

**Second Quarter of Fiscal Year
Ending December 31, 2022
(Jan 1, 2022 to June 30, 2022)
Unicharm Investor Meeting
Presentation Materials**

August 4, 2022

Takahisa Takahara
President and CEO
Unicharm Corporation



I am Takahisa Takahara of Unicharm Corporation.

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

I would like to begin by explaining the contents of the presentation.

**Second Quarter of Fiscal Year
Ending December 31, 2022
(January 1, 2022 to June 30, 2022)
Financial Performance Summary**

Projections stated in these materials include those based on the Company's currently obtained assumptions, forecasts and plans regarding the future. Therefore, actual results may differ significantly from projections due to risks and uncertainties associated with market competition, foreign exchange rates, etc

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First is the summary of the financial performance for the second quarter of the fiscal year ending December 31, 2022.

Second Quarter of Fiscal Year Ending December 31, 2022
(January 1, 2022 to June 30, 2022)
Financial Results Summary



Consolidated

Sales 421.6 billion JPY (YoY +11.8%)
Core operating income 55.4 billion JPY (YoY -10.3%)

- Sales hit record high. Profits were affected by the soaring material and logistics costs.
- Sales showed better performance than expected, core operating income margin is in line with the plan.

Japan

2.5% sales increase, 10.7% profit decrease

- Feminine Care Business, Wellness Care Business, and Pet Care Business showed sales increase and maintained good performance.
Profit decrease was affected by soaring material costs combined with weak yen.

Overseas

17.5% sales increase, 9.8% profit decrease

- Increase in sales and decrease in profits in Asia. Increased sales are driven by Indonesia, India, and Vietnam. Decreased profits were affected by the lockdown in China and Baby Care Business which accelerated the shift to high-gross profit products.
- Increase in sales and profits in other regions. Performance improved in North America thanks to the value pass-through onto value-added products.

**Shareholder
Return**

Yearly dividend 38 yen per share
To increase dividend for 21 consecutive years

- Purchase of own shares: purchased 9 billion yen as of the end of July.

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Please see page 3 of the document.

Here is the summary of the financial results for the second quarter of the fiscal year ending December 31, 2022.

**Sales hit record high
Performance steadily improved as expected even under a harsh
environment**



● Consolidated account highlights (from Jan. to June)

(100 millions of yen)

	2Q of FY Ended Dec. 31, 2021	2Q of FY Ending Dec. 31, 2022	gap(yen)	gap (%)	(Forecast) FY Ending Dec. 31, 2022	Achievement (%)
Net sales	3,770	4,216	+447	+11.8%	8,500	49.6%
Core operating income (margin-%)	618 (16.4%)	554 (13.1%)	-64	-10.3% (-3.3P)	1,270 (14.9%)	43.6%
Profit before tax (margin-%)	648 (17.2%)	564 (13.4%)	-84	-12.9% (-3.8P)	1,260 (14.8%)	44.7%
Profit attributable to owners of parent company (margin-%)	400 (10.6%)	318 (7.5%)	-82	-20.5% (-3.1P)	792 (9.3%)	40.1%
EBITDA (profit before tax + depreciation/ amortization + fire accident loss)	835	772	-63	-7.6%	1,660	46.5%
Basic earnings per share (JPY)	66.77	53.26	-13.51	-20.2%	132.84	40.1%
USD Rate (JPY)	107.69	122.89	+15.20	+14.1%	113.50	—
CNY Rate (JPY)	16.66	18.94	+2.28	+13.7%	17.50	—

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Please see page 4 of the document.

This is the Consolidated account highlights.

For the second quarter of the fiscal year ending December 31, 2022, Net sales increased 421.6 billion yen, or 11.8%, to a new record high for the second quarter, while core operating income decreased 55.4 billion yen, or 10.3%.

The core operating income deteriorated by 3.3 percentage points to 13.1%, due to higher raw material costs, partly reflecting the recent high oil market, and a higher logistics cost ratio.

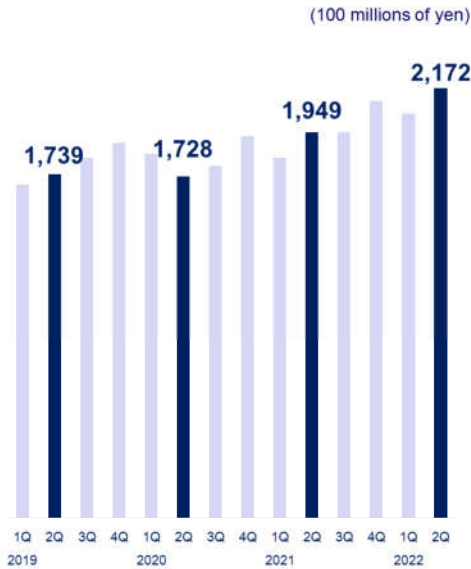
As for the consolidated forecast, as shown on the right side of the chart, net sales, core operating income, and profit before tax were steady, while quarterly profit attributable to owners of the parent company was slightly behind. The main reason for this is that, in the area of tax expenses, the depreciation of the yen was greater than expected and the burden tax rate increased due to tax effects related to retained earnings.

Details of the financial results are explained on the next page and thereafter.

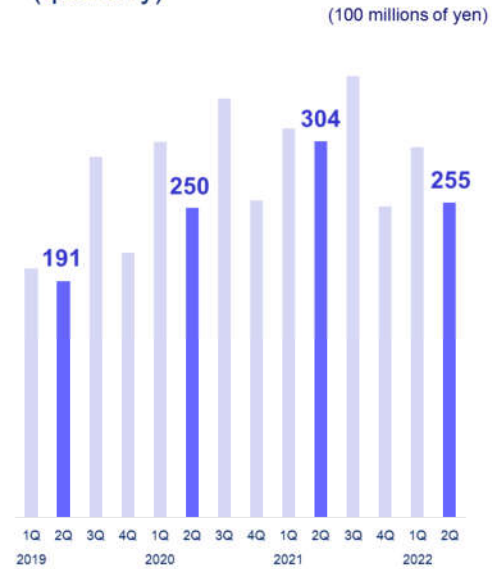
**Stable sales growth amid COVID-19 pandemic
High profit standard was secured under the pressure of rising costs**



● Sales trend (quarterly)



● Core operating income trend (quarterly)



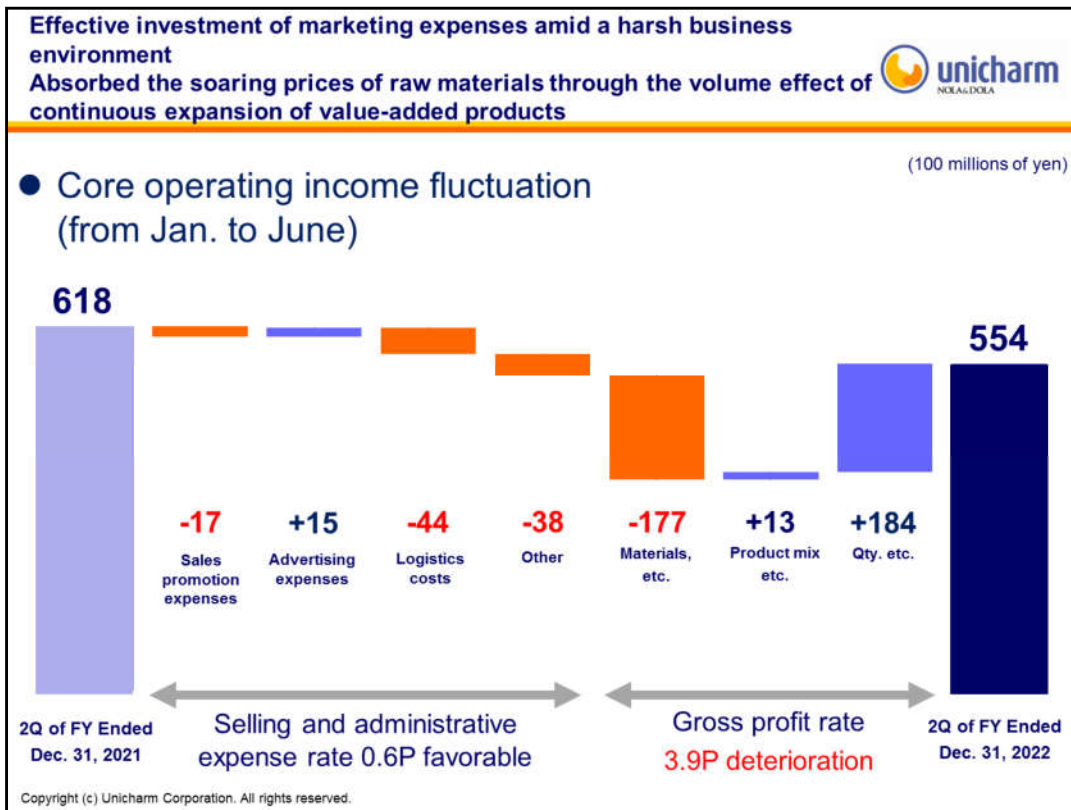
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Please refer to page 5 of the document.

This is the quarterly performance trend.

Stable sales growth continued even with the COVID-19 situation from 2020, and although the lockdown in Shanghai had an impact during the quarter, markets for the product categories we handle in other countries and regions improved, and we were able to expand our top line while responding to changes in the environment.

We were also able to maintain a high level of profit during the quarter, despite further sharp rises in raw materials and logistics costs.



Please refer to page 6 of the document.

Next is the change in core operating income.

Selling and administrative expense, shown in the left-hand column of the table, improved as a percentage of net sales by 0.6 percentage point, but increased by approximately 8.4 billion yen due in part to the increase in sales.

In particular, logistics costs increased in Indonesia, Japan, India, and China due to recent supply chain disruptions and soaring oil prices.


The main items of other expenses, which increased by 3.8 billion yen, were personnel expenses, R&D expenses, market research expenses, and environmental tax in Vietnam.

On the other hand, advertising expenses decreased by 1.5 billion yen as a result of efficient advertising placement in media viewed by consumers, mainly in Japan.

Next, raw material-related expenses, which are related to gross profit, decreased by approximately 17.7 billion yen due to the sharp rise in raw material unit prices since the second half of last year.

In order to absorb the increase in raw material costs, we continued to promote value-added products in each country and region, appealing to consumers for their value, while maintaining a balance between price and volume, resulting in a 2 billion yen increase in gross profit.

Amongst the rising costs, performance was mainly led by Feminine Care Business in Japan.
In overseas, performance was affected by the lockdown in China, but topline steadily improved mainly in Southeast Asia, India, and North America.



● Geographical segment information (from Jan. to June)

(100 million of yen)

		2Q of FY Ended Dec. 31, 2021	2Q of FY Ending Dec. 31, 2022	gap(yen)	gap (%)	(Ref.) Actual gap rate *1
Japan	Net sales	1,414	1,449	+35	+2.5%	—
	Core operating income	290	259	-31	-10.7%	—
	(margin)	(20.5%)	(17.9%)		(-2.6P)	
Asia	Net sales	1,759	2,007	+248	+14.1%	+3.1%
	Core operating income	260	225	-35	-13.3%	-21.5%
	(margin)	(14.8%)	(11.2%)		(-3.6P)	
Others *2	Net sales	596	760	+163	+27.4%	+13.8%
	Core operating income	66	69	+3	+4.2%	-8.8%
	(margin)	(11.1%)	(9.1%)		(-2.0P)	
Consolidation	Net sales	3,770	4,216	+447	+11.8%	+4.6%
	Core operating income	618	554	-64	-10.3%	-15.1%
	(margin)	(16.4%)	(13.1%)		(-3.3P)	

[Actual gap rate of sales in main countries] *based on management accounting
 China -13% Indonesia +12% Thailand +1% India +31% Vietnam +3% Middle East +1% North America +21% Brazil +6%

*1 : Actual gap rate excluding foreign exchange effects
 *2 : Others: Main regions are North America, Saudi Arabia, Brazil and the Netherlands

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Please refer to page 7.

Next is the segment information by geographic area.

In Japan, net sales increased 2.5% and income decreased 10.7%. Core operating margin deteriorated 2.6 percentage points to 17.9% due to the impact of soaring raw material prices and logistics costs.

In this environment, Feminine Care was able to achieve a high level of profitability with a single-digit increase in sales, driven by premiumization. In addition, Wellness Care's adult diapers and Pet care products achieved high levels of profitability despite higher sales and deteriorating margins, respectively. In addition, we continued to meet continued high demand for masks and other hygiene-related products.

In the Asian region as well, net sales increased 14.1%, core operating income decreased 13.3%, and core operating margin was 11.2%.

Although affected by sharply higher raw material prices and logistics costs in Asian countries, sales remained steady within the expected range.

The main reason for the increase in sales and decrease in profit was the impact of China.

In China, the inventory adjustment in the Baby Care business, which was implemented in the first quarter by shifting from Japan-made to premium China-made products, and the impact of shortages due to production stoppages and logistics disruptions due to Lockdowns, had an impact of about 13.4 billion yen in sales and about 3 billion yen in core operating profit for all businesses. This was the main factor. Despite such circumstances, Feminine Care continued to enjoy strong sales of premium products

made of organic cotton and underwear-type napkins. In addition, Baby care also showed steady growth in premium products made in China.

Finally, in other regions, sales and profits increased, with net sales up 27.4% and core operating income up 4.2%. Core operating margin deteriorated by 2 percentage points to 9.1%.

The increase in sales and profit was driven by North America's Pet care.

In the Pet care business in North America, we achieved a 21% increase in sales and improved profitability as a result of value shifting while adding value to cat treats and other products.

In the Middle East, sales in Saudi Arabia grew strongly, and the e-commerce channel grew by about 3 times.

Sales increased due to the development of sales channels in the Wellness care business, continued efforts to strengthen sales of disposable diapers containing olive oil, feminine care products, and masks.

In addition, sales of masks and other products were strengthened, resulting in an increase in sales.

As for Brazil, the re-expansion of COVID-19 in January caused some supply chain delays, but the market recovered in the second quarter and we were able to shift to a growth trend in the baby care business. Although we have been able to pass on the value of the products to consumers, we were unable to absorb the impact of the unfavorable foreign exchange environment and the sharp rise in raw material prices.

Overseas sales ratio rose to a record high

Overseas and Asian markets keep overwhelming sales ratio



● Sales ratio of overseas markets



● Sales ratio of Asian markets



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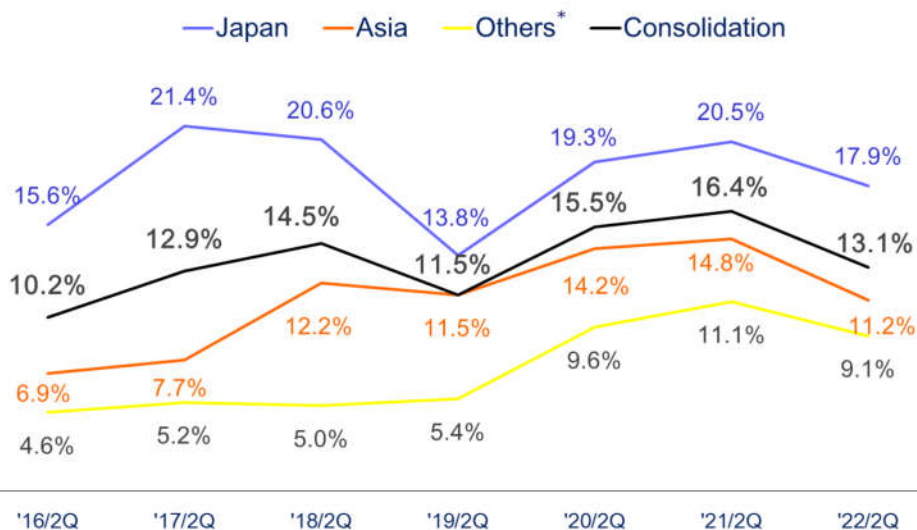
This graph shows the ratio of overseas sales.

For the percentage of total sales, overseas sales accounted for 66.1%, with Asia expanding to 47.6%.

Sharp cost increases and lockdown in China deteriorated profitability, however, profit improvement is planned with value pass-through onto expansion of value-added products from 2H



■ Core operating income margin by geographical segment (from Jan. to June)



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

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

This quarter's profitability has deteriorated compared to the previous quarter due to the impact of sharp cost increases and lockdowns in China, but I do not think it is low by any means compared to the past.

We believe that the basis of our current profitability, in which the cost of sales ratio has improved despite the further rise in raw material prices in this fiscal year compared to fiscal year 2019, is the result of our steady efforts to introduce value-added products that continuously reach out to and understand consumers in each country and region, to continuously improve the product mix in line with demographic and economic conditions, and to improve productivity. We believe that these efforts have enabled us to maintain high profitability even in such a severe environment.

From the second half of the fiscal year, we will strengthen passing on value through new value-added products and other measures in each country and region, and we will strive to improve profitability after bottoming out in the second quarter.

**Feminine Care and Baby Care Business led Personal Care Business
Strong sales continued in Pet Care Business in North America**



(100 millions of yen)

■ Business Segment Information
(from Jan. to June)

		2Q of FY Ended Dec. 31, 2021	2Q of FY Ending Dec. 31, 2022	gap(yen)	gap (%)
Personal Care	Net sales	3,254	3,610	+356	+10.9%
	Core operating income	545	482	-63	-11.5%
	(margin)	(16.8%)	(13.4%)		(-3.4P)
Pet Care	Net sales	486	570	+84	+17.2%
	Core operating income	69	70	+1	+0.9%
	(margin)	(14.3%)	(12.3%)		(-2.0P)
Others*	Net sales	30	37	+7	+21.9%
	Core operating income	3	2	-1	-43.7%
	(margin)	(10.6%)	(4.9%)		(-5.7P)
Consolidation	Net sales	3,770	4,216	+447	+11.8%
	Core operating income	618	554	-64	-10.3%
	(margin)	(16.4%)	(13.1%)		(-3.3P)

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

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Please refer to page 10.

This is Business segment information.

As for the increase in sales and decrease in profit in Personal Care, as we stated before, Baby Care reported a decrease in income due to sharp cost increases and the impact of the lockdown in China, while Feminine Care, Wellness Care, and Kirei Care each posted steady growth with double-digit increases in sales, resulting in an increase in sales.

Especially Feminine Care reported higher sales and profit, with Japan and Southeast Asia contributing.

In the Pet Care business, both sales and profit increased. In terms of content, North America led the way with higher sales and profit. As explained earlier during the information by region, passing on value was implemented, and cat treats and other products made a large contribution.

On the other hand, Japan sales continued to grow at a high rate, and the implementation of value shifting since April is gradually yielding results. Profitability deteriorated due in part to soaring raw material prices.

In China, we are preparing for business expansion by aggressively investing in expenses. In Thailand and Indonesia, we are also expanding our business in the same manner.

**Impacts of foreign exchange fluctuations:
Approx. 27.4 billion JPY increase in sales and
approx. 3.0 billion JPY increase in core operating income**



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

Currency	Exchange rate for 2Q of FY ended December 31, 2021	Exchange rate for 2Q of FY ending December 31, 2022	Rate change
China(CNY)	16.66	18.94	+13.7%
Indonesia(IDR)	0.0076	0.0086	+13.2%
Saudi Arabia(SAR)	28.75	32.81	+14.1%
Thailand(THB)	3.50	3.65	+4.3%
India(INR)	1.48	1.62	+9.5%
Vietnam(VND)	0.0047	0.0054	+14.9%
USA(USD)	107.69	122.89	+14.1%
Netherland(EUR)	129.82	134.25	+3.4%
Taiwan(TWD)	3.85	4.29	+11.4%
South Korea(KRW)	0.0965	0.0997	+3.3%
Malaysia(MYR)	26.29	28.76	+9.4%
Australia(AUD)	83.07	88.32	+6.3%
Brazil(BRL)	20.03	24.34	+21.5%
Egypt(EGP)	6.85	7.11	+3.8%

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Please refer to page 11.

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

Due to exchange rate fluctuations in each currency, the effect of conversion of financial statements at the closing rates had the effect of increasing sales by approximately 27.4 billion yen compared to the previous fiscal year.

As for core operating income, there was an increase effect of about 3.0 billion yen.

Summary of Performance Forecast FY Ending Dec.31, 2022

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From here, I would like to explain how we have responded to various changes in the external environment since the forecast for the fiscal year ending December 31, 2022 announced in February of this year.

Fiscal Year Ending December 31, 2022
Summary of Consolidated Performance Forecast



Consolidated

Sales 850 billion JPY (YoY +8.6%)

Core operating income 127 billion JPY (YoY +3.7%)

[Progress]

- Sales showing better performance than expected. Core operating income remains in line with expectations.
- No change in performance forecast.

[Environmental change from initial assumption]

- Oil market prices rise and remain high due to uncertainties in Ukraine.
- As a result, soaring prices related to raw materials and distribution costs continue.
- Lockdown under the zero-COVID policy in China.
- Rapid exchange fluctuations (yen alone is weak).

[Toward performance forecast achievement]

- Achieve upward topline sales by promoting value pass-through furthermore from 2H.
- Accelerate the shift to high-gross profit products.
- Reduce cost by more improved marketing efficiency and better product spec.
- Promote stronger supply chains to cope with the lockdown in China.
- Stable level of weak yen against each currency.

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This is a summary of the consolidated performance forecast.

Sales are expected to be 850 billion yen, up 8.6%, and core operating income is expected to be 127 billion yen, up 3.7%, as initially forecasted.

On the progress, sales are trending upward and core operating income is in line with our forecast.

Although this initial forecast anticipated a certain degree of cost increases due to soaring raw material prices and high logistics cost rates, there have been various changes in the environment over this short period of time.

Under such circumstances, the cost of raw materials, in particular, is expected to rise in relation to the uncertain outlook for the situation in Ukraine. The cost of raw materials, which was originally planned to rise by 17.4 billion yen, will rise by approximately 36.3 billion yen due to the current oil market conditions, resulting in an increase of 18.9 billion yen compared to the initial forecast.

In the first half of the fiscal year, we have already achieved favorable results in North America Pet Care, Indonesia, and other markets by transferring value through value-added products. In the second half of the fiscal year, we will strongly promote value-pass through new value-added products, etc. in each country and region, while keeping an eye on the market environment, and we hope to raise the top line by approximately 30 billion yen for the full year, based on the situation in the first half. In addition, we will continue to improve the efficiency of marketing expenses such as sales promotion and advertising costs, as well as productivity improvements, to absorb costs and achieve our

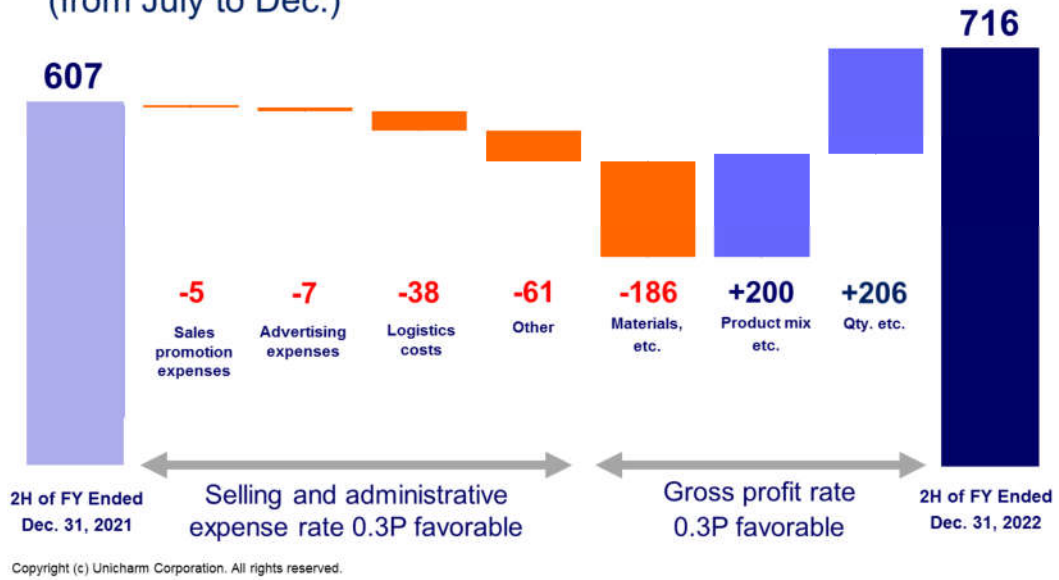
earnings forecast.

Absorb soaring prices of raw materials through the value pass-through onto value-added products and volume effect in each country and region, and expect profit increase



● Expected core operating income fluctuation (from July to Dec.)

(100 millions of yen)



Please refer to page 14.

This shows the change in core operating income in the second half of the year when the top line is raised by approximately 30 billion yen.

With an increase of 10.9 billion yen in the second half, we expect to achieve our annual forecast of 127.0 billion yen.

As explained earlier, in the second half of the year, we will strive to achieve our performance forecast by implementing various methods to pass on value in various regions, including Japan, Asia, and the Middle East, as well as absorbing cost increases in raw materials and distribution costs through ongoing product mix improvement, more efficient marketing expenses, and productivity improvement.

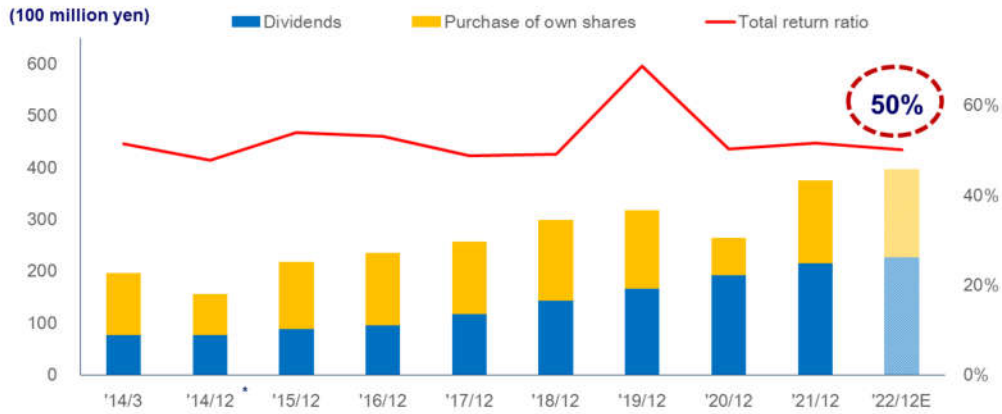
Shareholders Return Policy

Next, I will explain our shareholder return policy.

Through the payment of dividend linking to the business performance and buy-back of our own shares, we are also aiming for total return ratio of 50% in 2022



● Shareholders return policy



* Irregular accounting period of 9 months.

We are aiming at returning profits to our shareholders **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 mid-to-long term consolidated earnings while focusing on the business investment for achieving the uninterrupted growth.

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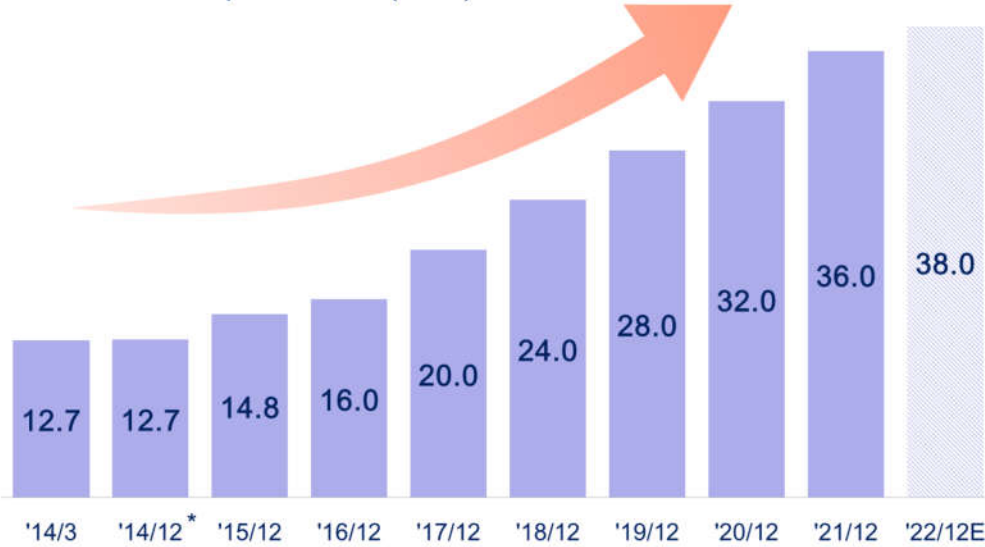
Please refer to page 16 of the document.

Regarding our shareholders return policy, we plan to continue to prioritize business investment to achieve sustainable growth, while maintaining a total return ratio of 50% in FY2022.

Dividend per share
Plan to increase dividend for 21 consecutive years
(38 yen a year)



● Dividends per share (JPY)



* Irregular accounting period of 9 months

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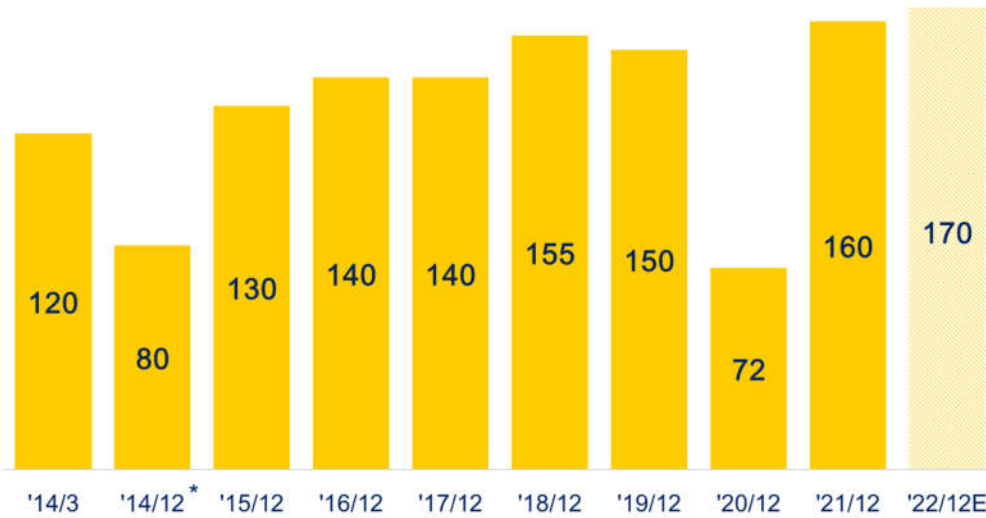
Regarding the dividend per share, we have resolved to increase the dividend per share by 1 yen to 19 yen per share at the end of the second quarter of fiscal year 2022 as planned.

We also plan to increase the year-end dividend per share by 1 yen to 19 yen.

Flexible purchase of own shares depending on the cash condition
 Plan to purchase up to 17 billion yen, 4.2 million shares, in 2022,
 Purchased 9 billion yen as of the end of July



● Share buy-back history (100 million JPY)



* Irregular accounting period of 9 months

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Please refer to page 18.

This is the transition of share buy-back.

In FY2022, the Board of Directors approved a resolution in February to buy back a maximum of 4.2 million shares at a maximum buy-back price of ¥17.0 billion, so the Company is flexibly acquiring company shares.

As of the end of July, we have acquired approximately 9 billion yen.

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 enhance corporate value through sustainable cash flow generation.

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

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From page 19 of the document, this is the status of our initiatives for mid-to-long-term ESG targets, which I have been explaining to you, but due to time constraints, I will skip this section. We would appreciate it if you all can read the document later on.

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



◆ 20 key themes with the goal in 2030



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



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

<p>Safeguarding the well-being of individuals</p>	<ul style="list-style-type: none"> • 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
<p>Safeguarding the well-being of society</p>	<ul style="list-style-type: none"> • 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
<p>Safeguarding the well-being of our planet</p>	<ul style="list-style-type: none"> • 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
<p>Unicharm Principles</p>	<ul style="list-style-type: none"> • 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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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

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



◆ Extension of healthy life expectancy and improvement of QOL



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



Expand toward 2030



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

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

- Those who have light incontinence
- Those who can go out alone
 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



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(Safeguarding the well-being of each individual)
Rollout of activities tailored to national and regional characteristics to develop a society where women shine

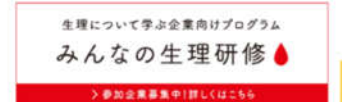


◆ Support for a society where gender and sexual orientation do not restrict people's activities



Development of products and services that enable to be free from discrimination by gender or sexual orientation

◆ Efforts to create a world where we feel free to talk about menstruation



◆ Promote women empowerment support globally



Women-only factory in consideration of culture



Project to create female entrepreneurs



Online menarche education

(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



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.



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



◆ Improvement of public hygiene



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

◆ Pursuing 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

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(Safeguarding the well-being of society)

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



◆ Innovations to achieve “NOLA & DOLA”



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



Expand toward 2030



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

◆ The first diaper in the world that keeps mosquitoes, which are a dengue virus vector, 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)30

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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

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(Safeguarding the well-being of our planet)

Promoting Three "0" by 2050

「0" waste plastic, "0" CO₂ 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%	-5%	-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%	30% (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 ₂ 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 ₂ emissions
	Reducing CO ₂ emissions in manufacturing	Per unit of sales	2016	-3.4%	-26.9%	-29.0%	-34%	
	Reducing CO ₂ 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% ^{*2} 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 purchasing of timber
	Expanding the use of certified pulp (PEFC [®] and CoC-certified)	-	-	Percentage of certified factories: 50% ^{*4} Percentage of certified materials procured: 60% ^{*5}	Percentage of certified factories: 56% ^{*4} Percentage of certified materials procured: 70% ^{*5}	Percentage of certified factories: 50% ^{*4} Percentage of certified materials procured: 75% ^{*5}	100%	
	Expanding the use of certified palm oil (RSPO [®] -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

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(Safeguarding the well-being of our planet)

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



◆ Start the comprehensive GHG emission visualization project, including scope 3, with Deloitte Tohmatu

Environmental Targets 2030	Implementation items		Base Year	2021 Targets	2021 Results	2022 Targets	2030 Targets	2050 vision
Responding to climate change	Reducing CO ₂ 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 ₂ emissions
	Reducing CO ₂ emissions in manufacturing	Per unit of sales	2016	-3.4%	-26.9%	-28.0%	-34%	
	Reducing CO ₂ 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 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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(Safeguarding the well-being of our planet)
Initiatives for safety and environmental consideration



◆ **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**



◆ **Declared to reduce plastic volume in sales promotion items in cooperation with Shiseido Japan Co., Ltd., Fine Today Shiseido Co., Ltd., and Lion Corporation**



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(Safeguarding the well-being of our planet)

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



◆ Addressing climate change



Percentage of renewable electric power used for business operation

◆ Countries and regions with over 5% renewable electric power used

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

◆ Offices with 100% of renewable electric power used



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(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

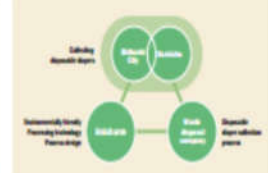
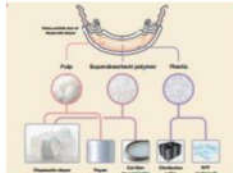
◆ Keep it safe and convenient, toward the future where recycling is the norm

Recycle
all materials

Used disposable diaper
sanitary material
Clean quality

No pollution
to water and air
By ozone bleach and
sterilization

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



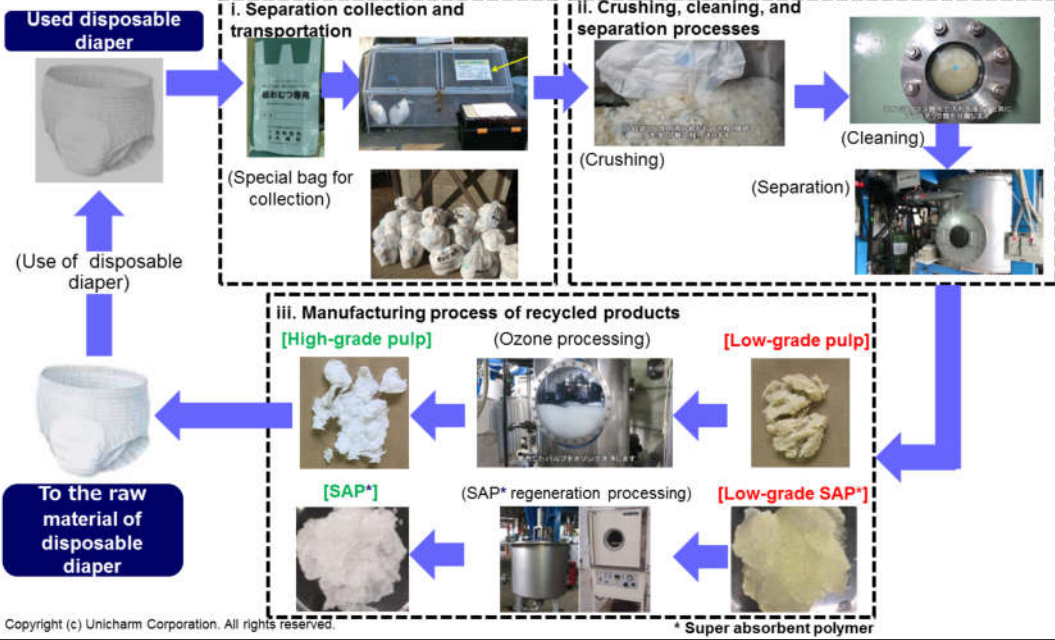
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(Safeguarding the well-being of our planet)

Flow of recycling process of used disposable diapers



◆ Horizontal recycling (from disposable diaper to disposable diaper)



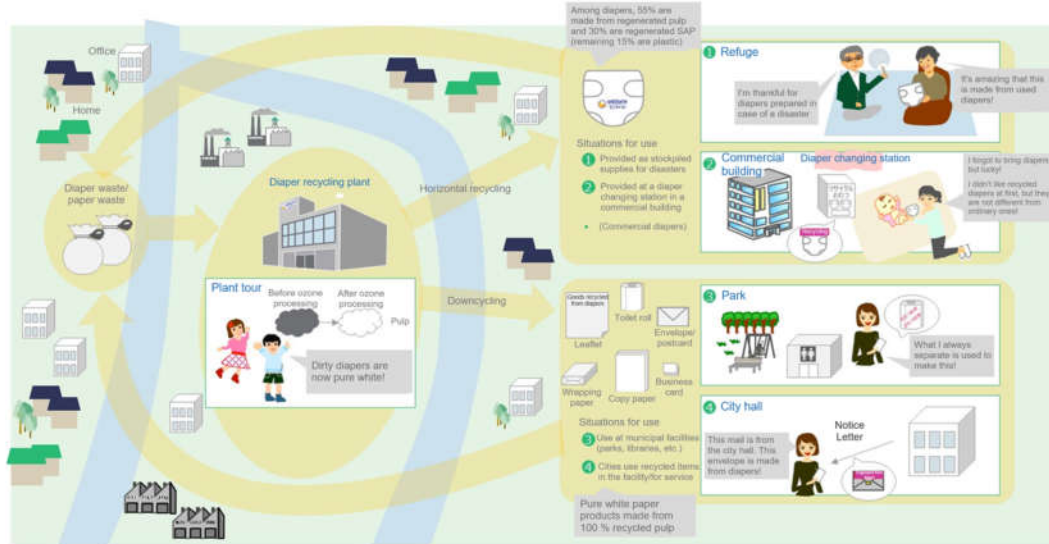
(Safeguarding the well-being of our planet)

Make more opportunities to experience recycling

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



◆ Future vision using recycled materials (image)



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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>

[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.

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(Safeguarding the well-being of our planet)

Released "An illustrated guide to recycling Unicharm disposable diapers" to promote recycling used disposable diapers



◆ Explain graphically how used disposable diapers are not garbage with four-step "Study Notes" that can be used as a material of independent research for elementary and middle school students.

Study Note ①

Unicharm's circulation-based recycling of disposable diapers



- Study Theme: What is circulation-based recycling?
- World first! Unicharm's diaper circulation-based recycling

Study Note ②

Diaper recycling technology



- Study Theme: How disposable diapers are made of?
- Study Theme: How ozone treatment restores pulp?
- Study Theme: How acid treatment restores super-absorbent polymer (SAP)?

Study Note ③

What happens to the used diapers if they are not recycled?



- Study Theme: Problems with current ways of disposing used disposable diapers
- Recycling used disposable diapers contributes to the United Nations Sustainable Development Goals (SDGs)

Study Note ④

Safeguarding the global environment by recycling diapers



- Study Theme: Benefits of recycling used disposable diapers
- How can we keep used diapers out of the "garbage"?

<https://www.unicharm.co.jp/ja/csr-eco/education.html>

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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

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(Unicharm Principles)
Strengthen initiatives toward women empowerment



◆ **Promotion of diversity management**



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

◆ **Toward the promotion of women's activity, joined "30% Club Japan" and signed Women's Empowerment Principles**

◆ **Overcome national and regional issues and strengthen efforts to promote women empowerment**



In support of

WOMEN'S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office



Create opportunities where career and life concerns are shared and discussed



Provide employment opportunities with the respect for Saudi Arabia culture

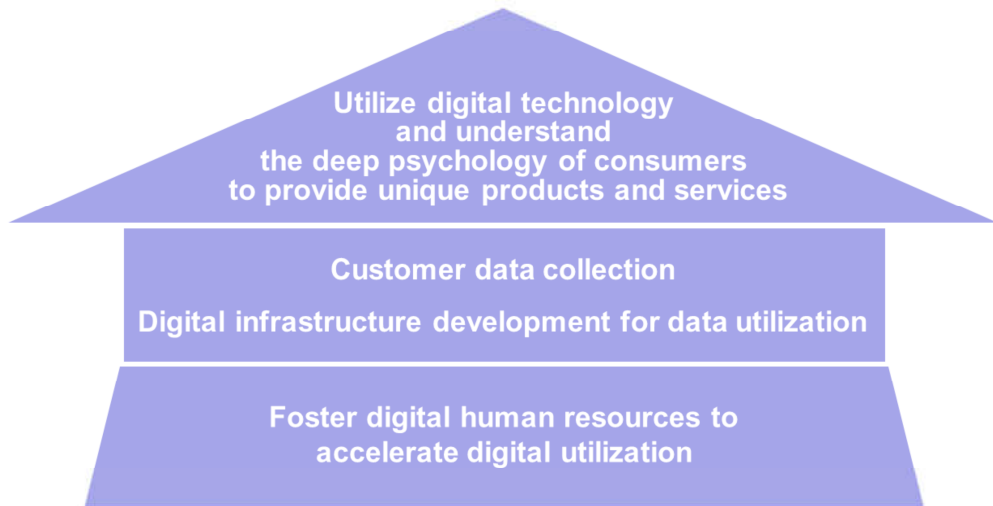
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Utilize digital technology and create absolute value for consumers in order to realize sustainable improvement of corporate value and stronger competitiveness



Contribution to SUSTAINABLE DEVELOPMENT GOALS

Achieve a “Cohesive Society” (Social Inclusion)

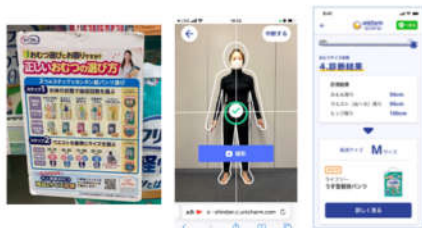


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Japan initiatives utilizing digital technology-1



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



◆ Troubles about doggies and kitties are shared in DOQAT*



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

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



◆ "Online moony-chan class" and "Toilet training with moony-chan app" ease anxiety for childbirth and childcare



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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/>

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



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

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



*³ CHaiLD Co., Ltd. <https://c-c-s.jp/>
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◆ "Tebura Touen", which is a disposable diaper subscription service for nursery schools, can reduce the burden on parents and nursery teachers and infection risk



Japan initiatives utilizing digital technology-3



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



◆ Developed “Digital Scrum System” to discover customer insights



◆ Promoted visualized factories by installing various automated facilities and cutting-edge smart factories applying IoT



◆ Promoted labor/energy saving with smart logistics adopting automated warehouse equipment and the latest warehouse management system



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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



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Initiatives for human resource development utilizing digital technology in a global scale



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

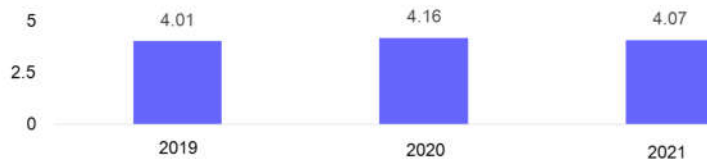


◆ Challenge to higher goals and strengthen the ability of human resource development with “KYOSHIN”, human resource development PF



◆ High average scores have been maintained in the continuing “employee survey”, which measures employees' satisfaction, fulfillment, and work attitudes

(Score) Change of attitude survey results of “satisfaction” among employees (Japan)



* Average score on a 5-point scale

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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



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Evaluation by external organizations and coordination (FY 2022)



February	<p>Selected as a “DX-certified operator”  DX認定  Digital Transformation Certification</p> <p>Won 7th “Consumer-Oriented Activity Award” </p> <p>Selected as the “CDP 2021 Supplier Engagement Leader” </p>
March	<p>Won “Bronze Prize” in Environment Sustainable Corporate Segment of the 3rd ESG Finance Award Japan </p> <p>Certified as a “Health and Productivity Management Outstanding Organization (large enterprise category)” </p>
Apr	Selected as the “Most Honored Company” of “2022 Japan Executive Team Ranking” by Institutional Investor
May	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	<p>Selected as a constituent of “SOMPO Sustainability Index” 2022 for eleven years in a row </p> <p>Won the “Advanced Technology Award” at the 23rd Logistics Environment Grand Prize</p>

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Coordination with external organizations



WE SUPPORT



The mark of responsible forestry
FSC® N002492



In support of

WOMEN'S EMPOWERMENT PRINCIPLES
Established by UN Women and the UN Global Compact Office



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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: 4 times in total (FY 2021)
	Excretion care: 38 times in total (FY 2021)
Online course "Lifree 'Let's Start from Today! Prevention and Care for Dementia'"	Approx. 4,000 people (as of the end of Dec. 2021)
Number of times the video "Menstruation Study for Everyone" was provided https://www.sofy.jp/ja/campaign/minnanoseirikensyu.html	108 groups in total (FY 2021)
Number of registrations for "Sofy menstruation management app" https://jp.sofygirls.com/ja/teens/writer_period/writer_voice_04.html	Approx. 1,000,000 people (as of May 2022)
Education of first menstruation/period (including online)	India: approx. 35,000 people (FY 2021)
Education of first menstruation/period (mother-daughter learning sessions)	India: approx. 163 sessions, about 5,300 mother-daughter groups
Number of registrations for first menstruation site "Charm Girls Talk"	Indonesia: about 25,000 people (as of the end of Jan. 2022)
"Online moony-chan class" https://jp.moony.com/ja/campaign/school.html	10 times in total, approx. 10,000 people (as of the end of Dec. 2021)
Nursery schools using "Tebura-touen (service delivering diapers to nursery schools so that parents don't have to bring diapers)"	More than 1,600 schools (as of the end of Jul. 2021)
Number of registrations with "DOQAT", Q&A service for partner animals (pets) https://doqat.jp/	Approx. 23,000 people (as of the end of Dec. 2021)

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