

**Third Quarter of Fiscal Year
Ending December 31, 2021
(Jan 1, 2021 to Sep 30, 2021)
Unicharm Investor Meeting
Presentation Materials**

November 5, 2021

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Unicharm Corporation



NOLA&DOLA

Necessity of Life with Activities & Dreams of Life with Activities

Third Quarter of Fiscal Year Ending December 31, 2021 (January 1, 2021 to September 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.

Third Quarter of Fiscal Year Ending December 31, 2021 (January 1, 2021 to September 30, 2021) Financial Results Summary



Consolidated

Sales 571.9 billion JPY (YoY +7.0%)

Core operating income 97.4 billion JPY (YoY +9.3%)

- Sales hit record high for fourth consecutive year. Core operating income margin hit record high.
- Performance steadily improved as expected. Achievement of profit was higher than expected.

Japan

**1.4% sales increase, 3.2% profit increase,
Improved core operating income margin**

- Increased profit driven by Wellness Care Business, Pet Care Business and Feminine Care Business
- Profitability improved by the product mix effectiveness

Overseas

**10.6% sales increase, 15.1% 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 continued in North America. Stable growth in the Middle East

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

3Q Cumulative achieved a new record high



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

(100 millions of yen)

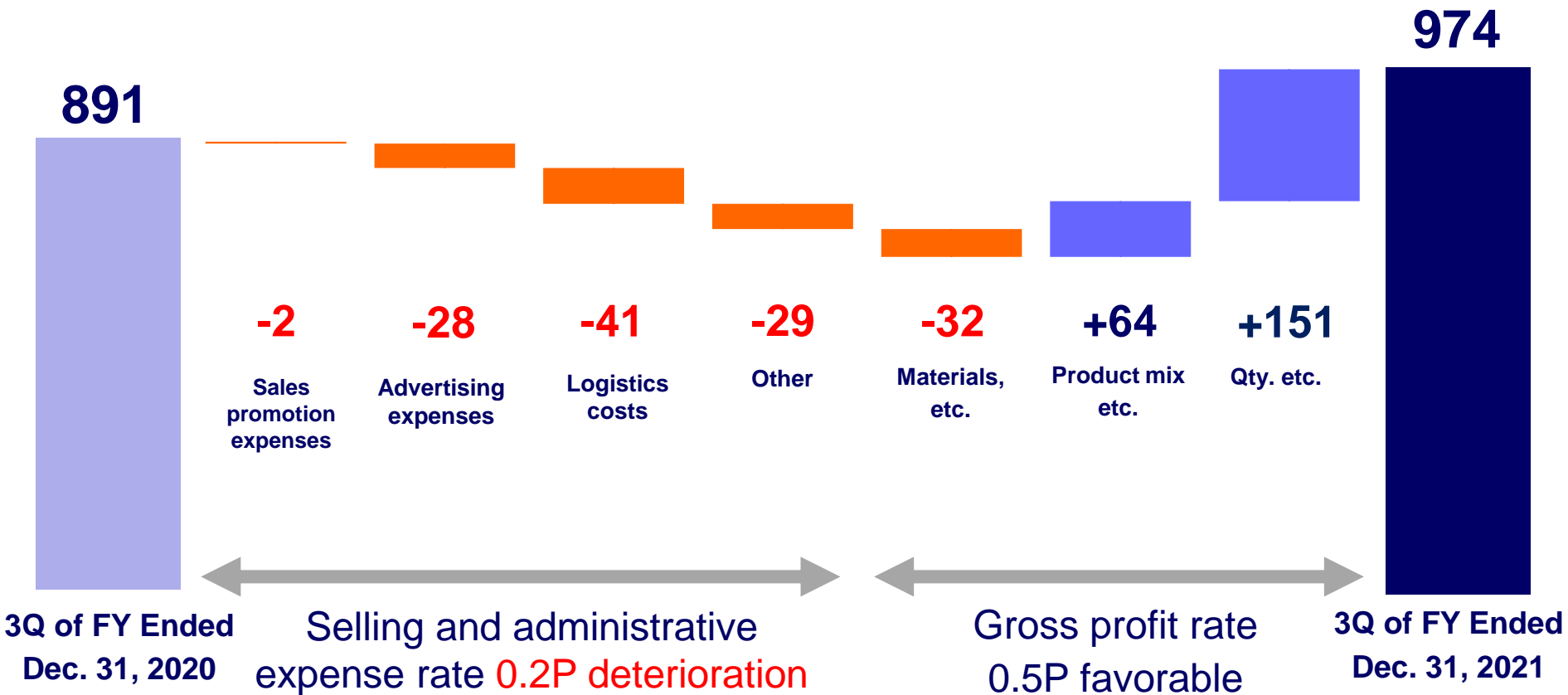
	3Q of FY Ended Dec. 31, 2020	3Q of FY Ending Dec. 31, 2021	gap(yen)	gap (%)	(Forecast) FY Ending Dec.31,2021	Achievement (%)
Net sales	5,345	5,719	+374	+7.0%	7,700	74.3%
Core operating income (margin-%)	891 (16.7%)	974 (17.0%)	+83	+9.3% (+0.3P)	1,190 (15.5%)	81.9%
Profit before tax (margin-%)	727 (13.6%)	1,017 (17.8%)	+290	+39.9% (+4.2P)	1,170 (15.2%)	86.9%
Profit attributable to owners of parent company (margin-%)	401 (7.5%)	619 (10.8%)	+219	+54.6% (+3.3P)	750 (9.7%)	82.6%
EBITDA (profit before tax + depreciation/ amortization + fire accident loss)	1,158	1,300	+142	+12.2%	1,570	82.8%
Basic quarterly earnings per share (JPY)	67.12	103.64	+36.52	+54.4%	125.85	82.4%
USD Rate (JPY)	107.59	108.50	+0.91	+0.8%	103.50	—
CNY Rate (JPY)	15.37	16.78	+1.41	+9.2%	15.80	—

Product mix continually improved
 Profit increased by 8.3 billion yen driven by
 increased volume from increased sales mainly in China



(100 millions of yen)

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



Strong sales in Wellness Care, Pet Care, Feminine Care Business in Japan
 Strong sales continued in China
 Recovery trend in South East Asia and India



(100 million yen)

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

		3Q of FY Ended Dec. 31, 2020	3Q of FY Ending Dec. 31, 2021	Difference	Difference (%)	(Ref.) Actual *1 gap rate
Japan	Net sales	2,100	2,130	+30	+1.4%	—
	Core operating income (margin)	425 (20.3%)	439 (20.6%)	+14	+3.2% (+0.3P)	—
Asia	Net sales	2,403	2,684	+281	+11.7%	+6.9%
	Core operating income (margin)	376 (15.7%)	433 (16.1%)	+57	+15.2% (+0.4P)	+9.2%
Others *2	Net sales	842	905	+63	+7.5%	+5.8%
	Core operating income (margin)	86 (10.2%)	99 (11.0%)	+13	+15.1% (+0.8P)	+14.0%
Consolidation	Net sales	5,345	5,719	+374	+7.0%	+4.6%
	Core operating income (margin)	891 (16.7%)	974 (17.0%)	+83	+9.3% (+0.3P)	+6.6%

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

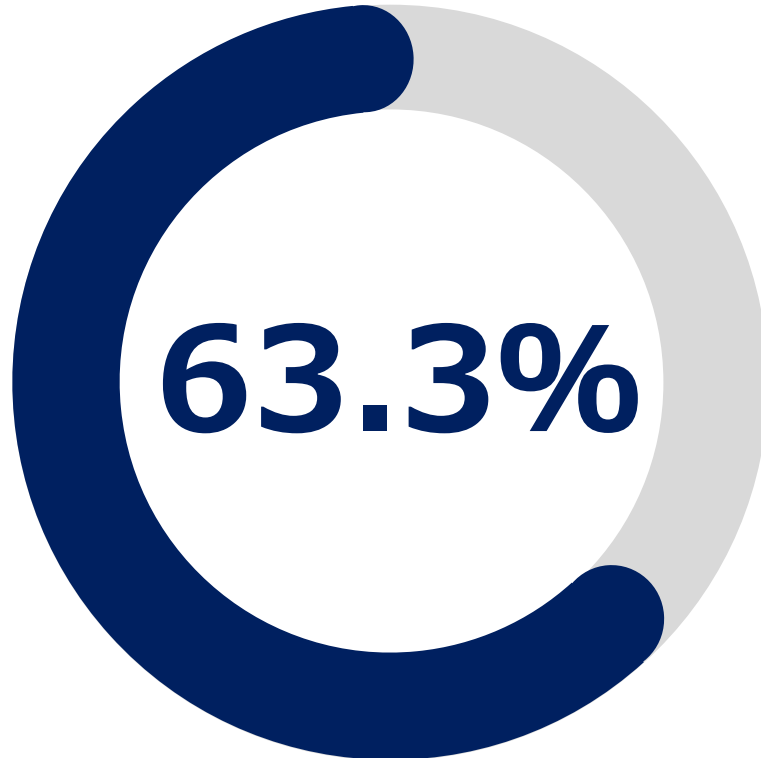
China +8% Indonesia +8% Thailand +7% India +35% Vietnam +3% Middle East +7% North America +6% Brazil +10%

*1 : Actual gap rate excluding foreign exchange effects

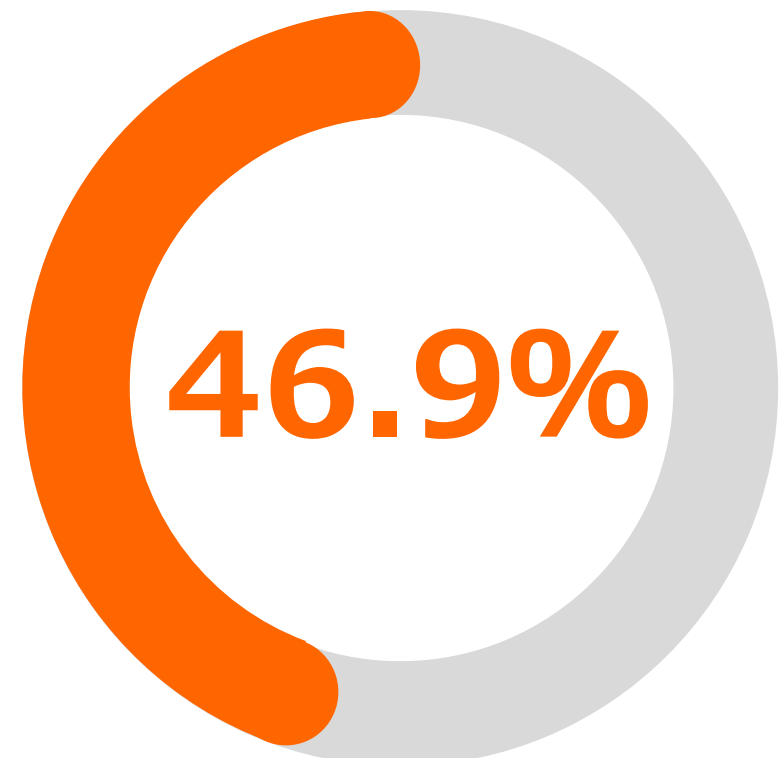
*2 : Others: Main regions are U.S.A., Saudi Arabia, Brazil and the Netherlands

Overseas and Asian markets keep overwhelming sales ratio

- Sales ratio of overseas markets



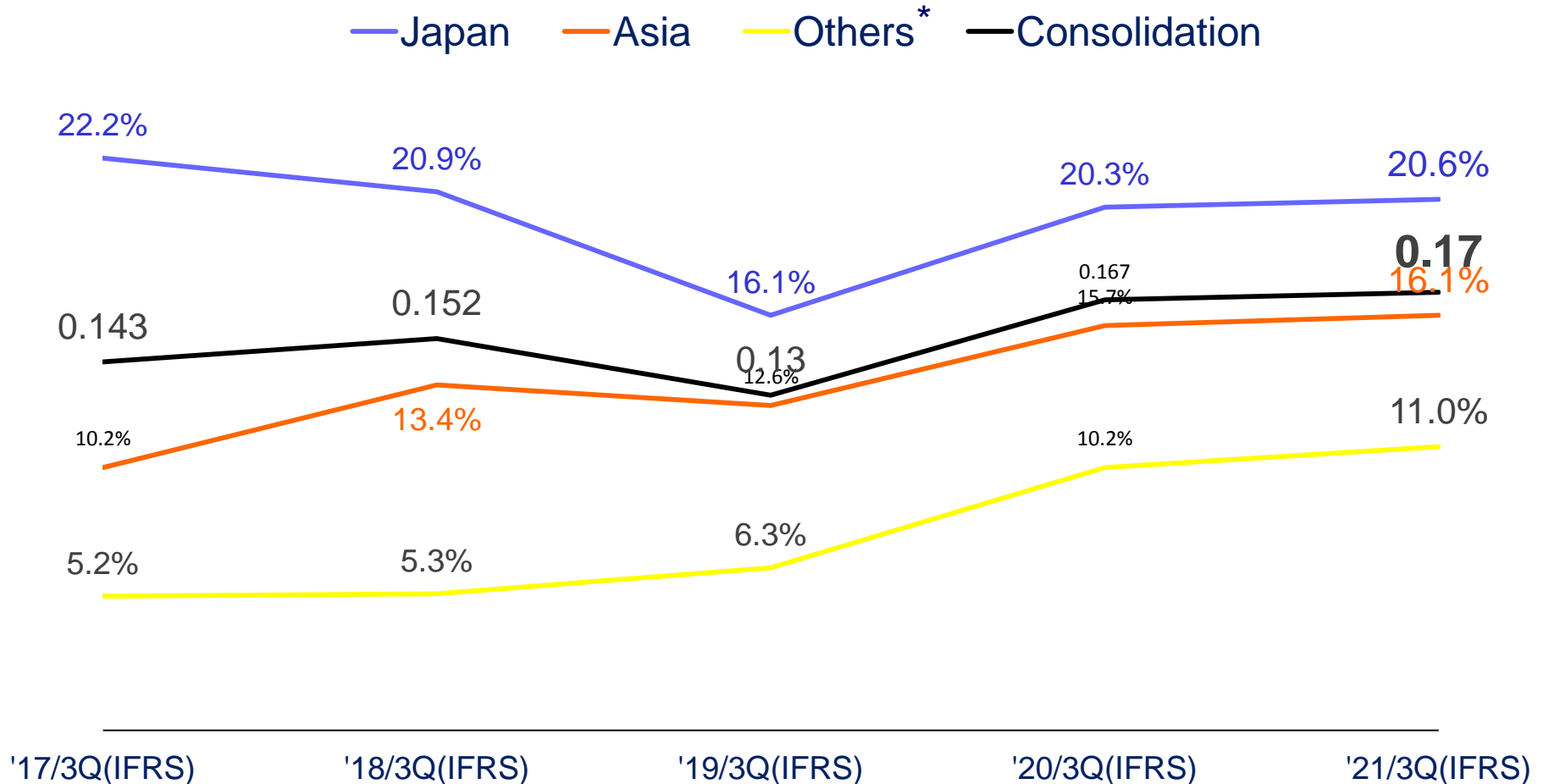
- Sales ratio of Asian markets



Consolidated core operating income margin hit a record high due to product mix increase like Feminine Care in China



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



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

Feminine Care and Baby Care Business led Personal Care Business
 Strong sales continued in Pet Care Business in Japan and North America
 Investment increased in Asia



■ Business Segment Information
 (from Jan. to Sep.)

(100 million yen)

		3Q of FY Ended Dec. 31, 2020	3Q of FY Ending Dec.31, 2021	gap (yen)	gap (%)
Personal Care	Net sales	4,604	4,927	+323	+7.0%
	Core operating income (margin)	782 (17.0%)	862 (17.5%)	+80	+10.2% (+0.5P)
Pet Care	Net sales	689	748	+59	+8.5%
	Core operating income (margin)	105 (15.2%)	108 (14.5%)	+3	+3.1% (-0.7P)
Others*	Net sales	52	44	-8	-14.8%
	Core operating income (margin)	4 (8.5%)	4 (9.3%)	-0	-5.8% (+0.8P)
Consolidation	Net sales	5,345	5,719	+374	+7.0%
	Core operating income (margin)	891 (16.7%)	974 (17.0%)	+83	+9.3% (+0.3P)

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

Impacts of foreign exchange fluctuations: Approx. 12.9 billion JPY increase in sales and approx. 2.3 billion JPY increase in core operating income

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

Currency	Exchange rate for 3Q of FY ended December 31, 2020	Exchange rate for 3Q of FY ending December 31, 2021	Rate change
China(CNY)	15.37	16.78	+9.2%
Indonesia(IDR)	0.0075	0.0076	+1.3%
Thailand(THB)	3.42	3.45	+0.9%
Saudi Arabia(SAR)	28.71	28.97	+0.9%
Vietnam(VND)	0.0046	0.0047	+2.2%
USA(USD)	107.59	108.50	+0.8%
India(INR)	1.46	1.48	+1.4%
Taiwan(TWD)	3.62	3.88	+7.2%
Netherland(EUR)	120.90	129.83	+7.4%
South Korea(KRW)	0.0898	0.0960	+6.9%
Australia(AUD)	72.78	82.36	+13.2%
Brazil(BRL)	21.44	20.37	-5.0%
Malaysia(MYR)	25.43	26.28	+3.3%
Egypt(EGP)	6.76	6.90	+2.1%

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

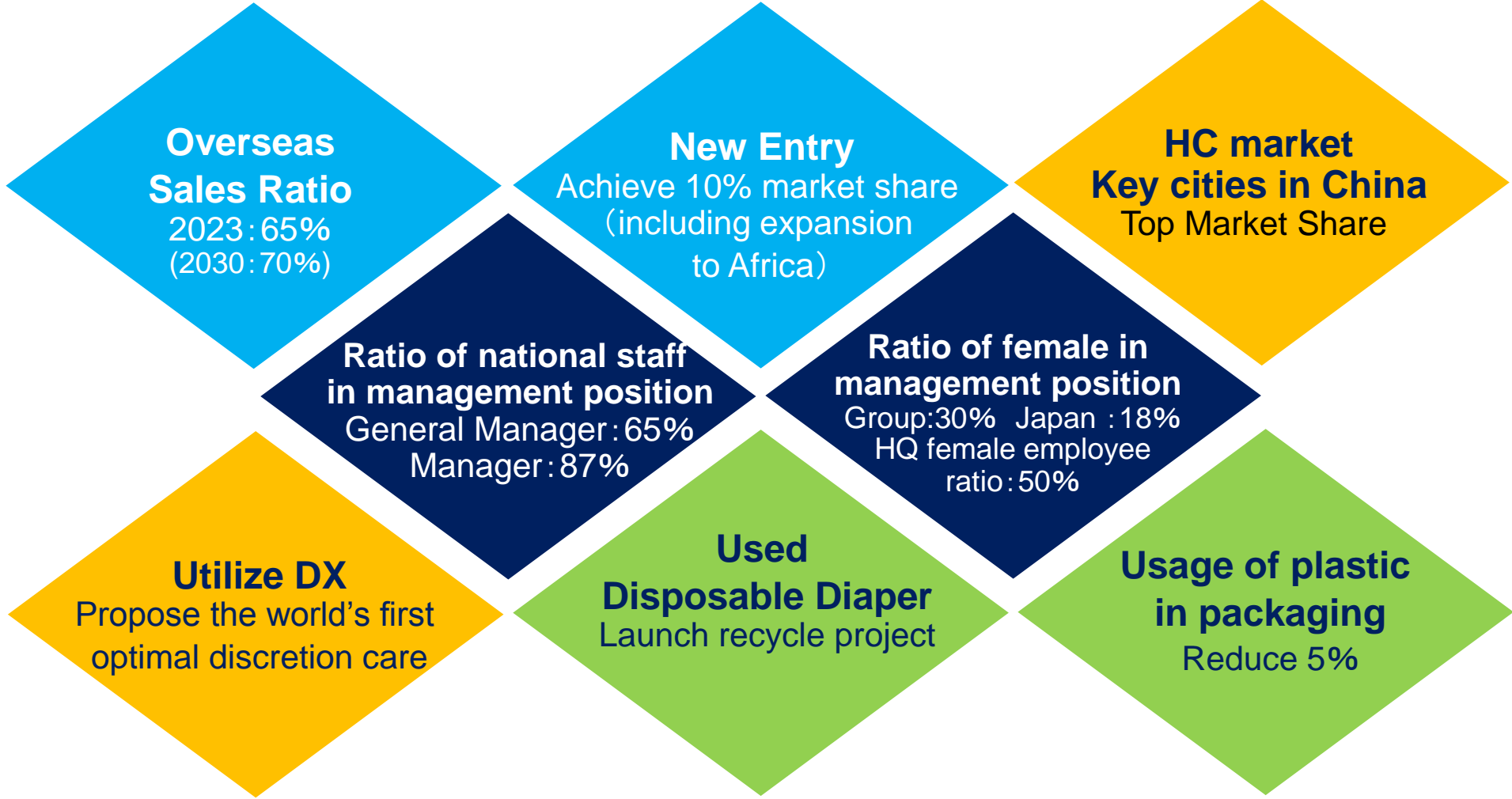
- Share expansion in China market
- Accelerated development in areas where the products are not widespread, mainly in India



BC Baby Care Business

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





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

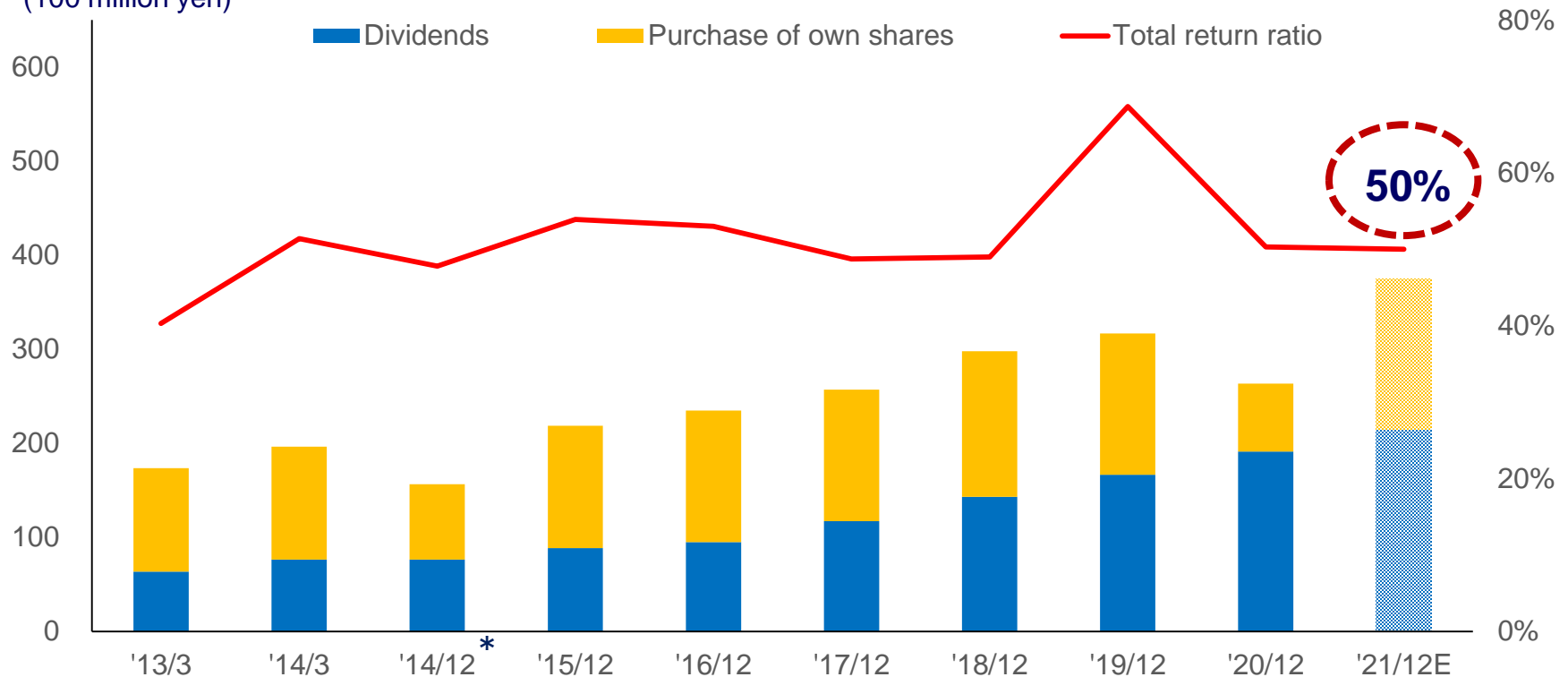
Shareholders Return Policy

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



● Shareholders return policy

(100 million yen)



*: Irregular accounting period of 9 months.

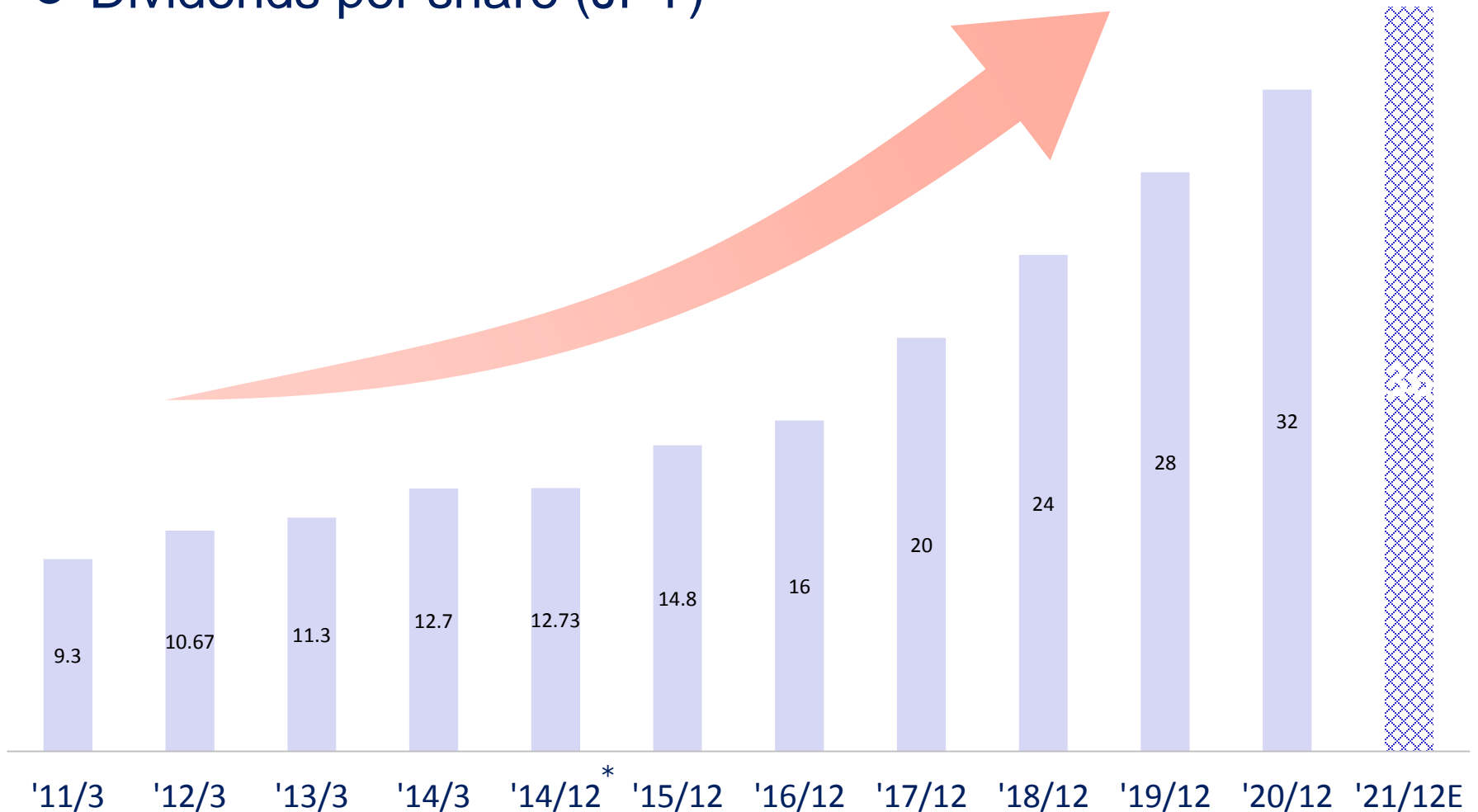
We are aiming at returning profits to our shareholders **with a goal of total return ratio of 50%** by paying dividends on a consistent and continuous basis and buying back our own shares, upon necessity, on a flexible manner based on the growth of med-to-long term consolidated earnings while focusing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

Dividend per share

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



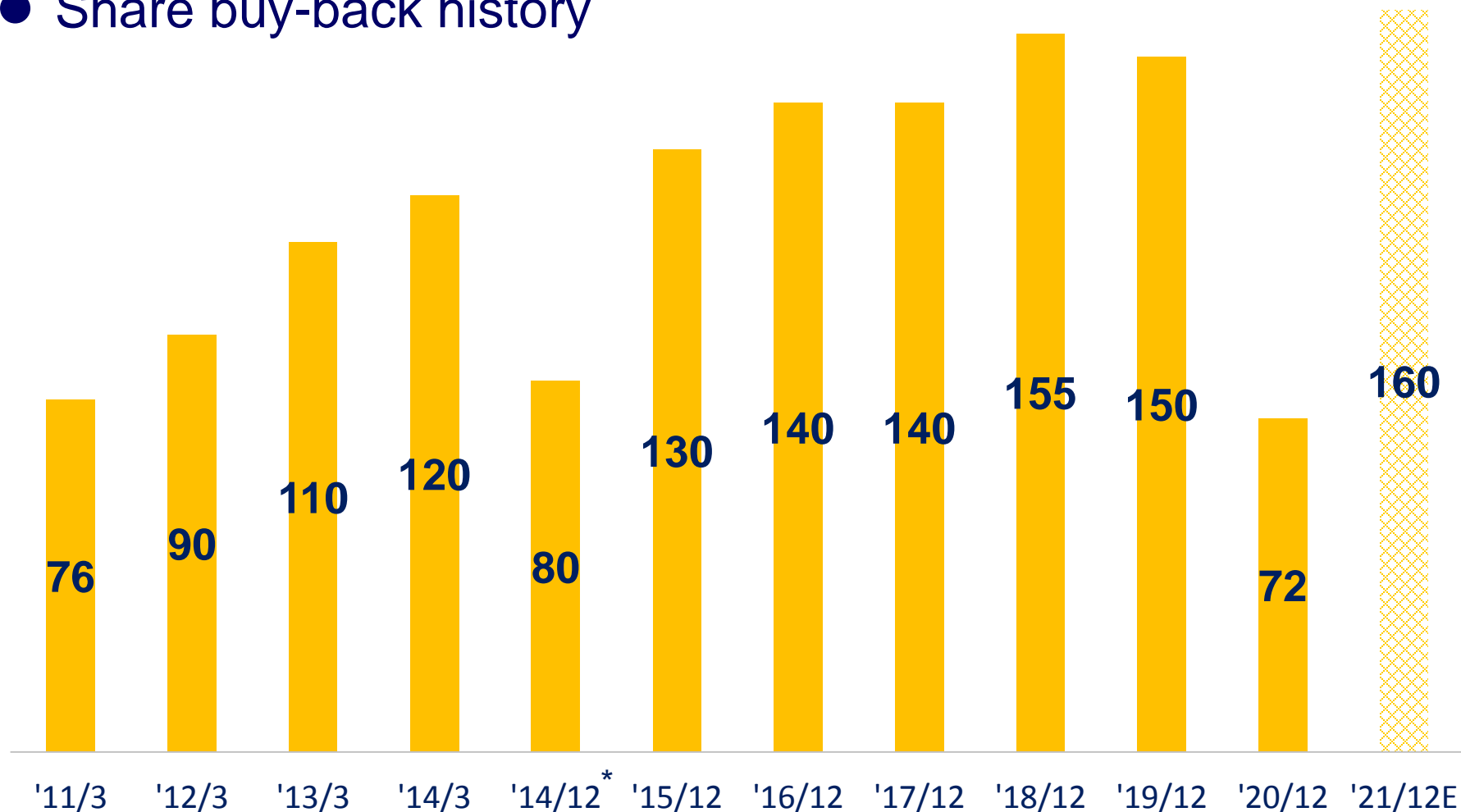
- Dividends per share (JPY)



* 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

Our goal

Our aim is to provide products and services that contribute to the realization of a society where all people can have a sense of individuality and enjoy their daily lives.

Key initiatives

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

Safeguarding the well-being of society

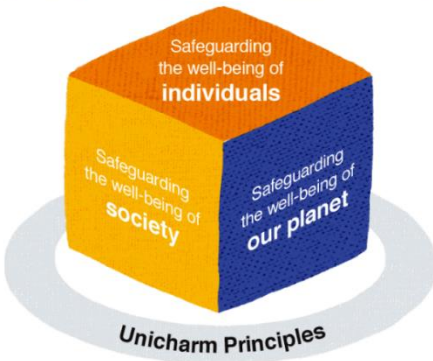
Our goal

Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers, but also contribute to solving social issues and promoting sustainability.

Key initiatives

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

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



Our goal

Our aim is to provide products and services that are sanitary and convenient, as well as contribute to activities that improve our planet’s environment.

Key initiatives

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

Safeguarding the well-being of our planet

Our goal

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

Key initiatives

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

Unicharm Principles

Formulating 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)

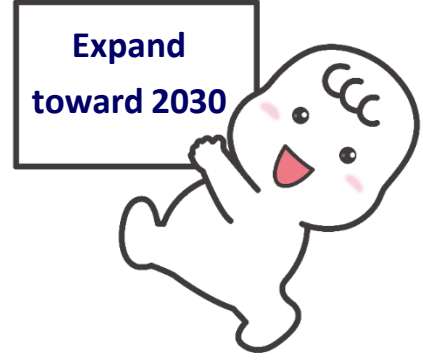
Support “lengthening healthy life expectancy” with products and services for the senior citizens



◆ Extension of healthy life expectancy and improvement of QOL



Lifree Rehabili-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

◆ Product rollout that suits users’ physical conditions.



◆ Aim to reduce dementia risk with frailty* countermeasures



* The condition of being frail with physical, mental, psychological, and social aspects are all combined. The condition is progressive but improvable by countermeasures.

(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



Expand toward 2030



Rollout 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



TOKYO CREATIVITY AWARDS

#NoBagForMe

話そう、知ろう。生理のこと。

生理について学ぶ企業向けプログラム

みんなの生理研修

> 参加企業募集中! 詳しくはこちら

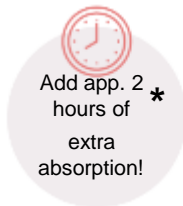
◆ Support menarche education and “pink ribbon” campaign globally



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



◆ Easy, comfortable, and convenient feminine product to be used along with a regular pad



* The amount of menstrual blood varies between individuals

◆ Pants-shaped pad that integrates a pad and pants, heating napkin featuring warm sensation



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

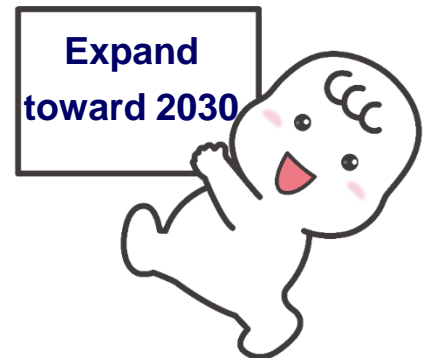


(Safeguarding the well-being of each individual)

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

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

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



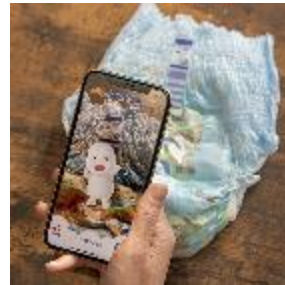
(Safeguarding the well-being of each individual)

Support improvement of childcare environment through products and services that eliminate discomfort and create the comfort of babies and parents



◆Improvement of childcare

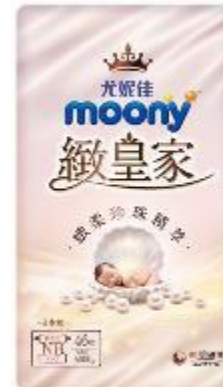
Expand toward 2030



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

◆Products that are uncompromising to safety and being gentle on the skin with the meticulous designs that fit to the growth

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



* 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) 27

(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

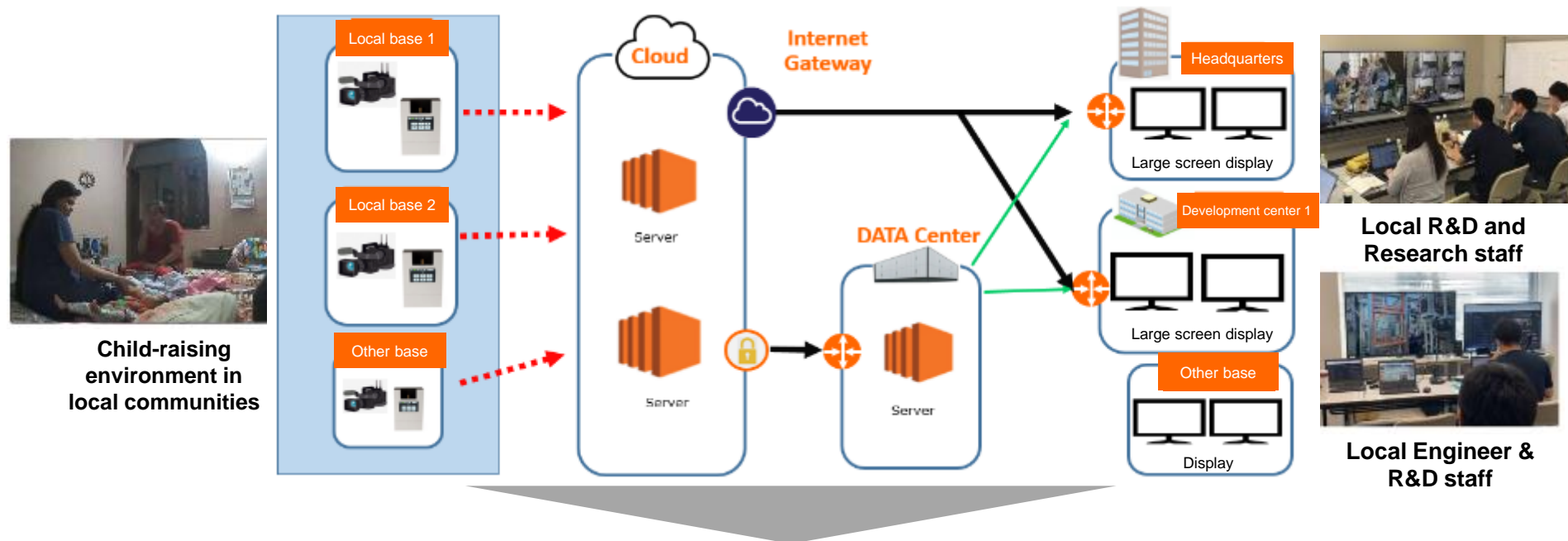
(Safeguarding the well-being of each individual)

Developed "Digital Scrum System" with the cutting edge digital technology to discover customer insights



◆ Observe stability of quality and customer insights by monitoring in real time local cultures, customs, and manufacturing front line

<Diagram of Digital Scrum>



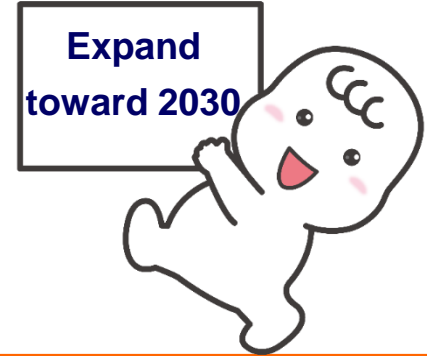
The three actuals (The actual place, the actual part, the actual situation) + Digital Scrum System

Promote the system that enables the involved parties to support on a timely manner

(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 enable each one of us to control infection

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

◆ **Some products acquired* the medical mask standard certification (JIS T9001) by Japanese Industrial Standards**



* We aim to acquire the standard (JIS T9001) certification for the res of uncertified mask products.

Key initiatives, indicators, and target values



◆ Safeguarding the well-being of society

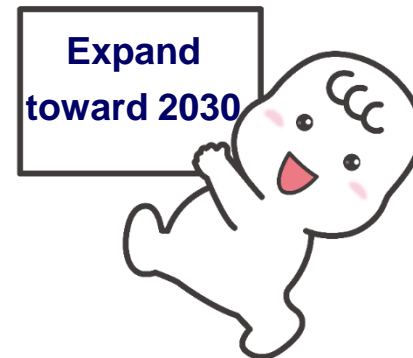
Key initiatives	Indicators	Target value	Target year
Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers, but also contribute to solving social issues and promoting sustainability.			
Innovations to achieve “NOLA & DOLA”	Percentage 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” CO₂ emission, “0” natural forest destruction」 in 2050

Environmental issues	Implementation items	Baseline year	2030 targets	2050 vision
Responding to the problem of plastic waste	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)	
Addressing climate change	Reducing CO ₂ emissions associated with raw materials procurement	2016	Per unit of sales –17%	Realizing a society with “zero” CO ₂ emissions
	Reducing CO ₂ emissions in manufacturing	2016	Per unit of sales –34%	
	Reducing CO ₂ emissions associated with disposal of used products	2016	Per unit of sales –26%	
Not contributing to forest destruction (response to procurement-related issues)	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

◆ Products sold in paper package using 100% renewable pulp



◆ Products made with plant-based material



(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

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

Factory Name	Share of renewable energy	Conversion to electric energy (kWh/year)
Thai Factory	About 11%	9 million kWh
Vietnam Factory	About 22%	10.2 million kWh
Brazil Factory	100%	160.32 million kWh
Kyushu Factory	100%	9.8 million kWh
Toyohama Works, Shikoku Factory	100%	5 million kWh
Itami Factory	About 3%	0.27 million kWh

(Safeguarding the well-being of our planet)

Reduce waste disposal cost and environmental burden through recycling used disposable diaper



◆ Expand our line of recycle models



Number of disposable diaper recycling facilities introduced

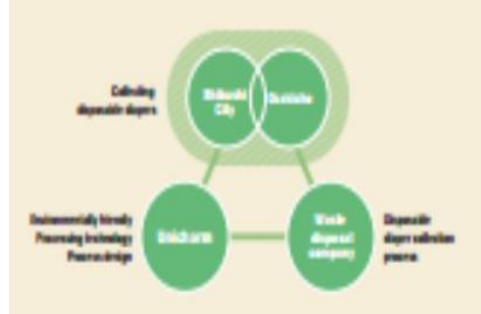
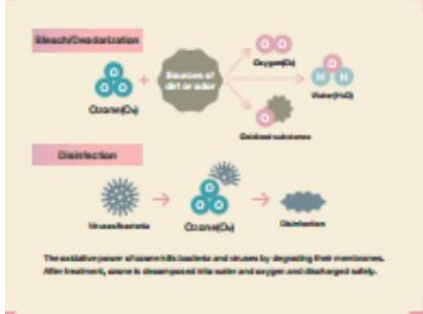
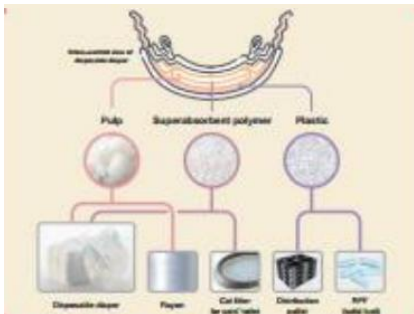
◆ Keep it safe and convenient, toward the future where recycling is the norm

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



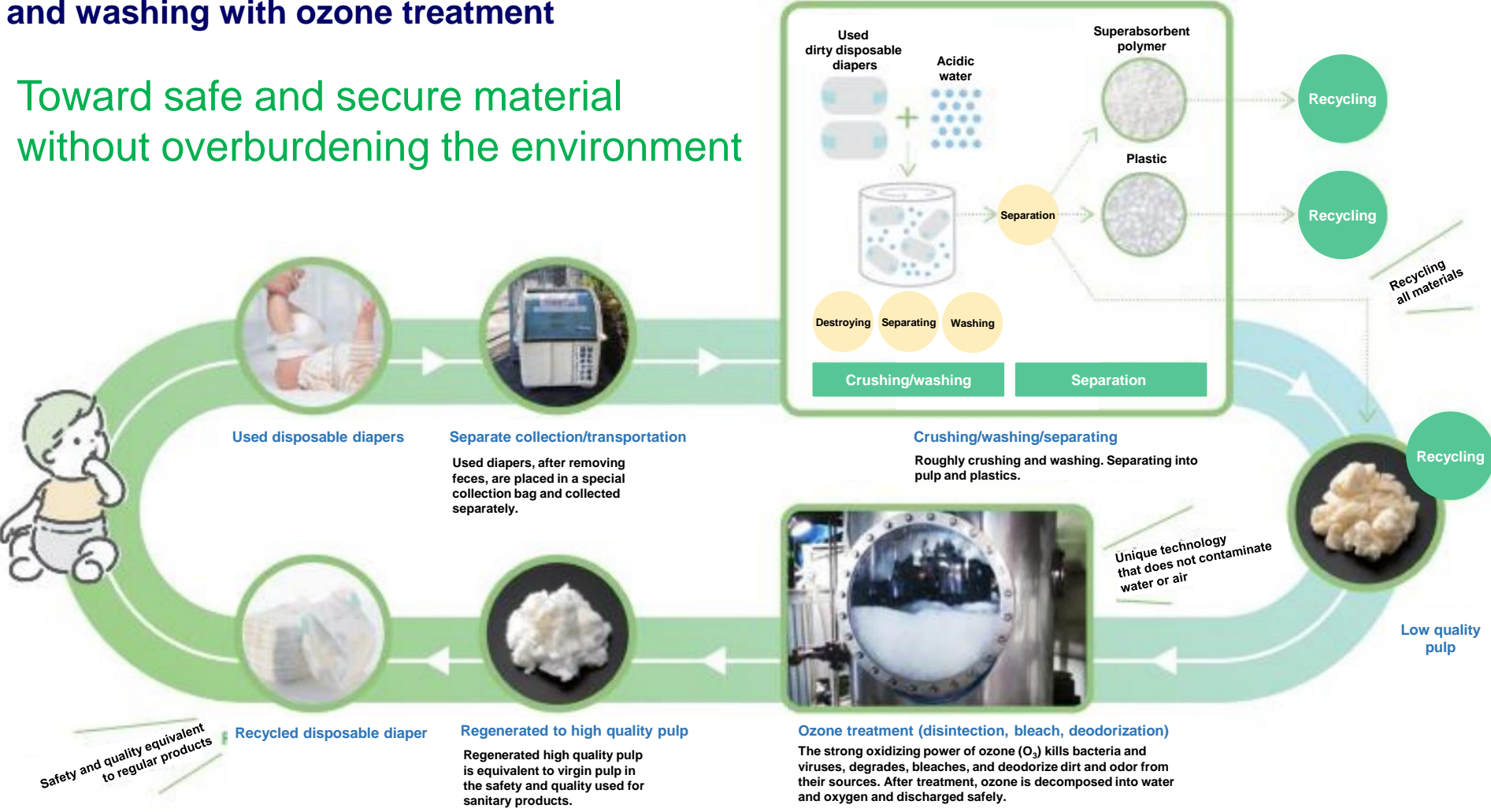
(Safeguarding the well-being of our planet)

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)

(Safeguarding the well-being of our planet)

Demo-project to promote recycling used disposable diaper



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



Tokyo



町田市
MACHIDA CITY



unicharm
ユニチャーム



odakyu

<Demo-experiment diagram>

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

【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.

◆ 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>

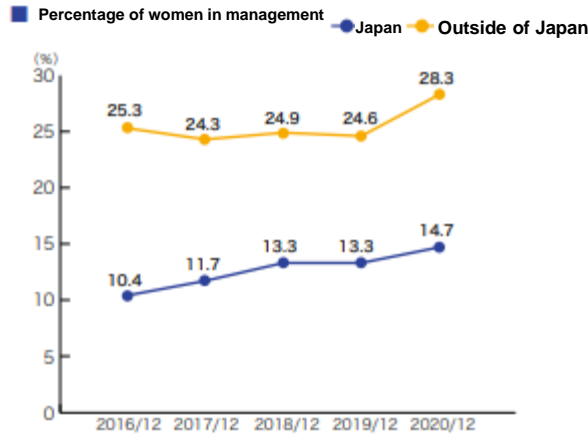
Key initiatives, indicators, and target values



◆ 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	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	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

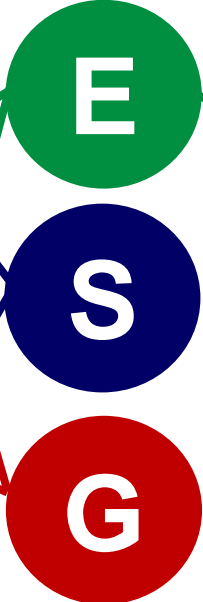
Established by UN Women and the UN Global Compact Office

Evaluation by external organizations and coordination with them

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

Integrated Index

Thematic Index



Other SRI Index



Evaluation by external organizations and coordination with them

■ Science Based Target



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

■ JCI (Japan Climate Initiative)



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

■ CDP Japan 500



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

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



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

■ 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

■ RSPO



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

Evaluation by external organizations and coordination with them

■ CoC certification*1 of PEFC Forest Stewardship



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

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



■ STANDARD100 by OEKO-TEX®



✓ "Natural moony (tape type)" acquired Japan's first*2 OEKO-TEX certification
 ✓ Promote global expansion of safe and secure products

■ Signed the project "My human rights declaration" promoted by Ministry of Justice



■ Sedex



✓ Joined as AB member toward the expansion of sustainable supply chain built on a global scale
 ✓ Completed self-assessment questionnaires for Unicharm group's factories in Japan and overseas
 ✓ Relationships with 50% of raw material suppliers and OEM manufacturers will be established by the end of December 2021

*1 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.
 *2 January 2020 (Survey by Unicharm)

Evaluation by external organizations and coordination with them

■ 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.

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



■ 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

■ 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)

