

**Fiscal Year**  
**Ended December 31, 2021**  
**(Jan 1, 2021 to Dec 31, 2021)**  
**Unicharm Investor Meeting**  
**Presentation Materials**

February 15, 2022

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President and CEO  
Unicharm Corporation



**NOLA&DOLA**

Necessity of Life with Activities & Dreams of Life with Activities

# **Fiscal Year Ended December 31, 2021 (January 1 to December 31) Financial Performance Summary**

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

# Fiscal Year Ending December 31, 2021 (January 1, 2021 to December 31, 2021) Financial Results Summary



## Consolidated

**Sales 782.7 billion JPY (YoY +7.6%)**

**Core operating income 122.5 billion JPY (YoY +6.7%)**

- Sales hit record high for the fifth consecutive year. Core operating income margin and current profit also hit record high.
- Performance was achieved in sales, core operating income, and income before taxes as expected.
- Sales progress in the 11th mid-term plan is steadily growing, although there is a foreign exchange effect.

## Japan

**0.8% sales increase, 1.4% profit increase**

- Wellness Care Business, Pet Care Business and Feminine Care Business keep good performance with high value-added promotion.
- Profitability improved by the advanced product mix.

## Overseas

**12.1% sales increase, 12.5% profit increase**

- Increase in sales and profits in Asia. Stable growth in China. Baby Care Business recovered and showed strong sales in India. Feminine Care Business and Wellness Care Business also steadily expanded in South East Asia.
- Sales and profits increased in other areas. Strong sales of side dish for cats continued in North America. Strong sales in the Middle East including export.

## Shareholder Return

**Yearly dividend 36 yen per share**

**Increased dividend for 20 consecutive years**

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

# Sales hit record high for 5 consecutive years

## High profitability was maintained even under a harsh environment



### ● Consolidated account highlights

(100 millions of yen)

(from Jan. to Dec.)

	FY Ended Dec. 31, 2020	FY Ended Dec. 31, 2021	gap(yen)	gap (%)	(Forecast) FY Ending Dec.31,2021	Achievement (%)
Net sales	7,275	<b>7,827</b>	+552	+7.6%	7,700	101.7%
Core operating income (margin-%)	1,147 (15.8%)	<b>1,225</b> <b>(15.6%)</b>	+77	+6.7% <b>(-0.2P)</b>	1,190 (15.5%)	102.9%
Profit before tax (margin-%)	958 (13.2%)	<b>1,220</b> <b>(15.6%)</b>	+261	+27.3% <b>(+2.4P)</b>	1,170 (15.2%)	104.3%
Profit attributable to owners of parent company (margin-%)	523 (7.2%)	<b>727</b> <b>(9.3%)</b>	+204	+39.0% <b>(+2.1P)</b>	750 (9.7%)	97.0%
EBITDA (profit before tax + depreciation/ amortization + fire accident loss)	1,479	<b>1,647</b>	+167	+11.3%	1,570	104.9%
Basic earnings per share (JPY)	87.60	<b>121.78</b>	+34.18	+39.0%	125.85	97.3%
USD Rate (JPY)	106.82	<b>109.80</b>	+2.98	+0.7%	103.50	—
CNY Rate (JPY)	15.48	<b>17.03</b>	+1.55	+7.9%	15.80	—

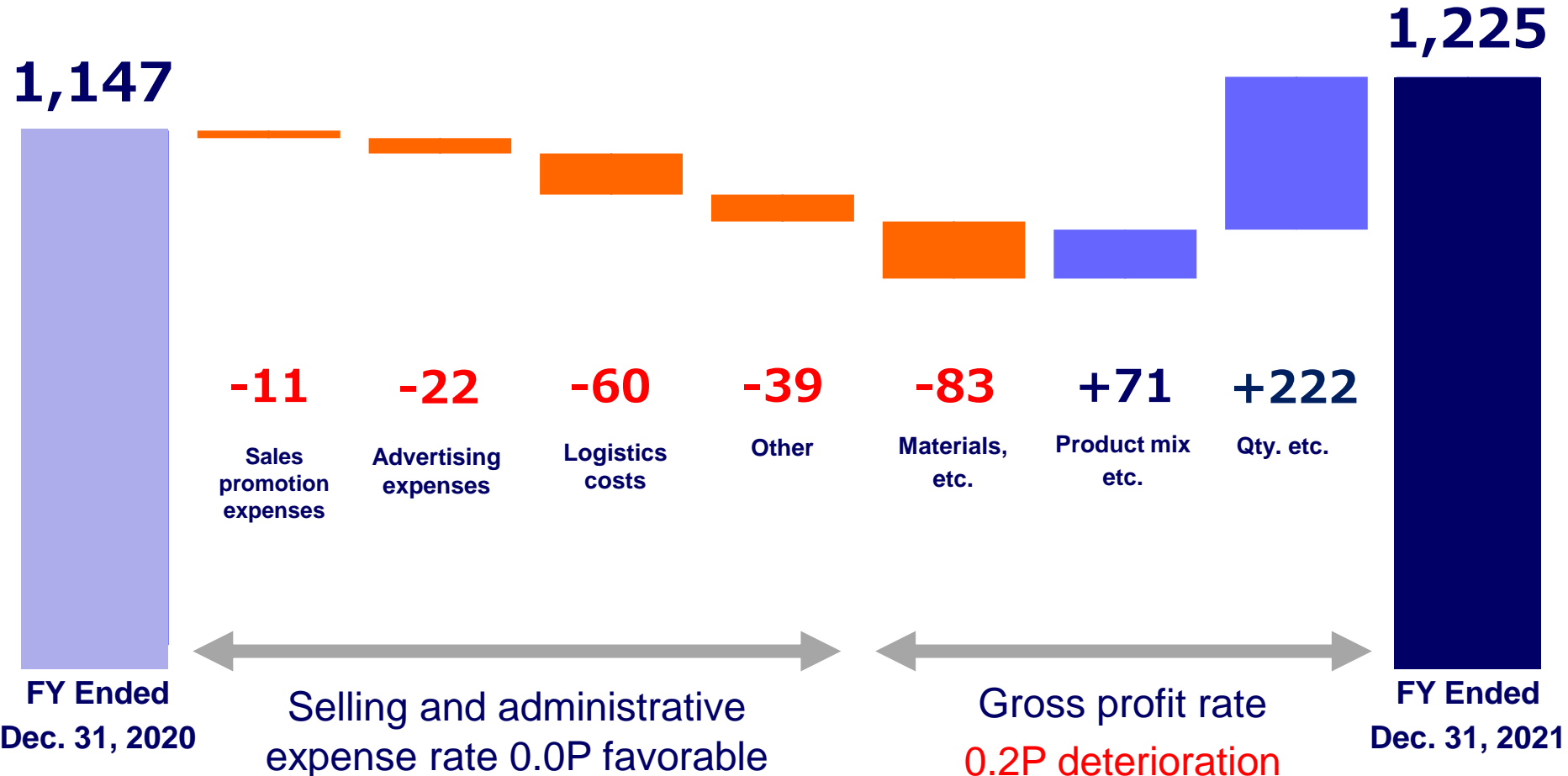
**Product mix continually improved**

**Profit increased by 7.7 billion yen driven by increased volume from increased sales mainly in China, which absorbed additional costs**



(100 millions of yen)

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



**Strong sales in Wellness Care, Pet Care, Feminine Care Businesses in Japan  
Stable growth in China and South East Asia, recovery and strong sales in  
India in Asia**



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

(100 million yen)

		FY Ended Dec. 31, 2020	FY Ended Dec. 31, 2021	gap(yen)	gap (%)	(Ref.) Actual *1 gap rate
Japan	Net sales	2,924	<b>2,949</b>	+25	+0.8%	—
	Core operating income (margin)	575 (19.7%)	<b>583</b> <b>(19.8%)</b>	+8	+1.4% (+0.1P)	—
Asia	Net sales	3,231	<b>3,637</b>	+406	+12.6%	+6.7%
	Core operating income (margin)	452 (14.0%)	<b>510</b> <b>(14.0%)</b>	+58	+12.9% (+0.0P)	+6.4%
Others *2	Net sales	1,119	<b>1,242</b>	+122	+10.9%	+7.5%
	Core operating income (margin)	116 (10.3%)	<b>129</b> <b>(10.4%)</b>	+13	+11.0% (+0.1P)	+7.8%
Consolidation	Net sales	7,275	<b>7,827</b>	+552	+7.6%	+4.5%
	Core operating income (margin)	1,147 (15.8%)	<b>1,225</b> <b>(15.6%)</b>	+77	+6.7% <b>(-0.2P)</b>	+3.9%

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

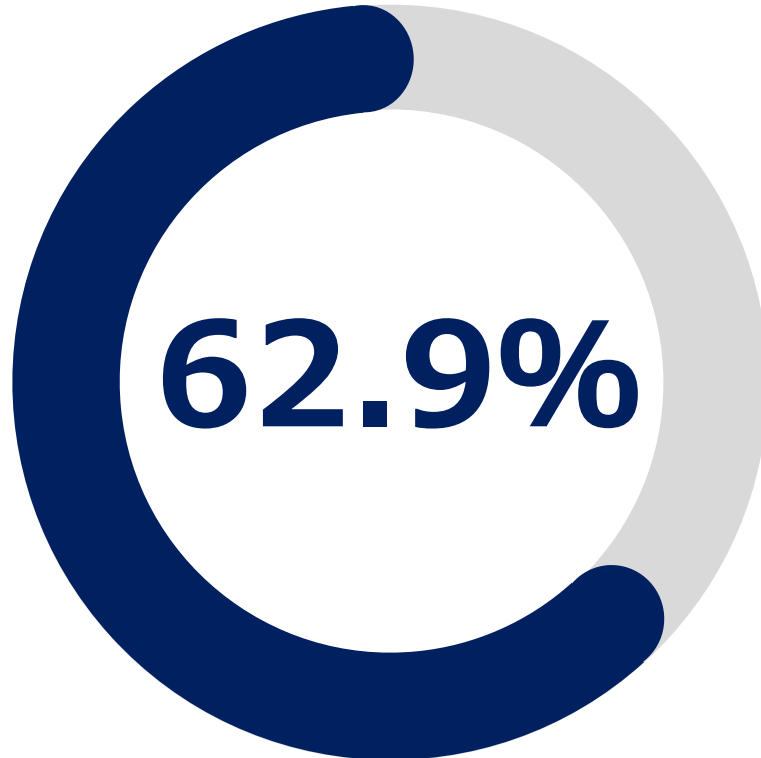
China +6% Indonesia +9% Thailand +6% India +31% Vietnam +3% Middle East +6% North America +8% Brazil +1%

\*1 : Actual gap rate excluding foreign exchange effects

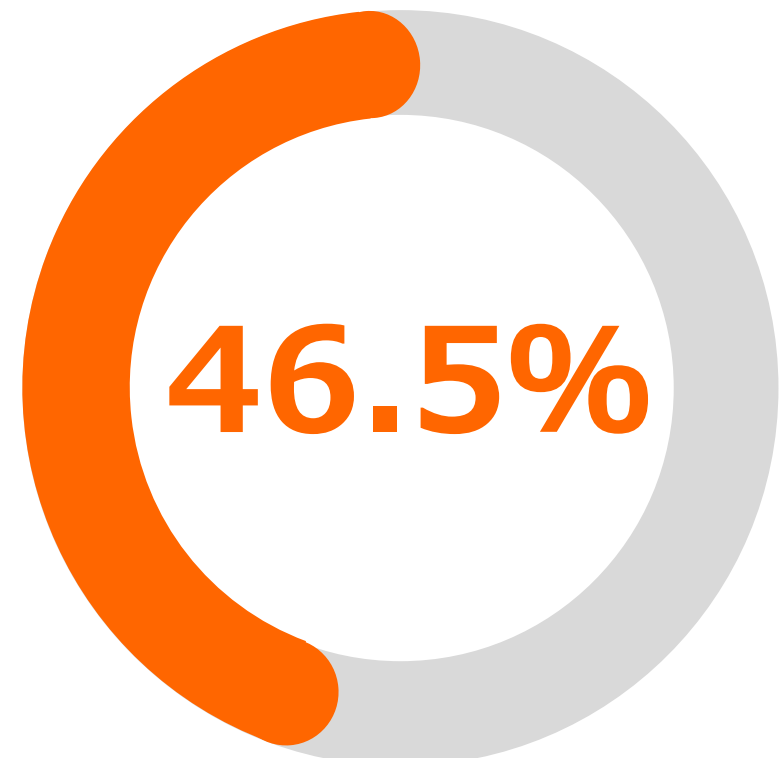
\*2 : Others: Main regions are North America, Saudi Arabia, Brazil and the Netherlands

# Overseas and Asian markets keep overwhelming sales ratio

- Sales ratio of overseas markets



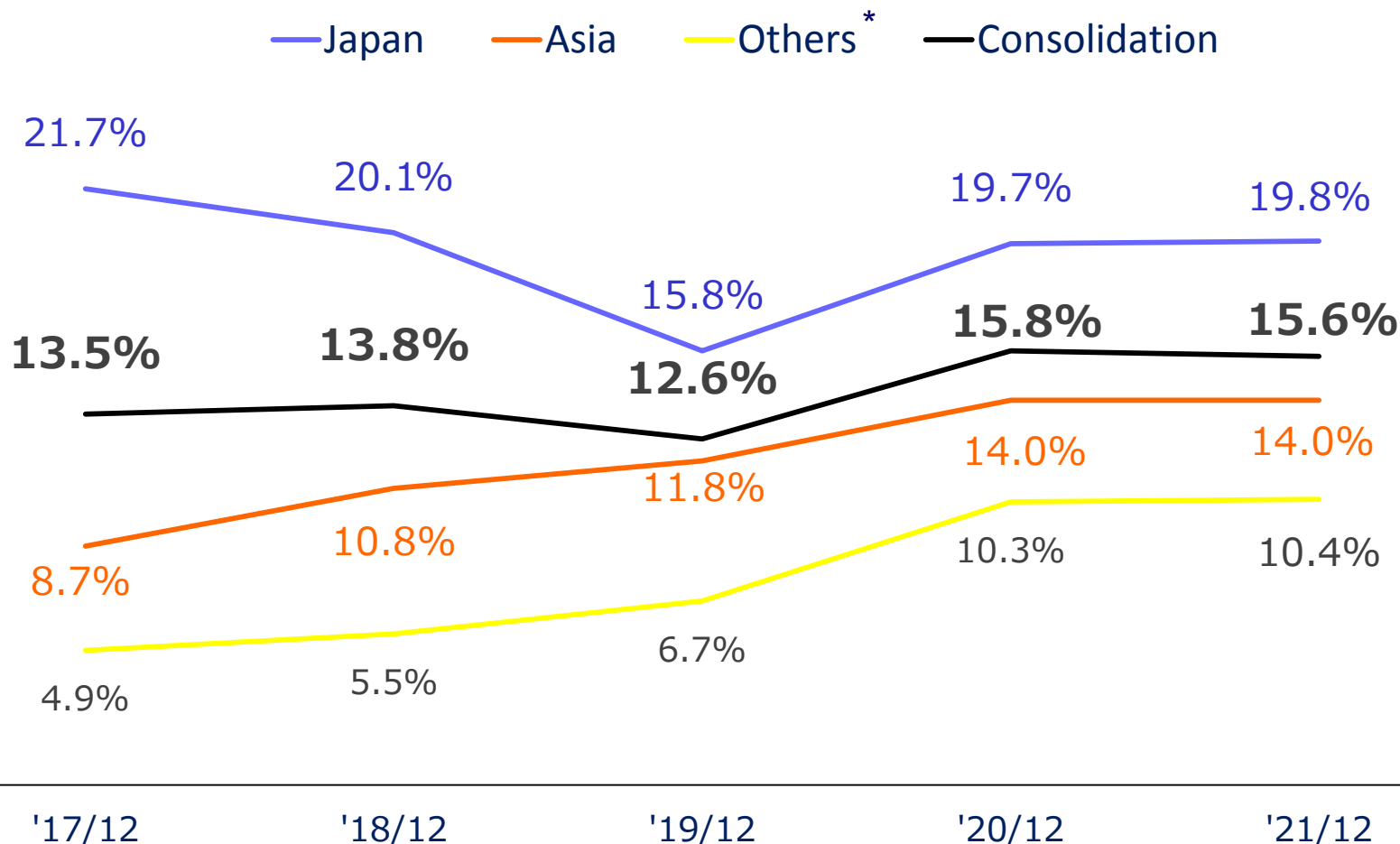
- Sales ratio of Asian markets



# Profitability improved in each area thanks to continuous sales increase effect and advanced product mix



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



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



**Feminine Care and 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 Dec. )

(100 million yen)

		FY Ended Dec. 31, 2020	FY Ended Dec. 31, 2021	gap (yen)	gap (%)
Personal Care	<b>Net sales</b>	6,248	<b>6,720</b>	+473	+7.6%
	Core operating income	1,000	<b>1,073</b>	+73	+7.3%
	<b>(margin)</b>	(16.0%)	<b>(16.0%)</b>		<b>(-0.0P)</b>
Pet Care	<b>Net sales</b>	957	<b>1,045</b>	+88	+9.2%
	Core operating income	142	<b>146</b>	+4	+3.1%
	<b>(margin)</b>	(14.8%)	<b>(14.0%)</b>		<b>(-0.8P)</b>
Others*	<b>Net sales</b>	70	<b>61</b>	-9	-12.5%
	Core operating income	6	<b>5</b>	-0	-4.1%
	<b>(margin)</b>	(8.0%)	<b>(8.8%)</b>		<b>(+0.8P)</b>
Consolidation	<b>Net sales</b>	7,275	<b>7,827</b>	+552	+7.6%
	Core operating income	1,147	<b>1,225</b>	+77	+6.7%
	<b>(margin)</b>	(15.8%)	<b>(15.6%)</b>		<b>(-0.2P)</b>

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

# Impacts of foreign exchange fluctuations:

Approx. 22.9 billion JPY increase in sales and  
 approx. 3.3 billion JPY increase in core operating income

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

Currency	Exchange rate for 2020	Exchange rate for 2021	Rate change
China(CNY)	15.48	<b>17.03</b>	+10.0%
Indonesia(IDR)	0.0074	<b>0.0077</b>	+4.1%
Thailand(THB)	3.42	<b>3.44</b>	+0.6%
Saudi Arabia(SAR)	28.51	<b>29.32</b>	+2.8%
Vietnam(VND)	0.0046	<b>0.0048</b>	+4.3%
USA(USD)	106.82	<b>109.80</b>	+2.8%
India(INR)	1.45	<b>1.50</b>	+3.4%
Taiwan(TWD)	3.63	<b>3.94</b>	+8.5%
Netherland(EUR)	121.81	<b>129.89</b>	+6.6%
South Korea(KRW)	0.0907	<b>0.0961</b>	+6.0%
Australia(AUD)	73.67	<b>82.48</b>	+12.0%
Brazil(BRL)	20.92	<b>20.37</b>	-2.6%
Malaysia(MYR)	25.43	<b>26.50</b>	+4.2%
Egypt (EGP)	6.73	<b>6.98</b>	+3.7%

# **Summary of Performance Forecast FY Ending Dec. 31, 2022**

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# 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%)**

- Achieved a new record high with sales for the sixth consecutive year and core operating income for the third consecutive year.
- Amid soaring prices of material etc. (about 17.4 billion yen) and increasing costs due to still high logistics cost ratio, profit expansion by driving the markets with newly proposed values.
- Product development promotion that understands the deep psychology of customers by active DX.
- Capital investment: approx. 46 billion yen (amortization: approx. 40 billion yen).

### Japan

**Low single-digit increase in sales, slightly increased in profit**

- Increased sales and profits in Wellness Care Business, Pet Care Business and Feminine Care Business.

### Overseas

**Sales increase more than 10%, increased in profit**

- Increase in sales and profits in Asia. Increased sales and profits driven by China. Strong sales continue in India and South East Asia
- Increase in sales and profits in other areas. Strong sales continue in North America. High growth of Wellness Care Business in the Middle East.

### Shareholder Return

**Yearly dividend 38 yen per share**  
**Plan to increase dividend for 21 consecutive years**

- Purchase of own shares: plan to purchase up to approx. 17 billion JPY, approx. 4.2 million shares

**Achieved a new sales record high for 6 consecutive years**  
**Increased incomes mainly overseas absorbed higher costs to**  
**secure increased profits**



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

(100 million yen)

	FY Ended Dec. 31, 202	FY Ending Dec. 31, 2022	gap(yen)	gap (%)	(Ref.) Actual *1 gap rate
Net sales	7,827	<b>8,500</b>	+673	+8.6%	+6.5%
Core operating income (margin-%)	1,225 (15.6%)	<b>1,270</b> <b>(14.9%)</b>	+45	+3.7% <b>(-0.7P)</b>	+2.0%
Profit before tax (margin-%)	1,220 (15.6%)	<b>1,260</b> <b>(14.8%)</b>	+40	+3.3% <b>(-0.8P)</b>	
Profit attributable to owners of parent company (margin-%)	727 (9.3%)	<b>792</b> <b>(9.3%)</b>	+65	+8.9% (+0.0)	
Basic earnings per share (JPY)	121.78	<b>132.85</b>	+11.07	+9.1%	
USD Rate (JPY)	109.80	<b>113.50</b>	+3.70	+3.4%	
CNY Rate (JPY)	17.03	<b>17.50</b>	+0.47	+2.8%	

\*1 Actual gap rate excluding foreign exchange effects

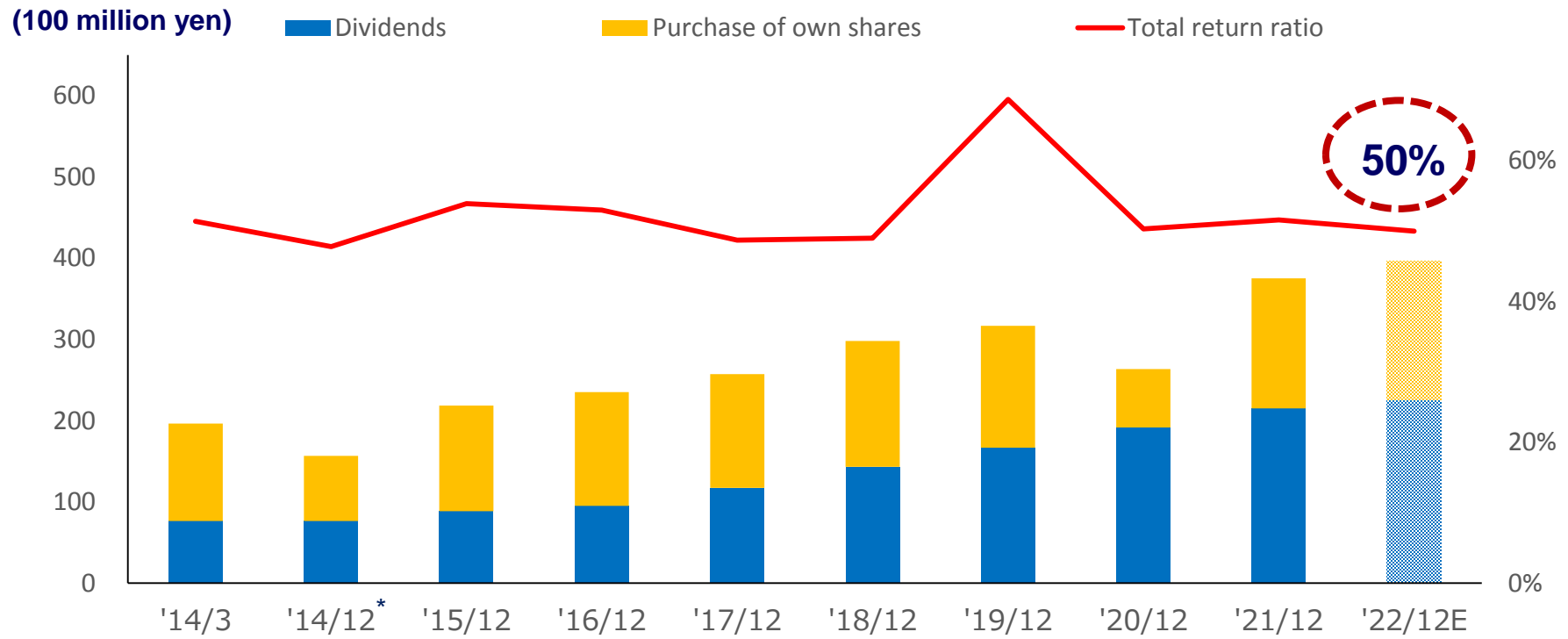
# Shareholders Return Policy

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



## ● Shareholders return policy



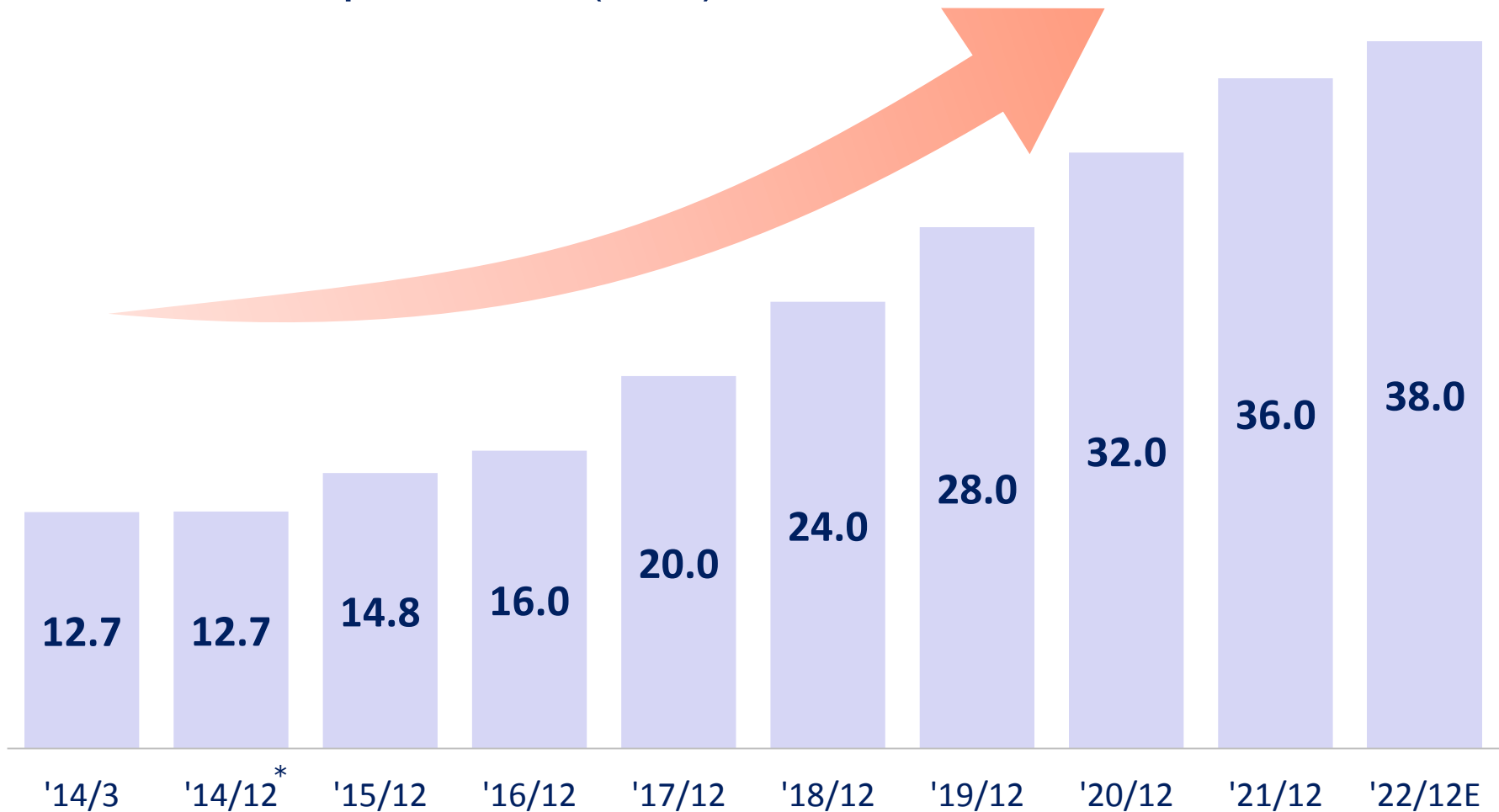
\* Irregular accounting period of 9 months.

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 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 21 consecutive years (38 yen a year)

- Dividends per share (JPY)



\* Irregular accounting period of 9 months

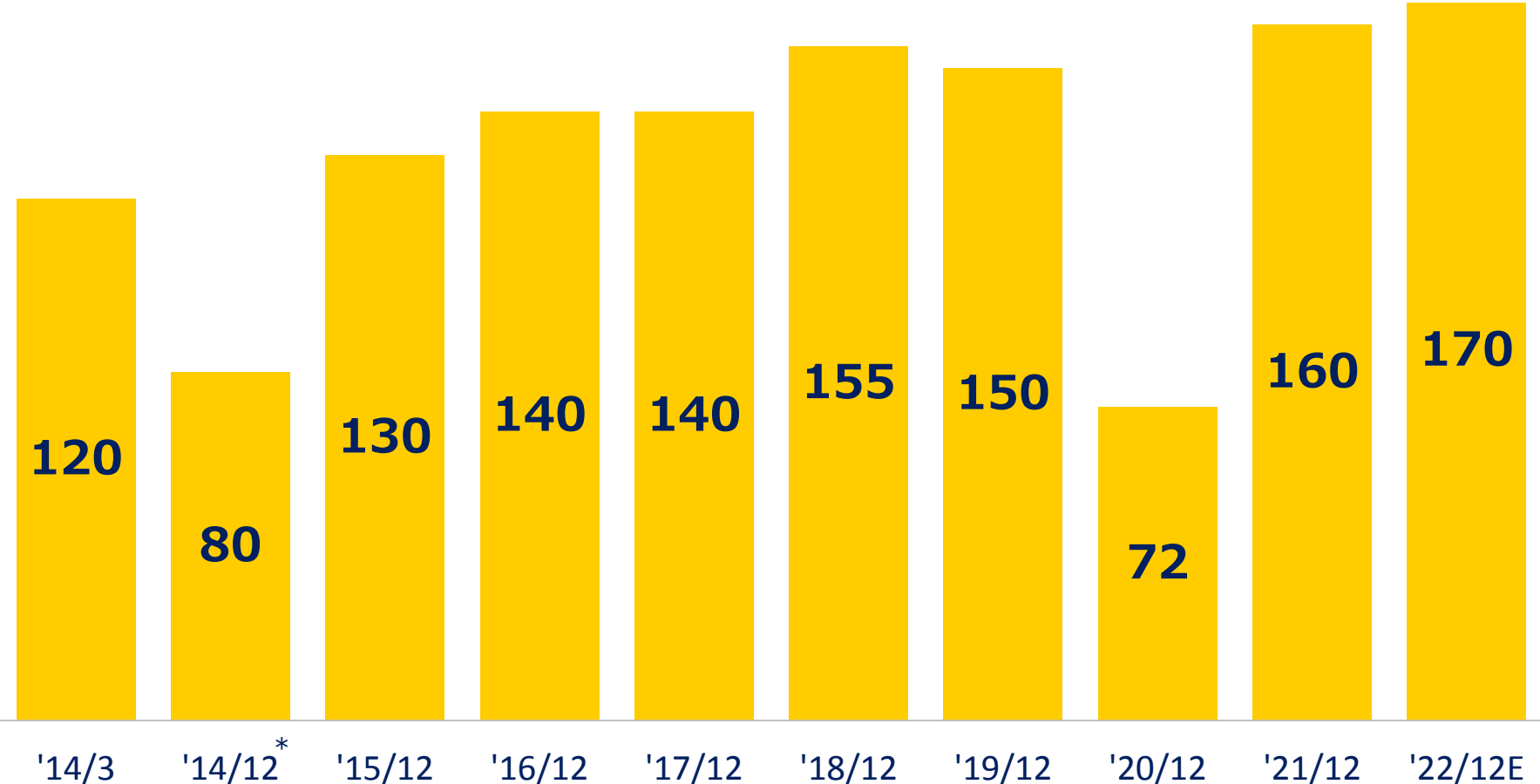


# Flexible purchase of own shares depending on the cash condition



Plan to purchase up to 17 billion yen, 4.2 million shares, in 2022

## ● Share buy-back history (100 million JPY)



\* Irregular accounting period of 9 months

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

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# Formulating 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

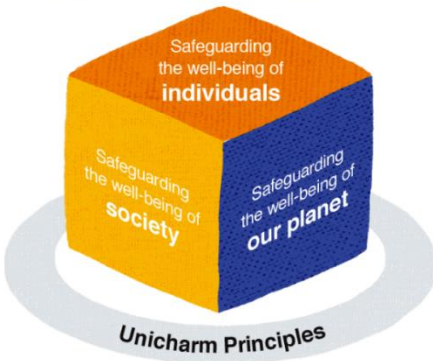
**Our goal**

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)

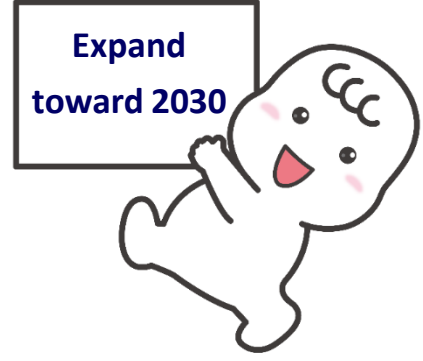
# Support “lengthening healthy life expectancy” with products and services for the senior citizens



## ◆ 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



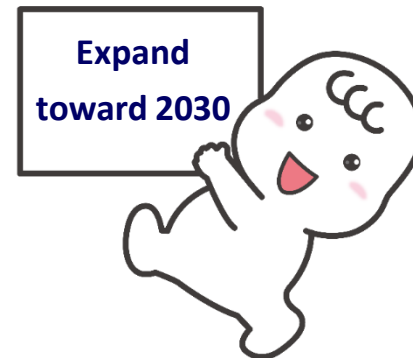
\* The condition of being frail with physical, mental, psychological, and social aspects are all combined. The condition is progressive but improvable by countermeasures.

(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



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

## #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

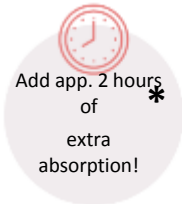


# (Safeguarding the well-being of each individual)

## 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



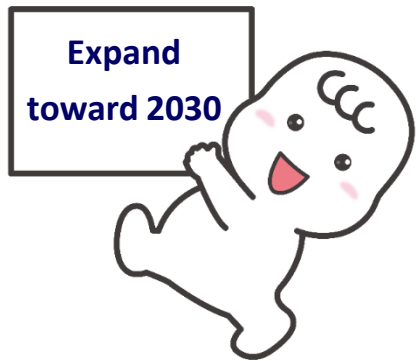


(Safeguarding the well-being of each individual)

# 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

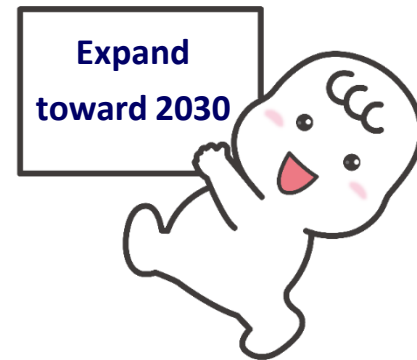


(Safeguarding the well-being of each individual)

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



◆ Improvement of childcare



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.

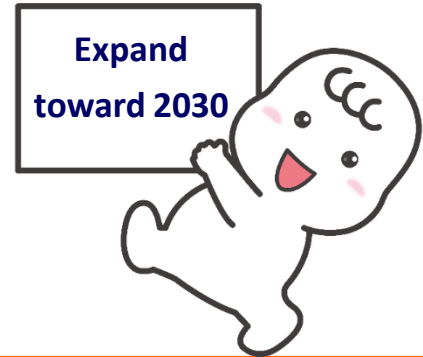


\* The structure in which microcapsule containing natural active ingredient is applied to the tape part that holds diaper. Survey targets are disposable baby diapers with major global brands. (Survey by Unicharm, December 2020)

(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**

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

◆ Boost high value-added masks rollout globally



# Key initiatives, indicators, and target values



## ◆ Safeguarding the well-being of society

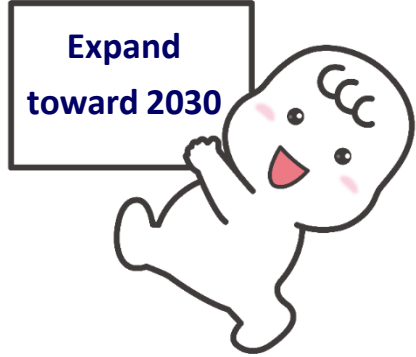
Key initiatives	Indicators	Target value	Target year
Our aim is to provide products and services that not only improve the safety, security, and satisfaction of our customers, but also contribute to solving social issues and promoting sustainability.			
Innovations to achieve “NOLA & DOLA”	Percentage 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 disposable 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 disposable 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".  
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(Safeguarding the well-being of our planet)

# Initiatives for safety and environmental consideration



## ◆ Development of eco-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





(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

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

Country	Percentage of renewable electric power
Brazil	100%
Vietnam	About 13%
Thailand	About 8%
Japan	About 5%

## ◆ Offices with 100% of renewable electric power used

Brazil  
Jaguariuna Factory



Japan  
Kyushu Factory



(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

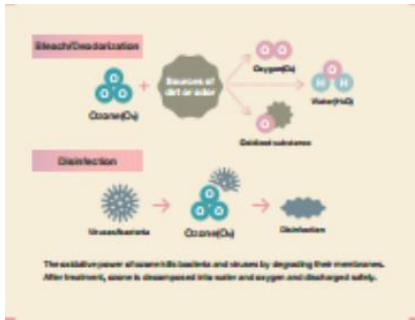
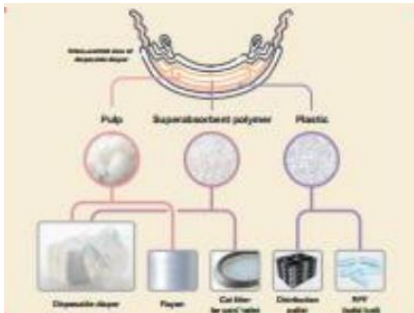
## ◆ Keep it safe and convenient, toward the future where recycling is the norm

**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 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.

◆ Explain graphically how used 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>

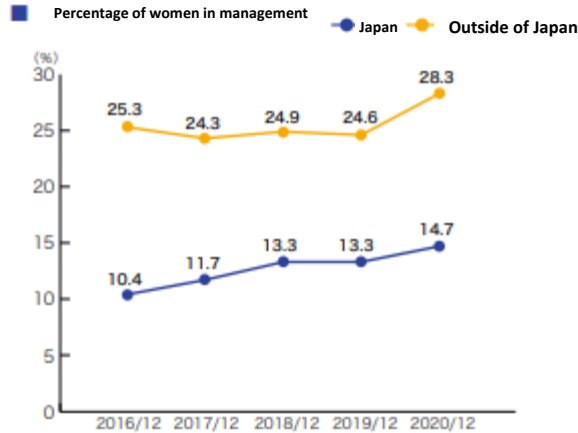
# Key initiatives, indicators, and target values



## ◆ 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

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

Contribution to **SUSTAINABLE DEVELOPMENT GOALS**

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

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

Customer data collection  
Digital infrastructure development for data utilization

Foster digital human resources to  
accelerate digital utilization



◆ "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



# Domestic initiatives utilizing digital technology-2

◆ Support your kitty's health care in cooperation with RABO, Inc. \*1

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



with  
**Catlog**

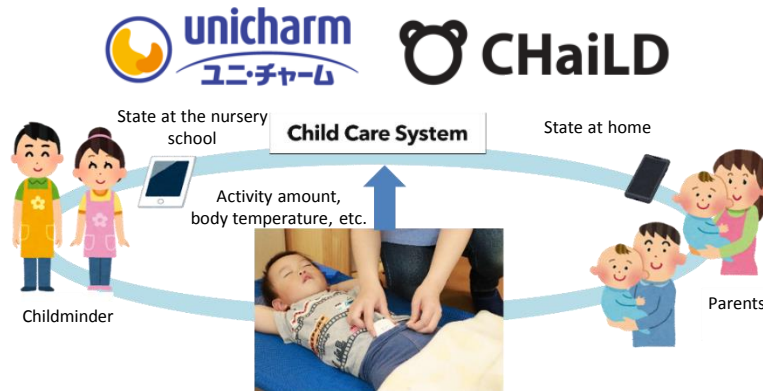


\*1 RABO, Inc. <https://rabo.cat/company/>

\*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

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



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

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# Domestic initiatives utilizing digital technology-3

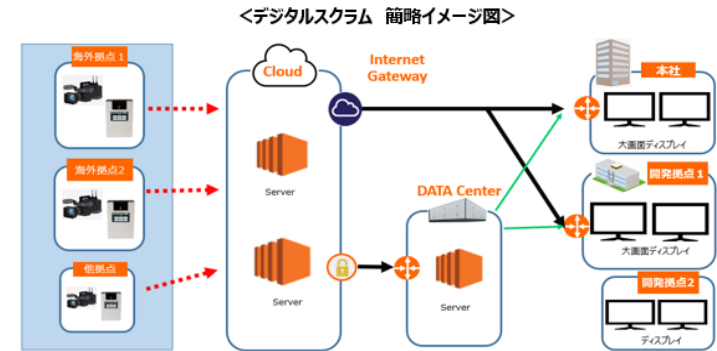
◆ Evolved value transmission through digital measures outside the store before visiting stores



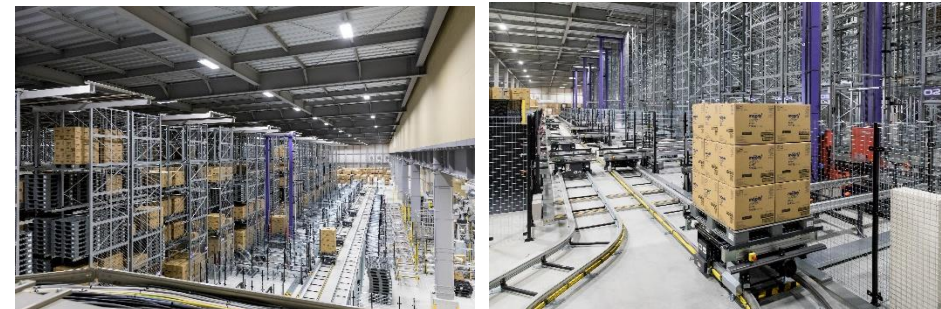
◆ Promoted visualized factories by installing various automated facilities and cutting-edge smart factories applying IoT



◆ Developed “Digital Scrum System” to discover customer insights



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



# Overseas initiatives utilizing digital technology

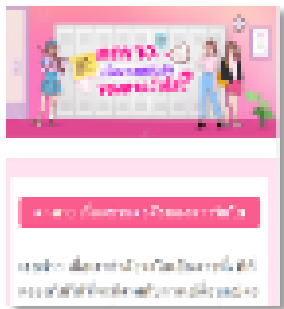
## ◆ Pet growth recording tool + O2O pet clinic introduction platform “Pet note”



**宠本本**  
悉心记录 相伴一生



## ◆ An app “Sofy Girl Talk” that supports women's physiological knowledge and worries



## ◆ “Mamypoko Club” that realizes a unique customer experience for baby diapers



# Evaluation by external organizations and coordination with them

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

Integrated Index

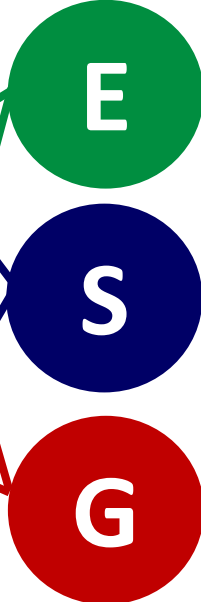
Thematic Index

FTSE Blossom Japan

S&P/JPX  
カーボン  
エフィシエント  
指数

MSCI | MSCI ジャパンESG  
セレクト・リーダーズ指数

MSCI | MSCI日本株  
女性活躍指数 (WIN)



Other SRI Index

FTSE4Good

Bloomberg  
Gender-Equality  
Index  
2022

# 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 CO<sub>2</sub> 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 4 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, Malaysia and Japan etc. acquired the certification

\*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.

## ■ 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

\*2 January 2020 (Survey by Unicharm)

## ■ 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 about 50% of raw material suppliers and OEM manufacturers were established by the end of December 2021

# 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.

## ■ Yr. 2022 Selected for "Bloomberg Gender Equality Index" for the second consecutive year



## ■ Certified as Sports Yell Company 2021 by Japan Sports Agency



## ■ 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



# Evaluation by external organizations and coordination with them

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



- Jointly won “Logistics DX and Standardization Award” in FY2021 Green Logistics Partnership Conference\*1

- ✓ Unicharm Products Co., Ltd., together with Sumitomo Seika Chemicals C., Ltd., Hitachi Transport System, Ltd., Imoto Lines. Ltd., and VANTEC CORPORATION, was appreciated for the efforts of converting containers to export products to overseas to domestic material transportation

\*1 In the Conference, the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism, etc. award business operators that especially show significant achievement in development of sustainable logistics system

- Won “SDGs Strategy/Economic Value Award” in the 3rd Nikkei SDGs Management Awards

- ✓ Activities such as initiatives supporting women worldwide for many years and “used disposable diaper recycling” in the ongoing demo-project are appreciated

- The ‘moony wipes’ series won an award in the 13th Mothers Selection Award 2021 \*2



\*2 An award that is selected and commended based on the results of votes from mothers as part of child-rearing/mother support.



- Won the 2nd SCA Award - companies creating “next generation human resources” that can be recommended to people in their 20s -

Career  
SelectAbility  
AWARD 2021

- 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)

