

**Second Quarter of Fiscal Year  
Ending December 31, 2021  
(January 1, 2021 to June 30, 2021)  
Unicharm Investor Meeting  
Presentation Materials**

August 4, 2021

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Unicharm Corporation



**NOLA&DOLA**

Necessity of Life with Activities & Dreams of Life with Activities

# **Second Quarter of Fiscal Year Ending December 31, 2021 (January 1, 2021 to June 30, 2021) 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.

## Consolidated

**Sales 377 billion JPY** (YoY +5.7%)

**Core operating income 61.8 billion JPY** (YoY +11.7%)

- Sales and all profit categories hit a record high.
- Performance steadily improved as expected. Achievement of profit was higher than expected.

## Japan

**2.8% sales increase, 9.1% profit increase,  
Improved core operating income margin**

- Increased profit driven by Wellness Care Business and Pet Care Business
- Profitability improved by the product mix increase in high profitability segments

## Overseas

**7.6% sales increase, 14.6% profit increase,  
Improved core operating income margin**

- Increase in sales and profits in Asia, Strong sales in China, Continued recovery trend in South East Asia and India
- Sales and profits increased in other areas, Strong sales continue in Brazil
- Sales improved dramatically in North America from 2Q

## Shareholder Return

**Yearly dividend 36 yen per share**

**Plan to increase dividend for 20 consecutive years**

- Purchase of own shares: approx. 16 billion JPY, 3.62 million shares

# 2Q Cumulative achieved a new record high



## ● Consolidated account highlights

(from Jan. to June)

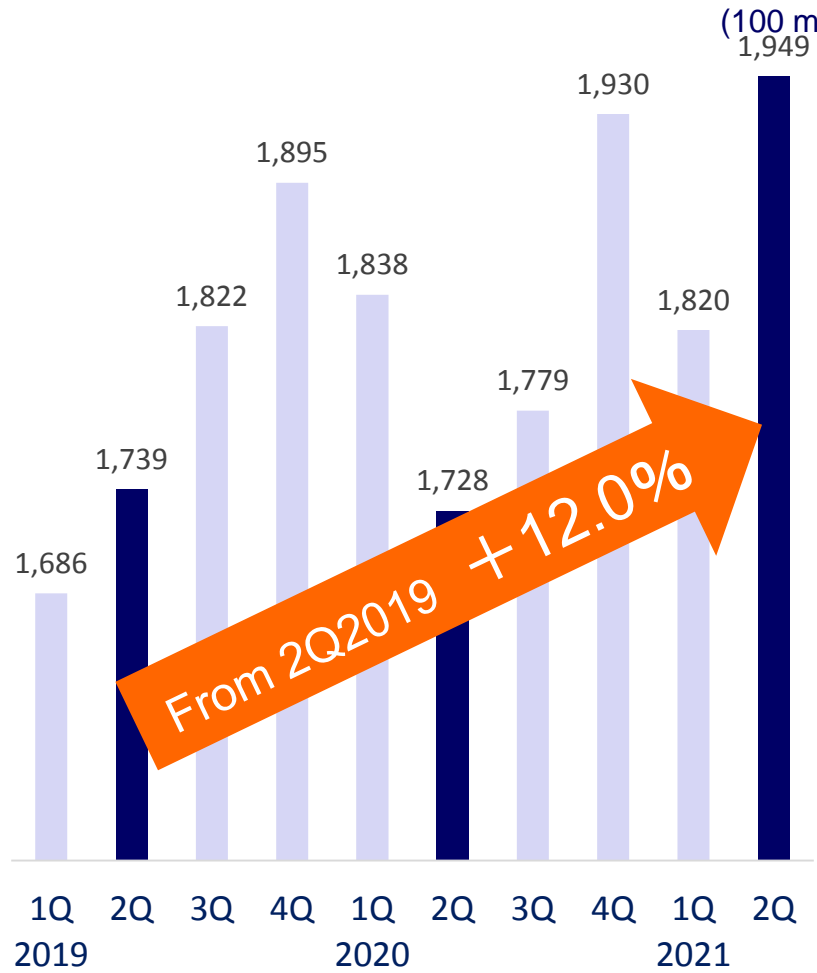
(100 millions of yen)

	2Q of FY Ended Dec. 31, 2020	2Q of FY Ending Dec. 31, 2021	gap(yen)	gap(%)	(Forecast) FY Ending Dec. 31, 2021	Achievement
Net sales	3,566	<b>3,770</b>	+204	+5.7%	7,700	49.0%
Core operating income (margin-%)	553 (15.5%)	<b>618</b> <b>(16.4%)</b>	+65	+11.7% (+0.9P)	1,190 (15.5%)	51.9%
Profit before tax (margin-%)	391 (11.0%)	<b>648</b> <b>(17.2%)</b>	+257	+65.6% (+6.2P)	1,170 (15.2%)	55.3%
Profit attributable to owners of parent company (margin-%)	193 (5.4%)	<b>400</b> <b>(10.6%)</b>	+207	+107.3% (+5.2P)	750 (9.7%)	53.3%
EBITDA (profit before tax + depreciation/ amortization + fire accident loss)	734	<b>835</b>	+101	+13.8%	1,570	53.2%
Basic earnings per share (JPY)	32.30	<b>66.77</b>	+34.47	+106.7%	125.90	53.0%
USD Rate (JPY)	108.27	<b>107.69</b>	-0.58	-0.5%	103.50	—
CNY Rate (JPY)	15.39	<b>16.66</b>	+1.27	+8.3%	15.80	—

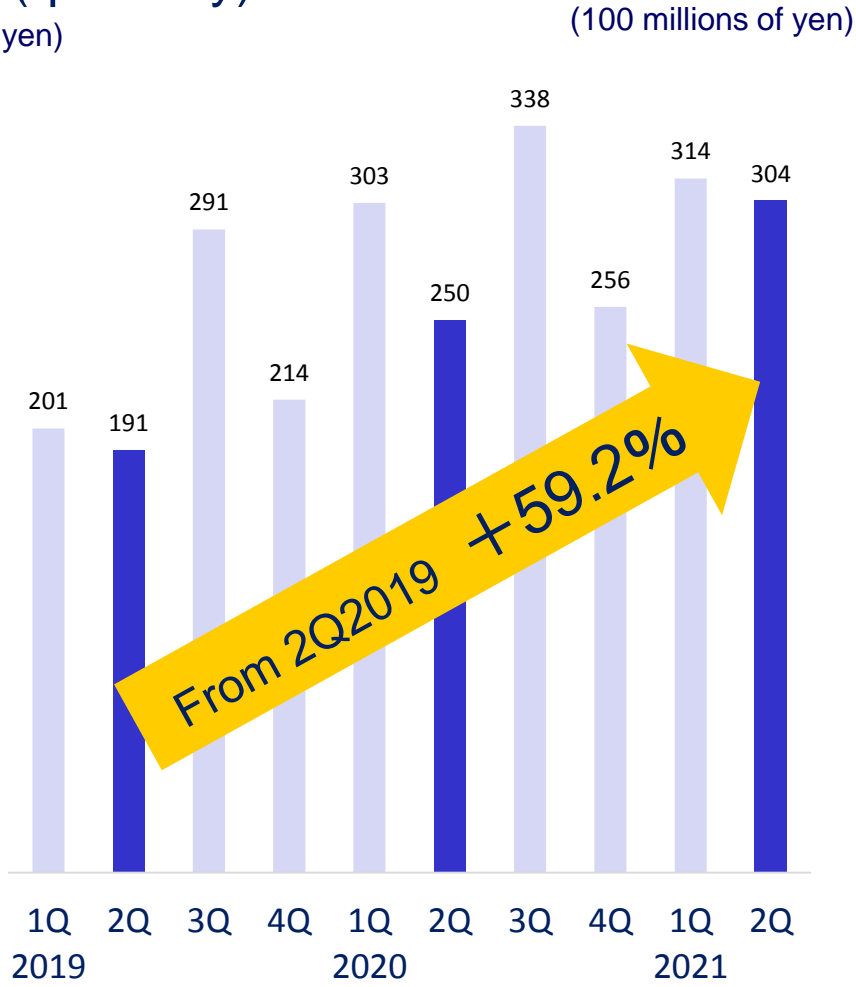
# Stable growth in sales and profits compared to pre-COVID-19 pandemic in 2019



## ● Sales trend (quarterly)



## ● Core operating income trend (quarterly)

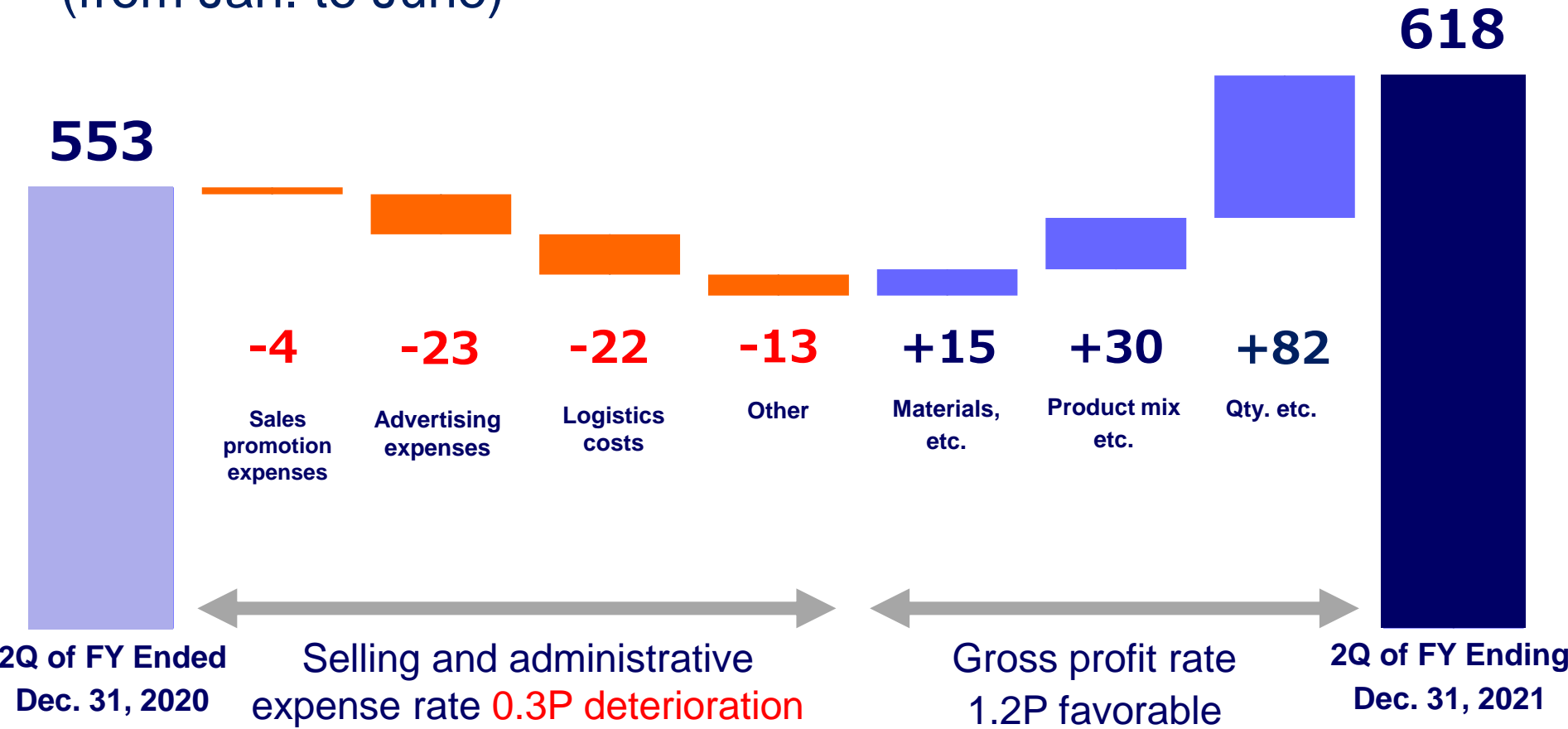


6.5 billion JPY increase in profit due to sales increase affected by volume increase by aggressively investing in marketing expenses in China and Japan



(100 millions of yen)

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



# Japan maintains favorable conditions in Wellness Care Business and Pet Care Business

In Asia, China drove sales growth, and recovery was seen in South East Asia



## ● Geographical segment information (from Jan. to June)

		2Q of FY Ended Dec. 31, 2020	2Q of FY Ending Dec.31, 2021	Difference	Difference (%)	(Ref.) Actual*1 gap rate
Japan	Net sales	1,376	<b>1,414</b>	+38	+2.8%	—
	Core operating income	266	<b>290</b>	+24	+9.1%	—
	(margin)	(19.3%)	<b>(20.5%)</b>		(+1.2P)	
Asia	Net sales	1,620	<b>1,759</b>	+139	+8.6%	+4.1%
	Core operating income	229	<b>260</b>	+30	+13.2%	+7.6%
	(margin)	(14.2%)	<b>(14.8%)</b>		(+0.6P)	
Others <sup>*2</sup>	Net sales	570	<b>596</b>	+26	+4.6%	+4.3%
	Core operating income	55	<b>66</b>	+11	+20.2%	+20.8%
	(margin)	(9.6%)	<b>(11.1%)</b>		(+1.5P)	
Consolidation	Net sales	3,566	<b>3,770</b>	+204	+5.7%	+3.6%
	Core operating income	553	<b>618</b>	+65	+11.7%	+9.4%
	(margin)	(15.5%)	<b>(16.4%)</b>		(+0.9P)	

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

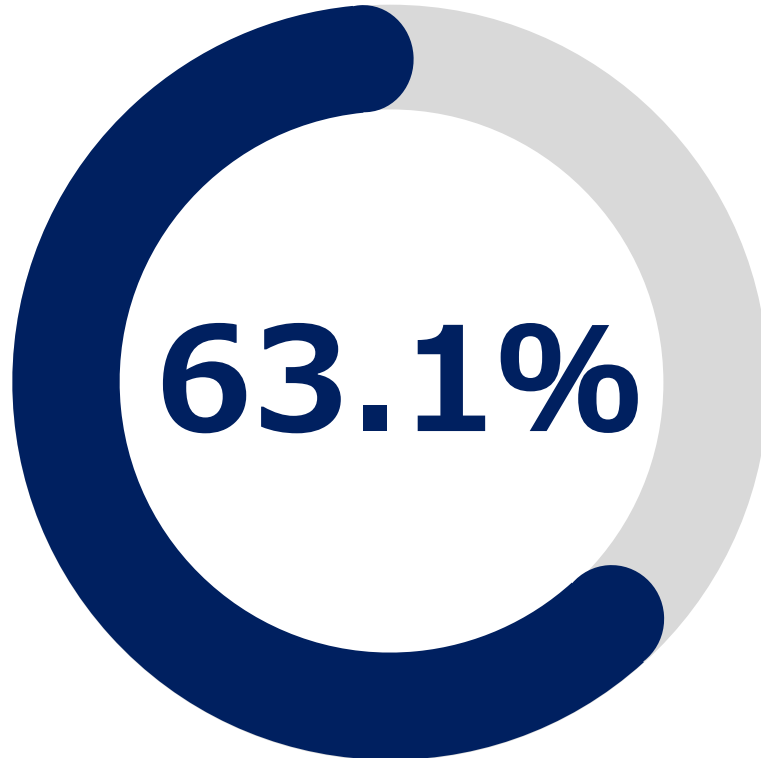
China +8% Indonesia +8% Thailand +8% India +7% Vietnam +3% Middle East +5% North America +6% Brazil +16%

\*1 : Actual gap rate excluding foreign exchange effects

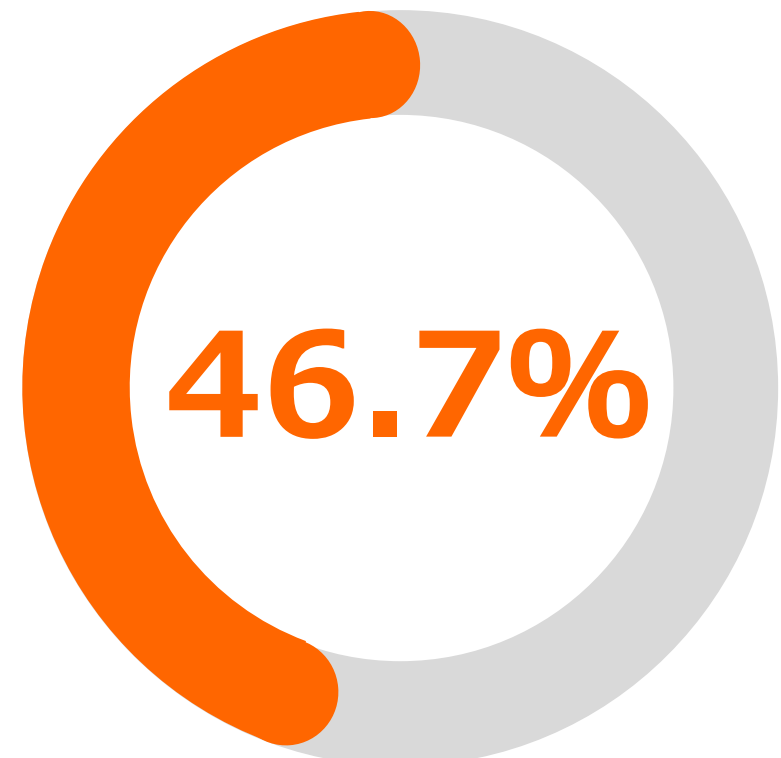
\*2 : Others: Main regions are U.S.A., Saudi Arabia, Brazil and the Netherlands

# Overseas and Asian markets keep overwhelming sales ratio

- Sales ratio of overseas markets



- Sales ratio of Asian markets

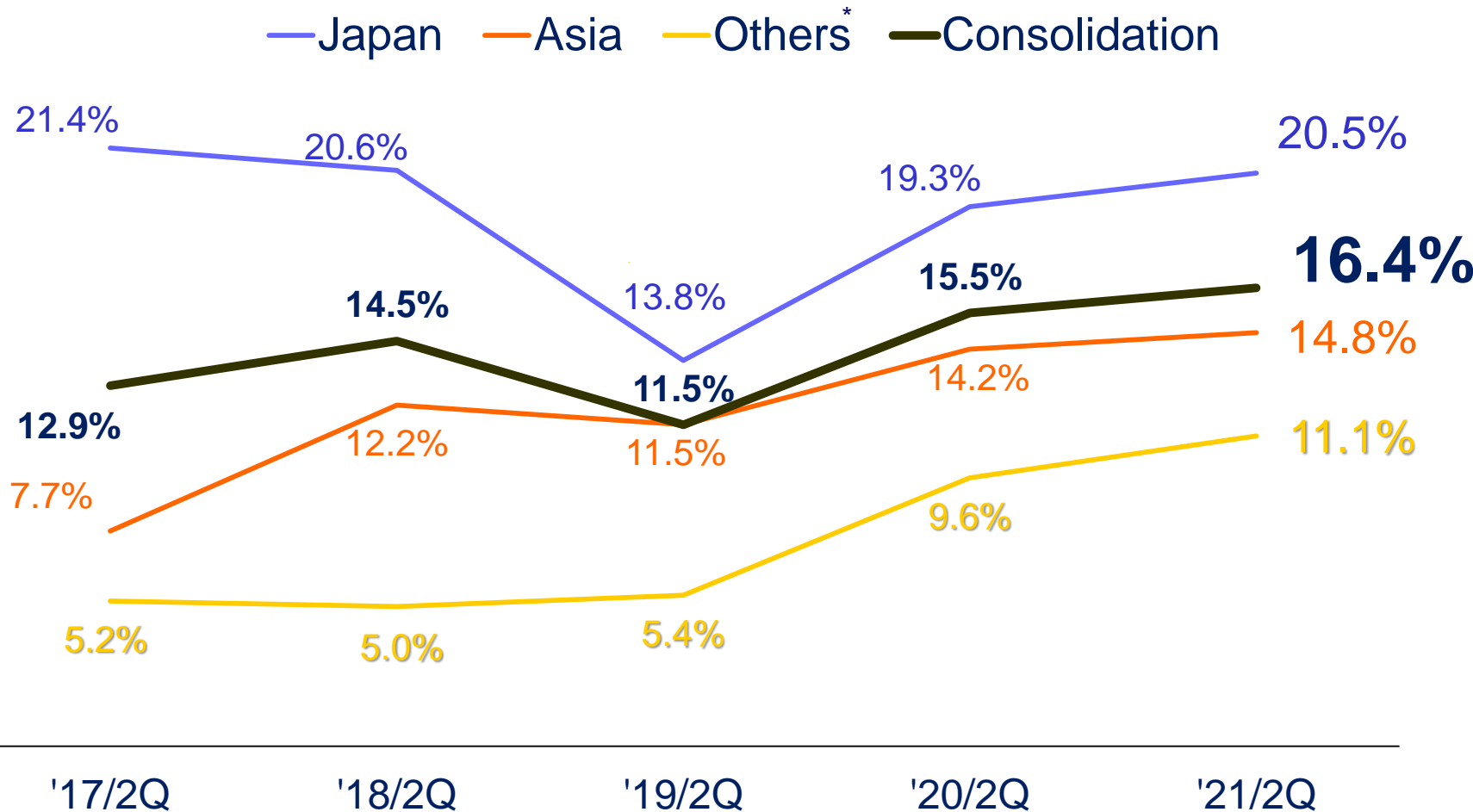




Consolidated core operating income margin reached a new high due to product mix increase in high profitability segments



● Core operating income margin by geographical segment



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

# Feminine and Baby Care business drove Personal Care Business Strong sales in Pet Care Business in Japan, Recovery trend in North America, Increased investment in Asia



## ■ Business Segment Information (from Jan. to June )

		(100 million yen)			
		2Q of FY Ended Dec.31. 2020	2Q of FY Ending Dec. 31, 2021	gap (yen)	Gap (%)
Personal Care	<b>Net sales</b>	3,087	<b>3,254</b>	+167	+5.4%
	Core operating income (margin)	489 (15.8%)	<b>545 (16.8%)</b>	+57	+11.6% (+1.0P)
Pet Care	<b>Net sales</b>	444	<b>486</b>	+42	+9.5%
	Core operating income (margin)	62 (13.9%)	<b>69 (14.3%)</b>	+8	+12.4% (+0.4P)
Others*	<b>Net sales</b>	35	<b>30</b>	<b>-5</b>	<b>-14.0%</b>
	Core operating income (margin)	3 (8.2%)	<b>3 (10.6%)</b>	+0	+11.1% (+2.4P)
Consolidation	<b>Net sales</b>	3,566	<b>3,770</b>	+204	+5.7%
	Core operating income (margin)	553 (15.5%)	<b>618 (16.4%)</b>	+65	+11.7% (+0.9P)

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

# Impacts of foreign exchange fluctuations: Approx. 7.5 billion JPY increase in sales and approx. 1.2 billion JPY increase in core operating income

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

Currency	Exchange rate for 2Q of FY ended December 31, 2020	Exchange rate for 2Q of FY ending December 31, 2021	Rate change
China(CNY)	15.39	<b>16.66</b>	+8.3%
Indonesia(IDR)	0.0075	<b>0.0076</b>	+1.3%
Saudi Arabia(SAR)	28.89	<b>28.75</b>	-0.5%
India(INR)	1.47	<b>1.48</b>	+0.7%
Thailand(THB)	3.43	<b>3.50</b>	+2.0%
Vietnam(VND)	0.0046	<b>0.0047</b>	+2.2%
USA(USD)	108.27	<b>107.69</b>	-0.5%
Taiwan(TWD)	3.61	<b>3.85</b>	+6.6%
South Korea(KRW)	0.0899	<b>0.0965</b>	+7.3%
Australia(AUD)	71.21	<b>83.07</b>	+16.7%
Malaysia(MYR)	25.50	<b>26.29</b>	+3.1%
Brazil(BRL)	22.29	<b>20.03</b>	-10.1%
Netherland(EUR)	119.30	<b>129.82</b>	+8.8%
Egypt(EGP)	6.82	<b>6.85</b>	+0.4%

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

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

## **WC** Wellness Care Business

- Accelerated expansion in Asia with the care model which has the top share in Japan market
- Concentrated investment in China market
- Establishment of recycling business



## **PC** Pet Care Business

- Premiumization promotion
- Creation of new markets in North America
- Concentrated investment in China market



## **FC** Feminine Care Business

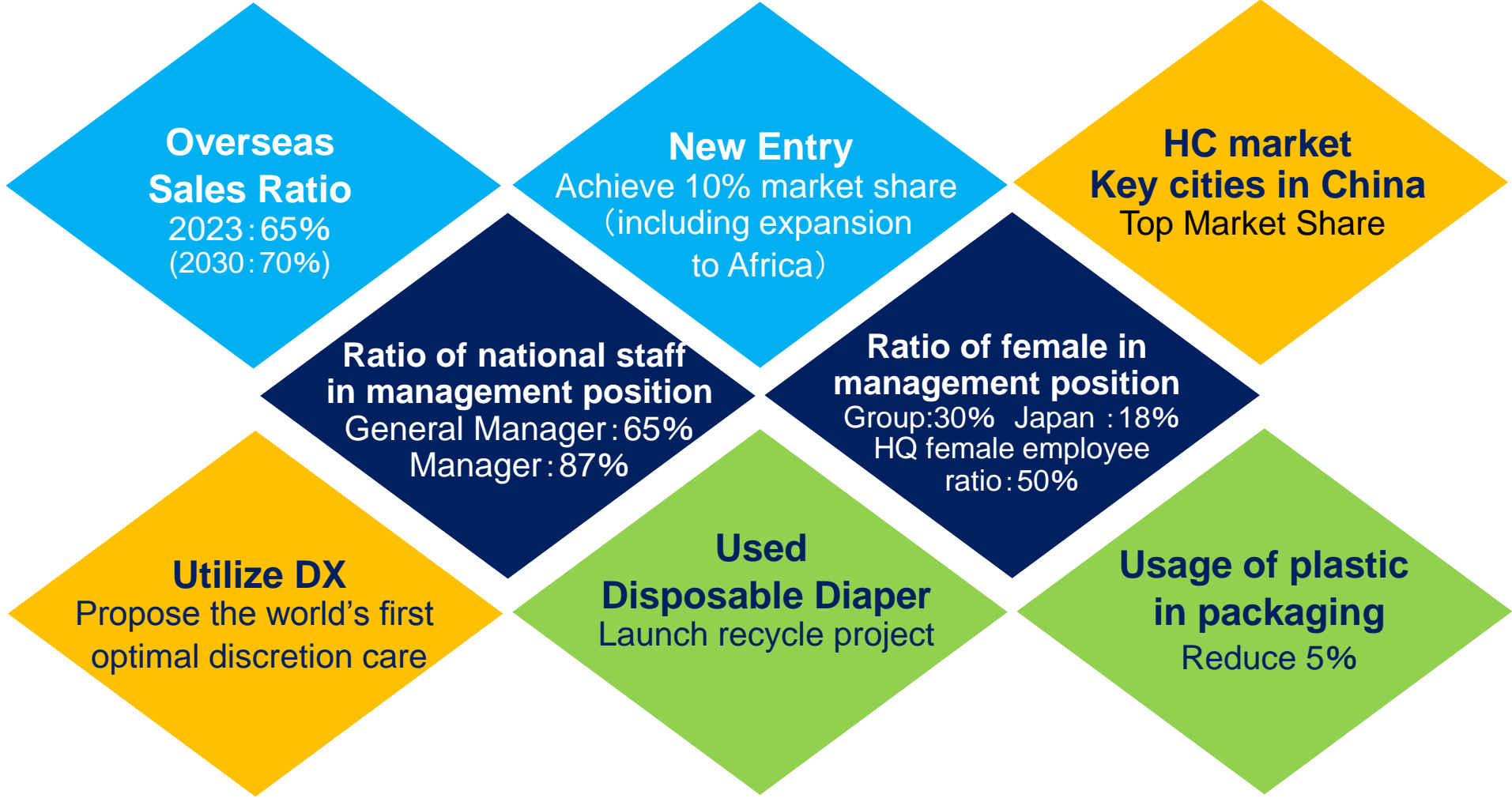
- Share expansion in China market
- Accelerated development in areas where the products are not widespread, mainly in India



## **BC** Baby Care Business

- Expansion of the share in premium market
- New entry into Africa
- Establishment of recycling business





# 'Sustainable growth strategy' with SDGs as Purpose



## Kyo-Sei Life Vision 2030

Mid-term Management Plan  
(2021-2023)

Sales  
CAGR +6.8%

COPM  
17%

Sales  
CAGR +6.9%

COPM\*  
15.5%

2023  
Sales  
880 billion JPY



2030  
Sales  
1.4 trillion JPY

\* COMP means core operating income margin

# Shareholders Return Policy

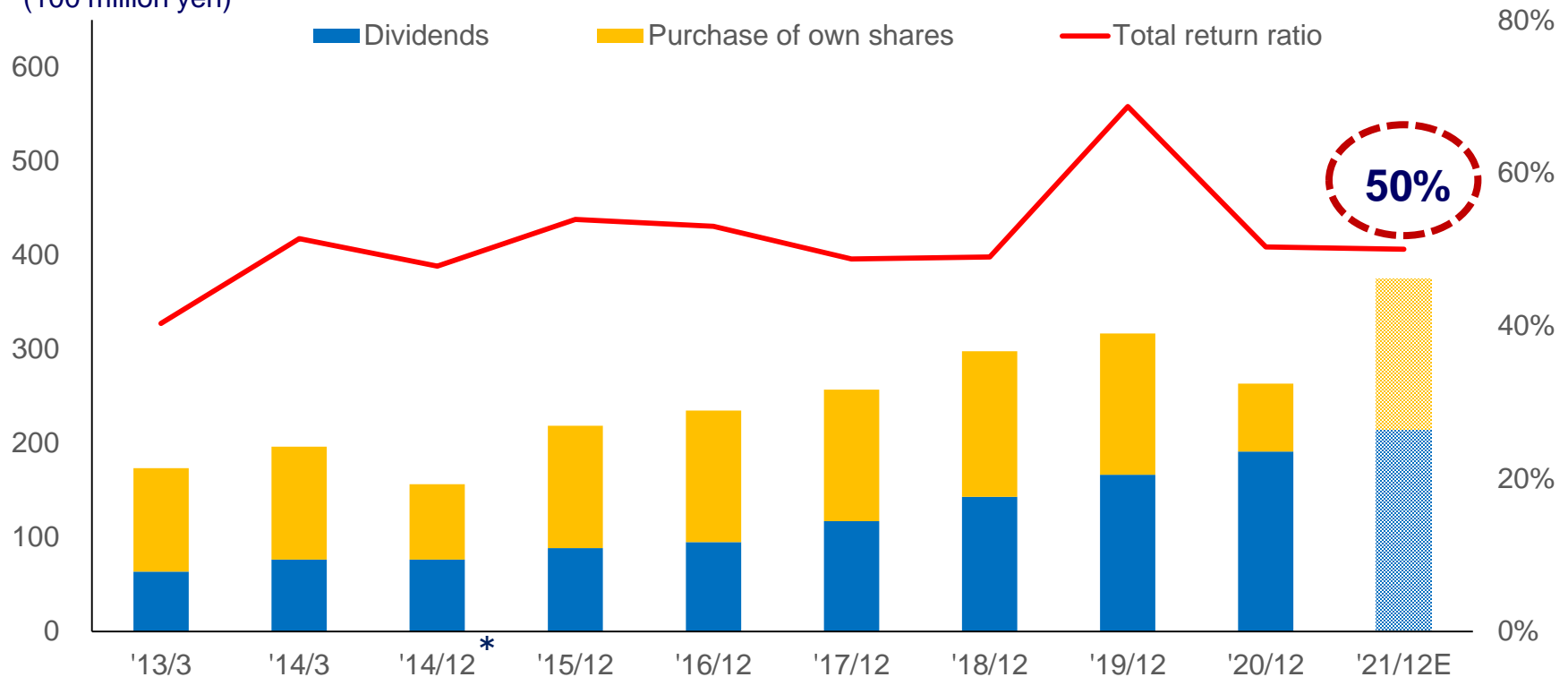


Through the payment of dividend linking to the business performance and buy-back of our own shares, we are aiming for total return ratio of 50% in 2021



## ● Shareholders return policy

(100 million yen)



\*: Irregular accounting period of 9 months.

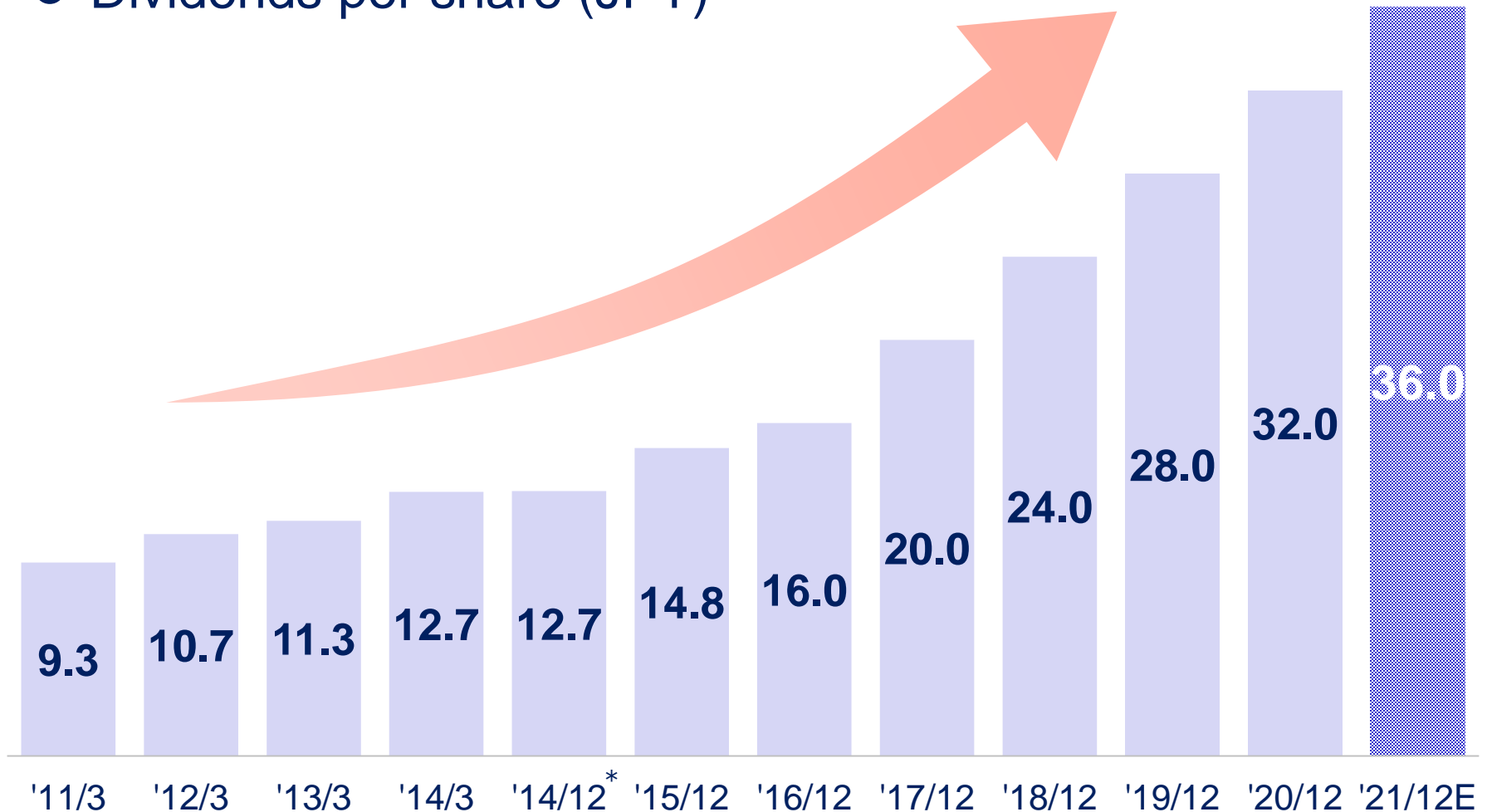
We are aiming at returning profits to our shareholders **with a goal of total return ratio of 50%** by paying dividends on a consistent and continuous basis and buying back our own shares, upon necessity, on a flexible manner based on the growth of med-to-long term consolidated earnings while focusing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

# Dividend per share

Plan to increase dividend for 20 consecutive years  
(36 yen a year)



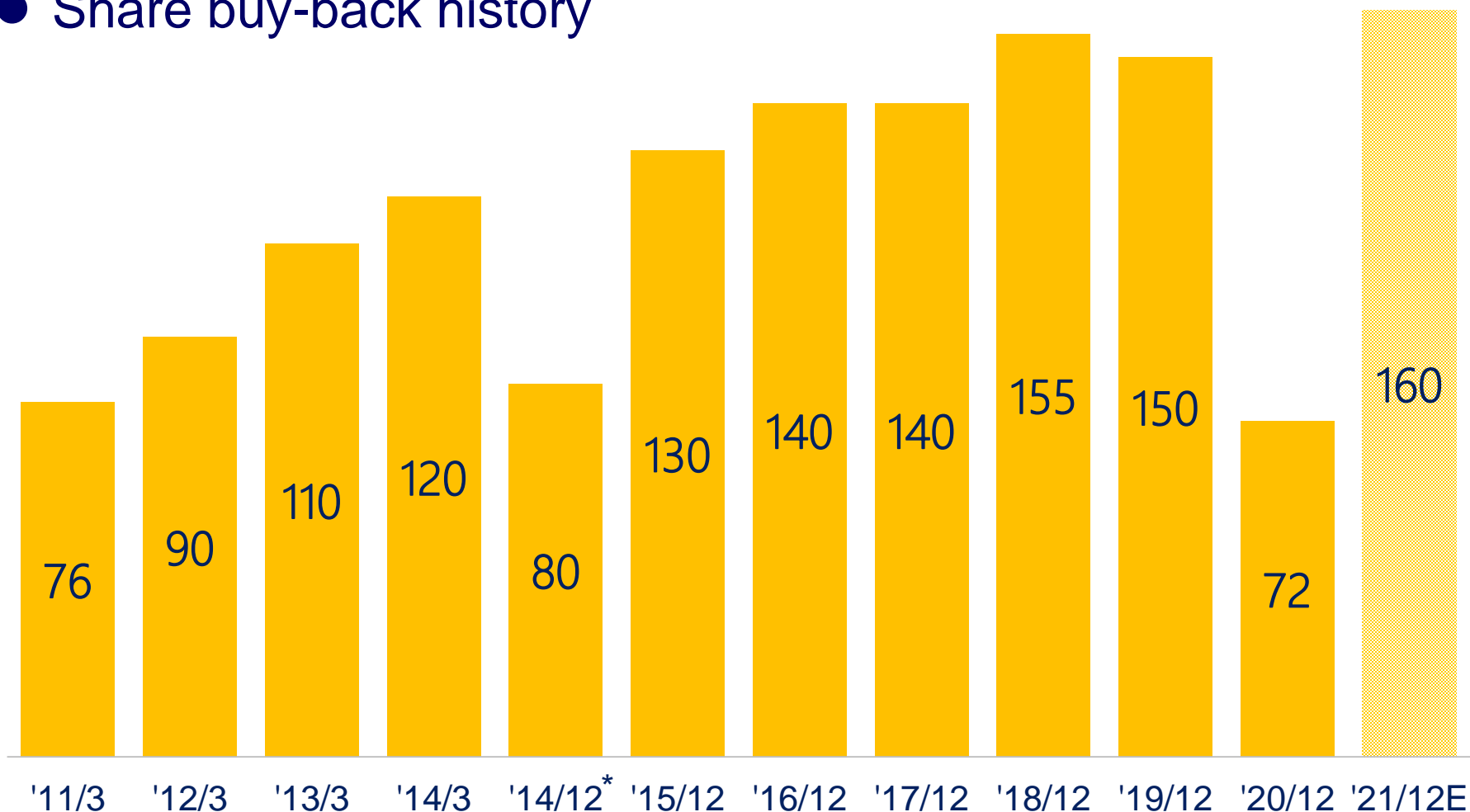
- Dividends per share (JPY)



\* Irregular accounting period of 9 months

# Purchase of own shares worth 16 billion JPY (3.62 million shares) as initially planned

## ● Share buy-back history



\* Irregular accounting period of 9 months

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

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



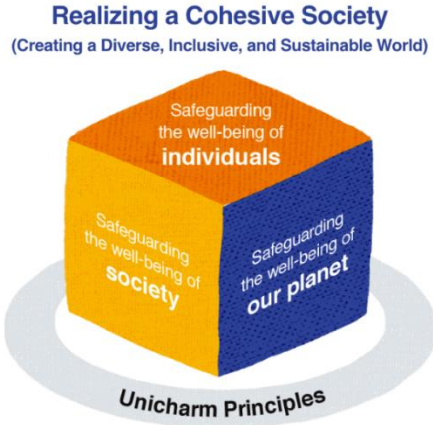
## ◆ 20 key themes with the goal in 2030

### Safeguarding the well-being of individuals

<p><b>Our goal</b></p> <p>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.</p>	<p><b>Key initiatives</b></p> <ul style="list-style-type: none"> <li>• Extension of healthy life expectancy and improvement of QOL</li> <li>• Support for a society where gender and sexual orientation do not restrict people’s activities</li> <li>• Coexistence with partner animals (pets)</li> <li>• Improvement of childcare</li> <li>• Improvement of public hygiene</li> </ul>
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Safeguarding the well-being of society

<p><b>Our goal</b></p> <p>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.</p>
<p><b>Key initiatives</b></p> <ul style="list-style-type: none"> <li>• Innovations to achieve “NOLA &amp; DOLA”</li> <li>• Practicing sustainable lifestyles</li> <li>• Construction of value chains that take account of sustainability</li> <li>• Improvement of customer satisfaction</li> <li>• Provision of safe, reliable products</li> </ul>



<p><b>Our goal</b></p> <p>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.</p>
<p><b>Key initiatives</b></p> <ul style="list-style-type: none"> <li>• Development of eco-friendly products</li> <li>• Addressing climate change</li> <li>• Expanding our line of recycled models</li> <li>• Promotion of product recycling</li> <li>• Reduction of the amount of plastic materials used</li> </ul>

Safeguarding the well-being of our planet

<p><b>Our goal</b></p> <p>Our aim is to pursue fairness and transparency in order to establish and retain stakeholder trust.</p>	<p><b>Key initiatives</b></p> <ul style="list-style-type: none"> <li>• Management practices that take sustainability into account</li> <li>• Practice of appropriate corporate governance</li> <li>• Promotion of diversity management</li> <li>• Fostering the development of competent human resources</li> <li>• Construction of healthier workplaces and workplace safety systems</li> </ul>
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### Unicharm Principles

# Formulating Med-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	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.	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).	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.	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.	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).	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



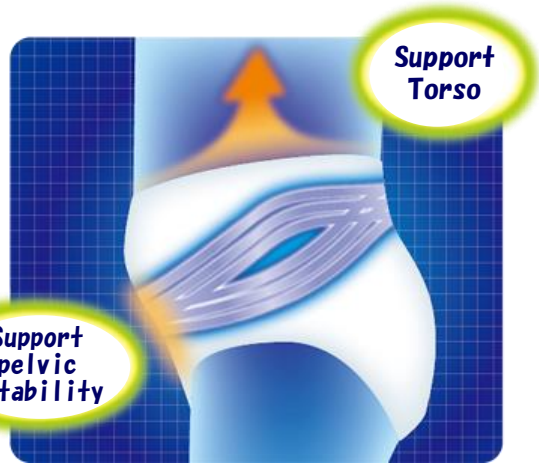
Expand toward 2030



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

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

## ◆ “Lifree Walk Assist Pant” provides support for the senior citizen’s torso and helps them walk independently



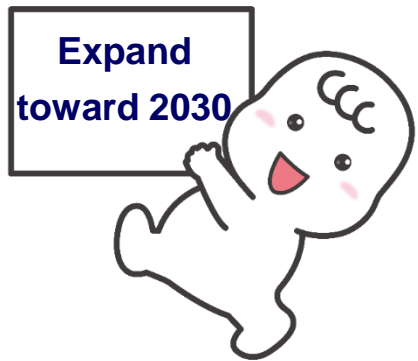


(Safeguarding the well-being of each individual)

# 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



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

◆ Aims to create the world where we feel free to talk about menstrual periods with SOFY “#NoBagForMe”

◆ Menarche education in India and Myanmar

#NoBagForMe  >

話そう、知ろう。生理のこと。



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



◆ Shorts-shaped pad that integrates a pad and underwear



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



Mildly Warm

Strongly Warm

◆ Cool napkin featuring refreshing cooling sensation that reduces stuffy discomfort



◆ The napkin features antibacterial sheet that inhibits 99.9% of bacterial growth, and keeps it completely safe from leakage and smell



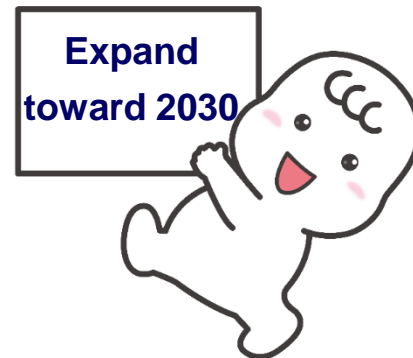


(Safeguarding the well-being of each individual)

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



## ◆ Coexistence with partner animals (pets)



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

## ◆ “Physicalife,” body building food that support the health of major muscles of whole body



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



(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



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

◆ Launched “BabyJoy Olive”, Saudi Arabia’s first\*1 disposable baby diaper containing olive oil that is gentle on the skin



\*1 Among major domestic baby diapers in Saudi Arabia (Survey by Unicharm, February 2021)  
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◆ “Mamy Poko Extra Dry Protect” features the world’s first\*2 AntiMos Capsule for keeping dengue virus-transmitting mosquitoes away from diaper



\*2 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)

(Safeguarding the well-being of each individual)

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



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



# First Ascent

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

Promote digital transformation in childrearing  
"Change childrearing through technology"



**Improve childcare environment**

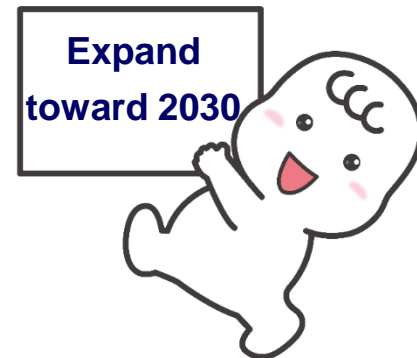
\* A company that creates new services to enrich the childrearing environment with cutting-edge technology utilizing AI and IoT



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



◆ **Improvement of public hygiene**



Rollout of products and services that support the efforts of each one of us to reduce the spread of infectious diseases

◆ **Boost high value-added masks rollout globally**

◆ **Policy of acquiring a certification of "Mask Japanese Industrial Standards (JIS)" was decided following its establishment.**



# Key initiatives, indicators, and target values



## ◆ Safeguarding the well-being of society

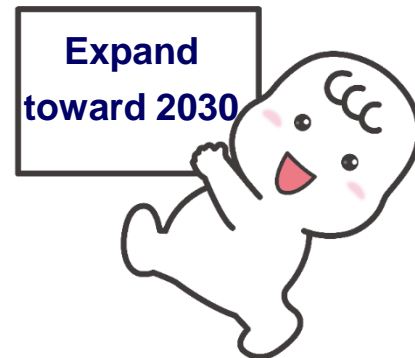
Key initiatives	Indicators	Target value	Target year
Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers, but also contribute to solving social issues and promoting sustainability.			
Innovations to achieve “NOLA & DOLA”	Percentage of products and services that contribute to liberation from various burdens and finding enjoyment in life.	100%	2030
Practicing sustainable lifestyles	Percentage of products and services suitable for the “SDGs Theme Guideline,” an internal guideline for contributing to sustainability.	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.	Double (Compared to 2020)	2030
Improvement of customer satisfaction	Percentage of products and services supported by consumers (No. 1 market share).	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.	100%	2030

(Safeguarding the well-being of society)

# Rollout 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”



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

## ◆ Launched “clear face mask” to improve communication between nursery teachers and children At nurseries subscribing “Tebura Toen”\* service that lighten the burden of parents and teachers and reduce infection risk



- [ Effects of prolonged wearing of face-mask ]
- \* Unable to learn emotions due to inability to read nursery teachers' facial expressions of emotions
  - \* Unable to understand speech correctly due to inability to read lips of nursery teachers
- etc.

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



# Key initiatives, indicators, and target values



## ◆ Safeguarding the well-being of our planet

Key initiatives	Indicators	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.	10 or more	2030
Addressing climate change	Percentage of renewable energy used for business operations in total.	100%	2030
Expanding our line of recycled models	Number of disposable paper diaper recycling facilities introduced.	10 or more	2030
Promotion of product recycling	Material recycling of non-woven products using recycling resources	Start of commercial usage	2030
Reduction of the amount of plastic materials used	Percentage of virgin plastics to total plastics.	Reduced by half (Compared to 2020)	2030

◆ 「“0” waste plastic, “0” CO<sub>2</sub> emission, “0” natural forest destruction」 in 2050

Environmental issues	Implementation items	Baseline year	2030 targets	2050 vision
<b>Responding to the problem of plastic waste</b>	Reducing usage in relation to packaging materials	2019*	Per unit of sales –30%	Realizing a new society with “zero” plastic waste
	Sale of products that contain no petroleum-derived plastic	—	10 stock-keeping units (SKU) or more sold	
	Raising awareness about proper disposal of used products	—	Rolled out at all local management units (LMU)	
	Eliminating the use of plastic in sales promotional items	—	In principle, reduced to zero at all local management units (LMU)	
<b>Addressing climate change</b>	Reducing CO <sub>2</sub> emissions associated with raw materials procurement	2016	Per unit of sales –17%	Realizing a society with “zero” CO <sub>2</sub> emissions
	Reducing CO <sub>2</sub> emissions in manufacturing	2016	Per unit of sales –34%	
	Reducing CO <sub>2</sub> emissions associated with disposal of used products	2016	Per unit of sales –26%	
<b>Not contributing to forest destruction (response to procurement-related issues)</b>	Ensuring traceability to pulp and palm oil production locations (country/region)	—	Completed	Realizing a society with “zero” forest destruction related to the purchasing of timber
	Expanding the use of certified pulp (PEFC and CoC certified)	—	100%	
	Expanding the use of certified palm oil (RSPO certified)	—	100%	
	Promoting the recycling of disposable diapers	—	Rolled out in at least 10 municipalities	

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

(Safeguarding the well-being of our planet)

# Initiatives for safety and environmental consideration



## ◆ Development of eco-friendly products



2030 Target  
More than 10  
cases



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

◆ Launch in Taiwan baby wipes using an organic cotton compound sheet which has been certified STANDARD100 by “OEKO-TEX®”, a proof of the world's highest safety standard, and “FSC® Certification,” a proof of using fabrics properly managed by an International forest certification system.



The mark of responsible forestry



(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



**Percentage of renewable electric power used for business operation**

## ◆ Switch to green electric power generated by renewable energy using natural resources such as solar and falling water

<b>Thai Factory</b>	11% of its annual electric power consumption (9 million kWh)
<b>Vietnam Factory</b>	22% of its annual electric power consumption (10.2 million kWh)
<b>Brazil Factory</b>	100% of its annual electric power consumption (160.32 million kWh)
<b>Kyushu Factory</b>	100% of its annual electric power consumption (9.8 million kWh)
<b>Toyohama Works, Shikoku Factory</b>	100% of its annual electric power consumption (5 million kWh)
<b>Itami Factory</b>	3% of its annual electric power consumption (0.27 million kWh)

(Safeguarding the well-being of our planet)

# Reduce waste disposal cost and environmental burden through recycling used paper diaper



## ◆ Expand our line of recycle models



2030 Target  
More than 10 cases



Number of disposable paper diaper recycling facilities introduced

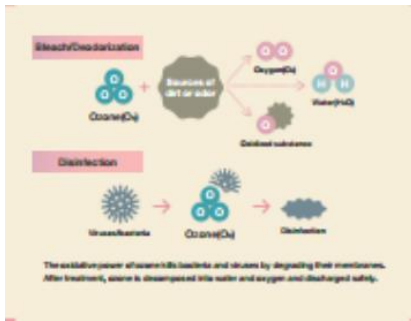
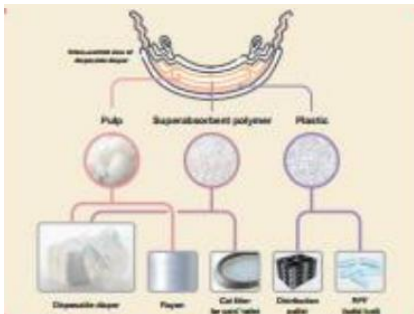
## ◆ Keep it safe and convenient, toward the future where recycling is the norm

**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**





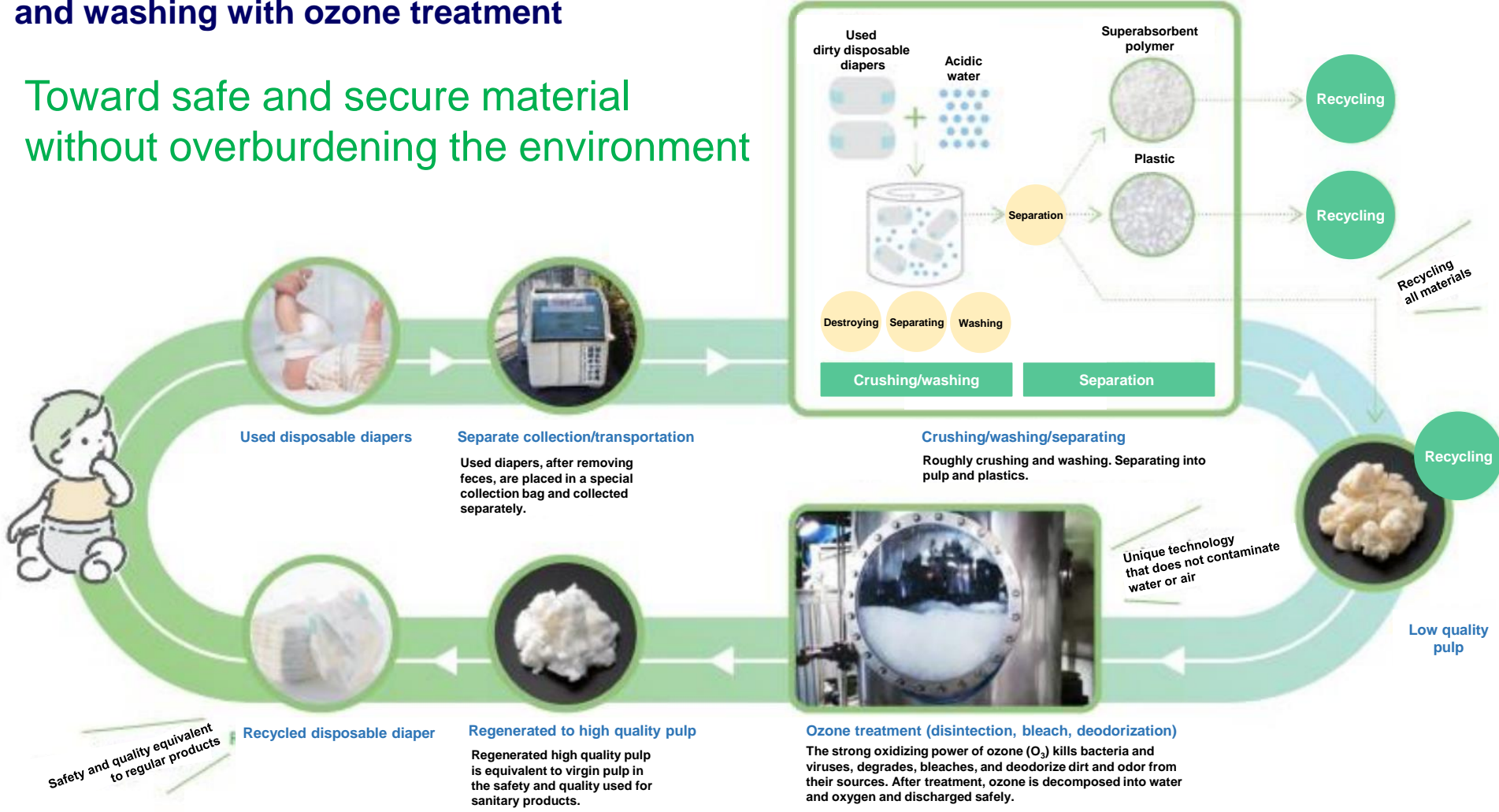
(Safeguarding the well-being of our planet)

# The world's first\* "used disposable diaper recycling using the ozone-treatment technology"



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

Toward safe and secure material without overburdening the environment



\* In terms of horizontal recycling technology from disposable diaper to disposable diaper by ozone treatment technology (Survey by Unicharm, December 2020)  
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(Safeguarding the well-being of our planet)

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



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



Tokyo  
Metropolitan Area



【Nursing home for elderly and child day care centers】



【Collection】



【(image) Recycling Plant】



Sorting used disposable diapers

Collection of used disposable diapers  
(used disposable diapers only)

Bringing in used diapers  
(used disposable diapers only)

(Above pictures are images and may be different from actual demo-project)

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.

◆ Explain graphically how used diapers are not garbage with four-step "Study Notes" that can be used as a material of independent research in summer holidays 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>



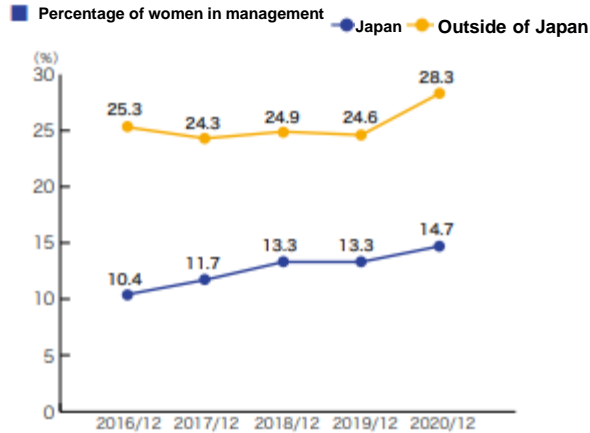
# Key initiatives, indicators, and target values



## ◆ Unicharm Principles

Key initiatives	Indicators	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	Construct a workplace of health and occupational safety system.	Highest level	Every year starting from 2026
	Number of serious human rights violations in the value chain.	Zero occurrences	Every year
Practice of appropriate corporate governance	Number of serious compliance violations.	Zero occurrences	Every year
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women.	30% or more	2030
Fostering the development of competent human resources	Percentage of positive answers received for the “Growth through Work” employee awareness survey.	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.	Reduced by half (Compared to 2020)	2030

## ◆ Promotion of diversity management



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

## ◆ Joined “30% Club Japan” that aims at women’s empowerment



## ◆ Endorsed Women’s Empowerment Principles (WEPs) \*1 and signed the statement to act in accordance with the principles.

In support of

### WOMEN’S EMPOWERMENT PRINCIPLES

Established by UN Women and the UN Global Compact Office

# Evaluation by external organizations and coordination with them

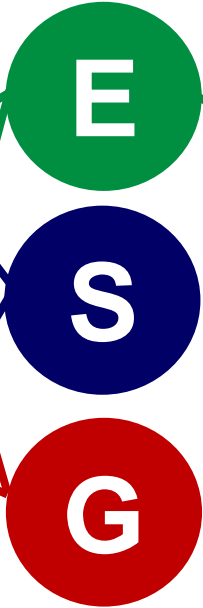
Selected in 4 ESG investment indices of stock composites adopted by GPIF

Integrated Index

Thematic Index

FTSE Blossom Japan

MSCI | MSCI ジャパンESG  
セレクト・リーダーズ指数



S&P/JPX  
カーボン  
エフィシエント  
指数

Other SRI Index

FTSE4Good

Bloomberg  
Gender-Equality  
Index  
2021

# Evaluation by external organizations and coordination with them



## ■ Science Based Target



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

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

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



- ✓ Endorsed “TCFD Recommendations
- ✓ Participated in TCFD consortium

## ■ JCI (Japan Climate Initiative)



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

## ■ CDP Japan 500



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

## ■ FSC (Forest stewardship council)



The mark of responsible forestry  
FSC® N002492

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

## ■ CoC certification of PEFC Forest Stewardship



- ✓ Factories in Thailand, Indonesia, Korea and Japan acquired the certification

\* A scheme that certifies the proper management and processing of forest products sourced from the Forest Management certified forests. Applicable to all business entities that have ownership in the product from FM certified forest to the final product.

# Evaluation by external organizations and coordination with them

## ■ RSPO



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

## ■ Selected as DX Stock 2021 and Noteworthy DX companies 2021

- ✓ Developed “digital scrum system” that enables remotely observing real-life situations and habits of clients
- ✓ A new business model utilizing digital technology, “Tebura Toen,” which is a disposable diaper subscription model
- ✓ Transformed Kyushu factory to smart factory

## ■ SOMPO Sustainability Index

2021



Sompo Sustainability Index

- ✓ Efforts related to ESG were highly valued and we were selected in stock composites of "SOMPO Sustainability Index" for 10 consecutive years.

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



## ■ Sedex



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

## ■ Signed the project “My human rights declaration” promoted by Ministry of Justice



# Evaluation by external organizations and coordination with them

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



- Certified as Sports Yell Company 2021 by Japan Sports Agency



- Won Outstanding Merit Award at the 37 Corporate Communication Award

- ✓ Contributed to boost corporate value significantly through various PR activities to gain recognition of “safe, secure and reliable Unicharm’s masks” amid the mask shortage, which became a social problem under COVID pandemic.



We support the Sustainable Development Goals (SDGs)

