguarding the well-being of society)

Support everyone involved in childrearing with safe and trustworthy goods and services



◆ Reducing burden on parental guardians and childcare staff and infection risk of COVID-19 through new lifestyles “Tebura Toen” \*1, a subscription service for baby diapers for nursery schools



\*1 Flat-rate service of baby paper diapers for nurseries launched to reduce the burden of parents preparing diapers and carrying bulky bags to nurseries.

◆ Launched “moony” series presented in antibacterial packaging



Society of International sustaining growth for Antimicrobial Articles



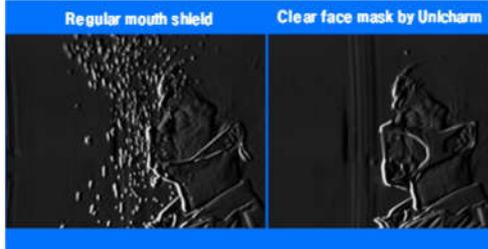
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(Safeguarding the well-being of society)

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



◆ Launched clear face mask especially for those who struggle with communication due to hindered mouth and expressions.



◆ Respond to growing global demand for masks and diversifying needs



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(Safeguarding the well-being of society)

Inhibition of COVID-19 by liquid squeezed from "Silcot Wet Tissues" is proven by Commissioned research at Kitasato University



◆ Over 99.99% inhibition of COVID-19 is proven after 20-second mild treatment with the liquid squeezed from "Silcot Noroclear Antibacterial Wet Tissues" "Silcot 99.99% Antibacterial Wet Tissues" "Silcot Disinfecting Wet Wipes"



	(1) TCID <sub>50</sub> Assay <sup>※</sup>	(2) Plaque Assay <sup>※</sup>
1. Silcot Noroclear Antibacterial Wet Tissues <sup>®</sup>	Effective in 20 seconds (Percentage of inhibition : > 99.99%)	Effective in 20 seconds (Percentage of inhibition : > 99.99%)
2. Silcot 99.99% Antibacterial Wet Tissues		
3. Silcot Disinfecting Wet Wipes		

\* Virus inactivation test

用途に合わせて  
選べるラインナップ!



※ Not in the actual use environment

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(Safeguarding the well-being of society)

Capital and business alliance with First Ascent inc. to create a moving experience that enables understanding babies' feelings and comfortably enjoy childrearing



◆ Establish partnership with First Ascent inc. to develop disposable baby diaper based on babies' "cry" analysis, and expand childrearing support service



First Ascent

Realize the cohesive society where all generations live independently together by supporting each other and respecting boundaries

Promote digital transformation in childrearing  
"Change childrearing through technology"



Realize a healthy environment for babies to grow

※ A company that creates new services to enrich the childrearing environment with cutting-edge technology utilizing AI and IoT  
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◆ 「“0” waste plastic, “0” CO2 emission, “0” natural forest destruction」 in 2050

Environmental issues	Implementation items	Baseline year	2030 targets	2050 vision
<b>Responding to the problem of plastic waste</b>	Reducing usage in relation to packaging materials	2019*	Per unit of sales -30%	Realizing a new society with “zero” plastic waste
	Sale of products that contain no petroleum-derived plastic	—	10 stock-keeping units (SKU) or more sold	
	Raising awareness about proper disposal of used products	—	Rolled out at all local management units (LMU)	
	Eliminating the use of plastic in sales promotional items	—	In principle, reduced to zero at all local management units (LMU)	
<b>Responding to climate change</b>	Reducing CO2 emissions associated with raw materials procurement	2016	Per unit of sales -17%	Realizing a society with “zero” CO2 emissions
	Reducing CO2 emissions in manufacturing	2016	Per unit of sales -34%	
	Reducing CO2 emissions associated with disposal of used products	2016	Per unit of sales -26%	
<b>Not contributing to forest destruction (response to procurement-related issues)</b>	Ensuring traceability to pulp and palm oil production locations (country/region)	—	Completed	Realizing a society with “zero” forest destruction related to the purchasing of timber
	Expanding the use of certified pulp (PEFC and CoC certified)	—	100%	
	Expanding the use of certified palm oil (RSPO certified)	—	100%	
	Promoting the recycling of disposable diapers	—	Rolled out in at least 10 municipalities	

\*Initially, the baseline year for "Reducing usage in relation to packaging materials" was set to "2016", but it was reexamined in 2020 and changed to "2019".

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(Safeguarding the well-being of our planet)  
**Baby diaper made from sustainable resources**



◆ Unicharm acquired PEFC<sup>2</sup> Forest Stewardship, an international forest stewardship council compatible “CoC Certification”<sup>3</sup> at its 5 local plants, first in Japan<sup>\*1</sup>.



\*1 Unicharm is the first supplier of disposable diaper and feminine napkin in Japan who acquired PEFC and CoC Certification  
\*2 A program aiming at utilizing and protecting the sustainable forests by inscribing the certification mark on the wood materials and others sourced from the properly administered forests  
\*3 A scheme that certifies the proper management and processing of forest products sourced from the Forest Management certified forests. Applicable to all business entities that have ownership in the product from FM certified forest to the final product.  
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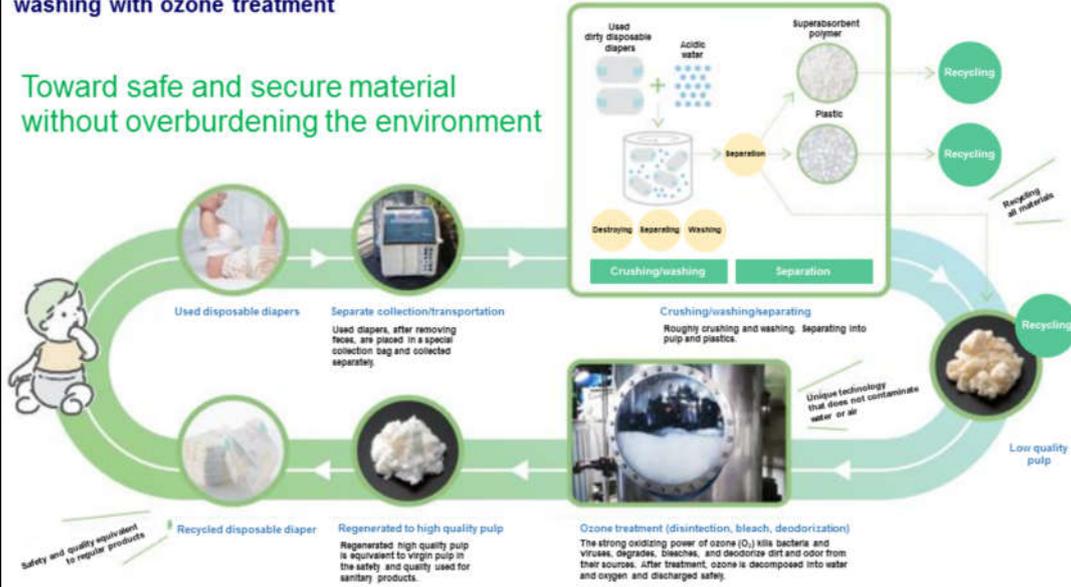
(Safeguarding the well-being of our planet)

The world's first "used disposable diaper recycling technology"



◆ Realized the recycling of used disposable diaper by water-soluble crushing, segregating, and washing with ozone treatment

Toward safe and secure material without overburdening the environment



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(Safeguarding the well-being of our planet)  
 Contribute to the reduction of waste disposal cost and  
 environmental burden through recycling used paper diaper



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

**Recycle**  
all materials

Used disposable diaper  
**sanitary material**  
Clean quality

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

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

Amount of CO2 emitted from  
burning disposable diapers

over **- 90%**<sup>\*1</sup>

Amount of waste generated  
from disposable diaper

over **- 80%**<sup>\*2</sup>

Amount of recycling recycled pulp

over **100Kg / 1t**<sup>\*3</sup>

used diaper

\* 1 Ministry of Environment Guidelines for recycling used disposable diaper

\* 2 Survey by Unicharm

\* 3 Journal of Environmental Information Science Vol.33 (2019)

(Safeguarding the well-being of our planet)

**Started a demo-project of collection and transportation methods in Tokyo metropolitan area to promote the recycling of used disposable diaper**



◆ Started demo-trial for separation and collection of used disposable diaper in association with the collection companies and others at nursing home for elderly and child day care center.



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

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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 reduce CO<sub>2</sub> emission**



◆ **Thai Factory**

Switch 11% of its annual electric power consumption  
(9 million kWh)



◆ **Vietnam Factory**

Switch 22% of its annual electric power consumption  
(10.2 million kWh)



◆ **Kyushu Factory**

Switch all of its annual electric power consumption  
(9.8 million kWh)



◆ **Itami Factory**

Switch 3% of its annual electric power consumption  
(0.27 million kWh)



◆ **Toyohama Works, Shikoku Factory**

Switch all of its annual electric power consumption  
(5 million kWh)



\* It refers to electricity generated by natural or renewable energy such as wind power, solar power, biomass, small-scale hydropower, etc.

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◆ Endorsed Women's Empowerment Principles (WEPs)<sup>\*1</sup> and signed the statement to act in accordance with the principles.

In support of

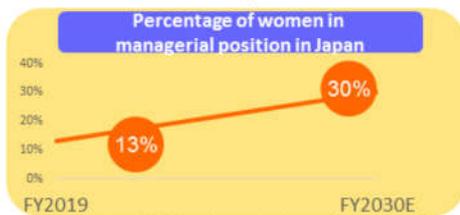
### WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the  
UN Global Compact Office

<sup>\*1</sup> Women's Empowerment Principles (WEPs) is founded by UN Global Compact in partner with UN Women, and consists of the following 7 principles.

1. Establish high-level corporate leadership for gender equality
2. Equality of opportunity, inclusion, nondiscrimination
3. Health, safety, elimination of violence
4. Education and training
5. Business development, supply chain, marketing practices
6. Community initiative and advocacy
7. Transparency, measure and report progress

◆ Joined "30% Club Japan"<sup>\*\*2</sup> that aims at women's empowerment



<sup>\*\*2</sup> "30% Club Japan": "30% Club" is an international group of companies which aims at raising the weight of female management in the key decision-making panels including board of directors meeting of each company to 30% or higher. It was founded in the UK in 2010 and is rolling out in 14 countries as of December 2020. "30% Club Japan" is its unit in Japan.  
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◆ Support "Male childcare leave 100%"  
to create the work place where all employees are able to shine and having work that is rewarding

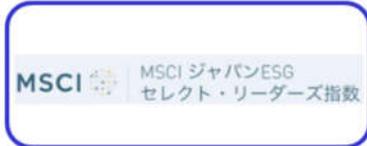


# Evaluation by external organizations and coordination with them



Selected in 4 ESG investment indices of stock composites adopted by GPIF

Integrated Index



Thematic Index



Other SRI Index



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## Evaluation by external organizations and coordination with them



### ■ Science Based Target



SCIENCE  
BASED  
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

- ✓ In June 2018, the company was certified as the 17<sup>th</sup> target-setting company in Japan.
- ✓ Set the target for CO2 overall reduction amount.

### ■ JCI (Japan Climate Initiative)



- ✓ Rolled out the best practices for advanced group as a startup member

### ■ FSC (Forest stewardship council)



The mark of  
responsible forestry  
FSC® N002492

- ✓ Preferential use of the pulp which cleared the strictest certification standards in forest certification.
- ✓ Cosponsoring the FSC Japan promotional campaign for 3 consecutive years

### ■ TCFD (Task Force on Climate-related Financial Disclosures)



TASK FORCE ON  
CLIMATE-RELATED  
FINANCIAL  
DISCLOSURES

- ✓ Endorsed TCFD Recommendations
- ✓ Participated in TCFD consortium

### ■ RSPO



- ✓ Started using certified palm oil (Mass Balance) in 2018 with the aim of procuring responsible palm oil

### ■ CDP Japan 500



- ✓ Obtained A- rating for efforts to combat climate change and excelling in information disclosure.

### ■ SOMPO Sustainability Index 2020



Sompo Sustainability Index

- ✓ Efforts related to ESG were highly valued and we were selected in stock composites of "SOMPO Sustainability Index" for 9 consecutive years.

## Evaluation by external organizations and coordination with them



### ■ Sedex



- ✓ Joined as AB member toward the expansion of sustainable supply chain built on a global scale
- ✓ Completed registration of UC group's factories in Japan and overseas

### ■ Ecorailmark



### ■ DX Stock2020



- ✓ Such efforts as "Consumer Insight System Operation at China Digital Innovation Center (DIC)" and "Smart Factory in Kyushu" were valued and we were selected in DX Stock 2020.

### ■ Certified as Sports Yell Company 2021 by Japan Sports Agency



### ■ Won a special prize in Environment Sustainable Corporate category of the 2nd ESG Finance Awards Japan



### ■ Inclusion for people with disabilities Advancement of International Initiative Joined "The Valuable 500"



