Fiscal Year Ended December 31, 2022 (Jan 1, 2022 to Dec 31, 2022) Unicharm Investor Meeting Presentation Materials

February 8, 2023

Takahisa Takahara President and CEO Unicharm Corporation



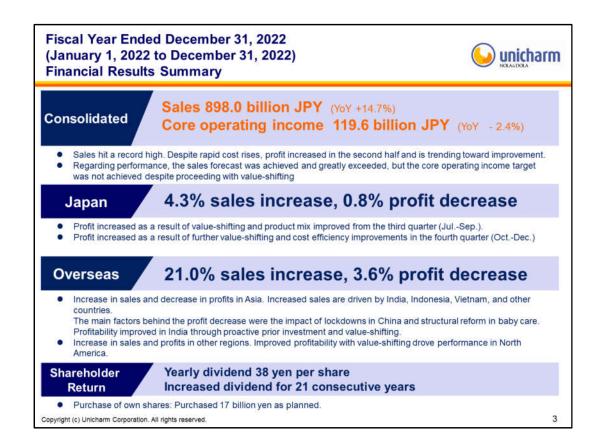
I am Takahisa Takahara from Unicharm.

Thank you for taking time out of your busy schedule today to participate in the financial results briefing of Unicharm Corporation for the fiscal year ended December 31, 2022.

Now, I would like to begin my presentation.



First, this is a summary of the financial results for the year ended December 2022.



Please look at page 3, and this is the summary for Fiscal year ended December 2022.

 Consolidated account highli 	ahts				(Unit: 100 n	nillion yen)
(from Jan. to Dec.)	FY Ended Dec. 31, 2021	FY Ended Dec. 31, 2022	gap (yen)	gap (%)	(Forecast) FY Ended Dec. 31, 2022	Achievement
Net sales	7,827	8,980	+1,153	+14.7%	8,500	105.6%
Core operating income (margin-%)	1,225 (15.6%)	1,196 (13.3%)	-29	-2.4% (-2.3P)	1,270 (14.9%)	94.1%
Profit before tax (margin)	1,220 (15.6%)	1,157 (12.9%)	-63	-5.1% (-2.7P)	1,260 (14.8%)	91.8%
Profit attributable to owners of parent (margin)	727 (9.3%)	676 (7.5%)	-51	-7.1% (-1.8P)	792 (9.3%)	85.4%
EBITDA (profit before tax + depreciation/ amortization)	1,647	1,615	-31	-1.9%	1,660	97.3%
Basic earnings per share (JPY)	121.78	113.61	-8.17	- 6.7%	132.85	85.5%
USD Rate (JPY)	109.80	131.43	+21.63	+19.7%	113.50	-
CNY Rate (JPY)	17.03	19.48	+2.45	+14.4%	17.50	-

Please refer to page 4, which highlights the consolidated financial results.

First, in terms of business performance, net sales increased by 14.7% to JPY898 billion, reaching a new record high.

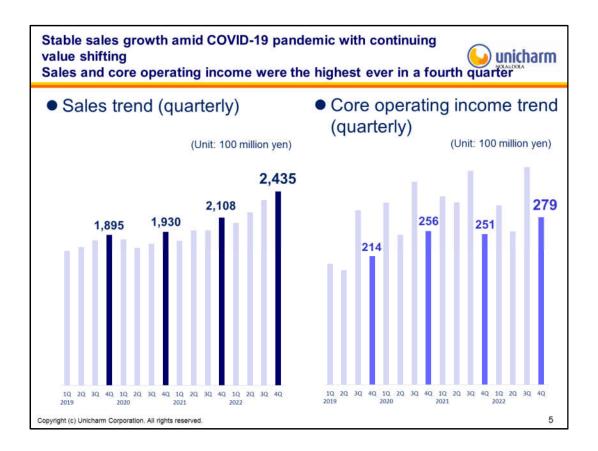
Core operating profit was JPY119.6 billion, decreased 2.4%. Although profit decreased for the year and at the same time, raw material prices soared in 2H, and distribution costs remained high. However, in the 2H, profitability showed a steady improvement trend due to achievement of profit target.

As shown on the right side of the table, consolidated net sales were significantly higher than the forecast, partly due to the follow-up of foreign exchange rates.

On the other hand, core operating profit was affected by higher-than-expected raw material prices and a lockdown in China that halted production and disrupted distribution. As a result, we attempted to absorb this situation by shifting value and reducing costs, but unfortunately, we were not able to cover the costs during the period and fell short of the plan.

As for profit attributable to owners of the parent company, the cost of the tax expense portion rose due to a higher-than-expected depreciation of the yen, which resulted in an increase in the negative tax burden rate on retained earnings.

The details will be discussed in the following pages.

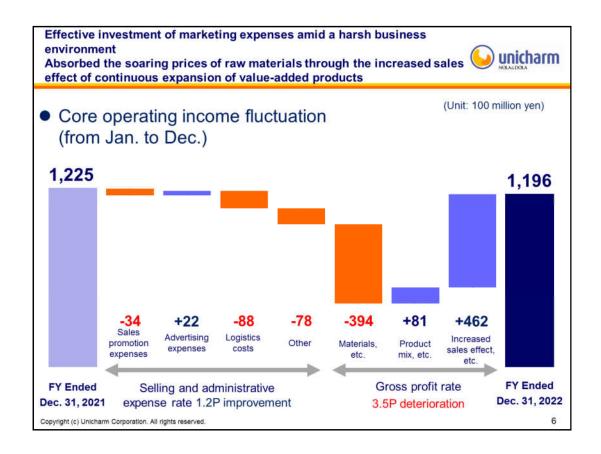


Please look at page 5.

These graphs shows the quarterly performance trends.

Even though COVID-19 situation has occurred in year 2020, due to the fact that we sell products that are relatively insensitive to economic fluctuations, we have continued to achieve stable sales growth by reflecting cost increase into product pricing. Sales for the quarter reached a record high of JPY243.5 billion.

During Q4, the economic environment was equally challenging as any other time, with further increases in raw material and logistics costs. Core operating profit for 4Q was JPY27.9 billion, a record high.



Please refer to page 6.

Next is the explanation for the increase and decrease factors of the core operating profit.

As shown on the left, the SG&A expenses increased partially due to the increase in revenue. As a result, it increased by JPY17.9 billion.

In particular, logistics costs increased due to disruptions in the supply chain, and soaring oil prices. These costs escalated in countries such as Indonesia, India, Japan, and China. Also, the largest increase of JPY7.8 billion in the other category was mostly labor costs, research and development expenses, outsourcing expenses, and environmental taxes in Vietnam, as well as travel and transportation expenses along with business trip expenses began to increase due to ease of activity restriction. On the other hand, advertising expenses decreased by JPY2.2 billion because of efficient advertising placement, especially in Japan.

As for gross profit, it decreased by JPY39.4 billion due to the sharp rise in raw material unit prices that began in 2H of last year. The negative impact of foreign exchange rate fluctuation is also one of the factors. To absorb these impacts, we have been able to increase gross profit significantly and absorb the sharp rise in raw material prices by balancing "price" and "volume" through efficient marketing and promoting value-added products to consumers in each country

and region.

As for the positive effects, in Japan, we went through a phase of cost increase during 2H. While the workload of transferring cost increase to pricing was in full swing, we improved marketing expenses efficiency. Thanks to these factors, I would say that the recovery in profitability was very remarkable in 2H compared to 1H.

Geographical seg	ment information			(Ui	nit: 100 mil	lion yen)
(from Jan. to Dec.		FY Ended Dec. 31, 2021	FY Ended Dec. 31, 2022	gap (yen)	gap (%)	(Ref.) Actual *1 gap rate
Japan	Net sales Core operating income (margin)	2,949 583 (19.8%)	3,076 578 (18.8%)	+128 -5	+4.3% -0.8% (-1.0P)	
Asia	Net sales Core operating income (margin)	3,637 510 (14.0%)	4,283 476 (11.1%)	+646 -34	+17.7% -6.6% (-2.9P)	+4.2% -17.3%
Others ^{*2}	Net sales Core operating income (margin)	1,242 129 (10.4%)	1,621 139 (8.6%)	+380 +11	+30.6% +8.5% (-1.8P)	+12.3% -9.8%
Consolidation	Net sales Core operating income (margin)	7,827 1,225 (15.6%)	8,980 1,196 (13.3%)	+1,153 -29	+14.7% -2.4% (-2.3P)	+5.5% -8.7%

Please see page 7.

This is geographical segment information..

First, in Japan, both sales and profits increased. Net sales increased 4.3%, while profit decreased, albeit by 0.8%. The core operating margin also deteriorated by 1% to 18.8%.

However, in 2H, it went back up to 19.6%, and as I discussed earlier, profitability recovered.

Driving this performance were the feminine care products, Kirei Care which covers cleaning supplies, pet care products, and wellness care products. In feminine care, premium products are leading the overall sales, sales increased in the low single-digit range, and our market share was at an all-time high.

Next, in Asia, sales increased while profits decreased. Net sales increased by 17.7%, core operating profit decreased by 6.6%, and the profit margin was 11.1%.

Each Asian countries were also affected by soaring raw material costs, increases in logistics costs, and currency fluctuations. However, Indonesia and India performed well. The top-line growth was remarkable due to value shifting was thoroughly due in these countries. As shown in the "Actual gap rate of sales in main countries" noted at the bottom of the page, these countries drove the increase

in sales and performed well.

The biggest factor for the decrease in profitability is the baby care business in China. This has been ongoing for several years.

This was due to an increase in costs resulting from a shift from Japanese-made products to more profitable Chinese-made premium products as part of structural reforms, and a decrease in profit due to a significant decline in sales resulting from a reduction in distribution inventory, mainly by e-commerce companies.

We intend to expand our business performance while pursuing a profit-oriented strategy. Meanwhile, in China Feminine Care, although there were some disruptions in distribution tied to the lockdown, consumption remained relatively stable with no particular trading down, and product sales continued to be strong for premium organic cotton products and pants-type feminine care products.

Yet still, the core operating profit margin didn't come up to the level we wanted. When broken down by region, China is again the largest factor. To offset the negatives, we will need to grow operations in India and Indonesia or any market that is in a growth phase.

For other regions, sales, and profits both increased. Especially in the US, pet care products did well, particularly, the cat treats we produced in Japan. Another driver is the flea and tick control products, which were originally the mainstay business of pet care. While we added value to the product and raised the pricing by about 15%. As a result, we gained a 19% increase in sales.

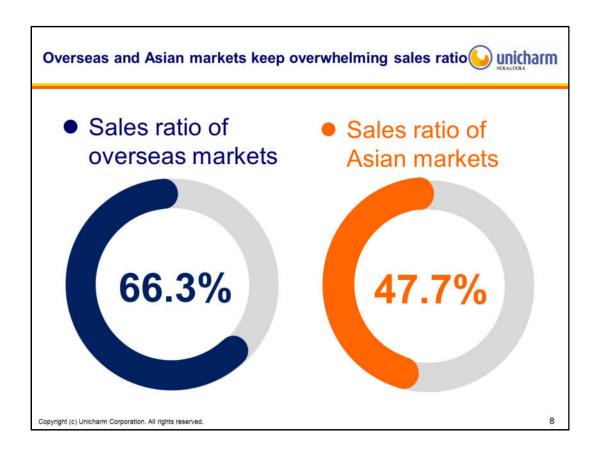
Finally, for the other regions, on higher revenue and profit, sales increased 30.6% and core operating income rose 8.5%. Core operating income margin deteriorated 1.8% to 8.6%.

Driving the increase in both sales and profit was pet care in North America.

For pet care in North America, due to cat treats and flea control collars, sales increased by 19% and profit improved as well, due to the result of a 15% value shift to value-added products.

For Middle East, we promoted value shifting in the baby care in Saudi Arabia, but were unable to increase sales volume, resulting in a decline in sales. On the other hand, feminine care and wellness care continued to grow strongly in terms of aggressive market development. Export sales also continued to grow.

For Brazil, 1Q was affected by the re-spread of COVID-19, but the trend reversed significantly in the 2Q. Utilizing the e-commerce channel that grew as a result of the COVID-19 situation, we were able to shift to a growth trend centered on baby care and sales grew 50% in the 4Q.

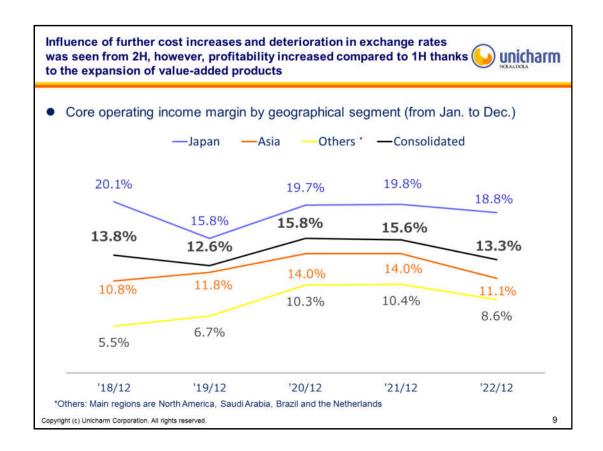


Please refer to page 8.

This is the Sales ratio of overseas markets

66.3% of total consolidated sales are coming from overseas markets.

Asia accounts for 47.7% and is coming close to being 50%.



Please look at page 9.

This is a transition chart of core operating profit by geographical segment.

This is the consolidated business performance, and it fell by 2.3%. It is due to the negative impact of approximately JPY40 billion, which was driven by sharp increases in raw material costs, logistic costs, and energy costs throughout 2022. It also had the effect of pushing down the profit margin up from 4% to 5%.

Under such circumstances, by implementing value shifting by introducing value-added products that are close to and understand consumers in each country and region, improving the product mix in a sustainable manner in line with demographic and economic conditions, and improving productivity, we were able to stop the deterioration to 2.3%.

For the value-shifting strategy, since it was implemented in a short period of time, so there are some regrets due to the fact that it was less effective than we had anticipated, but we believe it is definitely improving.

Duciness Com	ant Information			(Uni	t: 100 millio
(from Jan. to D	nent Information ec.)	FY Ended Dec. 31, 2021	FY Ended Dec. 31, 2022	gap (yen)	gap (%)
Personal Care	Net sales Core operating income (margin)	6,720 1,073 (16.0%)	7,649 1,009 (13.2%)	+929 -65	+13.8% -6.0% (-2.8P)
Pet Care	Net sales Core operating income (margin)	1,045 146 (14.0%)	1,253 184 (14.6%)	+208 +37	+19.9% +25.5% (+0.6P)
Others*	Net sales Core operating income (margin)	61 5 (8.8%)	78 4 (4.5%)	+17 -2	+27.0% -35.2% (-4.3P)
Consolidation	Net sales Core operating income (margin)	7,827 1,225 (15.6%)	8,980 1,196 (13.3%)	+1,153 -29	+14.7% -2.4% (-2.3P)

Please look at page 10.

This business segment information.

I would like to discuss the increase in revenue and decrease in profit in the personal care business. Sales increased in all segments, especially feminine care, wellness care, and kirei care, each with double-digit revenue increases.

The decrease in profit is due to the continued rise in costs, especially in the baby care business due to the negative impact of China's lockdown as mentioned earlier, and restructuring costs, combined with the slowdown in the number of newborns born in Thailand, Vietnam, the Middle East, and Japan.

As for pet care, both sales and profit increased. For the contents, the North America market led the way with increased sales and profits.

As I discussed earlier by region by region, with effect of implementing valueshifting, as for the U.S., cat treats and other products contributed significantly to the increase in revenue.

Japan also continued to see high growth in sales. Profitability also increased, despite the soaring raw material costs.

In the emerging market, China, we have formed a capital and business alliance with a Chinese pet company as we announced last year and the results are expected to appear in the future.

Impacts of foreign exchange fluctuations: unicharm 📦 Approx. 72.0 billion JPY increase in sales and approx. 7.8 billion JPY increase in core operating income • Rate fluctuations by currency (Jan. to Dec. average rate) '21/12 rate '22/12 rate Rate change China (CNY) 17.03 +14.4% 19.48 0.0077 +15.6% Indonesia (IDR) 0.0089 Saudi Arabia (SAR) 29.32 35.06 +19.6% Thailand (THB) 3.44 +9.0% 3.75 India (INR) 1.50 +12.0% 1.68 Vietnam (VND) 0.0048 0.0056 +16.7% USA (USD) 109.80 131.43 +19.7% Netherlands (EUR) 129.89 138.04 +6.3% Taiwan (TWD) 3.94 4.41 +11.9% South Korea (KRW) 0.0961 0.1018 +5.9% Malaysia (MYR) 26.50 29.83 +12.6% Australia (AUD) 82.48 91.01 +10.3% +25.1% Brazil (BRL) 20.37 25.48 Egypt (EGP) 6.98 6.91 -1.0% Copyright (c) Unicharm Corporation. All rights reserved.

Please look at page 11.

Here is the impact of exchange rate fluctuations for each currency.

The rate fluctuations by each currency caused to increase in sales by approximately JPY72 billion and operating profit by JPY7.8 billion compared to the previous year.



I will now provide an overview of the performance forecast for the fiscal year ending December 2023.

Fiscal Year Ending December 31, 2023 unicharm Summary of Consolidated Performance Forecast Sales 963.5 billion JPY (YoY +7.3%) Consolidated Core operating income 141 billion JPY (YoY + 17.9%) Sales and core operating income reached record highs. Absorbed raw material-related deterioration (approx. 11.0 billion yen) by promoting value shifting, etc., and drove the market with continuous new value propositions, resulting in earnings growth. Aggressively promote and expand upfront investment in Wellness Care and Pet Care. Capital investment...approx. 43 billion yen (amortization: approx. 42 billion yen). Japan 7 to 9% sales increase and profit increase . High growth in Wellness Care and Pet Care and Feminine Care due to continued value-shifting. 6 to 8% sales increase and profit increase Overseas . For Asia region, sales and profit increased. India and Southeast Asia continued to perform well. Sales and profit increased in China. For other regions, sales and income increased. North America led the way with increased sales and profit. Brazil turned profitability. Shareholder Yearly dividend 40 yen per share Return Increased dividend for 22 consecutive years Purchase of own shares: approx. max of 17 billion JPY, 3.9 million shares, planned. Copyright (c) Unicharm Corporation. All rights reserved

Please refer to page 13.

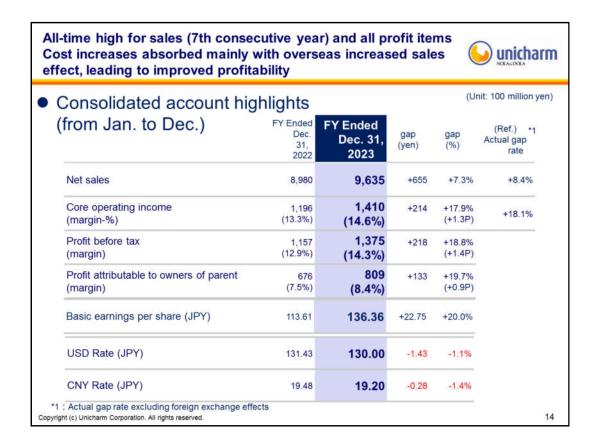
This is the summary of consolidated performance forecast.

We project record-high net sales of JPY963.5 billion, up 7.3%, and record-high core operating profit of JPY141 billion, up 17.9%. Excluding the effect of foreign currency exchange, we forecast a sales increase of 8.4% and a profit increase of 18.1%.

Looking at the possibility of another round of raw material cost increase in FY2023, we expect a JPY12.5 billion increase in 1H over the previous year, and a JPY1.5 billion decrease in 2H. That means the production costs continue to climb, which we are obviously concerned to spoil profitability, but in FY2023, we are planning to make full use of the lessons learned in FY2022 to speed up the value shifting efforts in various regions and countries.

For Asia, we will also be implementing value shifting in various countries and regions. We hope that not only India, which has been strong, other regions like Indonesia, Thailand, and China will drive increases in both sales and profit.

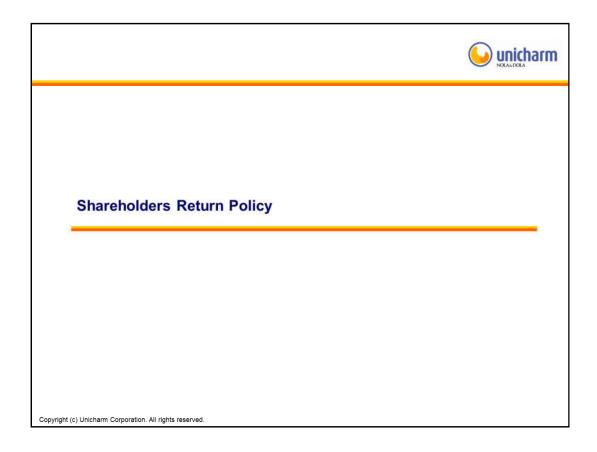
In other regions, North America pet care is expected to make a significant contribution to increasing both revenue and profit.



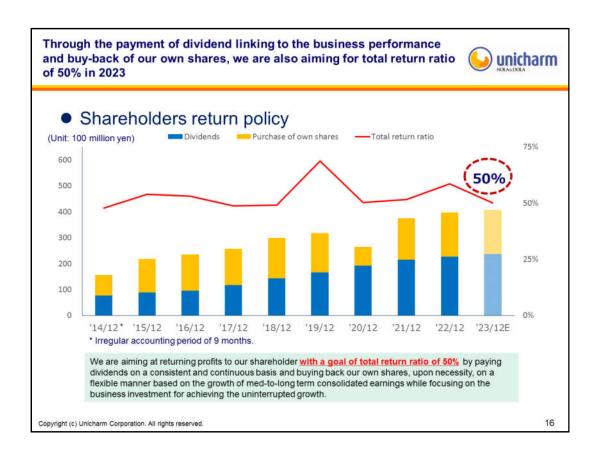
Next, please look at page 14.

This is the consolidated account highlights of FY ended Dec. 2023.

I will skip the explanation of the contents, as I have already explained them earlier.

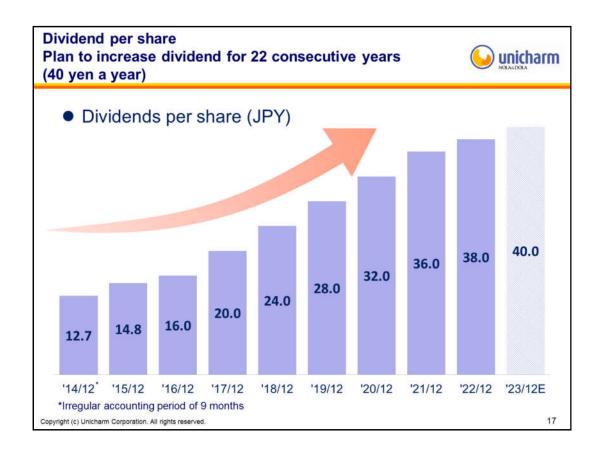


Next, I will explain the shareholder return policy.



Please refer to page 16.

Regarding our shareholder return policy, we plan to continue to return 50% of our total return to shareholders in terms of the dividend payout ratio, and we will flexibly implement share buybacks as necessary.

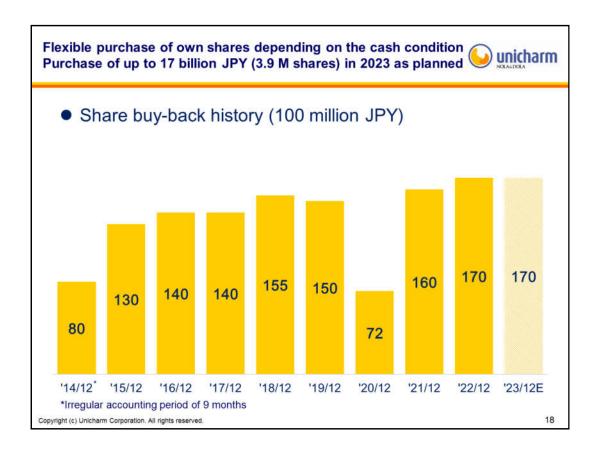


Please look at page 17.

For dividend per share,

in FY2023, we plan to raise the dividend by JPY1 to JPY20 per share for end of 2Q and the year-end dividend by JPY1 to JPY20 per share, for an annual dividend of JPY2 per share, or JPY40 per share for the full year.

As a result, we will increase the dividend for the 22nd consecutive fiscal year.



Please look at page 18.

This is the share buy-back history.

In FY2023, the Board of Directors recently approved a resolution to repurchase up to 3.9 million shares at a maximum repurchase price of JPY17 billion, 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.



From page 19 of the document, it is about the status of our initiatives for medium-and-long-term ESG targets, which I have explained before, but due to time constraints, I will omit this part.

This concludes my explanation for the fiscal year ended December 31, 2022.

Thank you.



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



♦20 key themes of initiatives to realize "Cohesive Society (Social Inclusion)"

Safeguarding the well-being of individuals

- Extension of healthy life expectancy and improvement of QOL
- Support for a society where gender and sexual orientation do not restrict people's activities
- Coexistence with partner animals (pets)
- Improvement of childcare
- Improvement of public hygiene

Safeguarding the well-being of society

- Innovations to achieve "NOLA&DOLA"
- Practicing sustainable lifestyles
- Construction of value chains that take account of sustainability
- Improvement of customer satisfaction
- Provision of safe, reliable products

Safeguarding the well-being of our planet

- Development of eco-friendly products
- Addressing climate change
- Expanding our line of recycled models
- Promotion of product recycling
- Reduction of the amount of plastic materials used

Unicharm Principles

- Management practices that take sustainability into account
- Practice of appropriate corporate governance
- Promotion of diversity management
- Fostering the development of competent human resources Construction of healthier workplaces and workplace safety systems

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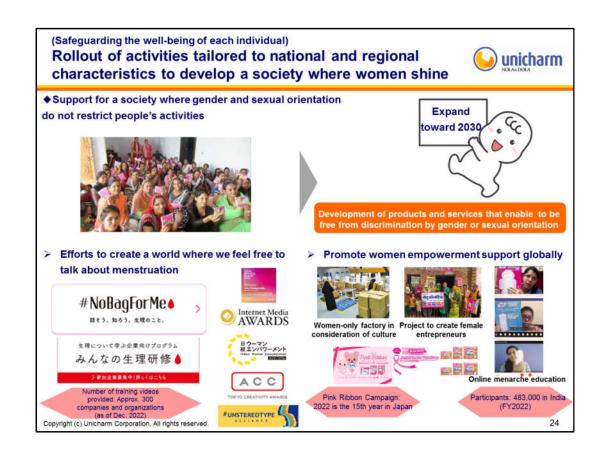
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Key initiatives, indicators, and target values



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





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



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









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

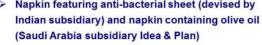


(Japan Idea & Plan)



> Napkin featuring anti-bacterial sheet (devised by >

Indian subsidiary) and napkin containing olive oil (Saudi Arabia subsidiary Idea & Plan)





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Easy, comfortable, and convenient feminine

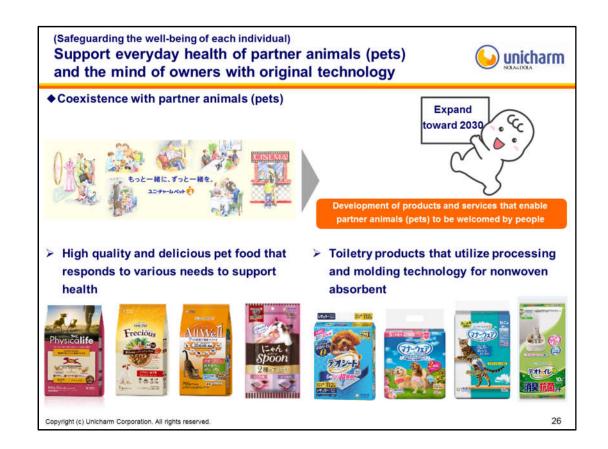
product to be used along with a regular pad





The amount of menstrual blood varies between individuals

25







Key initiatives, indicators, and target values



♦Safeguarding the well-being of society

lu dinatana	Results	Mid- and long- term goals		
indicators	2021			
		sfaction of ou	ır	
Percentage of products and services that contribute to liberation from various burdens and finding enjoyment in life.	Continue 100%	100%	2030	
Percentage of products and services suitable for the "SDGs Theme Guideline," an internal guideline for contributing to sustainability.	9 projects	50%	2030	
Percentage of products and services that use raw materials procured from local production for local consumption, thereby contributing to local economies based on the perspectives of the environment, society, and human rights.	Under development	Double (Compare d to 2020)	2030	
Percentage of products and services supported by consumers (No. 1 market share).	23.4%	50%	2030	
Percentage of products to which a new internal guideline for safety and quality has been set and certification has been granted.	Continue 100%	100%	2030	
	Percentage of products and services that contribute to liberation from various burdens and finding enjoyment in life. Percentage of products and services suitable for the "SDGs Theme Guideline," an internal guideline for contributing to 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. Percentage of products and services supported by consumers (No. 1 market share). Percentage of products to which a new internal guideline for safety and quality has been set and	Indicators 2021 oducts and services that not only improve the safety, security, and satisfibute to solving social issues and promoting sustainability. Percentage of products and services that contribute to liberation from various burdens and finding enjoyment in life. Percentage of products and services suitable for the "SDGs Theme Guideline," an internal guideline for contributing to 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. Percentage of products and services supported by consumers (No. 1 market share). Percentage of products to which a new internal guideline for safety and quality has been set and	Indicators 2021 Target value	

(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





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

Expand toward 2030

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





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

(Survey by Unicharm, December 2020)

Key initiatives, indicators, and target values



♦Safeguarding the well-being of our planet

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





➤ 「Eco Plan 2030」

Environmental Targets 2039	Implementation items		Base Year	2021 Targets	2021 Results	2022 Targets	2030 Targets	2050 vision
	Reducing usage of packaging materials	Per unit of sales	2019*1	-3%	-0.2%	-6%	-30%	
Responding to the problem of plastic waste	Selling products that contain no petroleum derived plastic	8	5	*	Development ongoing	Development angoing	10 or more stock- keeping units (SKU) sold	Realizing a new
	Raising awareness about proper disposal of used products	- 5		30%	38% (6 countries)	45%	Rolled out at all Group companies	society with zero plastic waste
	Eliminating the use of plastic in sales promotional items	Per unit of sales	÷.	-10%	-8.9% (Japan)	-20%	In principle, reduced to zero at all Group companies	
Responding to climate change	Reducing CO ₊ emissions associated with raw materials procurement	Per unit of sales	2016	-1.7%	9.7% (Japan)	-3.4%	-17%	Realizing a society with net zer CO ₄ emissions
	Reducing CO ₄ emissions in manufacturing	Per unit of sales	2016	-3.4%	-26.9%	-28.0%	-34%	
	Reducing CO ₊ emissions associated with disposal of used products	Per unit of sales	2016	-2.6%	23.7% (Japan)	-5.2%	-26%	
Not contributing to deforestation (response to procurement	Ensuring traceability to pulp and palm oil production locations (country/region)	±	÷	Forest-derived raw materials: 98% ⁷² Palm oil: 80%	Forest-derived raw materials: 97%*2 Palm oil: 77%	Forest-derived raw materials: 98% ⁻² Palm oil: 80%	Completed	Realizing a society with zero deforestation related to the
	Expanding the use of certified pulp (PEFC*3- and CoC-certified)		-	Percentage of certified factories: 50%** Percentage of certified materials procured: 60%**	Percentage of certified factories: 52%** Percentage of certified materials procured 70%**	Percentage of certified factories: 60%** Percentage of certified materials procured: 75%**	100%	
related issues)	Expanding the use of certified palm oil (RSPO*6-certified)	2	(#)	80%	77%	80%	100%	purchasing timber
	Promoting the recycling of used disposable dispers		ė.	8	Development ongoing	Development ongoing	Rolled out in at least 10 municipalities	

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(Safeguarding and sustaining the well-being of our planet) Aiming to newly acquire 1.5°C target certification from SBTi*



➤ Initiatives towards a society with zero CO₂ emissions by 2050

Fiscal Year	Initiative Status
2018	✓ Certified as the 17th 2.0°C target setting company in Japan
2020	✓ Setting of "Eco Plan 2030"
2022	 ✓ Start of deliberation on modification to 1.5°C target ✓ Start of a comprehensive GHG emission volume visualization project, including Scope 3.
2024	✓ Application to be made to SBTi for 1.5°C target ✓ Eco Plan 2030 to be modified based on the 1.5°C scenario

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

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(Safeguarding the well-being of our planet)

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



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

Environment al Targets 2030	Implementation items		Base Year	2021 Targets	2021 Results	2022 Targets	2030 Targets	2050 vision
Responding to climate change	Reducing CO ₁ emissions associated with raw materials procurement	Per unit of sales	2016	-1.7%	9.7% (Japan)	-3.4%	-17%	Realizing a
	Reducing CO ₁ emissions in manufacturing	Per unit of sales	2016	-3.4%	-26.9%	-28.0%	-34%	society with net zero
	Reducing CO ₂ emissions associated with disposal of used products	Per unit of sales	2016	-2.6%	23.7% (Japan)	-5.2%	-26%	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 Promote the efforts for "response to climate change" more aggressively

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◆ Development of environmentally friendly products











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

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

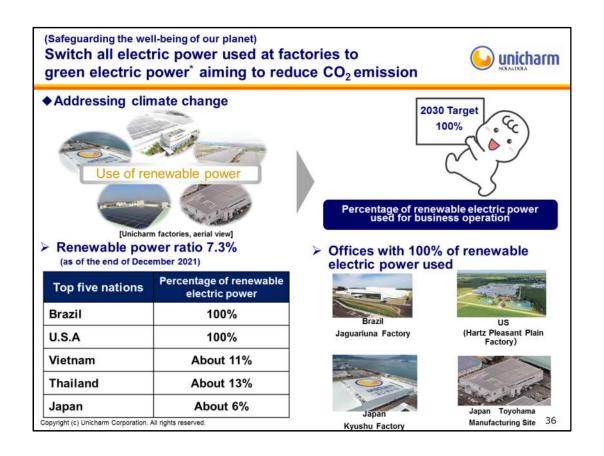




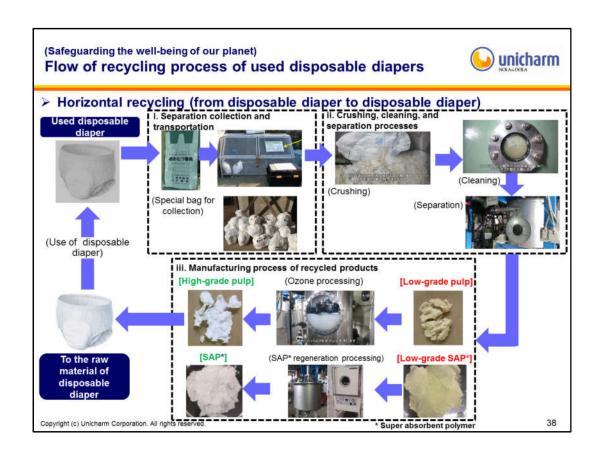
Reduce the volume of plastic used in promotional goods by 50% of that used in 2019 by 2025, and speed up work to reduce to zero by 2030



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(Safeguarding the well-being of our planet)

Demo-project to promote recycling used disposable diapers



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









<Demo-experiment diagram> [Collection]

[Nursing homes, child day care centers,

general households]









[Recycling]

Sorting used disposable diaper

Efficient separate collection by municipalities and Odakyu Railway

Recycling Unicharm disposable diapers

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

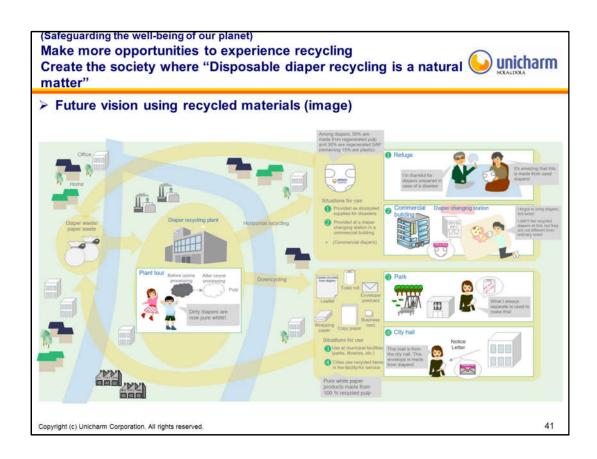
Through this demo-project, we will build a recycling-oriented model based on which the used disposable diaper recycling business can be rolled out in Japan and overseas and take measures while identifying the new issues.

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資料の40Pをご覧下さい。

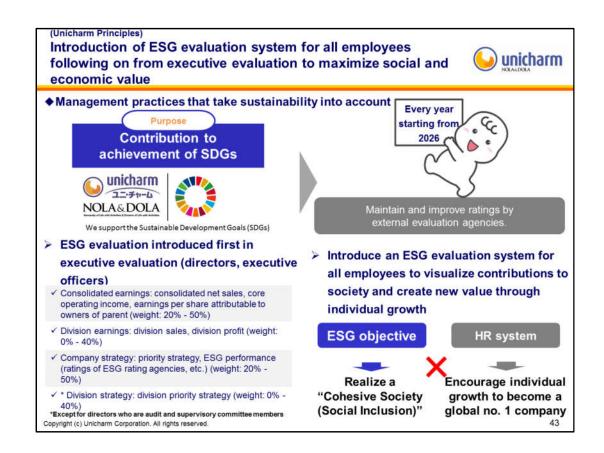
水平リサイクルだけでなく、ダウンサイクル含め、「使用済み紙おむつのrecycle」が当たり前となる社会を目指して取り組んでまいります。

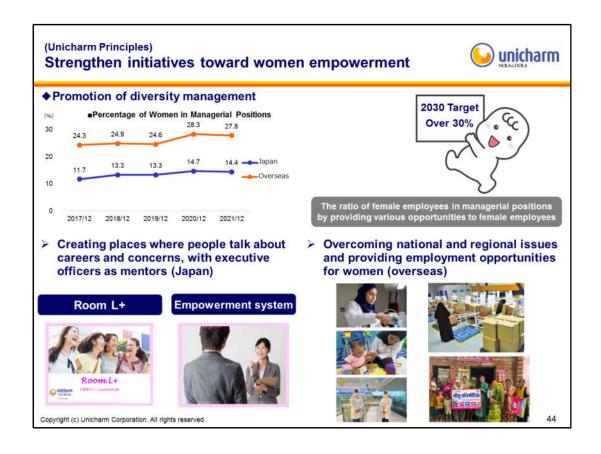


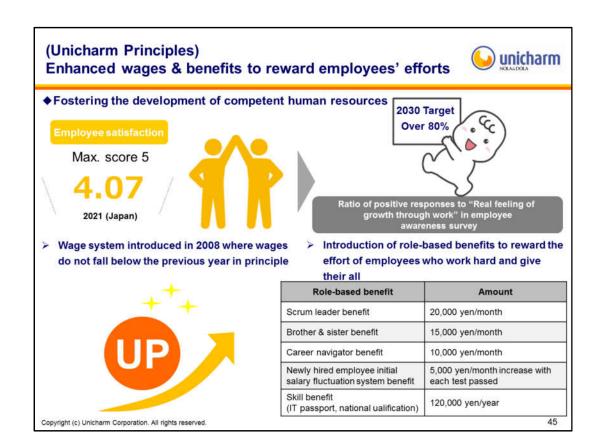
Key initiatives, indicators, and target values



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







(Unicharm Principles)

Training and nomination of successors (Corporate governance report: Succession planning)



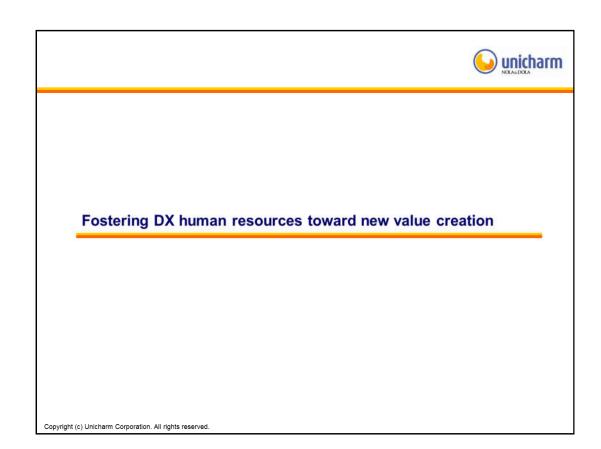
Management practices that take sustainability into account

- (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.

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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





Achieve a "Cohesive Society" (Social Inclusion)

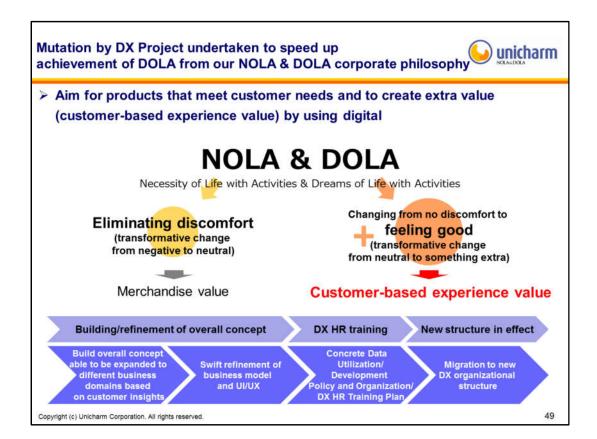
Utilize digital technology and understand the deep psychology of consumers to provide unique products and services

Customer data collection

Digital infrastructure development for data utilization

Foster digital human resources to accelerate digital utilization

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Initiatives to foster global "DX human resources" to maximize customers' life time value



Global self-learning system through LinkedIn Learning



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

To acquired business, creative, technology and other skills

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



About 150 participants (Sep 2022)

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



Ten sessions (From Jun 2022 - Sep)

To acquire data utilization techniques

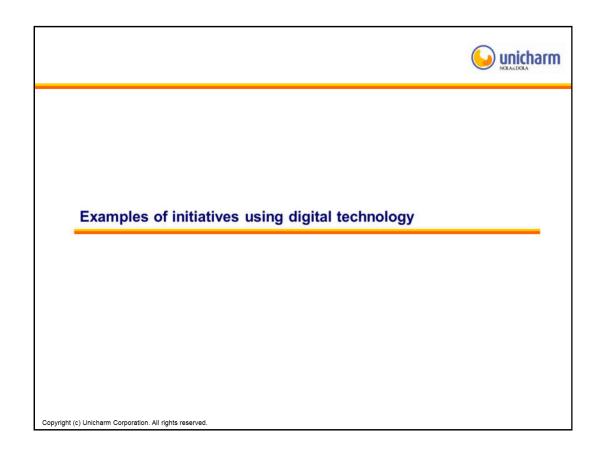
> Basic training for digital human resources (Japan)



About 560 participants (From Apr 2022 - Sep)

To acquire programming image and knowledge To improve operation efficiency and quality

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Japan initiatives utilizing digital technology-1



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



Users: 13,000 approx.
(as of the end of December 2022)

**Sofy menstruation management app"

helps to address menstrual problems





* DOQAT https://doqat.jp/

Registrants: 33,000 (total) (As of the end of December 2022)

"Team moony point program" and "moonychan toilet training app" can ease the anxiety about childbirth and childcare



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Japan initiatives utilizing digital technology-2



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



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

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



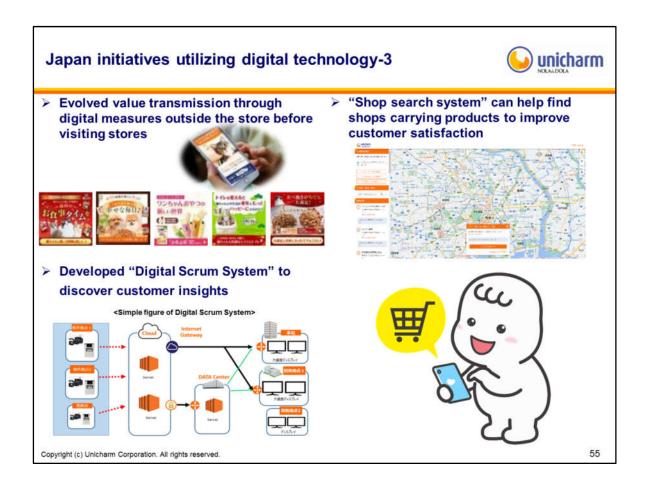
*3 CHaiLD Co., Ltd. https://c-c-s.jp/ Copyright (c) Unicharm Corporation. All rights reserved. Accelerate the realization of a healthy childrearing environment through a capital and business alliance with First-Ascent Inc.*2



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

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





Japan initiatives utilizing digital technology-4



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



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

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

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

Industrial robot







Smart logistics



* Abbreviation of Supervisory Control And Data Acquisition Copyright (c) Unicharm Corporation. All rights reserved.

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 2022)



February	✓ Selected as a "DX-certified operator" → DX 認定 → Digital Transformation → Won 7 th "Consumer-Oriented Activity Award" → Selected as the "CDP 2021 Supplier Engagement Leader"		
March	 ✓ Won "Bronze Prize" in Environment Sustainable Corporate Segment of the 3rd ESG Finance Award Japan ✓ Certified as a "Health and Productivity Management Outstanding Organization (large enterprise category)" 		
April	✓ Selected as the "Most Honored Company" of "2022 Japan Executive Team Ranking" by Institutional Investor		
Мау	 ✓ Won "Marine Transport Modal Shift Grand Prize" ✓ in Eco-ship modal shift excellent business 2021 		
June	✓ Won "Excellent Award" in the 4th Platinum Career Award		
July	 ✓ Selected as a constituent of "SOMPO Sustainability Index" ✓ for eleven years in a row ✓ Won the "Advanced Technology Award" at the 23rd Logistics Environment Grand Prize 		
December	✓ Sofy #NoBagForMe Received "Winners" award at Japan Branding Awards 2022		

Evaluation by external organizations







Japan







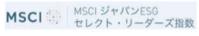


















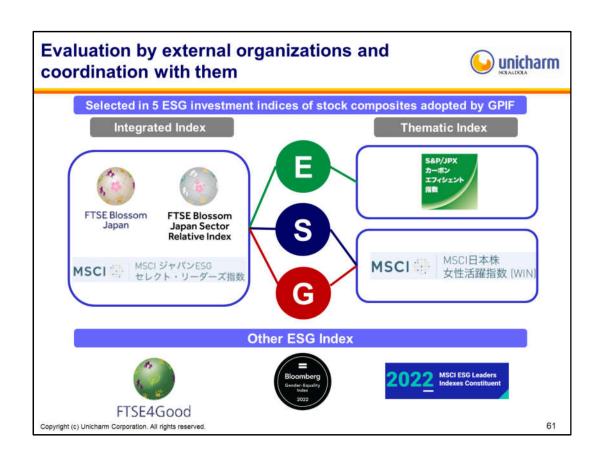






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"Kyo-sei Life Vision 2030" Examples of initiatives related to important themes



Examples of initiatives	Results	
Urine incontinence care/excretion care" course	Urine incontinence care: 8 times in total (FY 2022) Excretion care: 30 times in total (FY 2022)	
offine incontinence care/excretion care course		
Jsers of Adult Diaper Counseling	Approx. 13,000 people (as of the end of Dec. 2022)	
Number of times the video "Menstruation Study for Everyone" was provided https://www.sofy.jp/ja/campaign/minnanoseirikensyu.html	Approx. 3000 companies and organizations (as of the end of Dec. 2022)	
Number of users for "Sofy Girl" (menstruation management app) https://www.sofy.jp/ja/app/sofygirl.html Number of users for "Sofy" (menstruation management app) https://www.sofy.jp/ja/app/sofy.html	Approx. 1,500,000 people in total (as of the end of Dec 2022)	
Education of first menstruation/period (including online)	India: approx. 483,000 people (as of the end of Dec. 2022)	
Education of first menstruation/period (mother-daughter learning sessions)	India; approx. 321 sessions, about 10,000 mother-daughter groups (as of the end of Dec. 2022)	
Number of registrations for first menstruation site "Charm Girls Talk"	Indonesia: about 78,000 people (as of the end of Dec. 2022)	
Number of registered members for "Team moony point program" https://jp.moony.com/ja/apps/moonypoint.html	Cumulative total of approx. 1,800,000 members (as of the end of Dec. 2022)	
Nursery schools using "Tebura-touen (service delivering diapers to nursery schools so that parents don't have to bring diapers)"	2,920+ across 47 prefectures (as of Jan. 2023)	
Number of registrations with "DOQAT", Q&A service for partner animals (pets)	Approx. 33,000 people (as of the end of Dec. 2022)	







We support the Sustainable Development Goals (SDGs)

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