

**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



**NOLA&DOLA**

Necessity of Life with Activities & Dreams of Life with Activities

# **Fiscal Year Ended December 31, 2022 (January 1, 2022 to December 31, 2022) 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.

# Fiscal Year Ended December 31, 2022 (January 1, 2022 to December 31, 2022) Financial Results Summary



## Consolidated

**Sales 898.0 billion JPY** (YoY +14.7%)

**Core operating income 119.6 billion JPY** (YoY - 2.4%)

- Sales hit a record high. Despite rapid cost rises, profit increased in the second half and is trending toward improvement.
- Regarding performance, the sales forecast was achieved and greatly exceeded, but the core operating income target was not achieved despite proceeding with value-shifting

## Japan

**4.3% sales increase, 0.8% profit decrease**

- Profit increased as a result of value-shifting and product mix improved from the third quarter (Jul.-Sep.).
- Profit increased as a result of further value-shifting and cost efficiency improvements in the fourth quarter (Oct.-Dec.)

## Overseas

**21.0% sales increase, 3.6% profit decrease**

- Increase in sales and decrease in profits in Asia. Increased sales are driven by India, Indonesia, Vietnam, and other countries.  
The main factors behind the profit decrease were the impact of lockdowns in China and structural reform in baby care. Profitability improved in India through proactive prior investment and value-shifting.
- Increase in sales and profits in other regions. Improved profitability with value-shifting drove performance in North America.

## Shareholder Return

**Yearly dividend 38 yen per share**

**Increased dividend for 21 consecutive years**

- Purchase of own shares: Purchased 17 billion yen as planned.

# Sales hit a record high even under a harsh environment

## Profitability steadily improved despite an incremental rise in costs



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

(Unit: 100 million yen)

(Forecast)  
FY Ended  
Dec. 31,  
2022  
Achievement

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

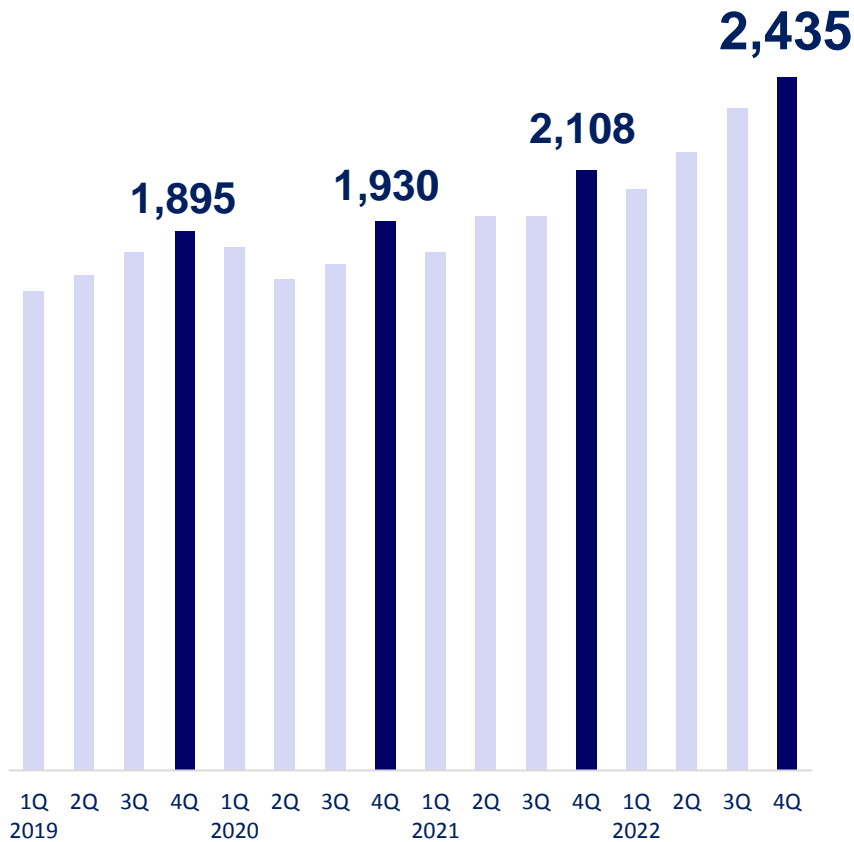
# Stable sales growth amid COVID-19 pandemic with continuing value shifting

## Sales and core operating income were the highest ever in a fourth quarter



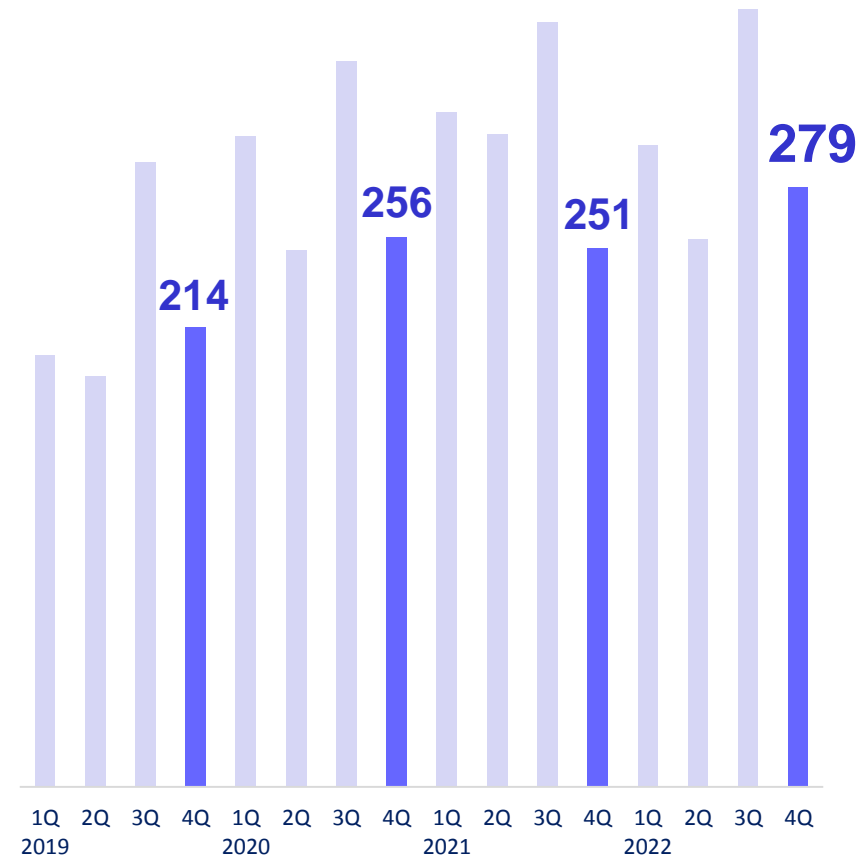
### ● Sales trend (quarterly)

(Unit: 100 million yen)



### ● Core operating income trend (quarterly)

(Unit: 100 million yen)



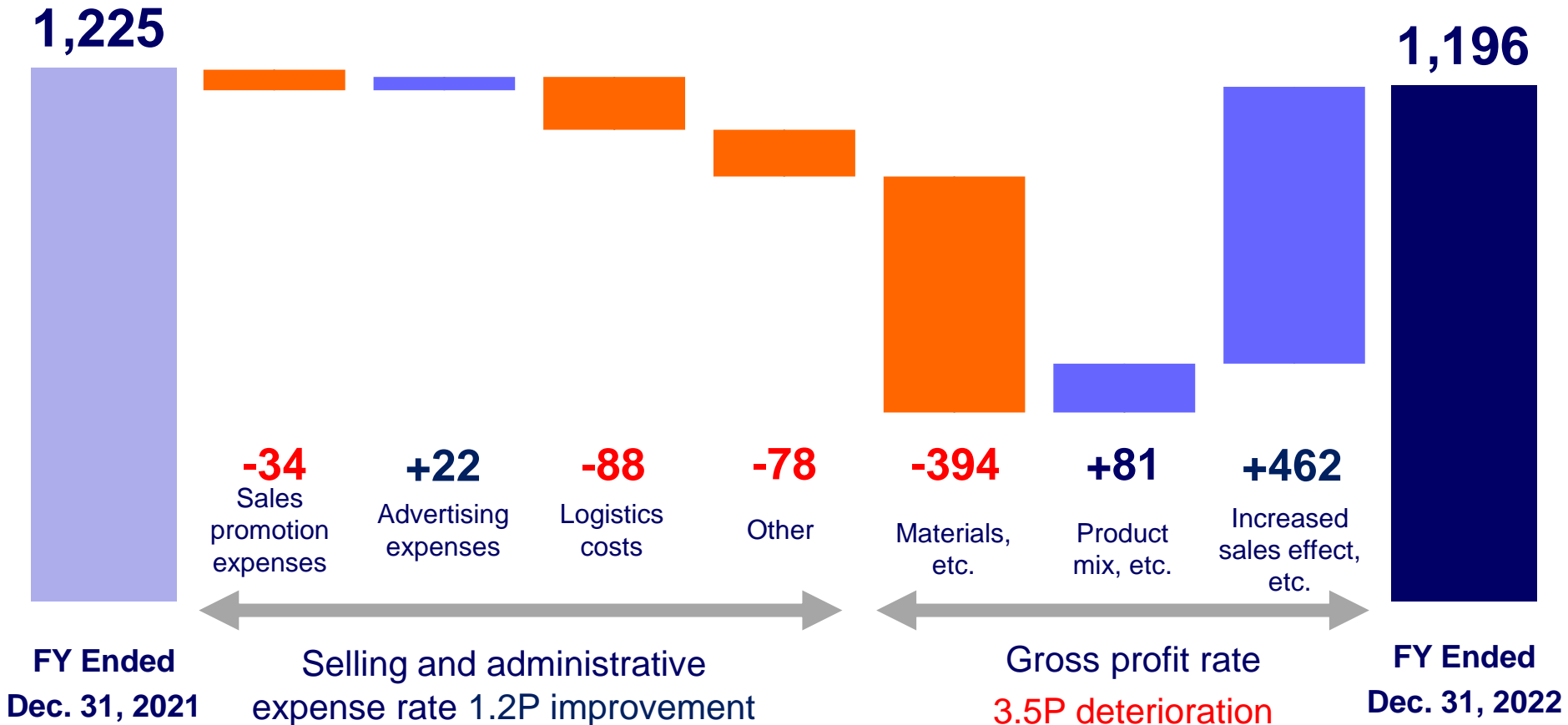
# Effective investment of marketing expenses amid a harsh business environment

Absorbed the soaring prices of raw materials through the increased sales effect of continuous expansion of value-added products



(Unit: 100 million yen)

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



Despite a harsh environment, the advancement of value-shifting in Japan resulted in improvements

While China remains a challenge in Asia, India and other areas steadily improved

In other areas, pet care showed strong sales in North America due to value-shifting



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

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

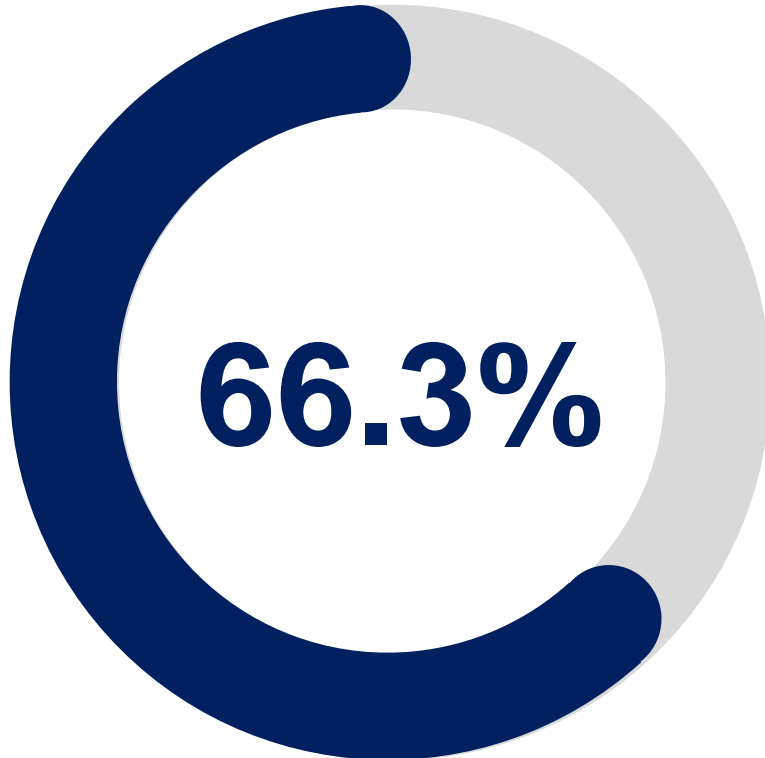
[Actual gap rate of sales in main countries] \*based on management accounting

China -10% Indonesia +12% Thailand +1% India +29% Vietnam +5% Middle East -0% North America +19% Brazil +19%

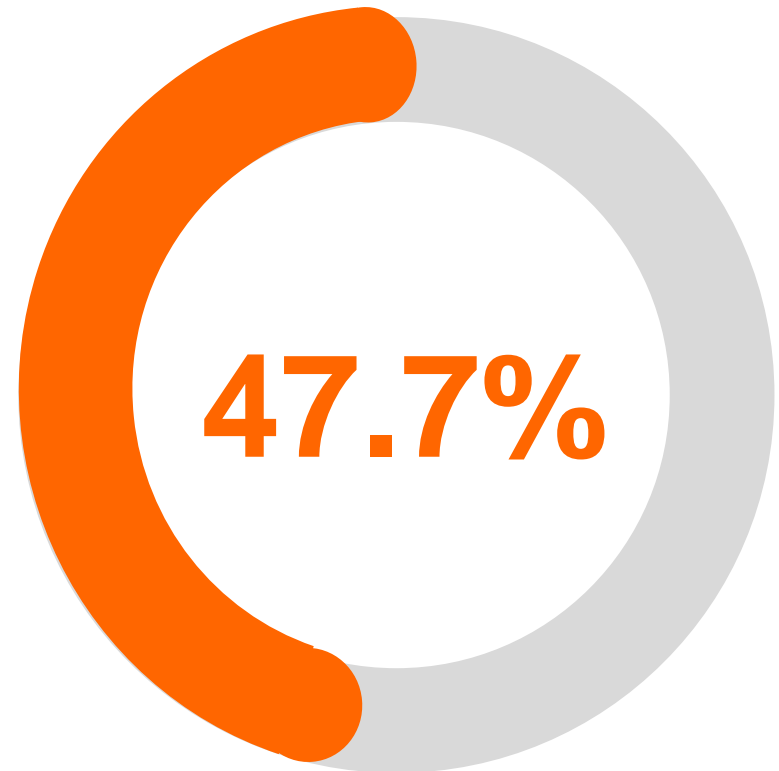
\*1 : Actual gap rate excluding foreign exchange effects

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

- Sales ratio of overseas markets



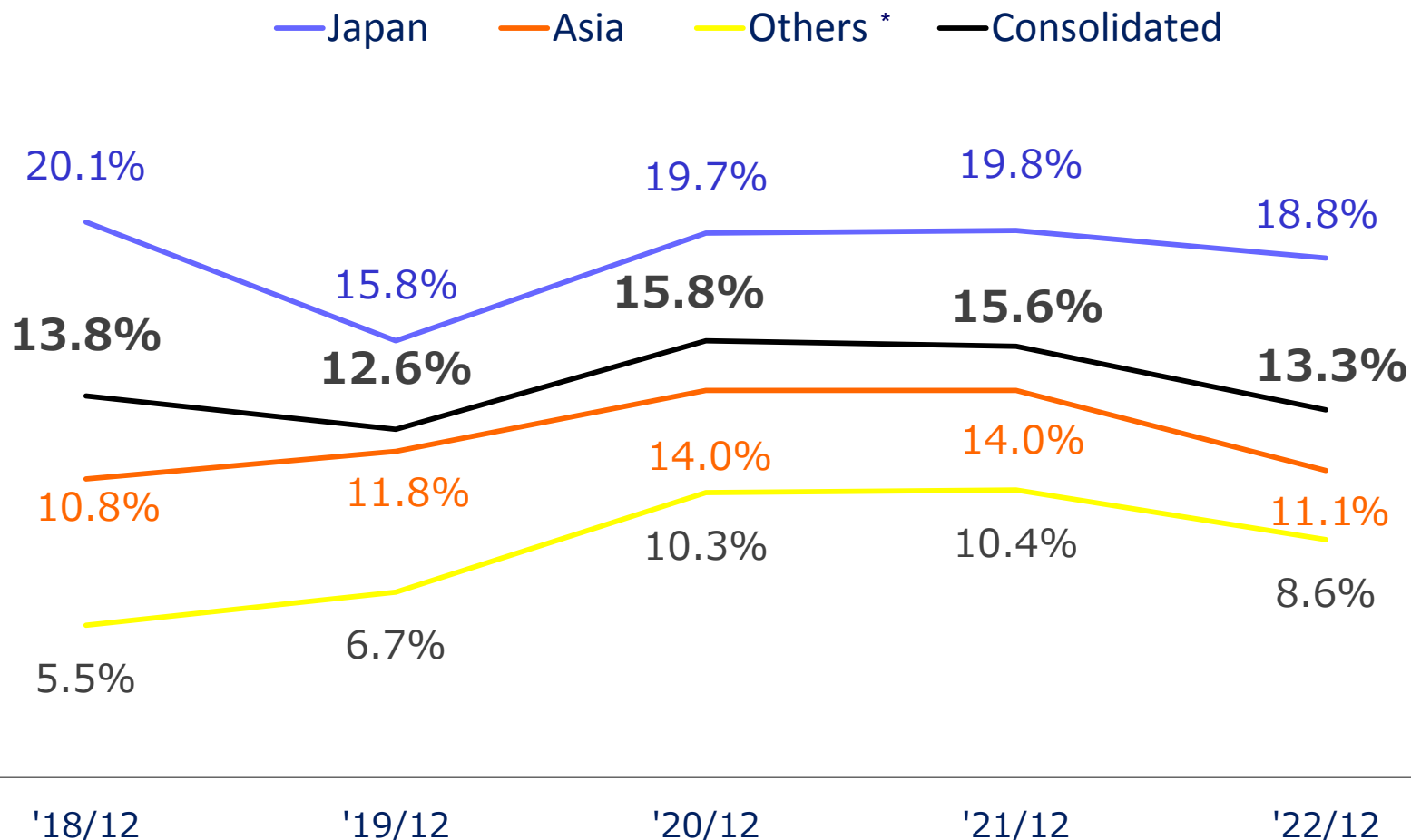
- Sales ratio of Asian markets





Influence of further cost increases and deterioration in exchange rates was seen from 2H, however, profitability increased compared to 1H thanks to the expansion of value-added products

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



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

# Feminine Care and Wellness Care Business led Personal Care Business Pet Care Business showed strong sales with continued value-shifting, Asia expansion strengthened



(Unit: 100 million yen)

## ● Business Segment Information (from Jan. to Dec.)

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

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

# Impacts of foreign exchange fluctuations: 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)

Currency	'21/12 rate	'22/12 rate	Rate change
China (CNY)	17.03	<b>19.48</b>	+14.4%
Indonesia (IDR)	0.0077	<b>0.0089</b>	+15.6%
Saudi Arabia (SAR)	29.32	<b>35.06</b>	+19.6%
Thailand (THB)	3.44	<b>3.75</b>	+9.0%
India (INR)	1.50	<b>1.68</b>	+12.0%
Vietnam (VND)	0.0048	<b>0.0056</b>	+16.7%
USA (USD)	109.80	<b>131.43</b>	+19.7%
Netherlands (EUR)	129.89	<b>138.04</b>	+6.3%
Taiwan (TWD)	3.94	<b>4.41</b>	+11.9%
South Korea (KRW)	0.0961	<b>0.1018</b>	+5.9%
Malaysia (MYR)	26.50	<b>29.83</b>	+12.6%
Australia (AUD)	82.48	<b>91.01</b>	+10.3%
Brazil (BRL)	20.37	<b>25.48</b>	+25.1%
Egypt (EGP)	6.98	<b>6.91</b>	-1.0%

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

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# Fiscal Year Ending December 31, 2023

## Summary of Consolidated Performance Forecast



### Consolidated

**Sales 963.5 billion JPY** (YoY +7.3%)

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

- 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.

### Overseas

**6 to 8% sales increase and profit increase**

- 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 Return

**Yearly dividend 40 yen per share**

**Increased dividend for 22 consecutive years**

- Purchase of own shares: approx. max of 17 billion JPY, 3.9 million shares, planned.

**All-time high for sales (7th consecutive year) and all profit items  
Cost increases absorbed mainly with overseas increased sales  
effect, leading to improved profitability**



(Unit: 100 million yen)

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

	FY Ended Dec. 31, 2022	<b>FY Ended Dec. 31, 2023</b>	gap (yen)	gap (%)	(Ref.) *1 Actual gap rate
Net sales	8,980	<b>9,635</b>	+655	+7.3%	+8.4%
Core operating income (margin-%)	1,196 (13.3%)	<b>1,410 (14.6%)</b>	+214	+17.9% (+1.3P)	+18.1%
Profit before tax (margin)	1,157 (12.9%)	<b>1,375 (14.3%)</b>	+218	+18.8% (+1.4P)	
Profit attributable to owners of parent (margin)	676 (7.5%)	<b>809 (8.4%)</b>	+133	+19.7% (+0.9P)	
Basic earnings per share (JPY)	113.61	<b>136.36</b>	+22.75	+20.0%	
USD Rate (JPY)	131.43	<b>130.00</b>	-1.43	-1.1%	
CNY Rate (JPY)	19.48	<b>19.20</b>	-0.28	-1.4%	

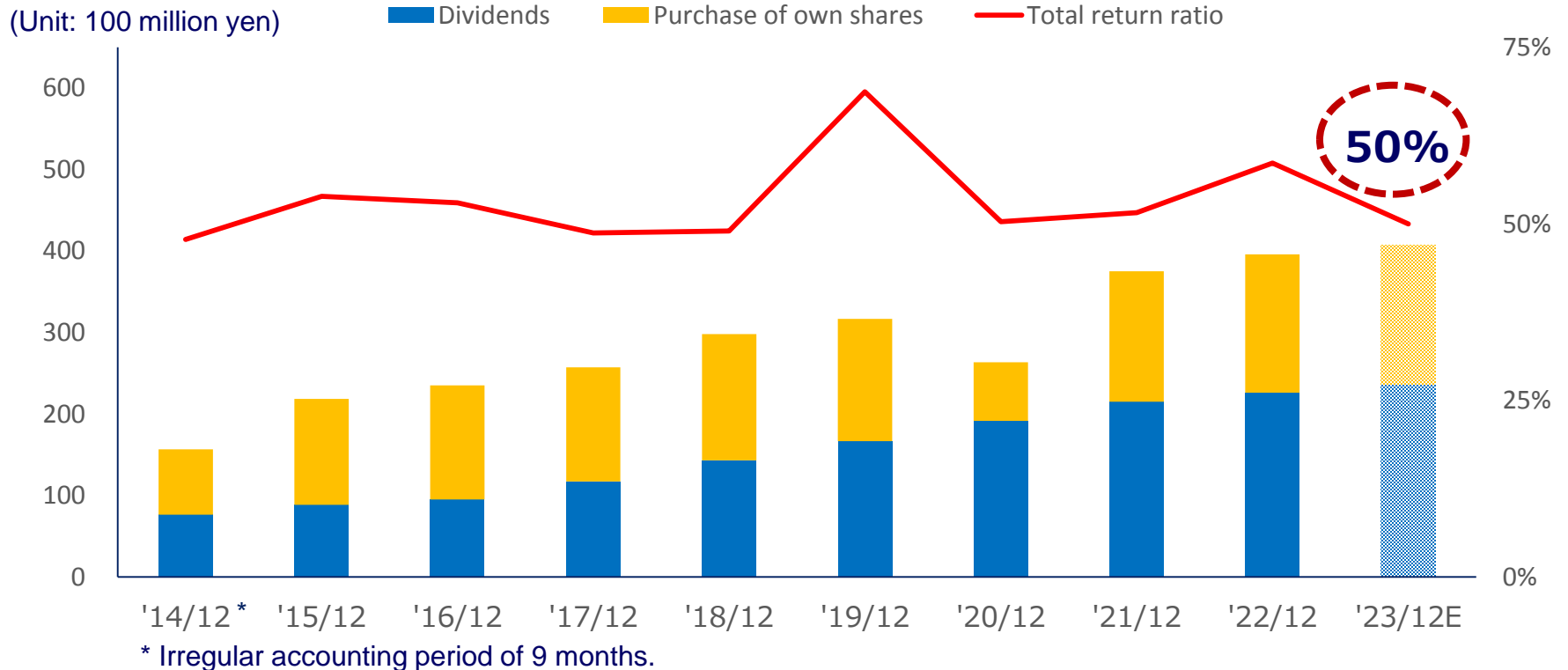
\*1 : Actual gap rate excluding foreign exchange effects

## **Shareholders Return Policy**

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Through the payment of dividend linking to the business performance and buy-back of our own shares, we are also aiming for total return ratio of 50% in 2023

## ● Shareholders return policy



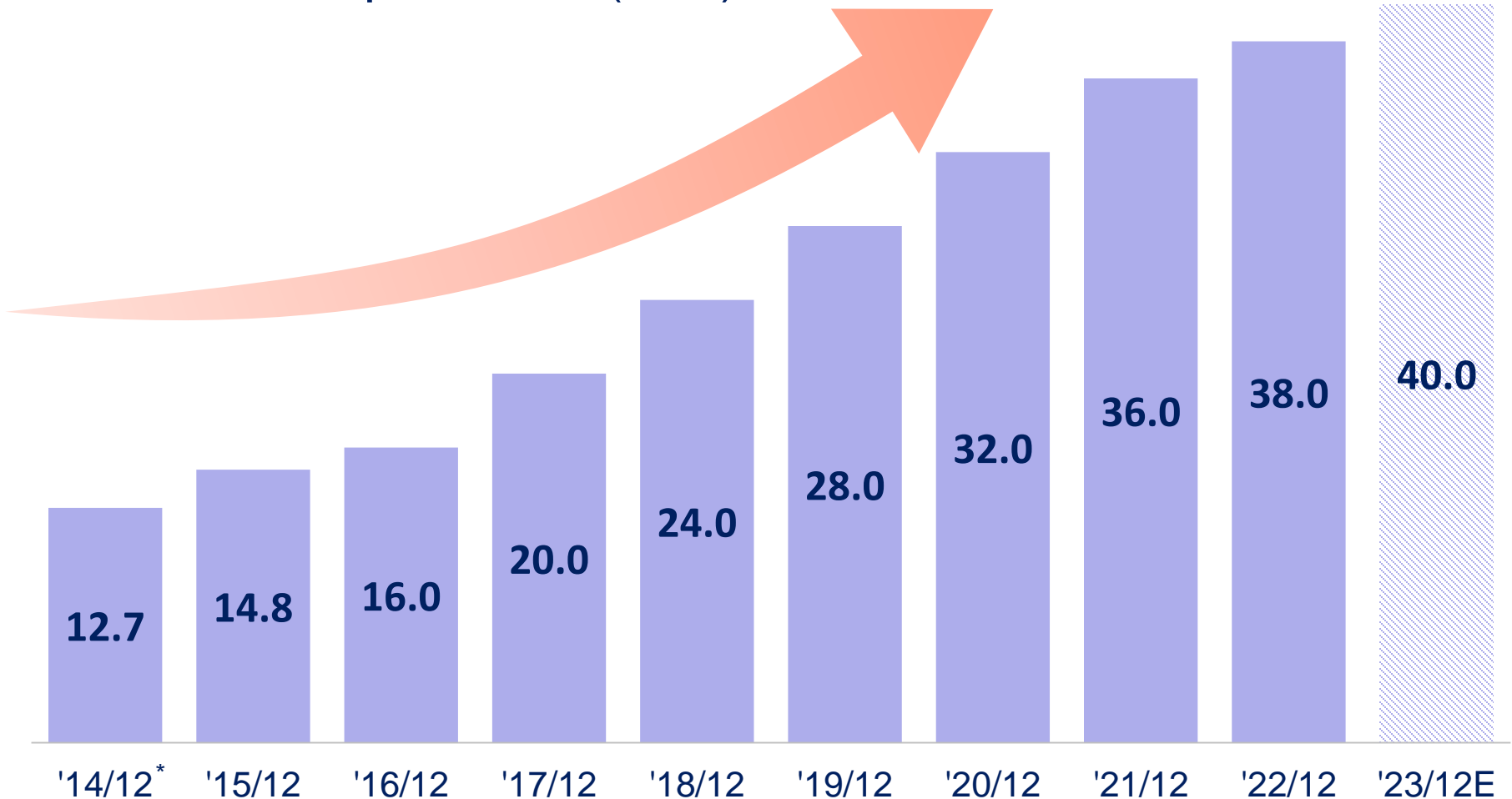
We are aiming at returning profits to our shareholder **with a goal of total return ratio of 50%** by paying dividends on a consistent and continuous basis and buying back our own shares, upon necessity, on a flexible manner based on the growth of med-to-long term consolidated earnings while focusing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



# Dividend per share

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

- Dividends per share (JPY)



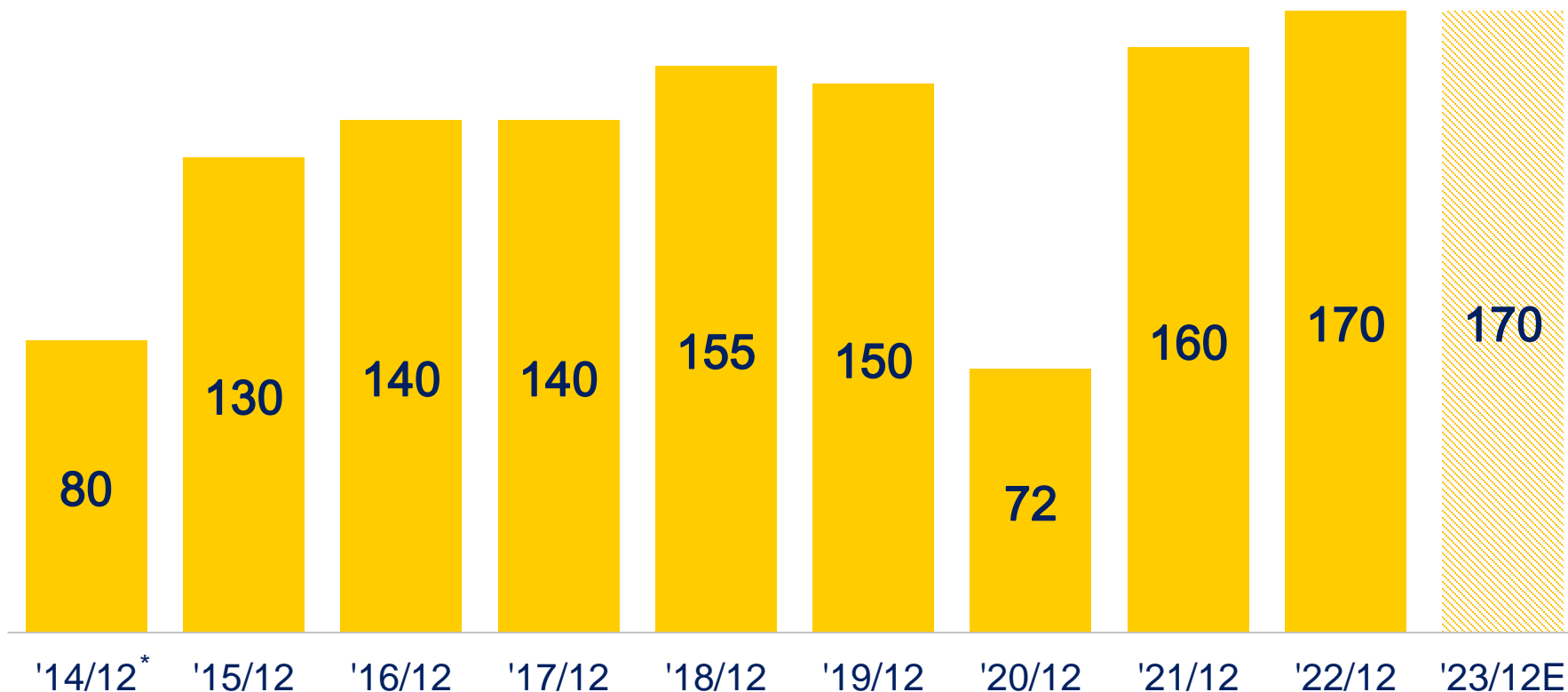
\*Irregular accounting period of 9 months

# Flexible purchase of own shares depending on the cash condition

## Purchase of up to 17 billion JPY (3.9 M shares) in 2023 as planned



- Share buy-back history (100 million JPY)



\*Irregular accounting period of 9 months

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

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



## ◆ 20 key themes with the goal in 2030

### Safeguarding the well-being of individuals

**Our goal**

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.

**Key initiatives**

- 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

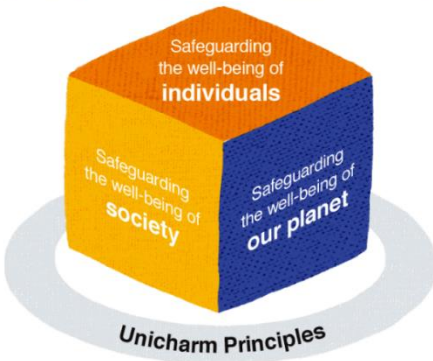
**Our goal**

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.

**Key initiatives**

- 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

### Realizing a Cohesive Society (Creating a Diverse, Inclusive, and Sustainable World)



**Our goal**

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.

**Key initiatives**

- 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

Safeguarding the well-being of our planet

**Our goal**

Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.

**Key initiatives**

- 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

### Unicharm Principles

# 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

# Key initiatives, indicators, and target values

## ◆ Safeguarding the well-being of individuals

Key initiatives	Indicators	Results	Mid- and long- term goals	
		2021	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%	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)  
**Support “lengthening healthy life expectancy” with products and services for the senior citizens**



◆ Extension of healthy life expectancy and improvement of QOL



Expand toward 2030



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

Lifree Rehabili-Pants was released in 1995 aiming a total of “zero bedridden elderly”

➤ Support independent excretion with product development that suits users' ADL (Activities of Daily Living)

Those who have light incontinence

Peace of mind during outings  
 Those who can walk alone  
 Those who can walk with assistance

Those who can stand / sit

Those who spend most of their time in bed

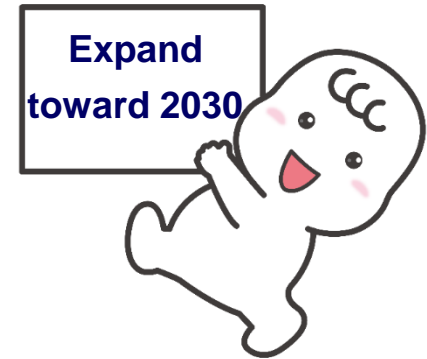


(Safeguarding the well-being of each individual)

# Rollout of activities tailored to national and regional characteristics to develop a society where women shine



◆ Support for a society where gender and sexual orientation do not restrict people's activities



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。

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

> 参加企業募集中!詳しくはこちら

Number of training videos provided: Approx. 300 companies and organizations (as of Dec. 2022)



➤ Promote women empowerment support globally



Women-only factory in consideration of culture



Project to create female entrepreneurs



Online menarche education



Pink Ribbon Campaign: 2022 is the 15th year in Japan

Participants: 483,000 in India (FY2022)



# (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)**



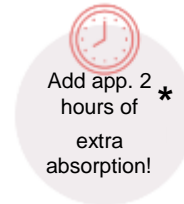
- **Cool napkin that feels less dampness and a cool, refreshing feeling and type of napkin that contains charcoal (Thailand subsidiary Idea & Plan)**



- **Napkin featuring anti-bacterial sheet (devised by Indian subsidiary) and napkin containing olive oil (Saudi Arabia subsidiary Idea & Plan)**



- **Easy, comfortable, and convenient feminine product to be used along with a regular pad (Japan Idea & Plan)**



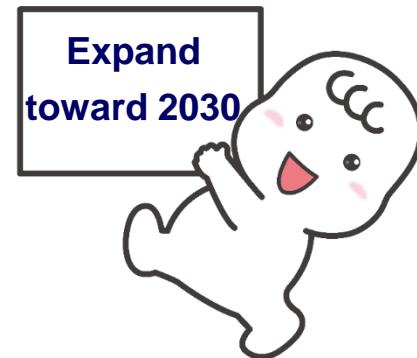
\* The amount of menstrual blood varies between individuals

(Safeguarding the well-being of each individual)

# Support everyday health of partner animals (pets) and the mind of owners with original technology



## ◆ Coexistence with partner animals (pets)



Development of products and services that enable partner animals (pets) to be welcomed by people

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

➤ Toiletry products that utilize processing and molding technology for nonwoven absorbent



(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



Expand toward 2030



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

➤ Subscription service (fixed charge system) for nursery schools can reduce the burden on parents and child care workers, as well as infection risk

➤ Product differentiation to suit the needs of different countries and regions.



©Fujiko-Pro,Shogakukan, TV-Asahi,Shin-ei,and ADK



(Safeguarding the well-being of each individual)  
**Protect everyday health and support safe and comfortable living**



◆ **Improvement of public hygiene**



**Expand toward 2030**



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

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



➤ **Boost high value-added masks development globally**



# Key initiatives, indicators, and target values



## ◆ Safeguarding the well-being of society

Key initiatives	Indicators	Results	Mid- and long- term goals	
		2021	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%	100%	2030
Practicing sustainable lifestyles	Percentage of products and services suitable for the “SDGs Theme Guideline,” an internal guideline for contributing to sustainability.	9 projects	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	Double (Compared to 2020)	2030
Improvement of customer satisfaction	Percentage of products and services supported by consumers (No. 1 market share).	23.4%	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%	100%	2030

(Safeguarding the well-being of society)


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



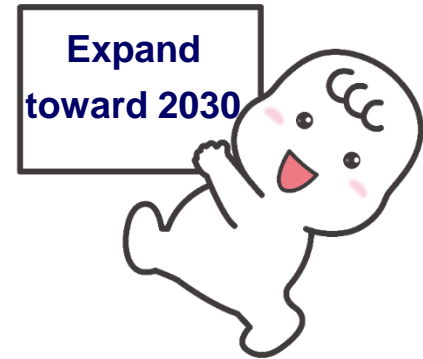
## ◆ Innovations to achieve “NOLA & DOLA”

Unicharm  
**Face Visible Mask**

Has a structure that fits in all directions to protect against virus droplets, as well as a transparent area that makes it possible to see your face.



\*Image when wearing.



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

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

➤ 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

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

(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 Targets	2021 Results	2022 Targets	2030 Targets	2050 vision
Responding to the problem of plastic waste	Reducing usage of packaging materials	Per unit of sales	2019*1	-3%	-0.2%	-6%	-30%	Realizing a new society with zero plastic waste
	Selling products that contain no petroleum derived plastic	-	-	-	Development ongoing	Development ongoing	10 or more stock-keeping units (SKU) sold	
	Raising awareness about proper disposal of used products	-	-	30%	38% (6 countries)	45%	Rolled out at all Group companies	
	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 <sub>2</sub> emissions associated with raw materials procurement	Per unit of sales	2016	-1.7%	9.7% (Japan)	-3.4%	-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	-3.4%	-26.9%	-28.0%	-34%	
	Reducing CO <sub>2</sub> 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 related issues)	Ensuring traceability to pulp and palm oil production locations (country/region)	-	-	Forest-derived raw materials: 98% <sup>*2</sup> Palm oil: 80%	Forest-derived raw materials: 97% <sup>*2</sup> Palm oil: 77%	Forest-derived raw materials: 98% <sup>*2</sup> Palm oil: 80%	Completed	Realizing a society with zero deforestation related to the purchasing of timber
	Expanding the use of certified pulp (PEFC*3- and CoC-certified)	-	-	Percentage of certified factories: 50% <sup>*4</sup> Percentage of certified materials procured: 60% <sup>*5</sup>	Percentage of certified factories: 52% <sup>*4</sup> Percentage of certified materials procured: 70% <sup>*5</sup>	Percentage of certified factories: 60% <sup>*4</sup> Percentage of certified materials procured: 75% <sup>*5</sup>	100%	
	Expanding the use of certified palm oil (RSPO*6-certified)	-	-	80%	77%	80%	100%	
	Promoting the recycling of used disposable diapers	-	-	-	Development ongoing	Development ongoing	Rolled out in at least 10 municipalities	

\*1 We have updated our base year from 2016 to 2019 following a review in 2020.

\*2 Percentage of raw materials derived from forest resources for which traceability has been established to their place of origin (country and region), in addition to third-party certified materials. Forest-derived raw materials include pulp, tissue, separators, and airlaid pulp.

\*3 Programme for the Endorsement of Forest Certification

\*4 Percentage of Unicharm factories that have acquired CoC (chain of custody) certification

\*5 Percentage of forest-derived raw materials including pulp, tissue, separators, and airlaid pulp that have acquired third-party certification

\*6 Roundtable on Sustainable Palm Oil



➤ **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	✓ 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.

# Establish the platform to visualize GHG (Green House Gas) 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 <sub>2</sub> emissions associated with raw materials procurement	Per unit of sales	2016	-1.7%	9.7% (Japan)	-3.4%	-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	-3.4%	-26.9%	-28.0%	-34%	
	Reducing CO <sub>2</sub> emissions associated with disposal of used products	Per unit of sales	2016	-2.6%	23.7% (Japan)	-5.2%	-26%	



**Aim to disclose GHG emissions by product to achieve net “zero” emissions of CO<sub>2</sub>**  
**Build the GHG emission visualization platform, including CO<sub>2</sub> in the entire supply chain**  
**Promote the efforts for “response to climate change” more aggressively**

(Safeguarding the well-being of our planet)

# Initiatives for safety and environmental consideration



## ◆ Development of environmentally friendly products

2030 Target  
More than 10 cases



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



(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



Use of renewable power

[Unicharm factories, aerial view]

➤ **Renewable power ratio 7.3%**  
(as of the end of December 2021)

Top five nations	Percentage of renewable electric power
Brazil	100%
U.S.A	100%
Vietnam	About 11%
Thailand	About 13%
Japan	About 6%



Percentage of renewable electric power used for business operation

➤ **Offices with 100% of renewable electric power used**



Brazil

Jaguarina Factory



US

(Hartz Pleasant Plain Factory)



Japan

Kyushu Factory



Japan Toyohama

Manufacturing Site

(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

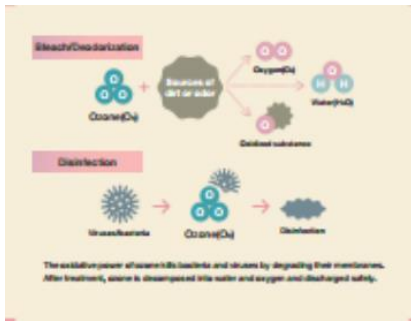
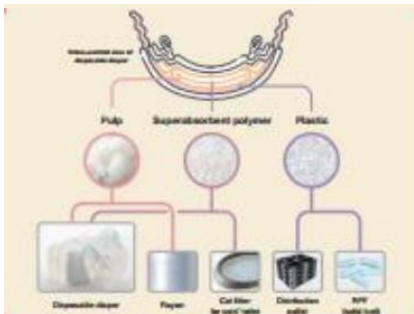
## ➤ Keep it safe and convenient, toward the future where recycling is the norm

**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**



# Flow of recycling process of used disposable diapers

## ➤ Horizontal recycling (from disposable diaper to disposable diaper)



(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



Tokyo



町田市  
MACHIDA City



unicharm  
ユニ・チャーム



odakyu

<Demo-experiment diagram>

【Nursing homes, child day care centers,  
general households】

【Collection】

【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.

(Safeguarding the well-being of our planet)

# Realization of world's first horizontal recycling of used diaper pulp as part of new diaper absorbent core



- In preparation for commercialization, “Lifree” brand adult diapers made of “recycled pulp” extracted by original recycling technology will be sold on a trial basis at nursing care facilities in Kagoshima Prefecture, Japan.



Test sales at underway at more than 70 nursing home (as of the end of December 2022)



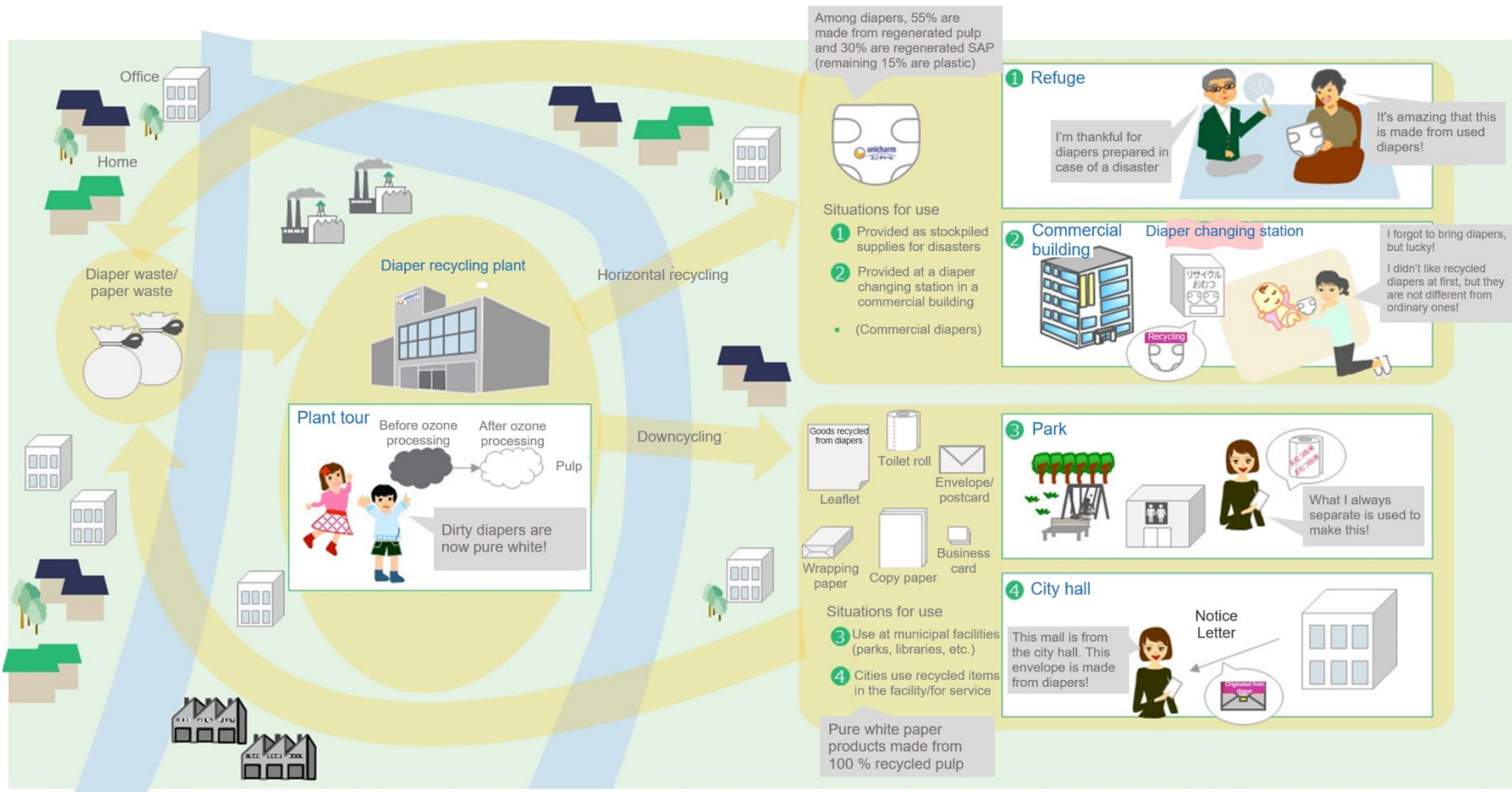
(Safeguarding the well-being of our planet)

Make more opportunities to experience recycling

Create the society where “Disposable diaper recycling is a natural matter”



➤ Future vision using recycled materials (image)



# Key initiatives, indicators, and target values



## ◆ Unicharm Principles

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

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



## ◆ Management practices that take sustainability into account

**Purpose**  
**Contribution to achievement of SDGs**



We support the Sustainable Development Goals (SDGs)



Maintain and improve ratings by external evaluation agencies.

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

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

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

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

**ESG objective**

**HR system**

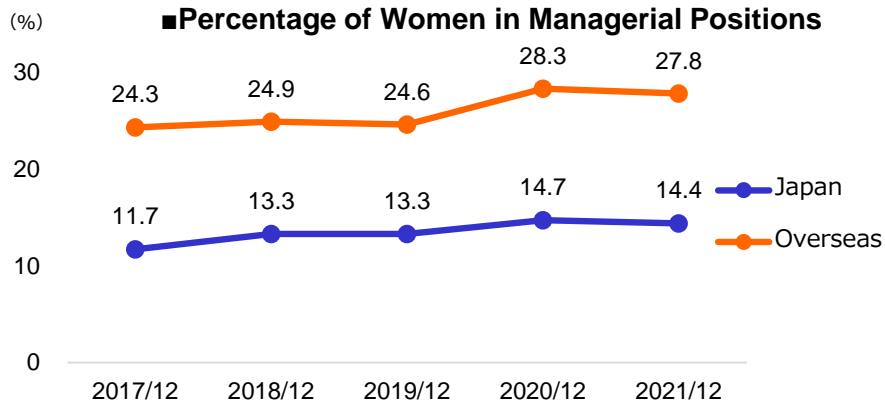


Realize a **“Cohesive Society (Social Inclusion)”**



Encourage individual growth to become a **global no. 1 company**

## ◆ Promotion of diversity management



The ratio of female employees in managerial positions by providing various opportunities to female employees

➤ Creating places where people talk about careers and concerns, with executive officers as mentors (Japan)

➤ Overcoming national and regional issues and providing employment opportunities for women (overseas)

### Room L+

### Empowerment system



# (Unicharm Principles)

## Enhanced wages & benefits to reward employees' efforts



### ◆ Fostering the development of competent human resources

#### Employee satisfaction

Max. score 5

**4.07**

2021 (Japan)



2030 Target  
Over 80%



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

➤ Wage system introduced in 2008 where wages do not fall below the previous year in principle

➤ Introduction of role-based benefits to reward the effort of employees who work hard and give their all



Role-based benefit	Amount
Scrum leader benefit	20,000 yen/month
Brother & sister benefit	15,000 yen/month
Career navigator benefit	10,000 yen/month
Newly hired employee initial salary fluctuation system benefit	5,000 yen/month increase with each test passed
Skill benefit (IT passport, national ualification)	120,000 yen/year

# 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.

## **Fostering DX human resources toward new value creation**

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

**Contribution to SUSTAINABLE DEVELOPMENT GOALS**

**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**

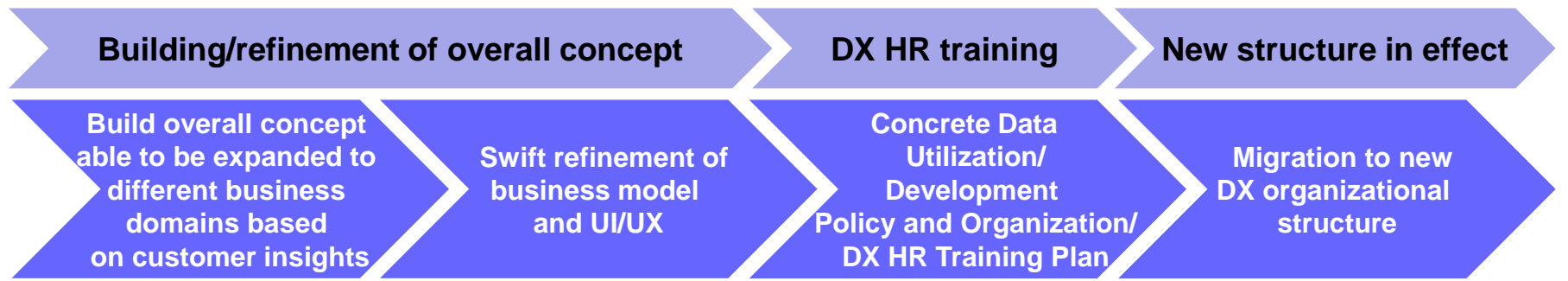
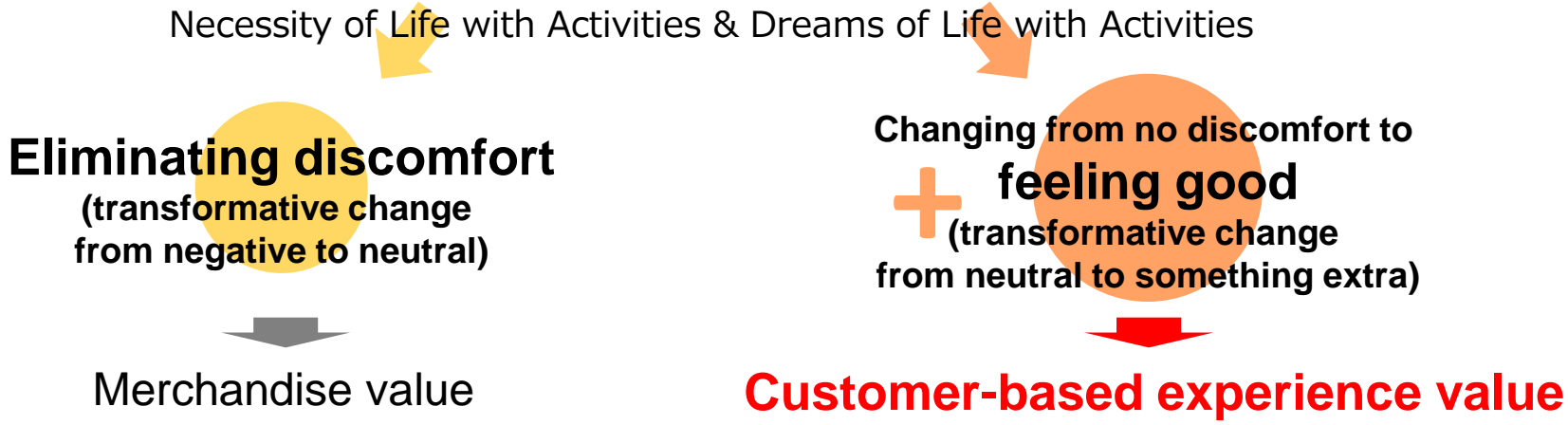


# Mutation by DX Project undertaken to speed up achievement of DOLA from our NOLA & DOLA corporate philosophy



- Aim for products that meet customer needs and to create extra value (customer-based experience value) by using digital

## NOLA & DOLA



# 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 acquire business, creative, technology and other skills

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



**Ten sessions**  
(From Jun 2022 – Sep)

To acquire data utilization techniques

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



About  
**150 participants**  
(Sep 2022)

To acquire programming image and knowledge

- Basic training for digital human resources (Japan)



About  
**560 participants**  
(From Apr 2022 – Sep)

To improve operation efficiency and quality

## **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

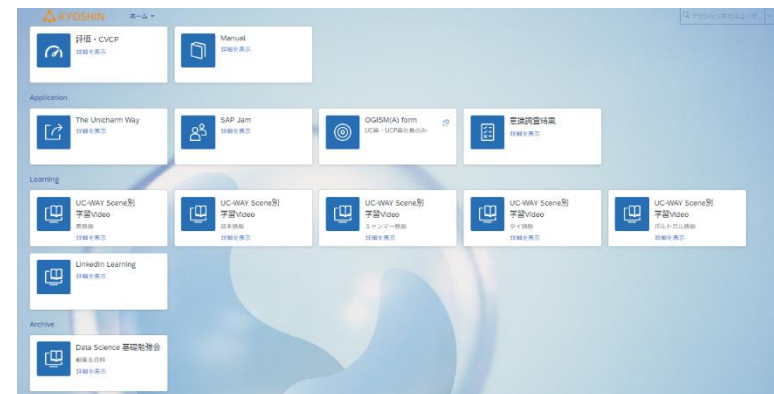
- “BOP-Ship”, Unicharm’s corporate culture that has been inherited from the establishment and evolving



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

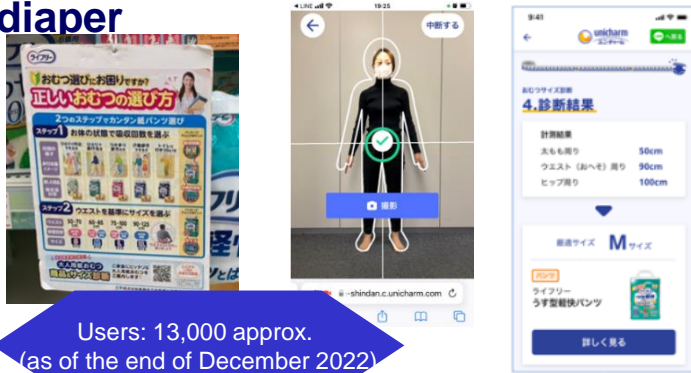


- Challenge to higher goals and strengthen the ability of human resource development with “KYOSHIN”, human resource development PF



# Japan initiatives utilizing digital technology-1

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



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

- "Sofy menstruation management app" helps to address menstrual problems



Registrants: 1 million approx.  
(as of May 2022)

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



\* DOQAT <https://doqat.jp/>

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

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



Team moony  
Number of registered members: Approx. 1.8 million members (as of Dec. 2022)

# Japan initiatives utilizing digital technology-2

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



with  
**Catlog**



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

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



\*3 CHaiLD Co., Ltd. <https://c-c-s.jp/>

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



× **First Ascent**



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

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



×

**ベビージョブ**



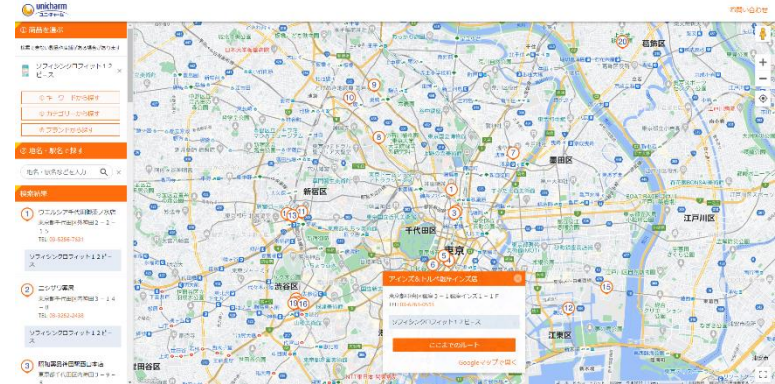
Introduced at 2,920+ locations across 47 prefectures (as of January 2023)

# Japan initiatives utilizing digital technology-3

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

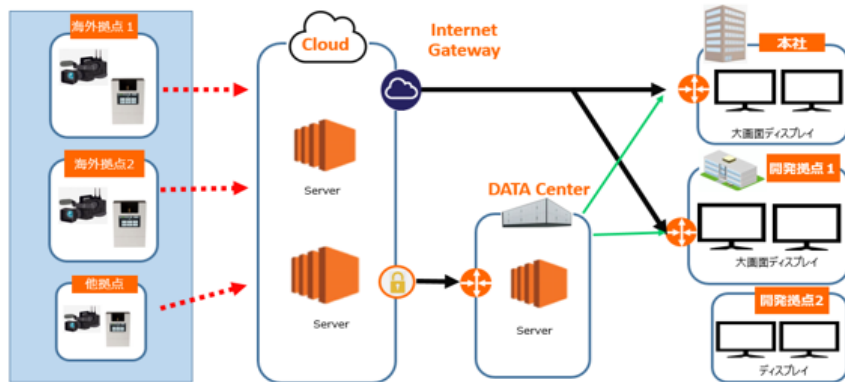


- “Shop search system” can help find shops carrying products to improve customer satisfaction



- Developed “Digital Scrum System” to discover customer insights

<Simple figure of Digital Scrum System>



# 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)

Item	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



## SCADA



## Smart logistics



\* Abbreviation of Supervisory Control And Data Acquisition  
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# 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



# Evaluation by external organizations and coordination (FY 2022)

<p><b>February</b></p>	<ul style="list-style-type: none"> <li>✓ Selected as a “DX-certified operator”  DX認定  Digital Transformation Certification</li> <li>✓ Won 7<sup>th</sup> “Consumer-Oriented Activity Award”</li> <li>✓ Selected as the “CDP 2021 Supplier Engagement Leader” </li> </ul>
<p><b>March</b></p>	<ul style="list-style-type: none"> <li>✓ Won “Bronze Prize” in Environment Sustainable Corporate Segment of the 3<sup>rd</sup> ESG Finance Award Japan </li> <li>✓ Certified as a “Health and Productivity Management Outstanding Organization (large enterprise category)” </li> </ul>
<p><b>April</b></p>	<ul style="list-style-type: none"> <li>✓ Selected as the “Most Honored Company” of “2022 Japan Executive Team Ranking” by Institutional Investor</li> </ul>
<p><b>May</b></p>	<ul style="list-style-type: none"> <li>✓ Won “Marine Transport Modal Shift Grand Prize”</li> <li>✓ in Eco-ship modal shift excellent business 2021</li> </ul>
<p><b>June</b></p>	<ul style="list-style-type: none"> <li>✓ Won “Excellent Award” in the 4th Platinum Career Award </li> </ul>
<p><b>July</b></p>	<ul style="list-style-type: none"> <li>✓ Selected as a constituent of “SOMPO Sustainability Index”</li> <li>✓ for eleven years in a row</li> <li>✓ Won the “Advanced Technology Award” at the 23<sup>rd</sup> Logistics Environment Grand Prize </li> </ul>
<p><b>December</b></p>	<ul style="list-style-type: none"> <li>✓ Sofy #NoBagForMe Received “Winners” award at Japan Branding Awards 2022</li> </ul>

# Evaluation by external organizations



FTSE Blossom  
Japan



FTSE Blossom  
Japan Sector  
Relative Index



FTSE4Good



# Coordination with external organizations

WE SUPPORT



In support of  
**WOMEN'S EMPOWERMENT PRINCIPLES**  
Established by UN Women and the UN Global Compact Office

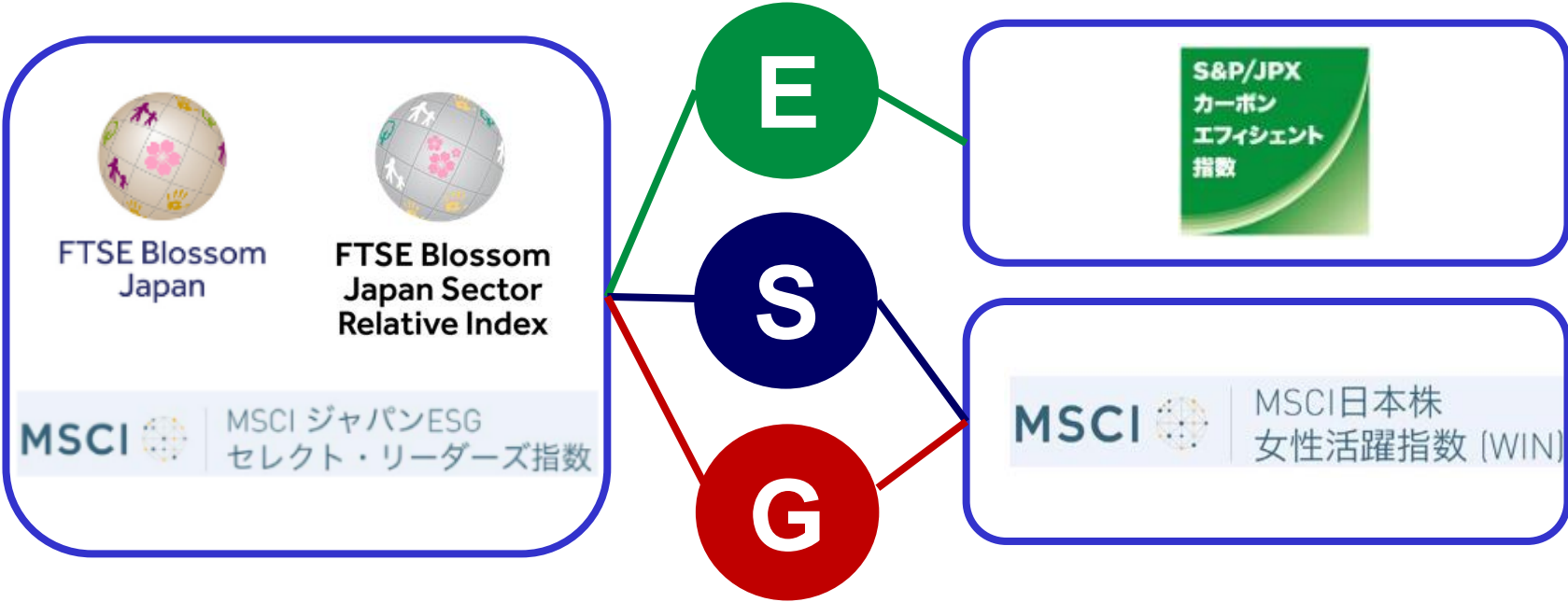


# Evaluation by external organizations and coordination with them

Selected in 5 ESG investment indices of stock composites adopted by GPIF

Integrated Index

Thematic Index



Other ESG Index



# “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)
Users 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 <a href="https://www.sofy.jp/ja/campaign/minnanoseirikensyu.html">https://www.sofy.jp/ja/campaign/minnanoseirikensyu.html</a>	Approx. 3000 companies and organizations (as of the end of Dec. 2022)
Number of users for “Sofy Girl” (menstruation management app) <a href="https://www.sofy.jp/ja/app/sofygirl.html">https://www.sofy.jp/ja/app/sofygirl.html</a> Number of users for “Sofy” (menstruation management app) <a href="https://www.sofy.jp/ja/app/sofy.html">https://www.sofy.jp/ja/app/sofy.html</a>	Approx. 1,500,000 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” <a href="https://jp.moony.com/ja/apps/moonypoint.html">https://jp.moony.com/ja/apps/moonypoint.html</a>	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) <a href="https://doqat.jp/">https://doqat.jp/</a>	Approx. 33,000 people (as of the end of Dec. 2022)



We support the Sustainable Development Goals (SDGs)

