unicharm
Love Your Possibilities



Unicharm Group Integrated Report 2025

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Editorial Policy

In compiling *Integrated Report 2025*, we referred to the International Integrated Reporting Framework* of the International Financial Reporting Standards Foundation (IFRS Foundation), the Guidance for Collaborative Value Creation 2.0 issued by Japan's Ministry of Economy, Trade and Industry, and other guidelines.

Environment Social Governance
Guidance for Collaborative Value Creation

* This framework was originally published by the Value Reporting Foundation (VRF), which was formed by the merger of the International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB). The VRF consolidated into the IFRS Foundation in August 2022.

Period of Coverage

Integrated Report 2025 covers the period from January 1, 2024 to December 31, 2024 (fiscal 2024). However, it also includes information on activities held prior to and after this period, in addition to future targets.

Scope of Coverage

The scope of the report covers the Unicharm Group, which comprises Unicharm Corporation and its consolidated subsidiaries in Japan and overseas. However, it also includes information on certain non-consolidated subsidiaries and affiliated companies. References to "Unicharm," "the Company," or "the Group" in this report indicate the Unicharm Group. Company names are listed individually when there is a need to specify the scope.

Caution Regarding Forward-Looking Statements

In addition to information about the Unicharm Group's past and present performance and business activities, *Integrated Report 2025* includes forward-looking statements on strategies, plans, results, and other matters. These statements have been prepared based on the information available as of the time of writing. Please be aware that, due to a variety of factors, our actual business performance and activity results may differ significantly from the information presented in this report.

Date of Issue

June 19, 2025

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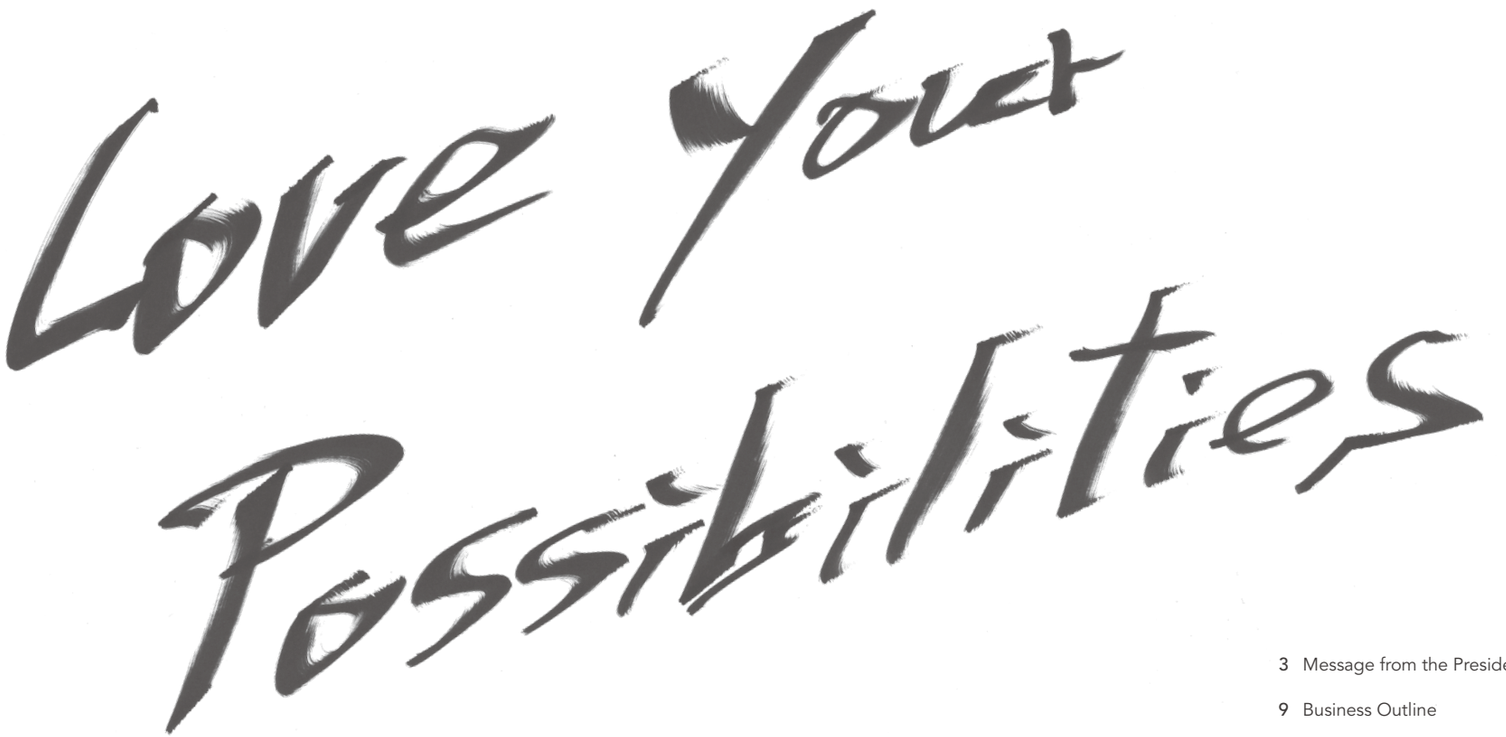
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"Love Your Possibilities," Unicharm's corporate brand essence, handwritten by President & CEO Takahisa Takahara

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I am certain that Unicharm can become the best company in the world through the efforts of all of its employees, who fully demonstrate their capabilities by believing in their own potential and implementing management with resonance.

Takahisa Takahara
President & CEO

Unicharm's Corporate Brand Essence: "Love Your Possibilities"

Unicharm has adopted the goal of becoming the world's leading company in terms of both relative and absolute value by 2030. Relative value—value that can be compared using specific figures—refers to targets including net sales of ¥1,500 billion, core operating income ratio of 17%, return on equity (ROE) of 17%, and a leading global market share for Unicharm's nonwoven fabric and absorbent materials business. In comparison, absolute value represents the differentiated value that only Unicharm can create. By creating such value, the Company aims to earn recognition from consumers to the extent that they cannot imagine their lives without its products or services. In addition, since Unicharm regards

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relative value as merely the outcome of absolute value, it recognizes that it must prioritize the pursuit of absolute value.

In February 2024, we unveiled our new corporate brand essence, "Love Your Possibilities," to communicate this absolute value extensively to all of our stakeholders. This brand essence expresses Unicharm's commitment to realizing a cohesive society in which all people are united and support one another, believing in their unlimited untapped potential and demonstrating this potential with a spirit of compassion and altruism.

Looking Back on the Launch of Project-L

The basic policy of Project-L, Unicharm's 12th Medium-Term Management Plan, is to create absolute value that helps realize a cohesive society by developing products and services for women, and to increase relative value by maximizing the lifetime value of all people and pets across the world.

In fiscal 2024, the opening year of the plan, net sales rose 5% from the previous fiscal year to ¥989.0 billion and core operating income increased 8.2% to ¥138.5 billion, both of which were record highs.

In Japan, sales and income increased due to a growing recognition of appropriate pricing that reflects the value offered by our products, greater exposure and improved sales promotions for our products at retailers, and the growth of our wellness care and pet care categories. In addition, in India our disposable baby diapers captured the leading market share (as of December 2024) and feminine care continued to achieve profitability. In China and Southeast Asia, rollouts of unique products that reflect local needs and the strengthening of promotions in rapidly growing e-commerce channels drove a steady improvement in business performance. Meanwhile, we are steadily building bridgeheads in newly entered categories, including wellness care and pet care. In the Middle East, products containing olive oil that reflect local lifestyles continued to grow in popularity, while profitability improved steadily in North America and Brazil.

In fiscal 2025 and beyond, Africa and countries including India and its neighbors—where market expansion is expected due to increases in the target population and economic growth—will become key regions for the personal care business, such as wellness care, feminine care, baby care, and cleansing wipes. Accordingly, we plan to move forward with strategic rollouts of products pursuing absolute value that reflect local consumer needs. In the Pet Care Business, we also expect ongoing growth in the United States, which is a major market, and we plan to advance business expansion proactively in China and Southeast Asia.



Billboard design revamped to coincide with the unveiling of "Love Your Possibilities"

12th Medium-Term Management Plan ▶ Pages 35–36

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Unicharm's Unique Circular Business Model

In this section, I would like to introduce several of the Company's achievements from fiscal 2024. First, looking at sustainability initiatives, since 2016 Unicharm has championed the Recycle for the Future (RefF) Project, which promotes the recycling of used disposable diapers. Under the project, Unicharm established its own unique system for cleaning and separating diapers and recycling them into hygienic pulp that is as good as new, by using ozone treatment to sterilize them. We also succeeded in recycling super absorbent polymers and plastic separated during the recycling process. As part of such social implementation efforts, in June 2022 we launched trials of *Lifree Side Leak Prevention Tape-on RefF M Size* disposable adult diapers, which use recycled pulp, at nursing care facilities in the Kyushu region of Japan, to help facilitate widespread adoption of this technology. Thereafter, we expanded the lineup and sales regions for RefF products. In April 2024, we launched the general sale of *MamyPoko Pants RefF* disposable baby diapers and *Deo-Toilet Deodorizing / Disinfecting Sheets RefF*, an absorbent sheet for cat toilets. In March 2025, we accelerated our rollout of products using recycled materials, including the launch of *Deo-Sand: Paper Sand That Deodorizes with Fragrance RefF,* a product for cat toilets made using super absorbent polymers recycled from used disposable diapers.

Meanwhile, since 2019 we have operated *Hands-Free Commute*, a subscription service that provides baby diapers and baby wipes to childcare facilities, in partnership with BABY JOB Co., Ltd. As of December 31, 2024, more than 5,230 childcare facilities across Japan had adopted the service. In April 2023, *Hands-Free Commute*, which helps ease the burden on childcare workers and improve work efficiency for working parents, started collecting used disposable diapers from childcare facilities that use the service in Shibushi City in Kagoshima Prefecture.

In August 2024, we began provision of *MamyPoko Pants RefF,* disposable baby diapers designed specifically for childcare facilities. The diapers use pulp extracted from the used disposable diapers collected by *Hands-Free Commute*. The provision of the diapers links the use, collection, and recycling of used disposable diapers, thereby realizing a circular business model unique to Unicharm. In the future, we aim to expand this recycling loop by collecting used disposable diapers from all childcare facilities that have adopted *Hands-Free Commute*.



Writing Unicharm's corporate brand essence, "Love Your Possibilities," which features on page 2 of this report

As of December 31, 2024, we were operating plants for recycling used disposable diapers in two municipalities in Kagoshima Prefecture—Shibushi City and Osaki Town. We aim to establish such plants in 10 municipalities in Japan and overseas by 2030. Our future goal is to expand a circular business model unique to Unicharm at a global level.

RefF-Related Initiatives to Expand Possibilities for Society and the Planet
Pages 55–57

Our future goal is to expand a circular business model unique to Unicharm at a global level.

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We aim to help maximize lifetime value by promoting digital transformation that is unique to Unicharm, which has continuously addressed women's concerns over many years, through the provision of sanitary pads.

Digital Platforms to Maximize Lifetime Value

Next, I will discuss Unicharm's digital transformation (DX) initiatives. Unicharm's DX aims to use digital technology to conduct in-depth analyses of long-overlooked consumer insights, seeking out the essence of needs that consumers themselves are not aware of to create products and services that address these needs. With this in mind, the Company established the Marketing by DX (MDX) Division and embarked on a variety of initiatives. One of the outcomes of these initiatives is the *Sofy Be* period and physical condition tracking app, which was launched in fiscal 2024. *Sofy Be's* focus on hormones is a key advantage that takes period tracking apps to the next level. As well as tracking menstrual cycles, the app makes it easy for users to understand changes in their physical condition by visualizing the relationship between physical, mental, and hormonal changes on a graph. By incorporating an AI chat function, it also supports women who have no one to discuss physical and mental health issues with.



Through the *Sofy Be* app, we aim to provide extensive support for women at various life stages, including menstruation, conception,* childbirth, childcare, menopause, and nursing care. For example, we linked *Sofy Ninkastu Orimono Sheet*, which we launched in fiscal 2023, with *Sofy Be* to create a service for women who are trying to conceive. In addition, when developing new products and services, we draw on analysis of the huge volume of data amassed through *Sofy Be*, including people's daily emotional ups and downs and physical condition.

In doing so, we seek to provide personalized products and services that address individual concerns. In these ways, we aim to help maximize lifetime value by promoting digital transformation that is unique to Unicharm, which has addressed women's concerns over many years, through the provision of sanitary pads.

* Refers to acquiring knowledge, discussing with family members, monitoring one's physical condition, and receiving fertility treatment, among other activities people often engage in when trying to conceive a child

Unicharm's Unique Digital Transformation: *Sofy Be* Period and Physical Condition Tracking App—Linking Digital Technologies and Products ▶ Page 29

Product Development for People Trying to Conceive: *Sofy Ninkatsu Orimono Sheet* ▶ Page 26

Instilling Management with Resonance

RefF, *Hands-Free Commute*, and *Sofy Be* are just some examples of products and services that realize "Love Your Possibilities." Management with resonance, Unicharm's unique management model, is essential to accelerating such activities on a Groupwide basis. Two-way communication between management and frontline employees is at the heart of this model. Frontline understanding of management perspectives, including policies and strategies, and management recognition of frontline wisdom helps foster deeper understanding of Companywide targets, enabling everyone to act on their own initiative. Like a pendulum, two-way communication transfers ideas back and forth between management

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and employees, building a groundswell of understanding across the organization. Unicharm seeks to harness this groundswell to achieve business growth through the growth of each employee.

There is a reason for this emphasis on instilling and operating a unified management model across the Group: Unicharm operates businesses in approximately 80 countries and regions, and its approximately 16,000 employees have a wide variety of cultural backgrounds and values, and management with resonance, is effective in aligning this diverse range of employees with each other.

In fiscal 2022, we launched the Global OODA Caravan to promote management with resonance. Under this initiative, I visit business sites around the world to engage in frank discussions with frontline employees. I have participated in the Global OODA Caravan on 18 occasions, communicating directly with more than 700 employees.

Management with Resonance ▶ Pages 18–23

Global OODA Caravan in Fiscal 2024



Brazil


India



Thailand



Japan (Tohoku Branch)

Like a pendulum, two-way communication transfers ideas back and forth between management and employees, building a groundswell of understanding across the organization. Unicharm seeks to harness this groundswell to achieve business growth through the growth of each employee.

Unique, Universal, and United

In a business environment where consumer needs are becoming increasingly diverse and the pace of change is accelerating, it is becoming more difficult each year to provide highly unique products and services promptly and quickly. Unicharm must further accelerate the pace of its business development and employee growth if it is to achieve its goal of a unique company in the world in terms of absolute value and the best company in the world by 2030 in terms of relative value. In fiscal 2025, the Company therefore shared three keywords with employees: Unique, Universal, and United.

"Unique" is a particularly important keyword. I believe that we must aim to achieve a uniqueness in all our business activities that ensures we are not

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compared, and defy comparison, with other companies. “Universal” also means for Unicharm to resonate globally and we will raise the bar so that we are loved globally. As part of these efforts, in January 2025 we launched sanitary pads suited to local needs in several countries in East Africa, including Kenya.

Lastly, “United” literally signifies working as one toward a shared goal. I am certain that Unicharm can become the best company in the world through the efforts of all of its employees, who fully demonstrate their capabilities by believing in their own potential and implementing management with resonance.

Pursuing Business Expansion in Kenya and Initiatives to Address Hygiene Issues Across Africa ▶ Page 49

Takahisa Takahara
President & CEO
Unicharm Corporation
June 2025

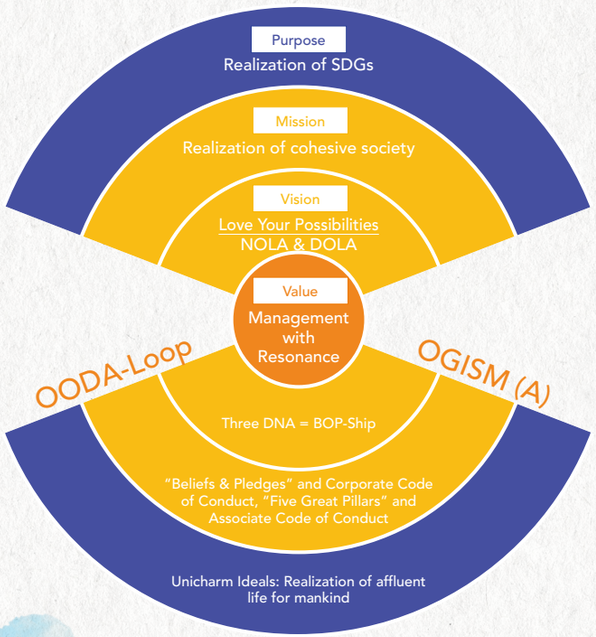
The Unicharm Way

Purpose Our Reason for Existence
The realization of the SDGs

Mission What We Want to Achieve
To Realize a Cohesive Society (Social Inclusion)
At Unicharm, we believe in a cohesive society (social inclusion) that ensures each person is independent while supporting others in a way that allows just the right sense of distance, enabling everyone to spend their lives in the way they so wish regardless of their situation, including vulnerable members of society and those who are at a disadvantage either temporarily or for an extended period due to aging, illness, childbirth, menstruation, or other factors.

Vision How We Want to Achieve
Realizing “Love Your Possibilities” and “NOLA & DOLA”
“Love Your Possibilities“ is our corporate brand essence, which incorporates our hope of providing all people, from newborns to the elderly, with products and services that provide mental and physical support through gentle care so that they may be free of their burdens and can fulfill their dreams, as depicted in “NOLA & DOLA” (Necessity of Life with Activities & Dreams of Life with Activities), which has been our vision up to now.

Value What We Must Focus on in Order to Achieve
Promoting Management with Resonance
Management with resonance is a unified management model promoted by all of Unicharm’s employees. It serves as a framework for senior management and frontline employees to work as one toward a shared goal. All Unicharm employees aim to realize the shared goal of creating a cohesive society by aligning their direction while constantly thinking and acting on their own initiative.



Unicharm Ideals

- We contribute to creating a better quality of life for everyone by offering only the finest products and services to markets and customers, both in Japan and abroad.
- We strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities.
- We bring forth the fruits of cooperation based on integrity and harmony, by respecting the independence of the individual and striving to promote the Five Great Pillars.*

* The Five Great Pillars: (1) Founder’s spirit, (2) Enterprising spirit, (3) Spirit of simplicity and fortitude, (4) Spirit of collaboration, and (5) Spirit of respecting people (Established: 1974)

Three Aspects of Our DNA = Best Practiceship, Ownership, and Partnership
Beliefs & Pledges and Corporate Code of Conduct
Five Great Pillars and Associate Code of Conduct ▶ *Sustainability Report 2025*, Page 4

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Business Outline

Centered on its nonwoven fabric and absorbent material processing and molding technologies, Unicharm operates the Personal Care Business, which comprises wellness care products, feminine care products, and baby and child care products (including disposable diapers, sanitary pads, and cleansing wipes), and the Pet Care Business, which comprises pet care products (including pet food and toilet-related products for pets), in approximately 80 countries and regions globally.

Overview of the Unicharm Group (Fiscal 2024)

Founded in 1961
Celebrated the 64th anniversary of its founding in February 2025

80 countries and regions globally
Operates businesses extensively across the world

Nonwoven fabric and absorbent materials businesses
Ranked 3 globally and 1 in Asia
Note: Sources for market shares are INTAGE Inc. (SRI+®) for Japan, NIQ, and Euromonitor International for overseas. Cumulative market share in sales for the period January 2024 to December 2024

Overseas sales to net sales ratio
65.9%

Net sales
¥989.0 billion

Core operating income
¥138.5 billion

Core operating income ratio
14.0%

Market capitalization
¥2,425.9 billion
(As of December 30, 2024)

Number of consolidated subsidiaries
50
Japan 7, Overseas 43

Number of production sites
40
Japan 17, Overseas 23

Number of overseas R&D bases (suboffices)
6
Thailand, Indonesia, India, China, Saudi Arabia, and Vietnam

CO_2 emissions
6,669.2 thousand tons
4.3% reduction compared with fiscal 2021

Number of Group employees
16,464
Japan 3,211
Overseas 13,253

Percentage of locally hired employees in management positions (general manager and above) at overseas subsidiaries
58.7%

Percentage of female managers
25.5%
Japan 17.7%, Overseas 30.9%

Percentage of positive answers received for the "Growth Through Work" section of the employee awareness survey
90.1%

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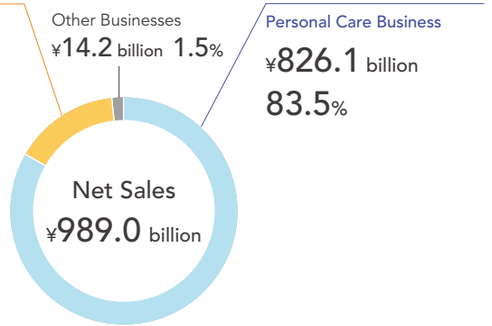
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Unicharm offers products and services that are indispensable to hygienic lifestyles for every generation of people, from infants to the elderly, and products and services that enrich life with pets. Through these products and services, the Company helps improve quality of life (QOL) for both people and pets.

Net Sales by Business Segment

(Fiscal 2024)



Wellness Care Products

Personal Care Business

Major Products
- Disposable adult diapers
- Urine absorption pads
- Light urinary incontinence pads
- Light fecal incontinence pads
- Cleanliness care products for nursing care
- Masks
- Cleaning wipes
- Parchment paper
- Commercial-use food packaging materials

Major Services
- Provision of nursing care and incontinence care education

Major Brands

Lifree, Caryn, Certainty, Charmnap, 超立体, ウェーブ

Wellness Care Products (Personal Care Business) Page 40

Pet Care Products

Pet Care Business

Major Products
- Dog food
- Cat food
- Toilet-related products for dogs
- Toilet-related products for cats
- Animal healthcare products

Major Services
- Consultation service regarding pets

Major Brands

グランデリ, Best Balance, Allwell, Silver Spoon, Hartz, Delectables, マナーウェア, デオトイレ

Pet Care Products (Pet Care Business) Page 41

Feminine Care Products

Personal Care Business

Major Products
- Sanitary pads and additional absorption pads
- Menstrual cups • Menstrual tampons
- Period underwear and absorbent underwear
- Panty liners
- Incontinence liners, pads
- Personal cleansing wipes, feminine wipes, and intimate washes
- Cosmetic cotton pads
- Facial towels • Facial masks

Major Services
- Period-tracking app
- Menarche and menstruation education

Major Brands

SOFY, CHARM, Diana, Silcot, KIREY CARE, FRESSI CARE

Feminine Care Products (Personal Care Business) Page 42

Baby and Child Care Products

Personal Care Business

Major Products
- Disposable baby diapers
- Pants-type disposable diapers for night use
- Pants-type disposable diapers for toilet training
- Pants-type disposable diapers for playing in the water
- Baby wipes and cleansing wipes
- Cleansing lotion for babies' bottoms
- Nursing pads and maternity pads

Major Services
- Disposable baby diaper and baby wipes subscription service for childcare facilities
- Provision of childcare information

Major Brands

moony, MamyPoko, BabyJoy, Bobby, BabyLove, PETPET, Fitti

Baby and Child Care Products (Personal Care Business) Page 43

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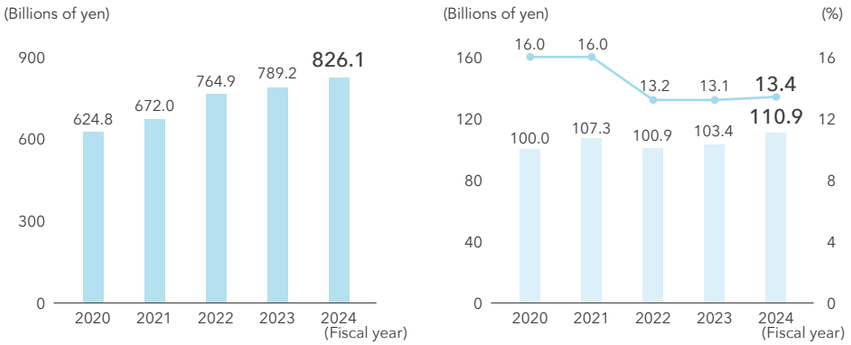
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Wellness Care Products, Feminine Care Products, and Baby and Child Care Products (Personal Care Business)

Net sales ¥826.1 billion
+4.7% year on year

Core operating income ¥110.9 billion
+7.3% year on year

Core operating income ratio 13.4%
+0.3pp year on year



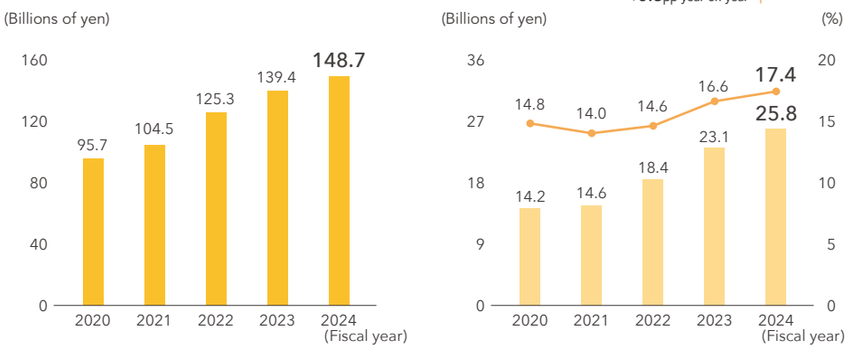
Core operating income (left scale)
Core operating income ratio (right scale)

Pet Care Products (Pet Care Business)

Net sales ¥148.7 billion
+6.6% year on year

Core operating income ¥25.8 billion
+11.9% year on year

Core operating income ratio 17.4%
+0.8pp year on year



Core operating income (left scale)
Core operating income ratio (right scale)

S Strengths

- Leading position in Asian market
- Nonwoven fabric and absorbent material processing and molding technologies
- Highly original marketing and product development capabilities focused on women
- Product range targeting a wide range of people, from infants to the elderly
- Product development capabilities that anticipate consumer needs
- Rapid strategy implementation
- Overseas business development capabilities
- Geographical risk hedging with operations in a broad range of regions, from emerging markets to developed economies
- Industry-leading patent application and registration rates
- Unique recycling technology capabilities

W Weaknesses

- Increasingly negative consumer attitudes toward disposable products
- High percentage of fossil fuel-based raw materials

O Opportunities

- Rising income levels and emerging needs for improved hygiene in emerging markets
- Rising disposable incomes of women
- Growth in the number of people receiving nursing care in developed countries
- Increase in the number of elderly people aiming for healthy retirement (extended healthy life expectancy)
- Greater awareness of the importance of preventing infections
- Upsurge in demand for safe products that offer peace of mind and for high-value-added products

T Threats

- Changes in demographic dynamics, such as declining birthrates
- Raw material price fluctuations
- Geopolitical risks
- Exchange rate volatility
- Disputes in relation to intellectual property, such as patents and trademarks
- Addressing of environmental issues
- Dramatic market structure changes due to entrants from other sectors

S Strengths

- Nonwoven fabric and absorbent material processing and molding technologies
- Extensive product lineup encompassing everything from pet food to toilet-related products
- Product development capabilities that anticipate consumer needs
- Rapid strategy implementation
- Overseas business development capabilities
- Unique recycling technology capabilities

W Weaknesses

- Increasingly negative consumer attitudes toward disposable products
- High percentage of fossil-fuel based raw materials

O Opportunities

- Growth in the size of the pet population due to an increase in the number of single- and two-person households
- More people seeking to live life with pets
- Upsurge in demand for safe products that offer peace of mind and for high-value-added products
- Rising demand for pet toiletries due to growing trend of raising pets indoors
- Increasing longevity of pets due to advances in medical care and technology

T Threats

- Geopolitical risks
- Exchange rate volatility
- Disputes in relation to intellectual property, such as patents and trademarks
- Addressing of environmental issues
- Dramatic market structure changes due to entrants from other sectors

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Value Creation History

Entry into the Sanitary Pads Business in 1963

Although Unicharm initially manufactured and sold building materials when it was founded in 1961, it launched a sanitary pads business in 1963. At the time, sanitary pads in Japan were sold discreetly in the corners of drugstores and had various design flaws. As a result, menstrual periods restricted many women's social activities, such as attending school or going to work. Unicharm entered the sanitary pads business to address this social issue. In those days, the Company had no expertise in sanitary pads and its efforts to develop sales channels were a continuous process of trial and error.

Contribution to the Transformation of Childcare Practices

Thereafter, Unicharm turned its attention to childcare, which was emerging as a new social issue. At the time, most diapers in Japan were made of cloth and washing large volumes of diapers while caring for infants placed a significant burden on caregivers. Overseas brands of disposable diapers already available in Japan were unpopular with most families as their price was higher than their quality. To address this issue, Unicharm developed disposable baby diapers with elasticated gathers to prevent any leakages and sweatiness, launching *Moony* in 1981, and *Moonyman*, a pants-type disposable diapers brand, in 1992, which became a byword for disposable diapers. Through these and other disposable diaper brands, the Company helped transform childcare practices.

Focus on the Issue of Bedridden People in Nursing Care

The aged rate in Japan—the proportion of the population aged 65 and older—surpassed 7% in 1970 and reached 14% in 1994, making the country an aged society. At that time, there were around three times as many bedridden people receiving home care and approximately five times as many receiving residential care in Japan than in Europe and the United States, due to the mistaken belief that confining people to their beds was the right approach to take. In 1995, under the slogan "Aiming for zero bedridden people," Unicharm responded to this social issue with the launch of *Lifree Rehabilitation Pants*, pants-type disposable diapers for adults that wearers can pull up and down themselves and which do not leak, even in the event of involuntary incontinence.

Unicharm has achieved growth through its efforts to tackle social issues. These initiatives have been passed down to its local subsidiaries in countries and regions across the world.

In 2007 in Indonesia, Unicharm launched *MamyPoko Pants Standard*, disposable diapers that combine high quality with a low price. By selling these disposable diapers individually, in keeping with local shopping habits, we contributed to hygienic lifestyles and helped ease the burden of childcare for people who had not previously been able to afford them.

Meanwhile, in India, we operate Project Jagriti in rural areas where the use of sanitary pads is limited, both to popularize these products and to promote women's financial independence. The project supports women entrepreneurs who operate shops selling *SOFY* sanitary pads and other products.

In addition, in January 2025 we began to produce and sell sanitary pads in Kenya to contribute to the advancement of women in society and help address social issues by popularizing hygiene products in Africa. Accurately identifying society's needs, Unicharm will continue to create new value that contributes to the realization of a cohesive society by leveraging its strengths to spur innovation.

Helping Indian Women Dispel Negativity and Fulfill Their Dreams ▶ Page 50

Pursuing Business Expansion in Kenya and Initiatives to Address Hygiene Issues Across Africa ▶ Page 49

Changes in Net Sales and Operating Income (J GAAP)/ Core Operating Income (IFRS) and Market Capitalization

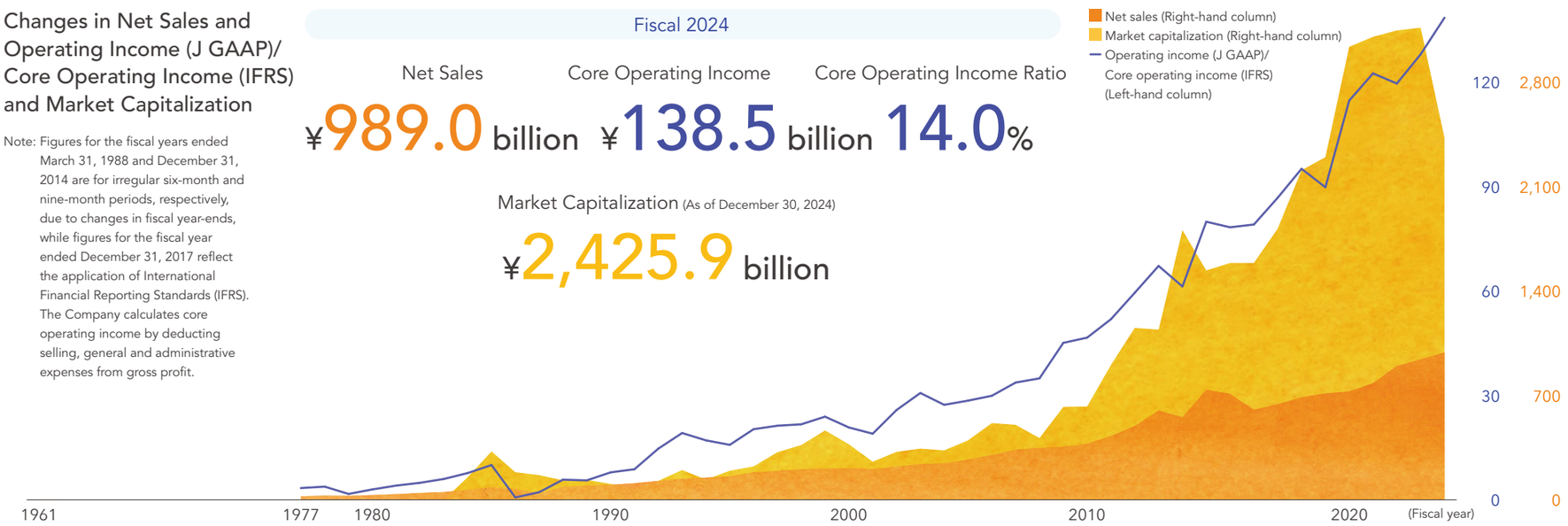
Note: Figures for the fiscal years ended March 31, 1988 and December 31, 2014 are for irregular six-month and nine-month periods, respectively, due to changes in fiscal year-ends, while figures for the fiscal year ended December 31, 2017 reflect the application of International Financial Reporting Standards (IFRS). The Company calculates core operating income by deducting selling, general and administrative expenses from gross profit.

Fiscal 2024

Net Sales	Core Operating Income	Core Operating Income Ratio
¥989.0 billion	¥138.5 billion	14.0%

Market Capitalization (As of December 30, 2024)

¥2,425.9 billion



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1961 to 2002
Building Materials Business

1963 onward
Feminine Care Business

1976

Japan *Charm Nap Mini*, Slim-Type Sanitary Pads



Value Offered

Most sanitary pads in Japan at the time rely on their thickness to alleviate wearers' anxieties about leakages. Amid these circumstances, Unicharm develops a sanitary pad with ample absorption capabilities, even at approximately half the thickness of conventional sanitary pads.

Social Impact

Charm Nap Mini contributes significantly to accelerating the advancement of women in society by meeting newly recognized needs for ease of movement and alleviation of anxieties about leakages.

1986 onward
Pet Care Business

1987 onward
Wellness Care Business

1993

Japan *Sofy Sara Side Gathered*, Sanitary Pads with Three-Dimensional Gathers



Value Offered

Unicharm develops sanitary pads with side barriers made from three dimensional gathers based on the gathers used in disposable diapers.

Social Impact

The three-dimensional gathers alleviate wearers' anxieties about sideways leakages, helping women who wish to lead active lives during menstruation.

1961 to Early 1980s (Japan)

Social Context

- Changes in employment structure caused by rapid economic growth
- Acceleration in the advancement of women in society
- Improvements in living standards, with the majority of Japanese people feeling that they have attained middle-class status
- Advancement of the nuclear family

Product Portfolio History

Founded in 1961, Unicharm begins operations with the manufacture and sale of wood wool cement board, a building material, and starts the manufacture and sale of sanitary pads in 1963. Thereafter, the Company expands its nonwoven fabrics and absorbent materials-related business, laying the foundations for growth. In the 1980s, it diversifies its activities to operate businesses in various fields.

Late 1980s to Early 1990s

- International initiatives for achieving gender equality (Establishment of Japan's Act on Equal Opportunity and Treatment between Men and Women in Employment)
- Increase in the number of dual-income households and decline in the population (Japan)
- Remarkable economic growth in Asia

During this period, Unicharm begins globalizing its operations, positioning Asia, where strong economic growth is projected, as a key market in expectation of population decline and market maturation in Japan.

1981 onward
Baby and Child Care Business

1984 to 1993
Marriage Information Service Business

1988 to 2004
Resorts Business

1986 to 2008
Education Business

1981

Japan *Moony*, Disposable Baby Diapers



Value Offered

Despite acceleration in the advancement of women in society, in Japan women are still largely responsible for childcare. In this context, Unicharm develops *Moony*, a disposable baby diapers brand, from a desire to ease the burden of childcare in some small way.

Social Impact

Moony's outstanding absorption capabilities and affordable price trigger the rapid popularization of disposable diapers in Japan.

1992

Japan *Moonyman*, Pants-Type Disposable Baby Diapers



Value Offered

Whereas conventional disposable diapers are put on by fastening tape around a baby's waist, Unicharm develops, manufactures, and sells *Moonyman*, the world's first pants-type disposable diapers. Designed to be put on like pants, the diapers are easy for caregivers to change and comfortable for babies to wear.

Social Impact

Against the backdrop of the advancement of women in society, Unicharm helps ease the burden of childcare on families, including by making it easier for any family member to change a baby's disposable diapers.

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1995

Japan *Lifree Rehabilitation Pants*, Pants-Type Disposable Adult Diapers



Value Offered

Under the slogan "Aiming for zero bedridden people," Unicharm develops pants-type disposable adult diapers from the viewpoints of not only caregivers but also care recipients.

Social Impact

With this slogan becoming widely known throughout Japan, the product helps reduce the number of bedridden, elderly people being cared for in the country by enabling care recipients to change their diapers by themselves.

2011

Japan *Urine Diapers for Male Dogs*, Incontinence Care Product for Dogs



Value Offered

Unicharm develops an incontinence care product for dogs that both facilitates the care of ill, injured, and elderly dogs and addresses the concerns of owners, including measures against scent-marking.

Social Impact

The diaper's easy-to-use form garners public attention and drives the expansion of the disposable pet diapers market. *Urine Diapers for Male Dogs* makes life easier for owners and their dogs, contributing to the creation of a society that allows owners to enjoy going out with their pets.

2020

Japan *AllWell*, Health Food for Cats



Value Offered

Using its in-house-developed technology for blending dietary fiber, Unicharm develops a health food for cats that quickly breaks down and absorbs food in their stomachs to alleviate the problem of food regurgitation, which has been a cause for concern for many cat lovers.

Note: *AllWell* is not effective against vomiting caused by illness.

Social Impact

With people spending more time at home due to the COVID-19 pandemic, *AllWell* plays a role in alleviating the anxieties of pet owners whose first concern is their cats, with whom they spend an increasing amount of time.

Late 1990s to the 2000s

- Transition from an aging society to a super-aging society (Japan)
- Globalization of environmental issues
- Turmoil in financial markets across the world following the terrorist attacks of September 11, 2001 and the 2008 global financial crisis

Unicharm reorganizes its business portfolio, selling several businesses, including its founding building materials business. To reestablish growth foundations while accelerating its expansion in Asia, the Company focuses management resources on products related to nonwoven and absorbent materials.

2010s

- Dramatic expansion of the Asian market
- Growth of emerging markets, such as Africa and South America
- Increasing severity of environmental issues, including global warming and pollution caused by plastics

Driven by the dramatic expansion of the Asian market, the Company accelerates its growth while expanding into Africa, South America, and other markets.

2020s

- Changing attitudes to hygiene due to the COVID-19 pandemic
- Growing awareness of environmental and social issues thanks to the United Nations Sustainable Development Goals (SDGs)
- Sharp increase in raw material costs and acceleration in inflation globally due to increasing geopolitical risks

The Company both raises customer satisfaction and achieves appropriate pricing by proposing new products tailored to local needs.

2007

Indonesia *MamyPoko Pants Standard*, Disposable Baby Diapers



Value Offered

Unicharm develops *MamyPoko Pants Standard* to deliver high-quality disposable diapers to all infants. Designed with a focus on the functions required by consumers in Indonesia and other Southeast Asian countries, the diapers combine high quality with a low price.

Social Impact

The Company prices *MamyPoko Pants Standard* to make them accessible to people who would not previously have been able to afford them. The diapers garner the endorsement of a vast number of consumers in the region. Offering hygienic and convenient disposable diapers helps ease the burden of childcare on families.

2013

China *SOFY Ultra-Sound-Sleep Peace-of-Mind Pants*, Pants-Type Sanitary Pads for Night Use



Value Offered

Based on exhaustive surveys and detailed analysis of the unfiltered views of customers in China, Unicharm develops pants-type sanitary pads for night use with a similar feel to conventional underwear that allow people to manage menstruation with ease and peace of mind, features sought by younger customers.

Social Impact

The Company launches this product as *SOFY Ultra-Sound-Sleep Peace-of-Mind Pants*, contributing to the expansion of the pants-type sanitary pads market within the sanitary pads market.

2022

Japan *Lifree Side Leak Prevention Tape-on RefF*, Tape-Type Disposable Adult Diapers



Value Offered

Unicharm develops, manufactures, and sells tape-type disposable diapers for adults, which use recycled pulp extracted from used disposable diapers as part of the absorbent materials.

Social Impact

The launch of this product marks Unicharm's first step toward its ideal of creating circular consumer goods, an indispensable element for the realization of a sustainable society.

RefF-Related Initiatives to Expand Possibilities for Society and the Planet
Pages 55–57

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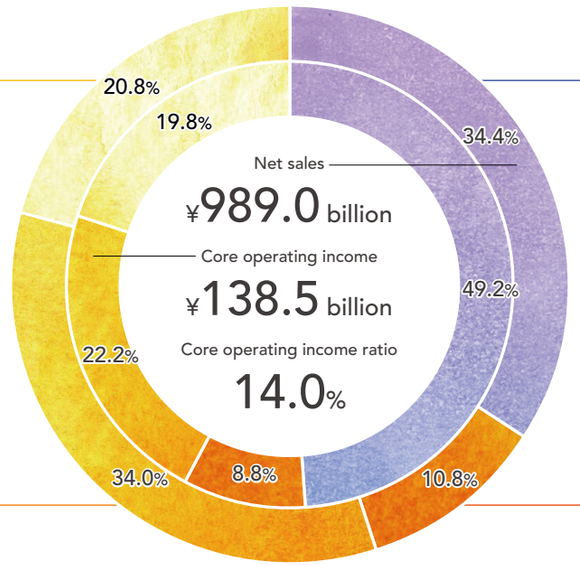
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Overseas Expansion

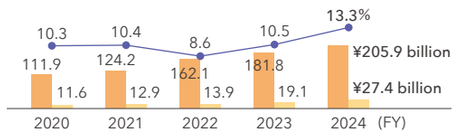
Unicharm began proactively globalizing its business in the 1980s in response to changing demographics. Beginning with the establishment of a joint venture company in Taiwan–Greater China in 1984, the Company now operates businesses in approximately 80 countries and regions globally. The various products and services it offers are seeing increasing demand in regions throughout the world, as they are indispensable for leading hygienic and healthy lives.

Distribution of Net Sales*1 and Core Operating Income Ratio by Country and Region (Fiscal 2024)

*1 Net sales to external customers



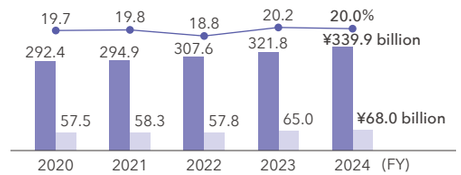
Other*2



4,293 | 13 | 4

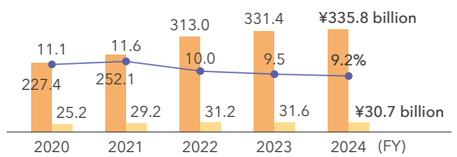
*2 The main countries and regions of operation are North America, Saudi Arabia, Brazil, and the Netherlands.

Japan



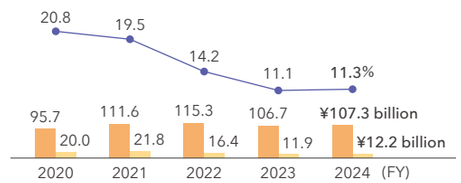
3,211 | 7 | 17

Asia



7,288 | 24 | 14

China



1,672 | 6 | 5

Number of Group employees	Number of consolidated subsidiaries	Number of production sites
16,464	50	40

The above bar graphs illustrate five-year trends in Net sales ( ), Core operating income ( ), and Core operating income ratio (—).

Milestones of Overseas Expansion

- 1984 Taiwan–Greater China
- 1987 Thailand
- 1993 Netherlands
- 1994 South Korea
- 1995 China
- 1997 Malaysia, Indonesia
- 2002 Philippines
- 2005 Saudi Arabia
- 2006 Vietnam
- 2008 Australia, India, Russia
- 2009 United States
- 2010 Egypt
- 2013 Myanmar
- 2014 Brazil
- 2018 Singapore
- 2025 Kenya

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Selling sanitary pads in Kenya

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Value Creation Model

Purpose: The Realization of the SDGs

Source of Unicharm's Value Creation

- Individual capabilities (Human capital)
- Ability to safeguard the well-being of our planet (Natural capital)
- Networking capabilities (Social and relationship capital)
- *Monozukuri* capabilities (Manufactured capital)
- Organizational capabilities (Intellectual capital)
- Cash-generating capabilities (Financial capital)

Business Activities

NOLA & DOLA

Enhancing individual employees' implementation capabilities—which are the source of all our strengths—as well as increasing our organization's effectiveness in utilizing individual capabilities to promote Groupwide resonance

Management with Resonance ▶ Pages 18–23

Research and Development ▶ Pages 25–26

Developing and producing high-value-added products using our unique nonwoven fabric and absorbent material processing and molding technologies

Intellectual Property ▶ Pages 26–27

Production ▶ Page 24

Financial Policy ▶ Pages 31–33

Digital Transformation (DX) ▶ Page 29

Sales ▶ Page 30

Allocating generated funds

Providing products and services designed to meet the needs of all people

Marketing ▶ Page 28

Kyo-sei Life Vision 2030 Corporate governance

Responsibility as a company engaged in business activities

Medium-Term Management Plan

Strategies to translate absolute value into profits

Outcomes of Our Business Activities

Love Your Possibilities

Wellness care products
Contribution to the realization of societies where everyone can live their lives with a sense of independence

Pet care products
Contribution to the realization of societies where pets are welcomed by family members and community residents

Feminine care products
Contribution both to the realization of societies where women are unrestricted by their menstrual periods and other gynecological issues and to hygienic lifestyles

Baby and child care products
Contribution to the realization of societies where infants and their families can live healthily and happily

Consumption of resources
Generation of waste

Contribution to the realization of a circular economy

Vision of the Future

Realizing a cohesive society

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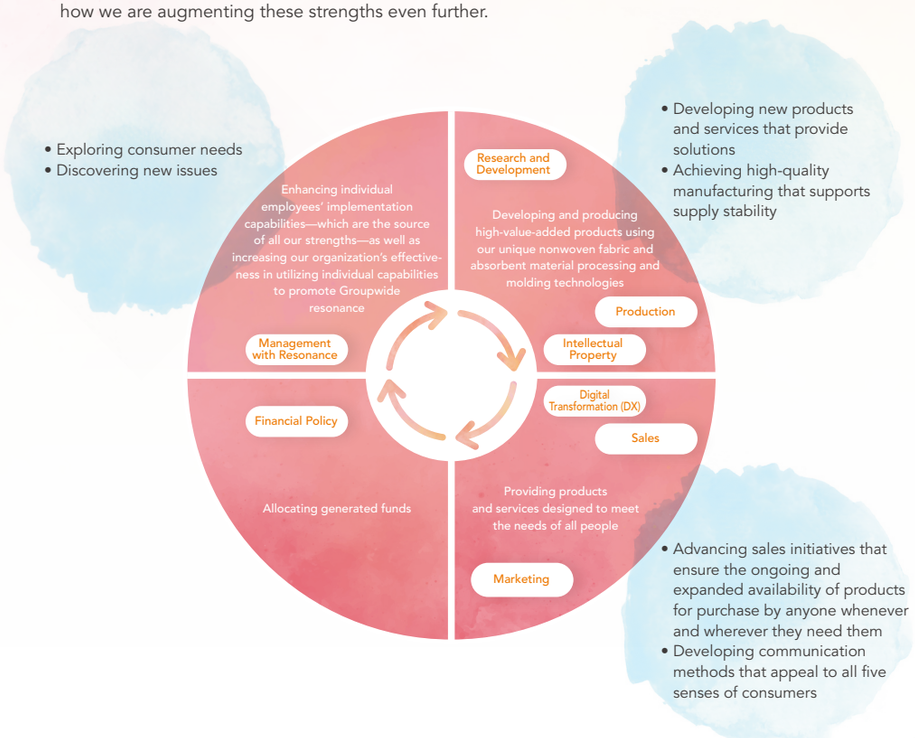
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Business Activities Based on Strengths

In contributing to the realization of a cohesive society through its businesses, Unicharm must ensure that its products and services remain the preferred choice of its customers. For this reason, our products and services must offer unique absolute value that only we can create, which we define as value that dispels negativity, such as discomfort, inconvenience, and unsanitary conditions, and that thereby helps people to fulfill their dreams and experience the pleasure and joy of living. Both inside and outside the Company, Unicharm communicates this idea through "Love Your Possibilities," its corporate brand essence.

The absolute value symbolized by "Love Your Possibilities" is created and enhanced through close attention to the actual situations that customers experience in day-to-day life. Painstaking efforts rooted in real life have supported the development of all our signature strengths, which include exploring consumer needs, discovering new issues, developing new products and services that provide solutions to such issues, achieving high-quality manufacturing that supports supply stability, advancing sales initiatives that ensure the ongoing and expanded availability of products for purchase by anyone whenever and wherever they need them, and developing communication methods that appeal to all five senses of consumers. The absolute value that we pursue is created when we utilize these strengths in business activities.

This section focuses on how we utilize our strengths to create unique value in businesses and how we are augmenting these strengths even further.





Enhancing individual employees' implementation capabilities —which are the source of all our strengths—as well as increasing our organization's effectiveness in utilizing individual capabilities to promote Groupwide resonance



Naoe Hirooka
Executive Officer, Co-Chief Inclusion Officer (CIO), General Manager of Global Marketing Communication Division, and Department Manager of Love Your Possibilities PR Department

At Unicharm, we believe that people are the source of our competitive edge and the driving force of value creation. Our value creation entails using unspoken consumer needs as the basis for new products and services while continuously manufacturing products and maintaining supply stability and high levels of quality. Our strengths in manufacturing (including technology and development capabilities), marketing, and sales initiatives such as service rollouts are essential to such activities. These strengths are underpinned by employee capabilities and organizational capabilities that utilize them fully. Therefore, maximization of employee and organizational capabilities is key to the continued growth of Unicharm's businesses.

We believe that even the best plans achieve nothing unless properly implemented, and emphasize implementation capabilities as an essential skill for all Unicharm employees, regardless of their position. Accordingly, enhancement of these capabilities is given priority in our human resource development. Our businesses only realize their strengths and create unique value when employees in all positions demonstrate their implementation capabilities. With this in mind, Unicharm is strengthening employees' ability both to formulate highly effective plans and to steadily implement and accomplish them. At the same time, we are building an organization that aligns the directions of all employees while respecting their different cultures and values. We call individuals who possess all the aforementioned capabilities "resonant personnel" and use them as role models for all employees. Resonant personnel are fostered through our distinctive "management with resonance" approach to business management.

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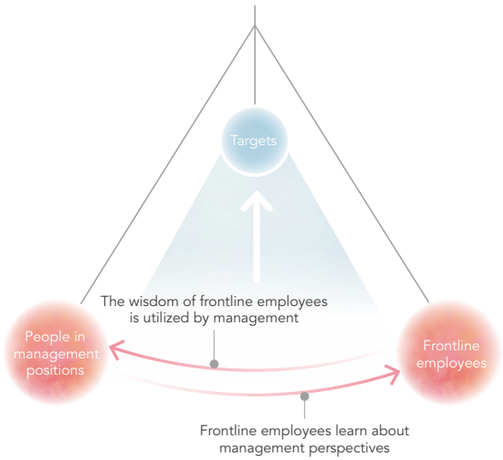
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Management with Resonance

Management with resonance is a distinctive management method aimed at corporate culture creation and corporate management implementation that enable individual employees to realize their visions. Establishing this kind of corporate culture and management makes each employee an epicenter of change. On a Companywide scale, these individual vibrations of change become amplified, resonate together, and influence each other.



Practicing management with resonance gives the management team frequent exposure to direct feedback and honest opinions from the front lines. Meanwhile, dialogue with the management team enables employees to learn about its perspectives, viewpoints, and time frames. Deepening mutual understanding between the management team and employees and firmly establishing shared goals cultivates a sense of unity that is simultaneously challenging and reassuring. At Unicharm, we aim to achieve resonance that is like a pendulum of day-to-day ingenuity and know-how swinging back and forth between management and employees.

By implementing a range of measures centered on efforts to instill The Unicharm Way throughout the Group, we promote management with resonance and maximize employee and organizational capabilities. Group policies and Companywide issues are discussed at the Management with Resonance Practical Meeting to ensure that the Company's vision is shared globally. Further, resonance among employees is encouraged through the Global OODA Caravan initiative, Reading Session of Integrated Report, The Unicharm Awards, and global conferences. In addition, we conduct weekly scrum* meetings in which unique tools and methods such as the Objectives–Goals–Issues–Strategies–Measures–Action Plan (OGISM [A]) table and the Observe–Orient–Decide–Act (OODA) Loop methodology are utilized to strengthen employee capabilities in relation to formulating, implementing, and accomplishing sophisticated plans. To give employees in the early stages of their careers more opportunities to gain an appreciation of management viewpoints, we are also stepping up development programs such as the Global 30 program and the Strategy Secretary to CEO program.

* At Unicharm, the smallest organizational units, such as sections or groups, are referred to as "scrums."

Instilling The Unicharm Way Throughout the Group

In promoting management with resonance, Unicharm believes that instilling the Company's values, ideas, and behavior in employees is important. We therefore ensure that all our employees worldwide are familiar with The Unicharm Way, which is a compilation of the values that everyone in the Group should share, action guidelines, and important statements from the management team. The Unicharm Way was previously distributed in booklet form. However, in fiscal 2021 we made it accessible via a Company smartphone app. Also, The Unicharm Way is available in English, Japanese, and seven other languages. As a result, all employees can refer to it whenever and wherever they want.

The Unicharm Way contains 11 items, including the Unicharm Group Charter of Actions, the Management with Resonance Practical Manual, and the Unicharm Terminology. The Unicharm Way is used in many different situations. For example, individual employees use it in their work, and supervisors cite it when instructing subordinates. It is also used as a reference at meetings. Thus, all employees refer to The Unicharm Way in their daily work and when making decisions.



In Focus Utilizing KYOSHIN to Instill The Unicharm Way

Primarily to advance Groupwide talent development measures, in fiscal 2020 we began introducing the KYOSHIN human resource development platform. As of the end of 2024, the platform is being used by 17 Group companies in Japan and overseas.

In addition to hosting basic functions such as personal profiles, the setting of performance goals, and personnel evaluations, KYOSHIN includes instructional videos on realizing The Unicharm Way in different scenarios. Translated into various languages, the videos are used by employees around the world for self-study.



Instructional video in Thai

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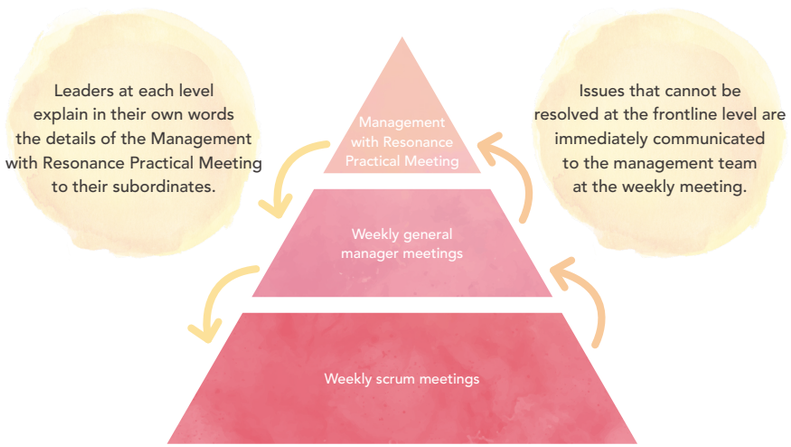
Sharing the Company's Management Philosophy and Goals Globally to Promote Resonance

Management with Resonance Practical Meeting

At the beginning of each week, we hold the Management with Resonance Practical Meeting so that the management team can communicate with leadership-level employees. From all over the world, hundreds of employees in the position of scrum leader or above, namely, general managers and section heads, participate in the meeting in-person or virtually. The president & CEO and other officers take turns to deliver speeches at the meeting, which cover a wide range of topics, from short-term issues such as progress toward single-year targets to the status of the medium-term management plan and other medium- to long-term measures. After the meeting, each scrum around the world meets to discuss how best to reflect the officer's speech in their own words. Repetition of this cycle every week trains individual employees to think deeply about the direction that the Company should pursue. Consequently, the directions of approximately 16,000 employees with different cultures and backgrounds naturally align, and individual strengths resonate with each other to form significant Groupwide strengths.

As of December 23, 2024, the Management with Resonance Practical Meeting has been held 1,013 times since the inaugural meeting on August 31, 2003.

Weekly Resonance Cycle That Begins with the Management with Resonance Practical Meeting



Global OODA Caravan

We conduct the Global OODA Caravan initiative, in which the president & CEO and frontline employees engage in face-to-face dialogue. Each employee shares thoughts on how their work can help Unicharm achieve its goal of becoming the world's leading company in terms of both absolute and relative value by 2030. Having all participants empathize with these thoughts and receive advice personally from the president & CEO heightens employees' motivation to achieve the Company's goal. The initiative was implemented 18 times in 13 countries and regions from fiscal 2022 through fiscal 2024. During this period more than 700 employees participated. In fiscal 2024, the caravan visited local subsidiaries in Brazil, India, and Thailand as well as the Tohoku Branch in Japan.



Commemorative photograph at the Global OODA Caravan (Thailand)

Feedback Comments from a Participant (Thailand)



Sumonrat Thawikit
Uni.Charm (Thailand) Co., Ltd.

Participating in the Global OODA Caravan has increased my understanding of what is expected of me as a scrum leader and strengthened my resolve to achieve our goal. By transforming our thinking, behavior, and skills and fully realizing our potential, we are sure to achieve the Unicharm Group's goal of becoming the world's best company by 2030.

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Reading Session of Integrated Report

We believe that heightening the motivation of individual employees at work enhances our overall ability to implement strategies and accelerate the achievement of business targets and human resource development. Reflecting this belief, Unicharm has been conducting Reading Session of Integrated Report at all Group companies since fiscal 2021. By ensuring employees understand the integrated report and demonstrating the relationship between their day-to-day work and Unicharm's value creation, the Company aims to give employees a sense of ownership of their work. In fiscal 2024, reading sessions were held at approximately 980 scrum meetings.

Global Conferences

Unicharm holds global conferences for each functional division with a view to sharing knowledge and strengthening organizational capabilities by presenting case studies of activities in various countries and regions.

For example, the Marketing Division holds the Global Marketing Conference once a year to share marketing-related best practices and knowledge from different countries and regions. In December 2024, we held the 15th Global Marketing Conference, which was attended by around 40 participants from 15 countries and regions. Participants strengthen the marketing capabilities of the entire the Group by interacting with each other to enhance their marketing skills, sharing what they have learned with coworkers in their respective countries and regions, and putting the new skills and approaches into practice.



Group photograph at the Global Marketing Conference

The Unicharm Awards

We hold The Unicharm Awards annually. The awards provide an opportunity for all employees to recognize teams that have achieved outstanding results through the practice of management with resonance. They are also an important learning opportunity for both the award winners and the audience and encourage resonance among employees. The award-winning teams are announced and the awards are presented online for business sites around the world. All of our employees gain specific know-how by benchmarking the best practices of representative teams from different countries and regions. At the fiscal 2024 awards, teams representing 16 countries and regions gave presentations.

The gold award, the highest commendation, went to the Lifree ZERO Decubitus team of PT UNI-CHARM INDONESIA TBK (UCI) in recognition of the team's contribution to an industry–government–academia collaboration to propose a care model that appropriately addresses the issue of bedsores in the nursing-care field.



Commendation ceremony at The Unicharm Awards



Feedback — Comments from a Participant (South Korea)

Kim Minji
LG Unicharm Co., Ltd.

Participating in the Global Marketing Conference broadened my horizons by enabling me to meet in person with marketers from a range of countries and regions who also work for the Unicharm Group and learn about market trends and best practices, including through discussions on the challenges each marketer faces and how they deal with them.

The conference was also a very meaningful experience in other ways. For example, I gained a great deal of knowledge and inspiration by learning about marketing principles and examining case studies while reconfirming the marketing support system that is provided by the head office. Participation in the Global Marketing Conference was a valuable opportunity for me to gain new perspectives and reflect more deeply on Unicharm's future strategic direction.



Feedback — Comments from Award Winners (Indonesia)

(From the left) **Luciama Ayu Lestari, Lisa Elfrina Siregar, and Zakia Shahiza**
PT UNI-CHARM INDONESIA TBK

Participating in The Unicharm Awards was a very valuable experience as it allowed us to listen firsthand to presentations from other countries and regions. We are proud that UCI received the gold award for the first time in 11 years. We won this award because the team members pooled their knowledge and skills as they worked toward the common goal of eliminating decubitus ulcers. Our ambitious initiative has only just begun. We will continue our efforts to eliminate decubitus ulcers in Indonesia.

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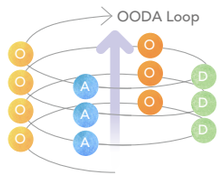
Strengthening Implementation Capabilities and Thoroughness—The Most Important Factors in Value Creation

The OODA Loop Methodology

To respond with flexibility and agility to the current era's ever-changing business conditions and achieve growth by always staying ahead of the curve, in fiscal 2019 we evolved our Schedule–Action–Performance–Schedule (SAPS) management model into the Observe–Orient–Decide–Act (OODA) Loop methodology. The SAPS management model was focused on a Plan–Do–Check–Act (PDCA) cycle and was used Groupwide.

The OODA Loop methodology involves quickly identifying changes by observing current business conditions (observe), correctly assessing situations (orient), making appropriate decisions (decide), and promptly taking action (act). Repetition of this cycle allows us to constantly review approaches and make fundamental changes. Moreover, our utilization of the OODA Loop methodology fosters employees who can rapidly accommodate changes in the business environment and act autonomously based on correct assessments of situations and appropriate decision-making.

Philosophy of the OODA Loop Methodology



Observe
Observe the situation using the five senses

Orient
Determine the situation using information obtained along with past experiences and knowledge

Decide
Make the right decision from the options available

Act
Take action promptly

Repeat loop

The cycle allows us to constantly review approaches and make fundamental changes.

The OGISM (A) Table

The OODA Loop methodology enables us to respond flexibly to changes in business conditions and achieve our goals. Formulating goals and strategies with a high degree of accuracy is key to making the best use of the methodology. With this in mind, we use the OGISM (A) table to enhance our ability to formulate goals and strategies. The table streamlines and consolidates plans into objectives (targets to be achieved within a certain period), goals (numerical targets), issues, strategies, measures (criteria), and action plans. Formulating sophisticated strategies requires high-caliber hypotheses, which in turn depend upon detailed analysis of current situations. Further, gathering information through close communication among frontline employees that transcends divisions and job levels is critical to facilitating such analysis. Using the OGISM (A) table in this way to enhance our strategic formulation capabilities enables sophisticated strategic formulation and improves both the quality and quantity of communication among frontline employees. Thus, use of the table contributes significantly to Unicharm's distinctive value creation.

Weekly Scrum Meeting

In implementing the OODA Loop methodology, ensuring that each scrum meeting holds rigorous discussions based on the methodology is of paramount importance. Continuously holding effective weekly meetings that consolidate the expertise of all scrum members accelerates both the achievement of performance goals and the development of members.

Advance Preparations
Using the OGISM (A) table, each scrum puts together strategies and an action plan to achieve its goals while members engage in active dialogue with each other to ensure that they share the same overall vision. The contents of the OGISM (A) table are reviewed on a half-yearly or quarterly basis.

Guided by the action plan in the OGISM (A) table, scrum leaders use the OODA Loop form to identify priority issues for the following week and create specific action plans.

Fridays
Leaders share the completed OODA Loop form with scrum members, who refer to it to put together an action plan in 30-minute increments for the following week using the weekly action plan form.



Daily Routine (Mondays to Fridays)
Members work based on their scrum's weekly action plan form, recording in it their accomplishments, unfinished matters, and other pertinent information at the end of the working day. Leaders keep track of the status of the work of members and offer appropriate advice while using the OODA Loop form to identify priority issues for the following week.

Mondays
At weekly scrum meetings, members share the weekly action plan forms that each of them has formulated in response to their leader's explanation of the content of the scrum's OODA Loop forms. Thereafter, all participants discuss priority issues and revise the action plan as necessary.

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Developing Succession Planning That Provides More Opportunities to Gain Early Appreciation of Management Viewpoints

The Global 30 Program

As part of our initiatives to ensure sustained growth, we are strengthening succession planning programs. Unicharm is focusing on the Global 30 program, a new three-year course to foster the Group's future senior officers through a curriculum for developing comprehensive management skills. Participants are expected to become members of management at their respective local subsidiaries after three years. At group training sessions held semi-annually in Japan, participants study liberal arts and a wide range of other subjects and have opportunities to communicate with the president & CEO and other members of the management team. Representing Group companies in Japan and overseas, the program's inaugural class has 17 trainees, who are scheduled to complete the program in fiscal 2027. We conducted the first two group training sessions in July 2024 and February 2025. In addition to attending outside instructor-led lectures on macroeconomics and going on facility tours to learn about the recycling technologies needed to realize a recycling-oriented society, participants experienced aspects of Japan's culture, such as the art of drawing the Japanese sword, the tea ceremony, and sushi making.



Participants try the art of drawing the Japanese sword

Strategy Secretary to CEO Program

Our Strategy Secretary to CEO program stems from the belief that early exposure to the thoughts and behavior of senior management enables employees to grow significantly as businesspeople. Under the program, mid-career employees who have worked at Unicharm for approximately a decade and are expected to become members of the senior management team serve as the strategy secretary to the president & CEO for a two-month term. During their term, program participants accompany President & CEO Takahara on all his duties, including business trips overseas, listening to his statements and observing his actions firsthand. This allows participants to learn about the mindset and behavioral traits required of corporate managers—such as mettle and decisiveness. As of December 31, 2024, 63 employees have participated in the program, which was launched in fiscal 2014.

Succession Plan ▶ Page 85





Feedback — Comments from a Participant (Australia)

Ruri Morris
Unicharm Australasia Pty Ltd

By participating in the Global 30 program, I learned many new things and gained numerous insights. Our on-site inspection tour of a recycling facility that is at the core of our used disposable diaper recycling project not only taught me concrete lessons about realizing a recycling-oriented society but also reminded me of the importance of sustainability. Furthermore, conversations with other participants have given me the chance to learn about diverse viewpoints and philosophies. Going forward, I would like to continue to actively incorporate the knowledge and experience gained through the Global 30 program into my work in Australia and thereby contribute to the creation of a sustainable business model and to the development of the Unicharm Group.



Feedback — Comments from a Participant (Japan)

Fumiaki Kondo
63rd strategy secretary to CEO
Unicharm Corporation

As the strategy secretary, I was able to participate in meetings and events that I would not normally be able to attend. All of them were valuable experiences, but the most memorable were the dialogues with overseas investors. I witnessed the members of senior management team carefully explaining consumer trends and their background, our position in the context of the competitive environment, and the direction in which we intend to proceed. This taught me that versatile communication skills are essential for members of the senior management team. As well as viewing and discussing events from a big-picture perspective that is cognizant of longer time horizons, they must be able to explain concrete solutions to current issues in an easy-to-understand manner. Since completing my term, I have tried to change my thinking and behavior so that I communicate more clearly. Specifically, I think about things from the standpoints of the people and departments I work with, and reconsider the value of the information that I share with them.

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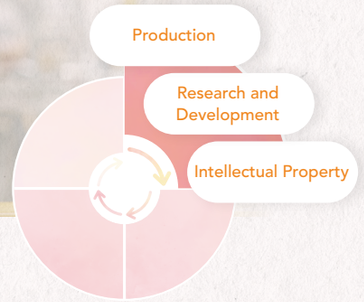
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Developing and producing high-value-added products using our unique nonwoven fabric and absorbent material processing and molding technologies

Masanori Yano
Senior Executive Officer, Co-Chief Supply Chain Officer (CSO) and President & CEO of Unicharm Products Co., Ltd.



The role of *monozukuri* (manufacturing) in Unicharm's value creation is to develop products and services that provide solutions to new needs and issues that consumers themselves may be unaware of. *Monozukuri* (manufacturing) also plays a critical role in building and operating stable supply systems to ensure that products are available to everyone whenever and wherever they need them. Advanced development and technological capabilities, high-quality production systems, and protection of these capabilities through the effective use of intellectual property are essential to fulfilling these roles. Unicharm advances research and development focused on nonwoven fabric and absorbent materials while developing and improving processing and molding technologies, which are indispensable for mass production. By seamlessly linking these development processes, we create high-value-added products.

At Unicharm, we believe that to maximize and utilize our distinctive development and technological capabilities and production systems effectively, we must enhance both the skills of our employees and the organization's ability to leverage them. With this in mind, we are expanding and enhancing measures to strengthen both individual and organizational capabilities. We are increasing the skills of individual employees by providing them with opportunities to participate in an even broader range of education and training programs. Through the establishment of systems that link and multiply the positive impact of individual skills, Unicharm is bolstering its strength as an organization.

Production
Achieving Outstanding Productivity While Reliably Supplying Society with Quality Products

In value creation, the goal for our *monozukuri* (manufacturing) is to make reliable products that give customers confidence and enthusiasm, by utilizing the world's most advanced nonwoven fabric and absorbent material processing and molding technologies and growing the organization into an optimal group of experts.

Production Activities Focused on Quality, Productivity, and Cost

In *monozukuri* (manufacturing), production divisions must heighten competitiveness and increase corporate value by pursuing an appropriate balance of product quality, productivity, and cost in accordance with the Company's strategies.

To this end, we have established the Unicharm Total Management Strategic System (UTMSS),*1 an original system for improvement activities. All our production sites use this system to enhance quality and productivity. Specifically, phenomena at production sites are viewed in terms of the three "gen" principles—*genba* (actual place), *genbutsu* (actual item or product), and *genjiten* (actual time)—and actions are taken to eliminate the causes of product defects and all forms of waste.

To advance employee education and training, we use a system of "sister plants" to introduce systems from Japan to overseas production sites. We also share best practice Groupwide through the annual Global Production Awards, in which plant personnel from around the world participate.

In addition to UTMSS, Unicharm is realizing reliable quality and efficient production by advancing digital transformation at production sites. We now use cameras, electronic measurement devices, and other digital devices in product inspections that were formerly conducted manually, enabling us to increase the frequency of inspections and improve their accuracy. Other initiatives include the introduction of smart factories that utilize automatic equipment and Internet of Things (IoT) technology. For example, the Kyushu Plant, which became our first smart factory in fiscal 2019, has introduced IoT technology that facilitates timely access to on-site data, automated*2 the conveyance and supply of heavy items by introducing robots and autonomous vehicles, and realized energy saving and better efficiency through AI-enabled data diagnosis that detects production line abnormalities and predicts failures. We are also steadily transforming other production sites into smart factories through the introduction of collaborative robots and Supervisory Control and Data Acquisition*3 systems. With a view to increasing our cost-competitiveness even further, we are building the foundations of a highly flexible global supply system by using contract manufacturers and boosting the development of specialized production personnel. Thanks to these initiatives, our fixed asset turnover ratio and equipment operating rate are improving.

*1 This is a concept and philosophy that promotes improvement activities to enhance management efficiency throughout Unicharm's unique business activities, from the receipt of orders to production, delivery, and collection.
*2 Our use of the term "automated" refers to automation that integrates digital technologies with human craftsmanship and know-how.
*3 These systems control and centrally monitor processes in manufacturing and industrial settings.

Quality ▶ Page 53

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Research and Development

Differentiating New Products and Services

The Global Research & Development Division is responsible for research and development related to *monozukuri* (manufacturing). In line with its Research Locally, Develop Globally vision, the division identifies the needs of customers through in-depth analysis of their lifestyles in respective countries and regions and then gives shape to ideas through a repeated process of hypothesis formulation and testing. The division also has two seemingly incompatible roles: the continuous creation of high-value-added products and the ongoing reduction of costs. To simultaneously fulfill these opposing roles, the division pursues approaches to *monozukuri* (manufacturing) that are unique to Unicharm. Specifically, we determine and analyze development themes based on the three considerations below.

Newness to a degree that "has not been seen before"

Satisfaction that is only obtainable from the product or service

Sound **profits** for all parties in the value chain, including Unicharm

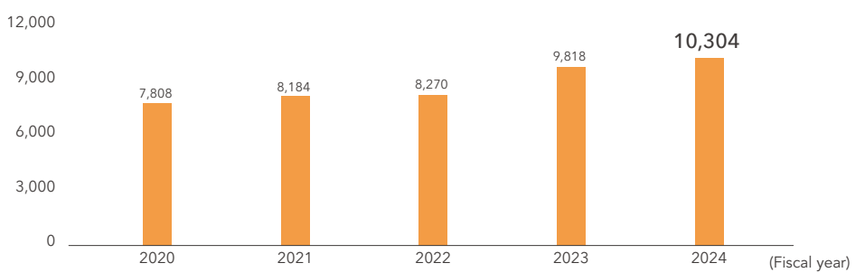
Product and Core Technology Development

In addition to product development, Unicharm engages in the ongoing development of core technologies to expedite product launches and enhance product performance.

In our product development, we engage in development from the user's standpoint, primarily in personal care and pet care. In developing personal care products, we create differentiated products by carefully analyzing the needs of customers at all life stages and formulating new ideas that transform unpleasant experiences into pleasant ones. As for the development of pet care products, Unicharm develops dog and cat food for specific breeds and ages with a view to contributing to pet health. The Company also painstakingly segments its development of toilet-related products for dogs and cats according to their living conditions, breed, and size.

R&D Expenses

(Millions of Yen)

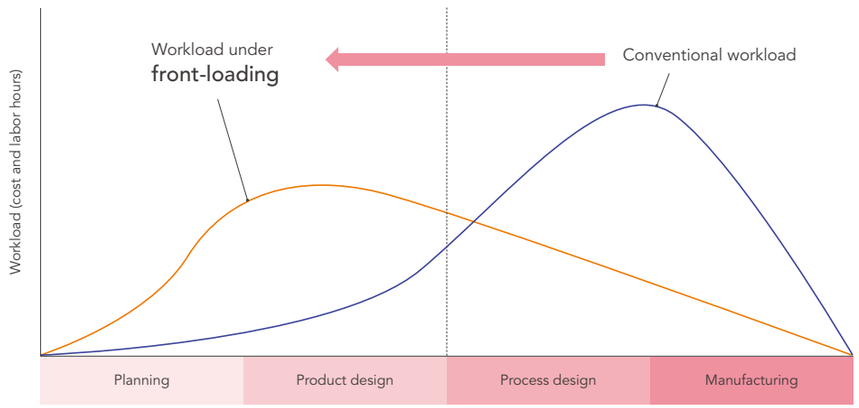


Our development of core technologies entails ongoing research and development (R&D) on processing technologies, pet food ingredients, and materials such as nonwoven fabric, super absorbent polymers, pulp, and paper. Development, production, and marketing divisions work together to ensure that Unicharm's advanced core technologies help shorten the lead time between research theme initiation and product launch.

R&D&E Structure That Closely Coordinates Three Functions

Unicharm's research, development, and engineering (R&D&E) structure features a front-loading* approach. Further, we rapidly develop and revamp products by closely coordinating three functions: the development of products that offer new value (research), the development of the new materials and technologies required to realize this value (development), and the development of equipment for stable mass production (engineering). Under this system, we hold biannual Management of Technology meetings to enhance our formulation and execution of development strategies. In relation to the development of products, production technologies, and materials technologies, we formulate road maps, which cover short-term and medium- to long-term periods and help us preemptively counter anticipated challenges. As Unicharm operates businesses globally, it is important to develop products that match demand in each country and region. To enable local development, we have established branch offices of the Product Development Division at six of our overseas subsidiaries (Thailand, Indonesia, India, China, Saudi Arabia, and Vietnam).

Workload Reduction through Front-Loading



* Front-loading refers to the investment of management resources in the initial processes of product development to bring forward work normally performed in later processes.

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In Focus

Product Development for People Trying to Conceive: *Sofy Ninkatsu Orimono Sheet*



In 1963, three years after Unicharm's founding, the Company expanded its business by beginning the manufacture and sale of sanitary pads that addressed women's menstruation-related concerns. As part of these efforts, several years ago we started to examine the possibility of developing products and services that support women who are trying to conceive.*1

We began developing *Sofy Ninkatsu Orimono Sheet* because we wanted to provide support in some small way for women with concerns about conception. For example, through various surveys we received comments from women who wish to become pregnant but are anxious about the process and those who are apprehensive about trying to conceive while raising children. Our surveys have revealed that among the important steps in trying to conceive, knowing when conception is most likely*2 to occur is crucial but requires significant effort on the part of women, including recording a range of data. Mindful of this, we began research into providing women with a convenient method they could use in everyday life to predict optimal times for conception. After many years of research, we identified a substance in women's vaginal discharge that indicates when they are most likely to conceive. Through repeated testing as it worked in cooperation with external institutions, the Marketing Division, and other parties, the Product Development Division successfully developed bio-tester technology that can detect this substance. The division also developed a sheet that can detect the substance, whatever the consistency of the vaginal discharge. This advance was achieved by devising a material with an original structure that reduces the viscosity of the discharge, allowing it to flow more easily to the bio-tester section.

Following multiple trials, in fiscal 2023 Unicharm was able to launch *Sofy Ninkatsu Orimono Sheet*. Moreover, the *Sofy Be* period and physical condition tracking app, which was launched in fiscal 2024, includes functions linking it with products, such as sending notifications on when to begin using *Sofy Ninkatsu Orimono Sheet* and recording usage.

*1 Refers to acquiring knowledge, discussing with family members, monitoring one's physical condition, and receiving fertility treatment, among other activities people often engage in when trying to conceive a child

*2 A time span of six days, which is the optimum time for conceiving

Unicharm's Unique Digital Transformation: *Sofy Be* Period and Physical Condition Tracking App —Linking Digital Technologies and Products ▶ Page 29

Intellectual Property

Protecting Differentiated Products and Services to Heighten Competitiveness



In *monozukuri* (manufacturing), intellectual property (IP) activities are focused on steadily applying for and obtaining IP rights to sustain competitive advantages. Responsibility for formulating and implementing IP strategies is shouldered principally by the Intellectual Property Division, which is independent of development and business divisions. The Intellectual Property Division centralizes the management of the IP assets of the Unicharm Group in Japan and overseas and formulates and executes IP strategies that are integrated with the Group's business and development strategies. For example, to maximize the protection that IP rights provide for the differentiated and beneficial attributes of our products and services, we proceed with strengthening support for IP creation, IP protection, and IP rights utilization as part of a single cycle. To ensure proper management of IP rights, the Intellectual Property Division works with development and business divisions to conduct regular quantitative evaluations and inventories of the Company's IP rights.

In more than 160 countries and regions around the world, Unicharm has applied for and secured trademark rights, which it uses to protect brands and proprietary packaging rights. It also builds and strengthens its IP portfolio by expediting the acquisition of patent and trademark rights through active use of the Japan Patent Office's Patent Prosecution Highway Program and other accelerated examination systems in the countries and regions in which it operates. Meanwhile, the Company takes a firm stance on protecting its IP rights. To tackle the infringement or unauthorized use of IP and eliminate unauthorized and counterfeit products, we take measures such as filing lawsuits. In advancing such protection efforts, the Intellectual Property Division cooperates closely with relevant divisions and subsidiaries and works with government agencies in the countries and regions where Unicharm operates.

Making Active Use of IP

We focus on achieving an IP mix that provides multifaceted protection to our high-value-added products and services by including a range of IP rights, such as patents, utility models, designs, and trademarks. We seek this protection with the following two aims.

Deter the marketing of imitative high-value-added products	Deter the marketing of similar products with lower prices

To prevent other companies from imitating our high-value-added products, we acquire patents for new technologies and use the accompanying rights. In Asia, where our brand is particularly powerful and numerous lower-priced imitations modeled on the appearance and selling points of our products are marketed, we mainly use trademarks, designs, and utility models to minimize any potential damage to our sales.

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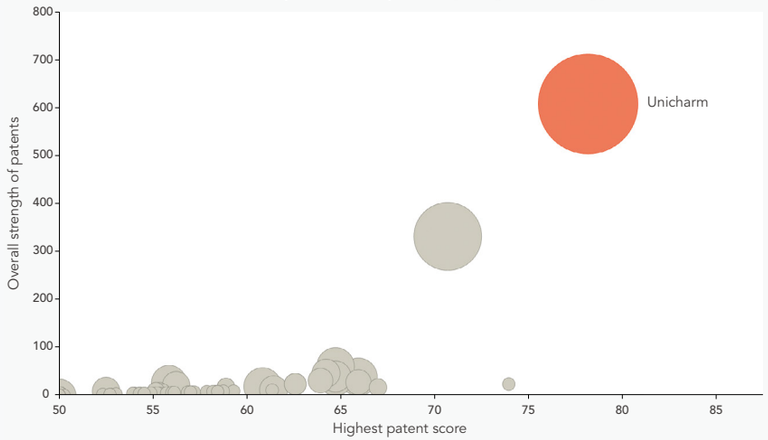
In Focus

Effective Utilization of IP Based on Used Disposable Diaper Recycling Technology

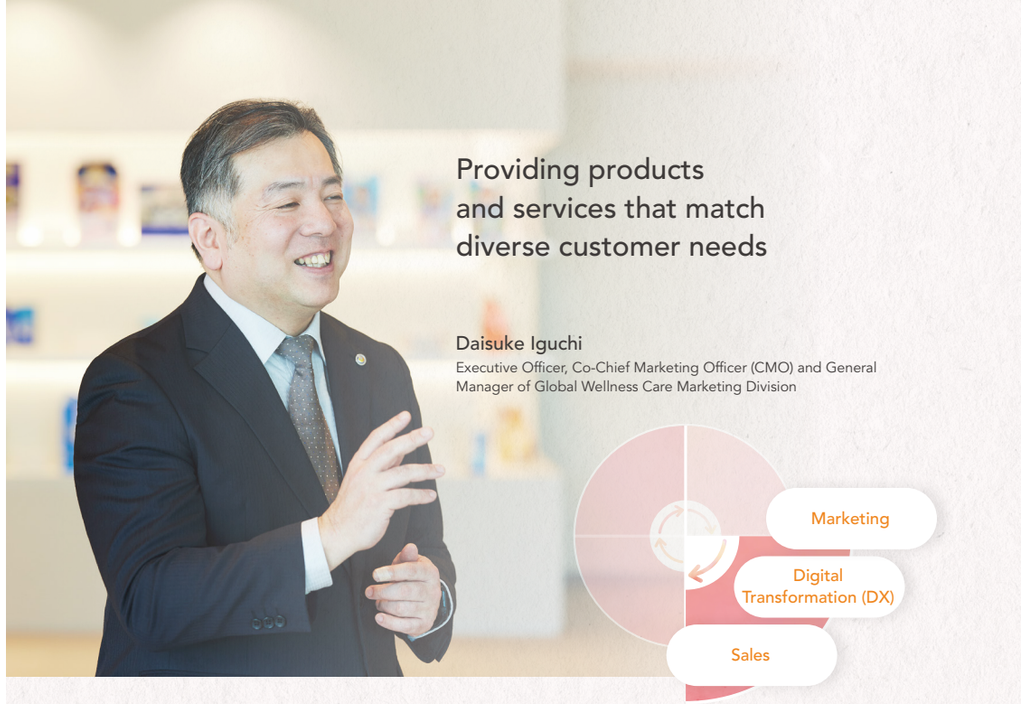
We encourage innovation and strengthen our development capabilities by analyzing internal and external IP-related information on technologies under development and distributing the findings to our development divisions. One result of these activities is our IP for a used disposable diaper recycling technology. As shown below in the bubble chart for the patent scores of our disposable diaper recycling technology, this IP has attracted a great deal of attention in the market both in terms of quality and quantity. An example of our use of the IP is the brand penetration we have achieved through utilization of the RefF trademark. We are promoting the RefF Project, which focuses on recycling used disposable diapers. The RefF logo is displayed on the packaging of products made from raw materials that contain some recycled pulp. In addition, to increase the profile and popularity of used disposable diaper recycling and encourage its widespread adoption, we allow other companies taking part in the RefF Project to use the logo. Going forward, we will continue to actively utilize our IP as we partner with municipal authorities and affiliated companies to help realize a recycling-oriented society.

RefF-Related Initiatives to Expand Possibilities for Society and the Planet ▶ Pages 55–57

Patent Scores of Unicharm's Disposable Diaper Recycling Technology



Note: A patent score indexes and assesses the degree of attention given to patents. In the above bubble chart, the vertical axis (overall strength of patents) represents the overall strength of patents held by a company, the horizontal axis (highest patent score) represents the highest patent score among patents held, and the bubble size indicates the number of patents held. (Chart prepared by Unicharm using Patent Result Co., Ltd.'s Biz Cruncher patent analysis tool)



Providing products and services that match diverse customer needs

Daisuke Iguchi

Executive Officer, Co-Chief Marketing Officer (CMO) and General Manager of Global Wellness Care Marketing Division

In Unicharm's value creation, the role of product and service marketing is twofold. First, we unearth and correctly identify needs hidden deep in people's daily lives and consumption patterns and pursue innovations accordingly. Second, we make products available to everyone whenever and wherever they need them by working with distributors, including retail stores, to create sales areas with extensive selections of products that allow all customers to readily find the products best suited to their needs. A feature of many of our products is that their purchasers and users are different, such as parents and babies, caregivers and those receiving care, and pet owners and pets. For this reason, the establishment of competitive advantages depends directly on our ability to gain insights into the essence of products by investigating the unconscious needs of both purchasers and users.

As in all our corporate divisions, the Marketing Division develops the ability of personnel to gain insights through training that hones their ability to observe without preconceptions and through greater use of the latest digital technologies for collecting and analyzing consumer data. Personnel then use their new insights to pursue innovations, develop marketing communications that appeal to all five senses of consumers, and propose customized designs for each retail store's sales area.

To augment the aforementioned measures, we are focusing on pinpointing and catering to the needs of all kinds of customers. We are developing personnel who are capable of this kind of precision because they combine a willingness to continue learning, a flexible mindset unfettered by conventional thinking, and an ability to act with passion. In conjunction with these efforts, we are establishing workplace environments that fully enable employees to generate innovative ideas.

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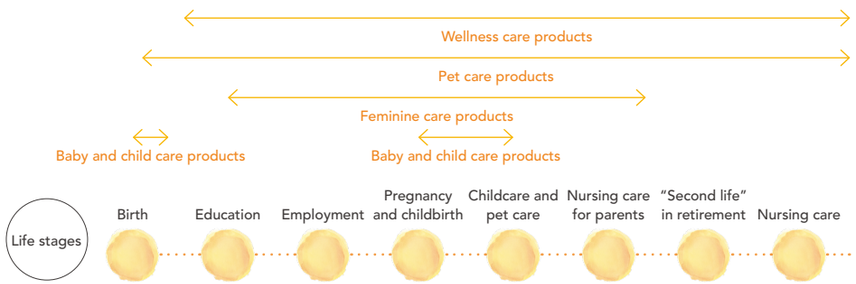
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Marketing
Extending the Coverage of Our Products and Services Globally

A key feature of Unicharm's businesses is that their lineups of products and services meet the needs of customers as they progress through different life stages. In general, over a lifetime, disposable baby diapers are used for approximately three years and sanitary pads for about 40 years, while wellness care products, centered on incontinence care, and pet care products are also used over long periods. The sanitary pads we provide are daily necessities for many kinds of people, so our mission in our value creation efforts is to pursue safety and functionality while ensuring that our products are available to everyone whenever and wherever they need them, regardless of economic constraints, sanitary conditions, or regional characteristics. Given this mission, our marketing activities are aimed at understanding people's intrinsic needs and reflecting them in product development. We also aim to eliminate situations in which products and services are not available to those who need them. To meet these aims, our marketers go on field trips to get a good grasp of the different living environments, consumption patterns, and retail systems in each country and region. Such activities help the marketers offer value that matches each set of conditions.



Developing Better Products and Services and Formulating Communication That Appeals to All Five Senses of Consumers

In marketing analysis for developing better products and services, Unicharm not only pursues advanced functionality but also seeks out added value that enriches daily life.

At the same time, we formulate communication that appeals to all five senses to ensure that our unique value is appropriately conveyed to consumers and that our products and services reach those who need them. To these ends, we use different product rollout and dissemination methods for mature markets and growing markets, and we painstakingly customize our methods to each country and region. For example, in mature markets such as Japan, we strategically introduce products that offer differentiated added value in terms of safety, peace of mind, health, and the environment. In Africa, the Indian subcontinent, and other growing markets where the use of disposable baby diapers and sanitary pads is still in the process of becoming established and widespread, we provide affordably priced products with functionality that reflects demand in each region. Unicharm also devises various sales methods suited to local retail systems and conditions, such as selling products in packs that contain small numbers of items. Further, to enrich daily life in growing markets, initiatives to establish sanitary pad use and improve sanitary conditions are needed. We contribute to such initiatives by actively engaging in educational activities on childcare and menstruation.

In Focus Product Development and Educational Activities Tailored to India's Needs

In India, some women do not change their sanitary pads when away from home, not only to economize but also because of the lack of clean toilet facilities in many areas. To meet the needs of women living in such environments, Unicharm offers *SOFY AntiBacteria* sanitary pads, which remain hygienic even after prolonged use thanks to an antibacterial sheet and a six-layer material that absorbs menstrual blood even on heavy flow days. Another issue is that many women, especially in rural areas, are unable to afford sanitary pads. To make these products available to as many women as possible, Unicharm offers *SOFY Bodyfit* low-priced sanitary pads. We have kept costs down by eliminating individual packaging and using flat, unfolded products.

Further, in fiscal 2013 our subsidiary in India worked with local NGOs to launch Managing Menstruation-My Pride, an educational project to teach school pupils and college students about menstruation and proper self-care. As of fiscal 2024, approximately 660,000 people have participated in the project since its launch 12 years ago.





For other examples of products and services that meet the needs of different regions, please see the sections below.

Catering to Each Region's Distinctive Demand ▶ Pages 38–39

Promoting Initiatives to Expand Possibilities for Society ▶ Pages 49–51

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Digital Transformation (DX)
Staying Close to Customers and Maximizing Their Lifetime Value

Unicharm is advancing digital transformation to make optimal use of digital technologies in building a relationship model that maximizes customer lifetime value. In July 2023, we established the Marketing by DX (MDX) Division, which is tasked with advancing digital transformation to gain insights into customers and seek new value. By taking full advantage of digital technologies, the division identifies people's latent needs that are hard to verbalize. These insights are then used to create and provide new products, services, and experiences that solve problems customers may be unaware of or that they may have given up on trying to address. Our aim is to introduce the customers of individual product categories to our other product categories. For example, we want to make sanitary pad customers aware of our offerings in the disposable baby diaper category. Such efforts will help us build close relationships with customers throughout their lives.

Focusing on Women in Initiatives to Maximize Lifetime Value

In their continuous development of products and services that solve various issues, Unicharm's businesses have focused on women's concerns, including menstruation. Given this history, we believe that women offer the greatest potential for building long-term relationships with customers. For this reason, we are creating a framework that rolls out products and services focused on addressing women's concerns and that builds long-term relationships with customers. For example, by visualizing and analyzing a range of customer data gathered via a support app for menstruation-related concerns, we hope to foster close connections between customers and our lineup of products and services across many life stages, from pregnancy, childbirth, and childcare to post-menopause incontinence care, nursing care, and pet care.

The *Sofy Be* period and physical condition tracking app, launched in fiscal 2024, enables the conventional recording of data points such as menstrual dates and can also be used to track a woman's hormonal cycle over a lifetime, from pregnancy, childbirth, and the postpartum period through to menopause. Thanks to the AI-enabled combination and visualization of data on the hormonal, psychological, and physical cycles of women, app users learn about changes in their physical condition that would otherwise be difficult to notice and about the causes of these changes. They also receive advice on appropriate self-care. Through this service, we provide customers with a better understanding of their own minds and bodies, helping them experience the heightened sense of self-efficacy*1 that comes from being able to manage phases when they do not feel at their best.

Further, using data accumulated through the app, we will leverage AI to develop technology for extracting insights into customers. This entails efficiently deriving novel and unique product concepts (solutions) from these insights. Under this initiative, we will use AI to collect and analyze a range of data on customers' emotional ups and downs as well as situations that affect their well-being. Based on this data, insights into target customers will then be quickly extracted and categorized by AI. Our goal is to develop new products by incorporating these insights into our nonwoven fabric and absorbent material processing and molding technologies. We also aim to build other user interface-driven development processes.

In Focus Unicharm's Unique Digital Transformation: *Sofy Be* Period and Physical Condition Tracking App—Linking Digital Technologies and Products



As a manufacturer of sanitary pads, Unicharm is uniquely qualified to use digital transformation to address women's concerns. Our surveys reveal that approximately 80% of women suffer from cramping, premenstrual syndrome, and other conditions. Many of the women surveyed feel less able to perform day-to-day tasks but do not understand why or know how to deal appropriately with unwellness, enduring it in the belief that there is no alternative.

For many women, phases of feeling unwell tend to occur regularly around menstruation, but they can also occur irregularly in daily life. To cope with phases of unwellness, we believe that women should understand the reasons for changes in their physical condition and be aware of their physical condition on a daily basis. Based on this belief, in July 2024 we launched *Sofy Be*, a period and physical condition tracking app. Focused on the significant psychological and physical effects of hormones on women, *Sofy Be* is designed to go beyond simply recording menstrual dates and enable women to monitor their minds and bodies closely. *Sofy Be* visualizes in graph form how changes in hormone levels relate to physical condition and mood, making it easy for users to understand the causes of changes in their physical condition and allowing them to be mindful of their own physical condition. The app's AI chat function helps support women who do not have anyone to talk to about physical and mental health issues.

The app also has a function that can be used in conjunction with *Sofy Ninkatsu Orimono Sheet*, a type of panty liner launched in fiscal 2023 that allows women to check when they are most likely to conceive*2 simply by wearing one of the panty liners and going about their daily lives. The app's conception management mode notifies users of the optimal time to conceive based on their menstrual cycles. As a result, app users know the best day to begin using *Sofy Ninkatsu Orimono Sheet*. The app also has a comprehensive pair function that helps users plan conception with their partners.

Product Development for People Trying to Conceive: *Sofy Ninkatsu Orimono Sheet* Page 26

*1 Self-efficacy refers to an individual's belief in their capacity to deal effectively with situations that may arise.
*2 A time span of six days, which is the optimum time for conceiving.

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Sales

Making Products Available to Everyone Whenever and Wherever They Need Them

The role of Unicharm's sales activities is to fully communicate the value of products. We perform this role and make products available to everyone whenever and wherever they need them by increasing the number of stores that carry our products and services and by proposing ways to create sales areas that make it easy to choose and buy our products. In all countries and regions, we base our sales activities on the Practical Recommendations for Strengthening Sales Capabilities. Forming part of The Unicharm Way, the recommendations summarize key points and methods in relation to sales activities and highlight the instincts that personnel should hone. With the recommendations as a guide, we conduct sales activities that align with marketing strategies and that reflect the conditions in the countries and regions where we provide products and services.

Creating Sales Areas That Optimally Convey the Value of Products

We use different marketing methods in Japan and overseas to create sales areas that make it easy to select and buy products, customizing our marketing methods to the conditions in each country and region.

In Japan, we conduct sales activities based on two marketing methods: "store sales" for bricks-and-mortar retail stores and e-commerce websites and "professional care sales" for hospitals and nursing care facilities.

In sales activities for bricks-and-mortar stores, we not only sell our own products but also recommend sales strategies to our business partners that help maximize the profitability of entire product categories. For example, we suggest using digital technology-enabled data analysis to create sales areas with the customer's perspective in mind. These efforts help build and strengthen relationships of trust with business partners and create sales areas that optimally convey the value of Unicharm products. As for e-commerce websites, we aim to achieve No. 1 positions in product categories by pursuing sales strategies that fit the purchasing patterns of consumers who use both bricks-and-mortar stores and online shopping. In addition, to maximize the communication of our products' value in e-commerce websites, we use data for customer analysis and link advertising strategies within e-commerce websites to brand strategies.

In professional care sales, meanwhile, our aim is to become a partner that helps to solve issues at customers' facilities. To this end, we offer products and services that heighten the quality of nursing care at hospitals and facilities, reduce the workloads of their personnel, and improve business management.

Overseas, we adapt our sales activities to match the maturity, culture, customs, and economic conditions of local markets. On a global scale, Unicharm expedites new market creation by sharing Japan-developed sales know-how throughout the Group and adapting it to the conditions in respective countries and regions. We also ensure that the sharing of examples of effective practices transcends the boundaries of Group companies and countries.

In e-commerce channels, which are rapidly changing and expanding around the world, we aim to implement strategies that reflect our market position in each country and region and the attributes of the main e-commerce platforms by establishing systems and capabilities that facilitate the real-time sharing of knowledge acquired in respective countries and regions.

In Focus Utilizing Digital Technologies to Propose Ideas for Sales Area Creation

In our activities for retail store sales in Japan, we analyze customer purchase data to provide retailers with evidence-based proposals for sales areas. As well as using customer purchase data to understand what was sold and when, we use it to analyze the kind of people who are buying products and how they are buying them. This analysis is useful for efforts to increase overall retail store sales by acquiring customers, lengthening purchase periods, increasing purchase frequency, and raising average customer spend. We also use such analysis to suggest sales areas that help maximize customer lifetime value.



Acquiring Customers

- Increasing the number of retail stores carrying products
- Attracting new customers
- Creating new demand



Increasing Purchase Frequency

- Enriching product lineups to encourage simultaneous purchases
- Increasing frequency of store visits (purchases)



Lengthening Purchase Periods

- Introducing products to stores quickly
- Realizing earlier contact with brands



Raising Average Customer Spend

- Rolling out premium products
- Suggesting combination purchases

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Allocating generated funds

Hirotatsu Shimada
Senior Managing Executive Officer,
Co-CFO and General Manager of Finance Head Office

Financial Policy (Message from the CFO)

Financial Targets

Desirable Future in 2030

Become the world's leading nonwoven fabric and absorbent materials business

Net sales	CAGR	Core operating income ratio	ROE
¥1,500 billion	+6.9%	17%	17%

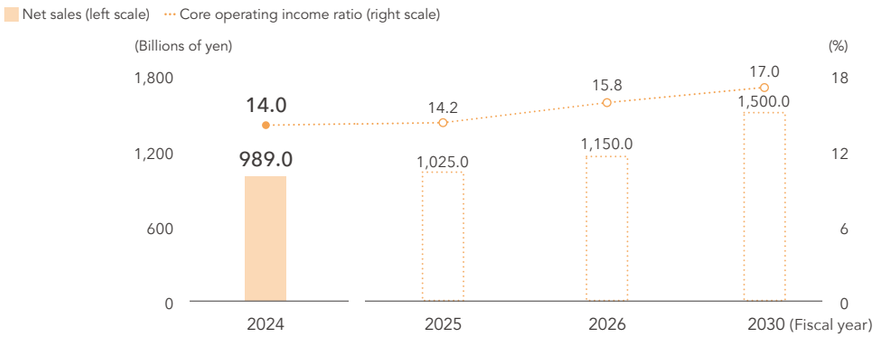
How Unicharm Works to Realize Its Desirable Future in 2030

The Unicharm Group must realize a compound annual growth rate (CAGR) of approximately 7% for its net sales if it is to accomplish its goal of becoming the world's leading nonwoven fabric and absorbent materials business by 2030. To achieve such growth, it must also become more profitable and efficient, including achieving a core operating income ratio and return on equity attributable to owners of parent (ROE) of 17%.

However, Unicharm's business environment is becoming increasingly uncertain due to a number of factors. These include an accelerated decline in birthrates prompted by the COVID-19 pandemic, the emergence of geopolitical risks, and global inflation. For these reasons, well-balanced management that pursues profitability and efficiency and invests in ongoing growth is becoming more difficult each year.

In response to these business conditions, Unicharm established targets for a CAGR of 6.9%, net sales of ¥1,150 billion, a core operating income ratio of 15.8%, and ROE of 15% for fiscal 2026, the final year of the 12th Medium-Term Management Plan, which covers the three years from fiscal 2024. To achieve these targets, we create growth scenarios for each of our product categories based on the characteristics of the countries and regions where we operate and we promote ongoing sales growth and revenue expansion by creating new markets through proactive investment.

12th Medium-Term Management Plan ▶ Pages 35–36



	Results	Plan	Medium-Term Management Plan	Financial Targets
Net sales	¥989.0 billion	¥1,025.0 billion	¥1,150.0 billion	¥1,500.0 billion
CAGR*	+5.0%	+4.3%	+6.9%	+6.9%
Core operating income ratio	14.0%	14.2%	15.8%	17.0%
ROE	11.1%	11.0%	15.0%	17.0%

* CAGR from fiscal 2023 performance onwards (actual currency basis)

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Implementing Management with an Emphasis on Cost of Capital and Share Price

The key point of the 12th Medium-Term Management Plan is to realize the lifetime value potential (possibilities) of all people by creating and focusing on products and services for women. Keywords such as "development focused on women," "lifetime value," and "realizing possibilities," also have an important part to play in our financial activities. For example, at the start of January 2025 we conducted a stock split (thereby reducing the monetary amount per investment unit) in response to the trend for people to steadily build assets through small-scale investment so that they can enjoy life for as long as possible in the current age of the 100-year lifespan.

We also strive to continuously maximize equity spread,* reduce the cost of capital, and improve ROE to enhance our capital efficiency. Specifically, we optimize our capital policies, including those on capital formation, dividends, and share buybacks in accordance with the economic potential of the countries and regions where we operate. The characteristics of each of our product categories also have a significant impact on the cost of capital. Basically, since the disposable diapers and sanitary pads that we provide are daily necessities, their sales are largely unaffected by economic conditions. We can therefore achieve stable sales, even in volatile operating environments. In addition, we are able to quickly restructure our business portfolio in response to the demographics of the countries and regions where we operate so that we can achieve a balance of high growth and high profits, regardless of the operating environment.

I am convinced that this solid business foundation, and the consistent profitability that underpins it, enhances the stock market's evaluation of Unicharm, thereby helping reduce risks for the Company's shareholders and investors, and ultimately lowering the cost of capital.

Maintaining constructive dialogue with all stakeholders, including shareholders and investors, is pivotal to implementing the aforementioned policies. In today's rapidly changing business environment, proactive disclosure of information— both non-financial and financial—and dialogue driven by this information, is crucial. Unicharm will therefore keep endeavoring to strengthen its engagement (investor relations activities) with shareholders and investors and building trust through dialogue.

To improve our ROE, the proper management of both aspects of return on investment (ROI) is essential: the formulation of meticulous strategies suited to the countries and regions where we operate and the growth stages of each of our product categories, and the accompanying investment return. Unicharm has focused on improving its profitability, which it has enhanced continuously by establishing and monitoring gross profit rate, variable cost rate, product mix, and other profitability drivers as key performance indicators (KPIs). Going forward, by monitoring KPIs that help improve return on invested capital (ROIC), we aim to manage with greater precision, thereby realizing management that meets the expectations of our shareholders and investors.

* An indicator for measuring the extent to which a company's profit margin exceeds the expectations of its shareholders

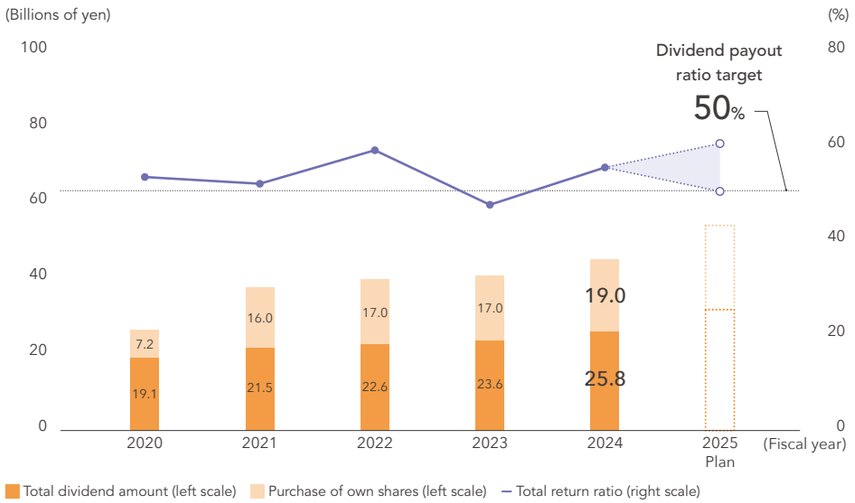
Cash Flow Allocation Policy

Promoting aggressive and bold business strategies requires maintaining and improving a sound financial position to underpin such strategies. Accordingly, Unicharm believes that it is crucial to enhance its ability to generate cash flow and maintain growth investments while balancing these efforts with shareholder returns.

Under the 12th Medium-Term Management Plan, we allocate cash strategically to realize ongoing growth. Here, I will discuss some specific examples. In the feminine care category, we work to raise the added value of products in countries and regions with mature markets, while accelerating measures—including those to encourage potential users to try our products—to develop markets in countries and regions where growth is expected. We are also expanding investments in the wellness care and pet care categories, where significant future growth is expected, to strengthen our competitive edge through overwhelmingly high levels of differentiation. The use of digital technology is critical, regardless of a category's growth stage. We therefore proactively advance digital transformation (DX) investments aimed at creating new value driven by the extensive use of life sciences and data science. Through such activities, we will achieve ongoing growth and maximize shareholder value.

Unicharm's shareholder returns policy entails providing continuous returns, aiming for a total shareholder payout ratio of 50%. Under this policy, the Company increases dividends to its shareholders steadily and continuously while prioritizing strategic investments to realize ongoing growth. We also buy back shares flexibly and as needed after making comprehensive assessments based on equity market

Total Dividend Amount, Purchase of Own Shares, and Total Return Ratio



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trends and financial conditions. In fiscal 2025, taking into consideration various market conditions, we plan to expand our share buyback limit to return profits and achieve a total shareholder payout ratio of more than 50%.

As for internal reserves, given that the business environment will remain unpredictable due to increasing uncertainty, we believe that we must increase our liquidity on hand. Doing so allows us to respond quickly to change and enhances our resilience to financial risks. We also believe that it is essential to maintain a certain level of internal reserves to enable us to address growth investments and M&A projects, which can be expected to arise in the future, in a timely manner.

Review of Fiscal 2024

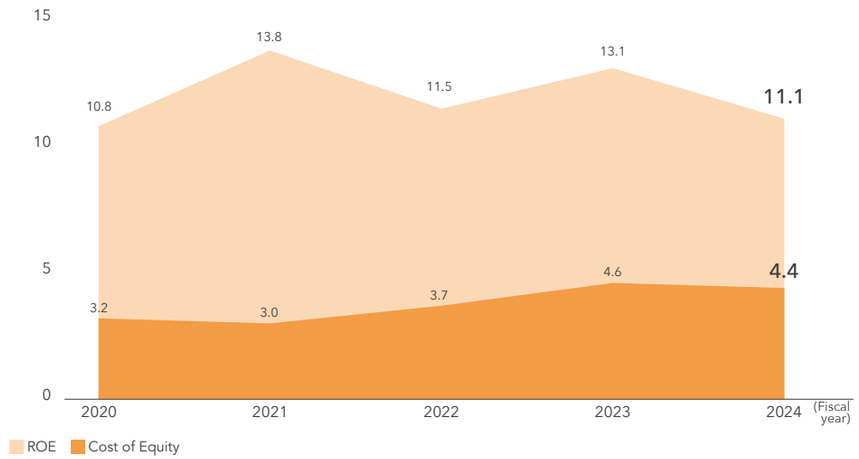
In fiscal 2024, net sales came to ¥989.0 billion, a record high for the eighth consecutive year. Core operating income grew 8.2% to ¥138.5 billion, also a record high. In addition, core operating income ratio improved to 14%.

Since the second half of fiscal 2022, we have worked to pass on value through appropriate pricing that matches product value to expand total industry assets, primarily in Japan. These activities have steadily become established and expanded in countries and regions including Japan, North America, the Middle East, and India, thereby realizing high levels of profitability.

In Asia, on the other hand, profitability has waned due to declining birthrates and to reputational damage and intensifying competition stemming from the rise of newly established companies in China. To address this issue, we are responding quickly and thoroughly to the changing business environment and our performance has already bottomed out.

In fiscal 2024, ROE decreased from the previous fiscal year to 11.1%, which led to a worsening of our equity spread. The major factors behind the decrease in ROE were a deterioration in the currency exchange environment on a consolidated basis and the consequent expansion of our foreign exchange losses. Meanwhile, amid growing uncertainty about future prospects, we endeavored to lower the cost of capital by engaging with shareholders and investors on a quarterly basis, with a focus on recent changes in the business environment and the future outlook.

Equity Spread



Course for Fiscal 2025

In fiscal 2025, we aim to achieve net sales of ¥1,025 billion, marking the first time our net sales will exceed ¥1,000 billion, and core operating income ratio of 14.2%. Although the Company is planning proactive investments in DX and human capital to achieve ongoing growth, it will continue its activities for passing on value to increase the sales volumes of its high-value-added products. At the same time, it will improve and strengthen profitability by restructuring its business portfolio to reflect demographics in the countries and regions where it operates.

Uncertainty in the business environment, including the emergence of geopolitical risks, sharp inflation, and supply chain disruption, is likely to persist for the time being. Under such conditions, the implementation of the Observe–Orient–Decide–Act (OODA) Loop methodology, which enables us to respond quickly to change, is essential. The key is to identify change quickly at an early stage and spur innovation rather than flounder in the face of changes in the business environment. Unicharm's employees will continue to strive together relentlessly to achieve the 2030 management targets.

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Product packages showcasing Unicharm's history of innovation on display at its Mita office in Tokyo

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12th Medium-Term Management Plan

Role of the 12th Medium-Term Management Plan in Unicharm's Value Creation Efforts

To achieve its stated mission of realizing a cohesive society, Unicharm has adopted the goal of achieving a leading global market share for its nonwoven fabric and absorbent materials business by 2030. Unicharm works toward this goal through the creation of both absolute value and relative value. The Company also formulates and implements a medium-term management plan every three years based on this goal. It is currently implementing Project-L, the 12th Medium-Term Management Plan, which covers the period from fiscal 2024 to fiscal 2026. Under this plan, it promotes five key strategies. The Company revises these key strategies on a planned rolling basis by analyzing and forecasting its operating environment each year and altering its scenarios accordingly. The Advisory Board Meeting holds discussions on the details of each key strategy and each local subsidiary once every six months to enable every frontline employee to incorporate the annually revised key strategies into their own action plans. In implementing the strategies, every employee uses the OODA Loop methodology to integrate and steadily implement action plans that each scrum has broken down into its own 30-minute action plans.

The OODA Loop Methodology ▶ Page 22

Value creation for realizing our mission and 2030 goal

Contribute to the **realization of a cohesive society and achieve a leading global market share for the nonwoven fabric and absorbent materials business** by 2030

Absolute Value	Relative Value
Create a circular economy through products and services that only Unicharm can create, symbolizing "Love Your Possibilities"	Achieve net sales of ¥1,500 billion and a core operating income ratio of 17% and a leading global market share for the nonwoven fabric and absorbent materials business

Medium-term management plan for creating relative and absolute value

Project-L, Unicharm's 12th Medium-Term Management Plan (Fiscal 2024 to Fiscal 2026)

Maximize the lifetime value of all people and pets throughout the world by creating and focusing on products and services for women

Fiscal 2026 Targets
Net sales of ¥1,150 billion and a core operating income ratio of 15.8%

Five key strategies

1 Marketing	2 *Monozukuri* (Manufacturing)	3 Digital Transformation (DX)	4 Sustainability	5 Human Resources
Demonstrate uniqueness and strengths with a focus on women	Innovate the *monozukuri* (manufacturing) process to create unique UI/UX*	Build a model to maximize lifetime value (LTV) with a focus on women	Achieve three sustainable values through the recycling of used disposable diapers (corporate value, social value, customer value)	Develop human resources, an environment, and an organization that create unique value

* User interface (UI): Contact points connecting products and services with users; User experience (UX): Experience of using a product or service

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Progress of the Five Key Strategies in the 12th Medium-Term Management Plan

	Key Strategies	Fiscal 2024 Achievements
Strategy 1 Marketing	Demonstrate uniqueness and strengths with a focus on women	• Mature markets: Strategically launched high-value-added products that facilitate the promotion of highly original value that integrates functional value, emotional value, and self-expressional value • Growing markets: Helped establish consumer usage habits and improve public hygiene by offering products tailored to the needs of different regions alongside awareness-raising activities Marketing and Sales ▶ Pages 28 and 30 Catering to Each Region's Distinctive Demand ▶ Pages 38–39 Pursuing Business Expansion in Kenya and Initiatives to Address Hygiene Issues Across Africa ▶ Page 49 Helping Indian Women Dispel Negativity and Fulfill Their Dreams ▶ Page 50
Strategy 2 *Monozukuri* (Manufacturing)	Innovate the *monozukuri* (manufacturing) process to create unique UI/UX	• Promptly offered highly original products tailored to the needs of different regions • Expanded offering of both the *ANTIMOS* series of disposable baby diapers, which repel mosquitoes to protect babies from dengue fever, and insect repellent wet wipes globally • Established a system for supplying sanitary pads tailored to the needs of Kenyan consumers Production, Research and Development, and Intellectual Property ▶ Pages 24–27 Catering to Each Region's Distinctive Demand ▶ Pages 38–39 Pursuing Business Expansion in Kenya and Initiatives to Address Hygiene Issues Across Africa ▶ Page 49
Strategy 3 Digital Transformation (DX)	Build a model to maximize lifetime value (LTV) with a focus on women	• Launched *Sofy Be*, a period and physical condition tracking app, and began offering *Sofy Omamori Insurance Medical Support for Women*, small-amount, short-term insurance,*1 which can be applied for through the *Sofy Be* app Unicharm's Unique Digital Transformation: *Sofy Be* Period and Physical Condition Tracking App—Linking Digital Technologies and Products ▶ Page 29 Digital Transformation (DX) ▶ Page 29
Strategy 4 Sustainability	Achieve three sustainable values through the recycling of used disposable diapers (corporate value, social value, customer value)	• Launched general sale of *Deo-Toilet Deodorizing / Disinfecting Sheets RefF*, a toilet-related product for cats, and *MamyPoko Pants RefF*, disposable baby diapers, both of which use recycled raw materials from used disposable diapers, thereby expanding sales channels and categories for RefF products • Began provision of *MamyPoko Pants RefF*, disposable baby diapers designed specifically for childcare facilities, to facilities that use *Hands-Free Commute**2 • Launched *"Together we create a future cycle,"* the RefF brand website RefF-Related Initiatives to Expand Possibilities for Society and the Planet ▶ Pages 55–57
Strategy 5 Human Resources	Develop human resources, an environment, and an organization that create unique value	• Promoted diversity and inclusion (D&I) to enable diverse human resources to fully demonstrate their individuality and abilities and play an active role by acknowledging and respecting each other's differences • Revised personnel system to enhance the skills, experience, and job satisfaction of every employee and accelerate their growth • Globally develop human resources who create unique value attuned to local needs Management with Resonance ▶ Pages 18–23 Expanding Possibilities for All Employees Through Diversity and Inclusion Initiatives ▶ Pages 66–67 Expanding Possibilities for Employees and the Organization: Three Aspects of Wealth ▶ Pages 68–69

Desirable Future in 2030
Implement "NOLA & DOLA" to realize maximum diversity and well-being Realize social inclusion through the provision of product value
Develop products and build supply chains that are eco-friendly
Sell social inclusion products, create various channels to meet minority needs
Build relationships with customers that go beyond purchase and use to include collection and recycling
Promote human capital management responsive to diversity and changes in the business environment

Contribute to the realization of a cohesive society and achieve a leading global market share for the nonwoven fabric and absorbent materials business by 2030

*1 Underwriting insurance company for small amount, short-term insurance: Aflac Small-amount Short-term Insurance Company Limited *2 Flat-rate service providing disposable baby diapers and baby wipes to childcare facilities

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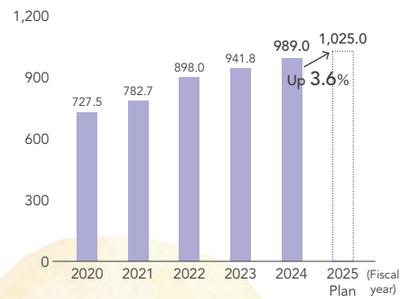
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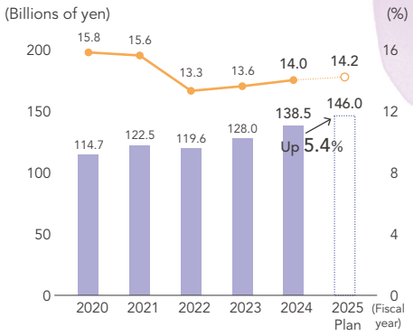
Business Overview by Region

Outlook for the Future of Unicharm's Overall Operations

Net Sales
(Billions of yen)



Core Operating Income and Core Operating Income Ratio
(Billions of yen)



Japan

In the Personal Care Business, given the expected increase in costs due to inflation, we will achieve stable growth and enhance profitability by promoting appropriate pricing through the marketing of products with new added value that meets consumer needs. In the Pet Care Business, we will promote appropriate pricing by developing products that offer comprehensive support for pets and creating new markets for these products.

Wellness Care Products
(Personal Care Business)

We will both extend healthy life expectancy and grow net sales by enhancing our lineup of products that reflect users' activities of daily living and by offering care solutions that match the needs of each person. Also, Unicharm will invigorate and increase its share of the masks market by offering a varied product lineup that reflects consumer demand in areas such as counter-measures for infectious diseases and pollen.

Pet Care Products
(Pet Care Business)

Unicharm aims to enlarge the market by expanding and enhancing the Company's lineup of highly original products through initiatives such as rollouts of high-value-added products that cater to demand from pet owners who value the quality of raw materials used in pet food and collaborations with snack manufacturers to develop treats for pets. The Company will stimulate the market for toilet-related products by offering new products that meet the needs of pet owners who want pet toilets that are easier to maintain.

Feminine Care Products
(Personal Care Business)

While the target population for these products is declining, we aim to increase our market share by developing new products that meet the strong demand among consumers for health, safety, and reassurance. In addition, through the *Sofy Be* period and physical condition tracking app, we will maximize lifetime value by providing total day-to-day support for women that extends beyond menstruation days.

Unicharm's Unique Digital Transformation: *Sofy Be* Period and Physical Condition Tracking App —Linking Digital Technologies and Products ▶ Page 29

Baby and Child Care Products
(Personal Care Business)

Although the market is contracting due to the declining birthrate, we will increase sales by enhancing customer satisfaction in terms of both products and services through the *Moony* and *MamyPoko* two-brand strategy as well as the rollout of the *Hands-Free Commute** service, which helps lessen the burden of childcare.

* Flat-rate service providing disposable baby diapers and baby wipes to childcare facilities

Realizing a Circular Economy with *Hands-Free Commute* ▶ Page 57

Overseas

Wellness Care Products
(Personal Care Business)

In Southeast Asian countries, including Thailand, Indonesia, and Vietnam, population aging is driving an increase in demand for adult incontinence care products. We are therefore striving to expand our product lineup and popularize an appropriate care model that combines the use of disposable diapers with urine absorption pads. Meanwhile, in China—whose population is aging even faster than Japan's— we are continuing proactive marketing investments through a product lineup matched to local needs.

Pet Care Products
(Pet Care Business)

In North America, we will improve profitability while increasing sales by augmenting our product lineups through measures such as the addition of Japanese technology-enabled treats for cats. In Asia, we will actively advance sales in China, Thailand, Indonesia, and Vietnam by bolstering product lineups and stepping up sales channel development efforts.

Feminine Care Products
(Personal Care Business)

We are continuing to pursue appropriate pricing in Asia, the Middle East, and Egypt by offering new products that reflect specific local needs. These initiatives will enable us to outpace the growth potential of the overall market and improve profitability. In addition, we will actively expand into countries and regions, including in parts of Africa where sanitary pad use is not well established.

Baby and Child Care Products
(Personal Care Business)

In an increasing number of countries in Asia, the market is shrinking due to declining birth rates. However, we are minimizing the impact on our business performance by implementing a two-brand strategy that incorporates two price points—premium and standard— in line with market trends. At the same time, in Asia as a whole we aim to increase sales of baby and child care products by utilizing the conspicuous growth expected in India's market as a driver.

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Catering to Each Region's Distinctive Demand

Unicharm's products and services have earned a strong reputation in many countries and regions chiefly due to three characteristics of the Company, which are summarized below. These characteristics are particularly well illustrated by this section's examples of value creation.

1. Around the world, our subsidiaries take the initiative in rigorously researching local lifestyles and consumption and in creating products and services that cater to needs stemming from the culture and day-to-day life in each country and region.
2. To ensure that our products are available to everyone whenever and wherever they need them, we increase the number of stores carrying our products and offer suggestions for the creation of sales floors that optimally communicate the value of our products and make them easy to choose and buy.
3. We rapidly create new markets globally by analyzing the differentiating factors of the products and services that we have developed in particular countries and regions and then rolling out the most promising offerings in a wide range of other countries and regions.

Saudi Arabia

In the Middle East, the custom of using olive oil for baby massages and other types of skincare is deeply rooted. Also, demand for skincare is strong in the inland areas of Saudi Arabia as they are hot and dry. Focusing on these two features, we are currently marketing products with moisturizing olive oil in their surface sheets, which come into contact with a user's skin. At present, we offer *BabyJoy Olive* disposable baby diapers and *SOFY Olive* sanitary pads and panty liners.





Brazil and Vietnam

As in Malaysia and Singapore, the spread of dengue fever is a concern in Brazil. Mosquito bite prevention measures are especially important for infants, who face a significant risk of serious illness. Since the possibility of chemicals getting into the eyes or mouth is high with ordinary spray-type insect repellents, in fiscal 2022 Unicharm launched *ANTIMOS LENÇOS REPELENTES*, a wet-sheet-type insect repellent. The product eliminates the risk of chemicals getting into the eyes or mouth and enables uniform application to the skin.

Further, we launched *Bobby ANTIMOS Wipes*, which has the same functionality as the aforementioned product, in Vietnam in fiscal 2024. The product is being used in a variety of settings, such as homes, schools, and parks, because it is easy to carry and can be used when away from home.





Malaysia, Singapore, Thailand, and Vietnam



In Southeast Asia, the spread of mosquito-borne dengue fever is becoming an increasingly serious issue. As there is a high risk of infants becoming seriously ill if infected, we sell mosquito-repellent disposable baby diapers, *MamyPoko ANTIMOS Pants*, in Malaysia, Singapore, and Thailand, and *Bobby ANTIMOS Pants* in Vietnam. Moreover, we are helping create a society that protects babies from dengue fever by conducting community cleaning activities that prevent mosquito breeding.

Vietnam

Vietnamese culture includes a deeply ingrained belief that lifting up the legs of a baby to change its diaper should be avoided, as doing so may lead to hip dislocation. With this belief in mind, Unicharm launched *Bobby One Side Open Pants* in fiscal 2023. A retractable tape on one side of the waist section allows the diapers to be opened and closed on one side. Diaper-changing can be completed simply by slipping one leg through the leg hole on the closed side of the diaper and then using the tape to close the remaining leg hole around the other leg. This product is the world's first* pants-type disposable baby diaper that can be opened and closed on one side. Moreover, as the baby's sleep is not disturbed when changing the diaper, the product lessens the burden of childcare.



* Diapers featuring a wing on one side of the waist that can be opened and closed and that is longer than the other side, and which are the first of their kind among the world's leading disposable baby diaper brands (based on Unicharm research, October 2022)

Vietnam

In Vietnam, many consumers were concerned about leakage from previous slim-type disposable diapers. Focusing on this issue, in April 2024 we launched *Caryn Extra Absorbent Pants* disposable adult diapers, which feature a 6 mm-thick absorption material while realizing approximately twice the absorption capabilities of previous slim-type disposable diapers. The product offers users peace of mind by continuing to absorb urine quickly and prevent leakage, even when used for extended periods or overnight. In addition, the diapers are mint-scented, so users do not need to worry about odors.



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Thailand

Since Thailand's year-round heat and humidity creates significant demand for keeping underwear free from sweatiness and odor, our local subsidiary has developed and brought to market *SOFY Cooling Fresh* sanitary pads, which give wearers a cool and fresh feeling, and *SOFY Charcoal Fresh* activated carbon sanitary pads. Demand is similarly robust in neighboring countries, and we are rolling out these products in Indonesia, Vietnam, India, South Korea, and other countries.





Japan

In Japan, demand is growing from people who wish to enjoy meals and snacks with their dogs and are keen to see dog-food versions of their own favorite snacks. To address this demand, in September 2024 we launched *Gran-Deli Sapporo Potato for Dogs*, which we developed in partnership with Calbee, Inc.

South Korea

Many South Korean consumers are concerned about the use of chemical substances in products. Targeting such consumers, since fiscal 2020 we have been selling *SOFY Unbleached* sanitary pads, which contain absorbent tissue material that has not been chemically bleached. We are expanding our unbleached lineup to include pants-type sanitary pads, panty liners, and disposable baby diapers.



United States

In the United States, the number of domesticated cats is increasing. As demand from cat owners who enjoy giving their cats treats is rising, we provide many different types of high-value-added treats for cats. Launched in September 2024 as a kitten version of the tube-shaped *Delectables Squeeze Up*, *Delectables Squeeze Up Kitten* is an excellent nutritionally balanced product that simultaneously helps owners to bond with their kittens while providing the kittens with nutritional and hydration support. *Delectables LICKABLE SPOON*, which we launched in May 2024, is a spoon-shaped product that allows cat owners to enjoy giving snacks to their pets without getting their hands dirty. All of the aforementioned treats for cats are free from preservatives and additives and can be used with peace of mind.



Japan

In Japan, many people clean floors in two stages: first removing dust, hair, and other debris with a dry sheet for floors or a vacuum cleaner, and then wiping off sticky stains with a wet sheet. However, there is demand for the convenience of accomplishing such cleaning tasks with just one product. Given this situation, in April 2025 Unicharm launched *Wave All-in-One Brushed Fiber Wet Sheet for Floors*, which enables all floor cleaning to be accomplished with a single sheet. Our product reduces cleaning time by wiping away sticky stains while entangling and removing dust, hair, and other debris.



China

In China, due to the custom of hand-washing underwear separately from other laundry, the utilization of pants-type sanitary pads for night use, which allow easy management of menstruation, has become common among young urbanites. Focusing on this trend, we have launched *SOFY Peace-of-Mind Pants-Type Sanitary Pads for Day Use*, which offer the added value of being easy to change. As the product has retractable tapes on both sides of its waistband, the pants are easy to change without removing trousers and ideal for use when away from home.



Indonesia

Due to a climate with high temperatures and humidity throughout the year, Indonesia has a significant need for deodorant solutions in nursing care facilities. Therefore, Unicharm offers multiple products that include an extract of betel leaf, a deodorant herb that is known as daun sirih in Indonesian. Since fiscal 2023, we have marketed *Lifree Daun Sirih* tape-type disposable diapers and *Lifree PAD PERLAK Daun Sirih* bed sheets. Further, in fiscal 2021 we launched *CHARM Daun Sirih* sanitary pads, which prevent odors during menstruation.





Note: Sources for market shares are INTAGE (SRI+) for Japan, and NIQ and Euromonitor International for other countries. (Cumulative market share in sales for the period from January 2024 through December 2024)

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Wellness Care Products (Personal Care Business)

Major Countries and Regions for Sales — Adult incontinence care products ● Masks ●
(♛ indicates Unicharm ranks among the top three market share leaders)

China ● ●

Despite the large target population for adult incontinence care products in China—whose society is aging even faster than Japan's—awareness of high-quality, high-value-added adult incontinence care products remains low. In response, we have improved profitability by continuing to invest aggressively in marketing focused on pants-type products, which are one of our strengths, and by advancing initiatives to heighten the profile and popularity of incontinence care products.

Southeast Asia

As in Japan and China, Southeast Asia is seeing growing demand for adult incontinence care products as populations age in countries such as Thailand, Indonesia, and Vietnam. In this operating environment, a market for adult incontinence care products is emerging, due in part to synergies stemming from the market share and brand power of the *Certainty* brand offered by DSG (Cayman) Ltd., which manufactures and sells adult disposable diapers and was acquired by Unicharm in September 2018. In Indonesia, we are augmenting and enhancing our product lineup by launching products that match local needs, such as *Lifree Anti Bocor*, a tape-type disposable diaper for adults that uses breathable material for the whole abdominal area. Unicharm is also promoting the widespread adoption of an appropriate care model that is based on the use of disposable diapers in combination with urine pads.

Taiwan–Greater China	♛1	●
South Korea		●
India	♛3	
Thailand	♛1	●
Indonesia	♛1	●
Malaysia	♛2	●
Singapore	♛3	●
Philippines		●
Vietnam	♛1	●
Myanmar		●

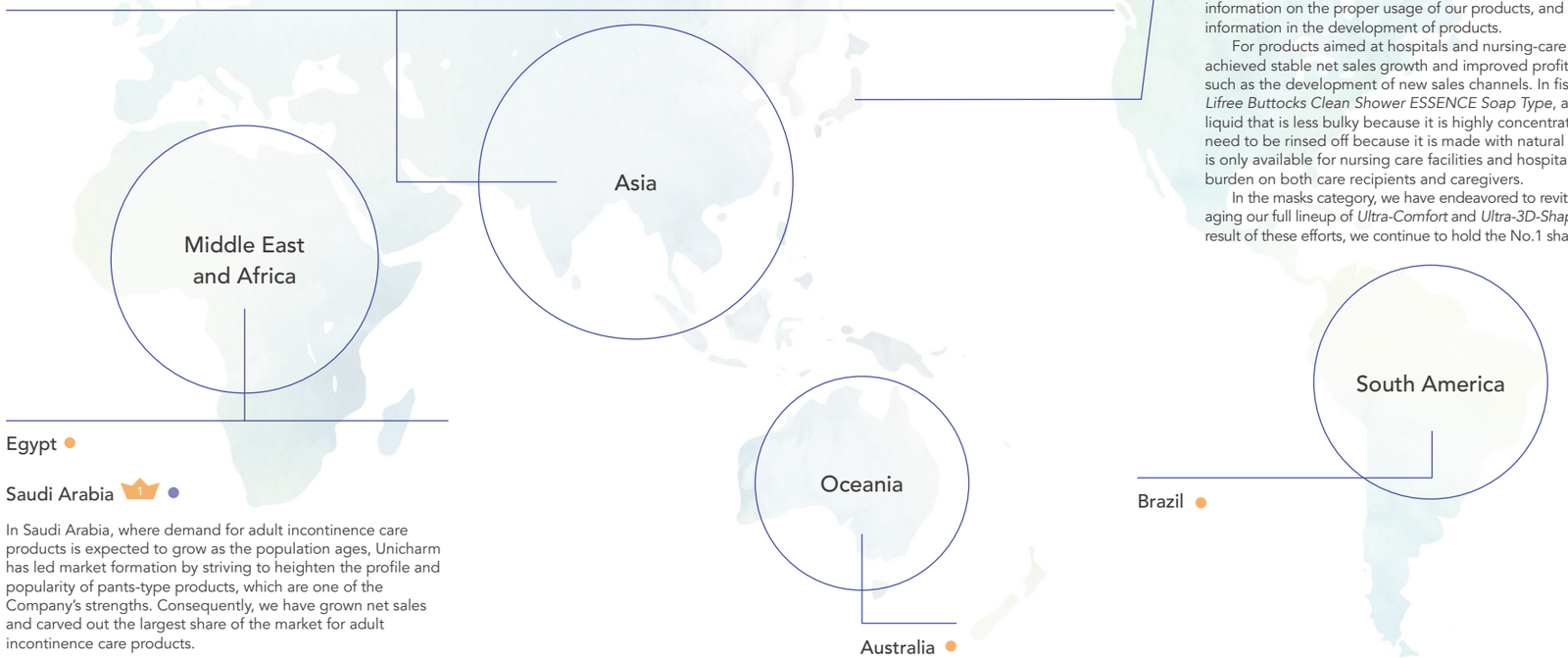
Japan ♛1 ♛1

In Japan, where the population is aging, we are continuing to meet diverse consumer needs by offering an extensive product lineup under the brand slogan, "Increasing the things you can do, one at time." In particular, Unicharm has maintained the No. 1 share of the market for adult incontinence care products by introducing new highly differentiated products in the light adult incontinence care and moderate adult incontinence care categories. These products help extend healthy life expectancy. In fiscal 2024, we added *Lifree Sawayaka Peace-of-Mind Pads for Overnight*, an adult incontinence care product for night use. Further, in the moderate adult incontinence category, we launched *Lifree Peace-of-Mind Pants Absorbs*, designed to fit seniors whose legs have become thinner due to muscle atrophy. By catering to a wide range of consumer needs through such initiatives, we have achieved robust net sales growth.

In addition, we have supported the creation of comfortable nursing-care environments by expanding and upgrading our lineup so that we can offer products suited to the activities of daily living of each care recipient, by creating sales floors where customers can choose from a wide variety of products without hesitation, using digital technology to suggest appropriate products, providing information on the proper usage of our products, and utilizing consumer information in the development of products.

For products aimed at hospitals and nursing-care facilities, we have achieved stable net sales growth and improved profitability through measures such as the development of new sales channels. In fiscal 2024, we launched *Lifree Buttocks Clean Shower ESSENCE Soap Type*, an easy-to-use cleansing liquid that is less bulky because it is highly concentrated and that does not need to be rinsed off because it is made with natural sunflower oil. The product is only available for nursing care facilities and hospitals and helps reduce the burden on both care recipients and caregivers.

In the masks category, we have endeavored to revitalize the market by leveraging our full lineup of *Ultra-Comfort* and *Ultra-3D-Shape* brand products. As a result of these efforts, we continue to hold the No.1 share of the masks market.



In Saudi Arabia, where demand for adult incontinence care products is expected to grow as the population ages, Unicharm has led market formation by striving to heighten the profile and popularity of pants-type products, which are one of the Company's strengths. Consequently, we have grown net sales and carved out the largest share of the market for adult incontinence care products.

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Note: Estimates of market shares are based on surveys by INTAGE (SRI+) for Japan and Unicharm for other countries.
(Cumulative market share in sales for the period from January 2024 through December 2024)

Pet Care Products (Pet Care Business)

Major Countries and Regions for Sales

Toilet-related products for dogs ○ Wet food for dogs ● Dried food for dogs ●
Treats for dogs ● Toilet-related products for cats ○ Wet food for cats ● Dried food for cats ● Treats for cats ●
Pet cleansing wipes ○ Animal healthcare products* ●
(1 indicates Unicharm ranks among the top three market share leaders)
* Combined total for flea and tick prevention products and grooming products

Japan

Toilet-related products for dogs 1 Wet food for dogs ● Dried food for dogs 1 Treats for dogs ●
Toilet-related products for cats 1 Wet food for cats ● Dried food for cats 1 Treats for cats 2 Pet cleansing wipes 2

The number of pets is growing, with a particularly marked increase in the number of pet cats. For this reason, treats for cats and other high-value-added products are performing well. Unicharm has built the No. 1 share in the pet care market, which comprises pet food and toilet-related products.

In the pet food category, we have offered treats for pets as general nutrition food to meet demand from owners who want their cats or dogs to enjoy food that has a variety of textures and tastes as well as demand from owners who are increasingly conscious of pet health. We have launched highly distinctive new products, including *Silver Spoon Fish Flavor Cream Doughnut Treats* for cats and *Gran-Deli Sapporo Potato for Dogs*. Unicharm has also expanded and enhanced its lineup of toilet-related products by painstakingly responding to the diversification of demand. For example, we have launched a cat toilet that meets demand for product designs that blend well with interior designs. Meanwhile, we have marketed *Deo Sheet Kirei Pad*, a small pad for dogs that is placed over excretion marks on pet sheets, thereby making life easier for pet owners, and *Deo Sheet Deodorizing Lab Toilet System*, a dog toilet that caters to the need for deodorization when raising dogs indoors. In addition, Unicharm is advancing a range of initiatives to help create a society in which people and pets can coexist. As part of these efforts, we have conducted the GO WITH YOUR DOG Project since fiscal 2022, and we host various events that owners and their dogs can visit and enjoy together. Unicharm has invigorated the market not only by rolling out products but also by providing new services. Service-related initiatives include the launch of the *DOQAT* pet-related inquiry service and *Gohan Matching*, an AI-enabled service that suggests cat food solutions.

Asia

Toilet-related products for dogs ○ Dried food for dogs ●
Toilet-related products for cats ○ Wet food for cats ●
Dried food for cats ● Treats for cats ●

China	○ ○ ● ● ●	Indonesia	○ ○ ●
Taiwan–Greater China	○ ○ ● ●	Malaysia	○ ○
South Korea	○ ○ ● ●	Singapore	○ ○
Thailand	○ ○ ●	Vietnam	●

China

Unicharm's second largest market after North America, China promises further a growth. In November 2022 we formed a capital and business alliance with Jiangsu Jijia Pet Products Co., Ltd. (JIA PETS), which has begun manufacturing pet food using our original concepts and technologies. We aim to capture the leading market share in key Chinese cities by combining our manufacturing technology and production management expertise, which have earned the endorsement of consumers in Japan, with the strengths of JIA PETS, which include its production system, research and development, and sales capabilities in e-commerce channels.

Southeast Asia

Given the growing demand for pet care products in the cities of Southeast Asia as income levels rise and populations age, Unicharm is expanding and enhancing its lineup of products that use Japanese technology and extending the scope of product distribution activities. We will actively invest management resources to realize dramatic business growth.

Oceania

Australia Toilet-related products for cats ○

North America

United States

Toilet-related products for dogs ○ Treats for dogs ●
Treats for cats ● Animal healthcare products 1

Since its 2011 acquisition of The Hartz Mountain Corporation (Hartz), Unicharm has offered high-value-added products in North America, such as Japanese technology-enabled wet treats for cats and pet toilet-related products that use Unicharm's nonwoven fabric and absorbent material processing and molding technologies. In fiscal 2024, we expanded and improved our lineup by launching *Delectables Squeeze Up Kitten*, a tube-shaped treat for cats that simultaneously helps owners bond with their kittens and provides kittens with nutritional and hydration support, and *Delectables LICKABLE SPOON*, a spoon-shaped treat for cats that allows cat owners to enjoy giving snacks to their pets without getting their hands dirty.

Note: Estimates of market shares are based on surveys by INTAGE (SRI+) for Japan and NIQ and Euromonitor International for other countries.
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Feminine Care Products (Personal Care Business)

Major Countries and Regions for Sales — Sanitary pads ● Cosmetic cotton pads ● Personal cleansing wipes ●
(♛ indicates Unicharm ranks among the top three market share leaders)

India ♛3

Given the large target population for sanitary pads and the ongoing popularization of these products, the market is expected to grow in the near term. In rural areas, we are promoting awareness of menstrual issues while introducing and rolling out lower-priced products with less functionality that reflect actual usage and economic conditions, such as *SOFY AntiBacteria*, which meets the needs of local consumers. We have achieved high net sales growth and improved profitability by expanding and enhancing our product lineup, extending sales regions, and increasing the number of stores carrying our products. Further, we are expanding Project Jagriti, which supports the economic independence of women in rural areas.

China ♛2 ● ●

Unicharm has continued to introduce many new products in the premium category. In particular, our pants-type sanitary pads for day use have won high acclaim and achieved stable net sales growth. Also, in response to growing demand for products in the affordable price range, particularly among younger consumers who continue to face a challenging employment environment, we have stepped up efforts to meet such consumer needs. For example, we launched affordable pants-type sanitary pads.

Thailand ♛1 ●

As the sanitary pads market continues to mature, we have sustained stable net sales growth and high profitability and continued to claim the largest share of the sanitary pads market by catering to consumer demand through the marketing of products that boast high levels of comfort-related differentiation and added value. These products include sanitary pads that give wearers a cool, fresh feeling and deodorizing sanitary pads with activated charcoal.

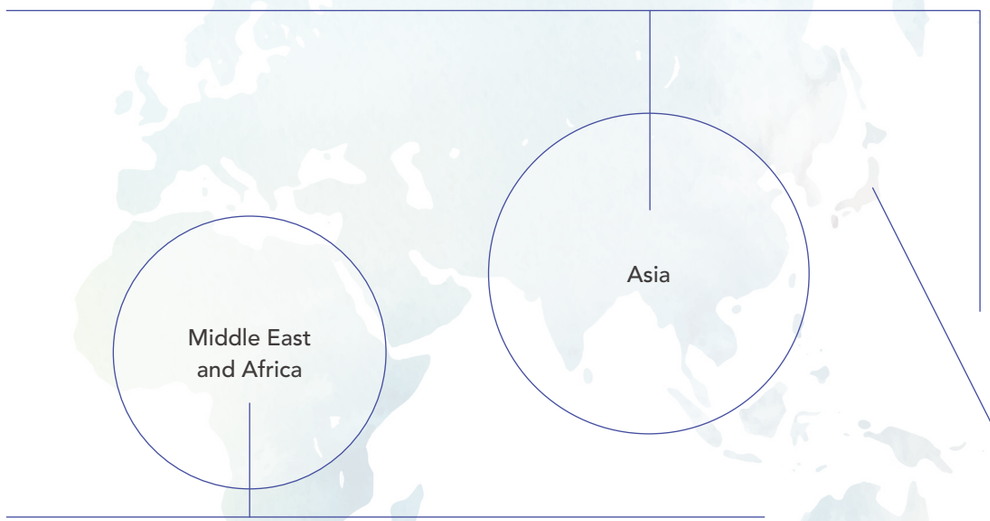
Indonesia ♛1 ● ●

Unicharm has achieved strong net sales growth and maintained a leading share of the market for sanitary pads through efforts to pass on value by providing high-value-added products that meet consumer needs, including herbal sanitary pads, sanitary pads that give wearers a cool and fresh feeling, and pants-type sanitary pads that prevent leakage and offer peace of mind when used overnight.

Vietnam ♛1 ● ●

Despite the ongoing low-pricing strategies of emerging companies in e-commerce sales channels, we have boosted profitability and maintained the No. 1 share of the market for sanitary pads by continuing to pass on value through the provision of highly differentiated value-added products, such as sanitary pads that give wearers a cool and fresh feeling and pants-type sanitary pads for night use.

- Taiwan–Greater China ♛1 ● ●
- South Korea ♛2 ●
- Malaysia ♛3 ●
- Singapore ♛3 ●
- Philippines ●
- Myanmar ♛1



Japan ♛1 ♛1 ♛1

Unicharm has maintained its leading share of the market for sanitary pads by realizing stable growth in net sales through the marketing of value-added products that cater to the diversifying needs of women as their lifestyles change and through the provision of services that utilize digital technologies, such as the *Sofy Be* period and physical condition tracking app. In the market for wet wipes, the use of which has become a widespread amid a heightened awareness of hygiene, our *Silcot* brand has retained the biggest share of the market for personal cleansing wipes thanks to the marketing of products with enhanced designs.

- Saudi Arabia ●
- Egypt ♛2
- Kenya ●
- Jordan ●
- Oman ●
- United Arab Emirates ●

Middle East and Africa

In the Middle East, Unicharm realized strong net sales growth, supported by steady sales in Saudi Arabia, thanks to proactive marketing investments in offerings such as products containing olive oil that reflect local customs, and by an increase in exports to neighboring countries.
In Africa, where many women do not use sanitary pads, strong market growth is likely as the continent's economies grow and women achieve social advancement. We have moved forward with rollouts of products suited to local needs, such as the launch of *SOFY Long Lasting* in Kenya.

Note: Sources for market shares are INTAGE (SRI+) for Japan and NIQ and Euromonitor International for other countries.
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Baby and Child Care Products (Personal Care Business)

Major Countries and Regions for Sales — Disposable baby diapers ● Baby wipes ●
(♛ indicates Unicharm ranks among the top three market share leaders)

China ● ●

The birthrate is declining and demand is diversifying. In terms of sales channels, e-commerce and many other new business formats are emerging locally. In such a rapidly changing competitive environment, we have improved profitability through the *Moony* brand, a premium made-in-China product that meets the particular need for breathability among Chinese consumers.

Indonesia ♛1 ●

The market for disposable baby diapers continues to grow. New companies that leverage e-commerce to pursue low-pricing strategies are emerging. Nonetheless, Unicharm has maintained its No.1 share of the market for disposable baby diapers by catering to diverse consumer demand through the simultaneous marketing of two brands: *Fitti* in the affordable price range and *MamyPoko* in the high-end price range.

Thailand ♛1 ●

The competitive environment is intensifying due to a declining birthrate and Thailand's stagnant domestic economy. In particular, *BabyLove*, which is in the affordable price range, is seeing fierce price competition from new companies in e-commerce channels. However, we are meeting consumer needs and maintaining our overwhelming No.1 share of the market for disposable baby diapers by utilizing the aforementioned brand appropriately in tandem with high-end *MamyPoko* offerings.

India ♛2 ●

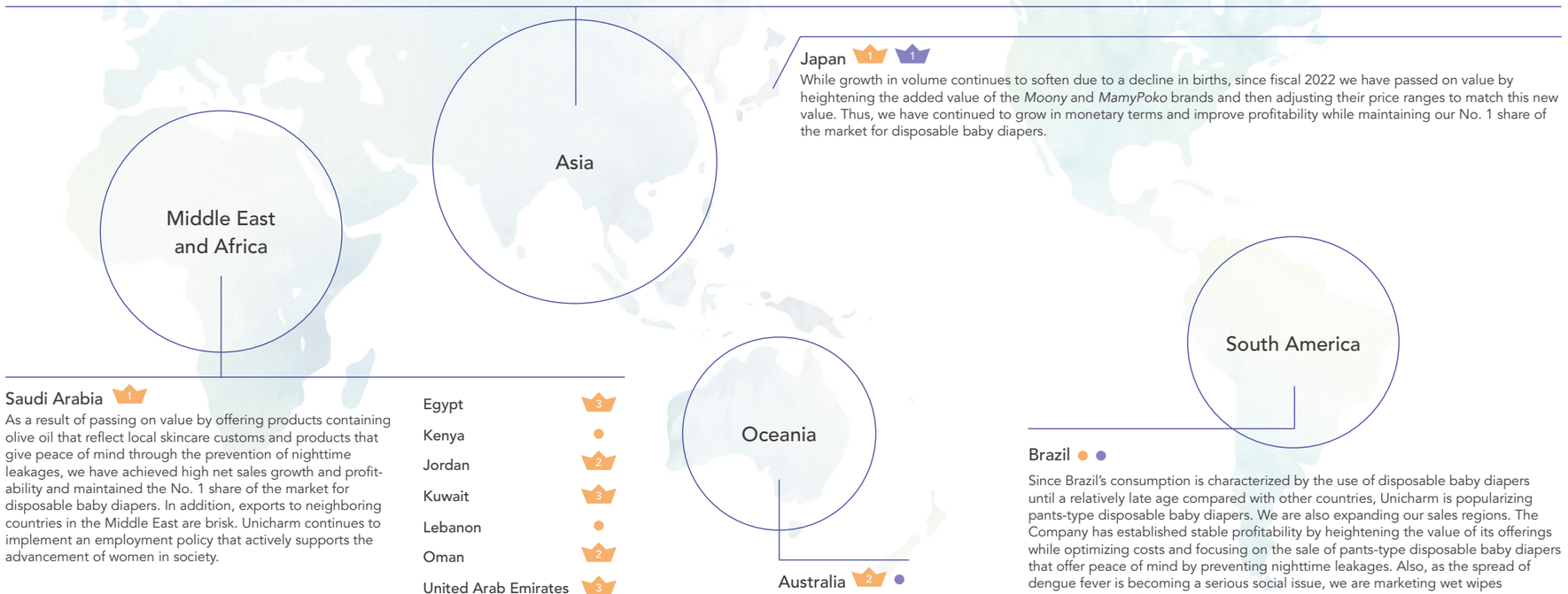
For the time being, the market is expected to grow due to increasing births and the ongoing popularization of disposable diapers. As a result of our efforts to broaden sales regions and make the use of disposable baby diapers more widespread, as of December 2024 we have established the largest share of the market for disposable baby diapers.* In conjunction with these efforts, we have improved profitability by upwardly revising retail prices. In February 2025, the Ahmadabad plant started up operations, bringing our total number of production sites in india to three.

* Source: NIQ, as of December 2024
(Market share in sales)

Vietnam ♛1 ●

Growth in market size is flagging due to fewer births and the low-pricing strategies of emerging companies. Amid these market conditions, we have kept our leading share of the market for disposable baby diapers by launching products that reflect how consumers actually use products, including pants-type disposable diapers that can be opened and closed on one side, and by adapting flexibly. For example, we have responded proactively to the growth of live commerce sales channels.

Taiwan–Greater China	●	●
South Korea	●	
Malaysia	♛2	●
Singapore	♛2	●
Philippines	●	●
Myanmar	●	●



Japan ♛1 ♛1

While growth in volume continues to soften due to a decline in births, since fiscal 2022 we have passed on value by heightening the added value of the *Moony* and *MamyPoko* brands and then adjusting their price ranges to match this new value. Thus, we have continued to grow in monetary terms and improve profitability while maintaining our No. 1 share of the market for disposable baby diapers.

Saudi Arabia ♛1

As a result of passing on value by offering products containing olive oil that reflect local skincare customs and products that give peace of mind through the prevention of nighttime leakages, we have achieved high net sales growth and profitability and maintained the No. 1 share of the market for disposable baby diapers. In addition, exports to neighboring countries in the Middle East are brisk. Unicharm continues to implement an employment policy that actively supports the advancement of women in society.

Egypt	♛3
Kenya	●
Jordan	♛2
Kuwait	♛3
Lebanon	●
Oman	♛2
United Arab Emirates	♛3

Australia ♛2 ●

Brazil ● ●

Since Brazil's consumption is characterized by the use of disposable baby diapers until a relatively late age compared with other countries, Unicharm is popularizing pants-type disposable baby diapers. We are also expanding our sales regions. The Company has established stable profitability by heightening the value of its offerings while optimizing costs and focusing on the sale of pants-type disposable baby diapers that offer peace of mind by preventing nighttime leakages. Also, as the spread of dengue fever is becoming a serious social issue, we are marketing wet wipes containing mosquito repellent.

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RefF brand products on display in reception at Unicharm's Mita office in Tokyo

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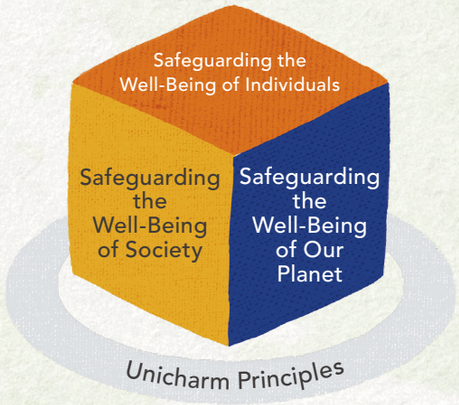
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Kyo-sei Life Vision 2030 (Medium- to Long-Term ESG Goals)

Positioning of Kyo-sei Life Vision 2030 Medium- to Long-Term ESG Goals in Unicharm's Value Creation

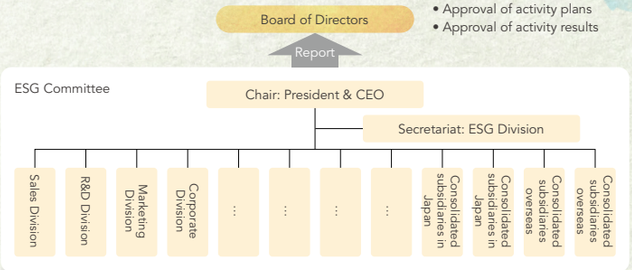
Unicharm has continued to achieve sustainable growth through its commitment to resolve social issues through its business activities and help realize a cohesive society. With our commitment to resolve the concerns of society as the centerpiece of our value creation model, in October 2020, we announced our medium- to long-term environmental, social, and governance (ESG) goals, Kyo-sei Life Vision 2030—For a Diverse, Inclusive, and Sustainable World—(hereafter, Kyo-sei Life Vision 2030) to encourage our diverse employees across the globe to think and act on their own. Kyo-sei Life Vision 2030 is a set of indicators and targets that was established in pursuit of absolute value, an essential part of our value creation. It was designed so that we would play a key role in the lives of consumers and the growth of local communities by resolving environmental and social issues through our business activities.

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



Sustainability Promotion System

The ESG Committee, on which the president & CEO serves as chair and the ESG Division serves as secretariat, manages and oversees all of the Company's sustainability-related activities. The committee convenes four times a year and is attended by members of management, including directors and executive officers, and persons in charge of each division and consolidated subsidiary. It deliberates and decides on policies and activities related to sustainability as a whole and monitors progress. Matters deliberated and decided on by the committee are reported to the Board of Directors at least once a year and the formulation and promotion of Kyo-sei Life Vision 2030 are also carried out under this system.



Key Themes Based on Our Approach to Realizing a Cohesive Society

In formulating Kyo-sei Life Vision 2030, we assumed the realization of a cohesive society in 2050 and backcasted to identify the approach we should take to draw us closer to that goal.

In order to evolve into a company that provides social infrastructure through which all people from newborns to the elderly and their pets can enjoy a healthy lifestyle, society, and planet by 2030, major changes must be made, such as developing marketing tactics that cater to specific needs as well as revamping and bolstering our line of products and services to expand our business globally. Moreover, to continue to protect the global environment while sustaining economic growth, we must accelerate the creation of a sustainable economy.

Through this approach, we identified 20 key themes that need to be proactively addressed, organized into four relevant areas. For each of the four areas and 20 key themes, we established indicators and targets from the perspective of pursuing absolute value.

Realizing a Cohesive Society in 2050

Possible Trends in 2050	Acceleration of aging society	Normalization of women's social advancement	Advancement of diversity and expansion of its concept
	Evolution of the IoT and AI	Destabilization of society due to abnormal weather and novel diseases	Diffusion of circular economy
	Socioeconomic growth in Africa	Collapse/reconstruction of supply chains due to changes in resource supply and demand	Global changes in demographic dynamics
Desirable Future in 2030 Based on Our Vision	**Society** A cohesive society where the well-being of individuals, society, and our planet is maintained in a balanced state		**Unicharm** A worldwide company that provides social infrastructure to support healthy bodies and minds for all people as well as pets, while at the same time promoting the well-being of society and our planet
Our Approach to Realizing the Desirable Future of 2030	Expansion throughout the world	Evolution of products and services	Personalization	Circular economy

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Formulation of Kyo-sei Life Vision 2030

Phase 1 Identify Material Issues

1 Extra issues
We extracted 513 social issues related to our value creation from a number of published sources and categorized them into 44 groups (ISO 26000, GRI Standards, SDGs, FTSE, MSCI, DJSI, etc.) based on four viewpoints.*

2 Internal assessment
We surveyed approximately 900 people associated with Unicharm, including members of the Board of Directors, executive officers, general managers, subsidiary presidents, and managers.

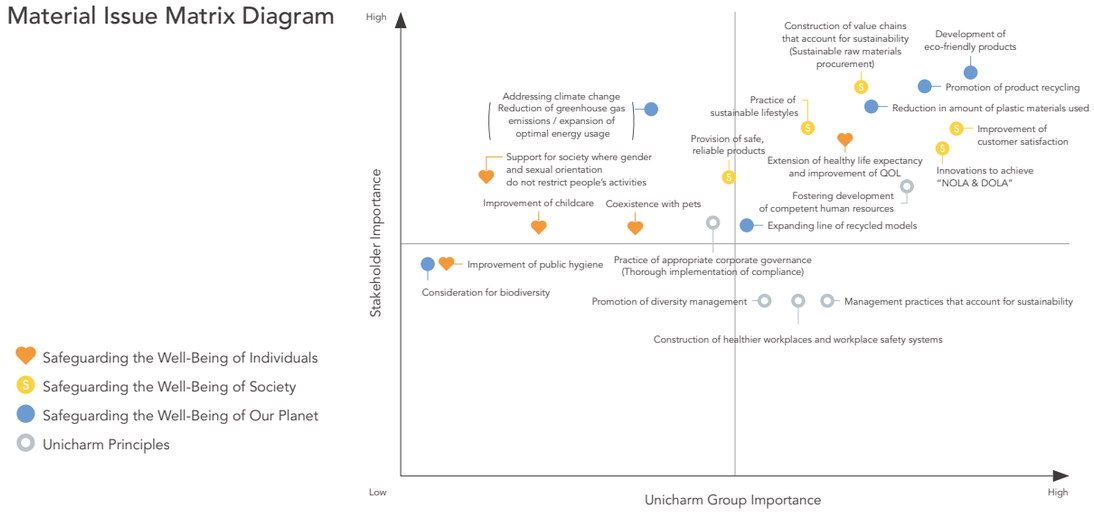
3 External assessment
We petitioned 56 organizations to participate in surveys and assess the degree of importance assigned to various issues from the external viewpoint of stakeholders, and received responses from 32 organizations.

4 Workshops with executive officers
We held workshops on the Sustainable Development Goals (SDGs) and other themes, at which executives offered their opinions about what society might look like in 2050 as well as possible directions the Company should take.

5 Identify material issues
We listed the main themes underlying where we want the company to be in 2030 and various necessary approaches to achieve those goals, then we identified our material issues. The results of deliberations were subsequently approved by the ESG Committee.

* (1) Unicharm's vision of the company it aims to be, (2) Unicharm's current situation, (3) social trends in Japan and overseas, and (4) trends of other companies

Material Issue Matrix Diagram



Phase 2 Establish Targets for Material Issues

1 Implementation of research into ESG assessment institutions and competitor benchmarks

2 Comparison between branding strategies of our products

3 Exchange of opinions with general managers and senior managers

4 Creation of indicators and initial proposals for targets

5 Discussions with Marketing Division and R&D Division

6 Finalization of indicators and target values

7 Approval by ESG Committee

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Safeguarding the Well-Being of Individuals

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.

Our Basic Approach and Strategy

Based on its corporate brand essence "Love Your Possibilities," Unicharm strives to provide products and services that help realize a society in which people all over the world can continue to live in their own way. We set internal standards at each stage of development, including for safety and quality and from various perspectives such as increasing added value and reducing environmental impact. Our products do not advance to the next stage of development without meeting these standards. All Unicharm products currently on the market comply with these internal standards.

It is essential as we remain committed to this approach that we continue to safeguard the well-being of individuals through all of the products and services we provide.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
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%	100%	100%	Catering to Each Region's Distinctive Demand ▶ Pages 38–39 Wellness Care Products (Personal Care Business) ▶ Page 40	100%	2030	
Support for 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%	100%	100%	Catering to Each Region's Distinctive Demand ▶ Pages 38–39 Feminine Care Products (Personal Care Business) ▶ Page 42 Pursuing Business Expansion in Kenya and Initiatives to Address Hygiene Issues Across Africa ▶ Page 49 Helping Indian Women Dispel Negativity and Fulfill Their Dreams ▶ Page 50	100%	2030	
Coexistence with pets	Percentage of products and services that contribute to the realization of a society where pets are welcomed by family members and community residents	100%	100%	100%	Catering to Each Region's Distinctive Demand ▶ Pages 38–39 Pet Care Products (Pet Care Business) ▶ Page 41 Creating Value for Pets and Their Owners ▶ Page 51	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%	100%	100%	Catering to Each Region's Distinctive Demand ▶ Pages 38–39 Baby and Child Care Products (Personal Care Business) ▶ Page 43	100%	2030	
Improvement of public hygiene	Percentage of products and services that contribute to activities that can reduce the spread of preventable infectious diseases (contact transmission or droplet transmission)	100%	100%	100%	Catering to Each Region's Distinctive Demand ▶ Pages 38–39	100%	2030	

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Safeguarding the Well-Being of Society

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.

Our Basic Approach and Strategy

At Unicharm, we believe the sustainable growth of our business entails the sustainability of the societies in which we do business. For this reason, we place the highest priority on our coexistence with all stakeholders, and value the importance of promoting mutual understanding and cooperation through detailed communication. We share with all stakeholders our philosophy and action plans for the high standards of quality, safety, and environmental protection that they expect, and we strive to achieve, and we aim to develop a framework that enables us to work closely together to resolve social issues through our business activities as swiftly as possible.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
Innovations to achieve "NOLA & DOLA"	Percentage of products and services that contribute to freedom from various burdens and finding enjoyment in life	100%	100%	100%	Product Development for People Trying to Conceive: *Sofy Ninkatsu Orimono Sheet* ▶ Page 26 Unicharm's Unique Digital Transformation: *Sofy Be* Period and Physical Condition Tracking App—Linking Digital Technologies and Products ▶ Page 29	100%	2030	
Practice of sustainable lifestyles	Percentage of products and services suitable for the SDGs Theme Guideline, an internal guideline for contributing to sustainability	10.5%	5.9%	15.4%	SDGs Theme Guideline: Internal Guideline for Contributing to Sustainability ▶ *Sustainability Report 2025*, Page 61	50%	2030	
Construction of value chains that account for 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	Development ongoing	Development ongoing	Development ongoing	Pursuing Business Expansion in Kenya and Initiatives to Address Hygiene Issues Across Africa ▶ Page 49 Supply Chain Management ▶ Page 52 Biodiversity Conservation ▶ Page 64	Double (compared with 2020)	2030	
Improvement of customer satisfaction	Percentage of products and services supported by consumers (No. 1 market share)	24.0%	23.6%	23.1%	Wellness Care Products (Personal Care Business) ▶ Page 40 Pet Care Products (Pet Care Business) ▶ Page 41 Feminine Care Products (Personal Care Business) ▶ Page 42 Baby and Child Care Products (Personal Care Business) ▶ Page 43	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%	100%	100%	Production ▶ Page 24 Quality ▶ Page 53	100%	2030	

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Promoting Initiatives to Expand Possibilities for Society

Unicharm defines its value creation efforts as the pursuit of value that dispels negativity, such as discomfort, inconvenience, and unsanitary conditions, and that thereby helps people to fulfill their dreams and experience the pleasure and joy of living. Both inside and outside the Company, Unicharm communicates this idea through "Love Your Possibilities," its corporate brand essence. This essence entails using Unicharm's business activities to address social issues globally, so that the Company can realize societies across the world where all people can live their lives as they wish. Each country and region has its own distinctive characteristics and faces different environmental and social issues. Unicharm develops and offers products tailored to the lifestyles of people in the countries and regions where it operates. It also expands possibilities for people across the world by offering solutions and providing support to help address region-specific concerns.

Case Study 1

Kenya

Pursuing Business Expansion in Kenya and Initiatives to Address Hygiene Issues Across Africa

Key Themes Related to Kyo-sei Life Vision 2030

- Support for society where gender and sexual orientation do not restrict people's activities
- Construction of value chains that account for sustainability

Identifying New Issues Faced by Kenyan Women

The use of sanitary pads in African countries remains limited for economic and other reasons. In Kenya, only about 30% of women use sanitary pads. To improve this situation, since August 2023 Unicharm has been importing and selling *SOFY Deep Absorb*, premium sanitary pads produced at the Company's factory in Egypt, in cooperation with Toyota Tsusho Corporation and its local subsidiary CFAO Kenya Limited. However, many Kenyan women are still unable to use sanitary pads in their daily lives due to the ongoing challenge of balancing the price and quality of these products. Unicharm is therefore working with CFAO Kenya to create an environment in which as many women as possible can use affordably priced sanitary pads with reliable quality. The Company believes that extensive popularization of sanitary pads in this way will help expand possibilities for women both in Kenya and across Africa.

Addressing Issues by Capitalizing Fully on the Strengths of Unicharm, Toyota Tsusho, and CFAO Kenya



As part of these efforts, in January 2025 Unicharm, Toyota Tsusho, and CFAO Kenya launched sales of *SOFY Long Lasting* sanitary pads in the capital city of Nairobi and other regional cities. The launch of this product, which is made in Kenya, is helping create an environment where sanitary pads with the functions and quality required by Kenyan women are available to everyone whenever and wherever they need them. From the product's development to its distribution, Unicharm, Toyota Tsusho, and CFAO Kenya capitalized fully on each other's strengths throughout. Unicharm's primary role was to develop a sanitary pad that satisfies Kenyan women's requirements by combining insights from local surveys with its strengths in manufacturing based on nonwoven fabric and absorbent material processing and molding technologies. It achieved a unit cost two-thirds that of previous imported products by procuring some of the raw materials in Kenya. The Company has also developed communication materials and built stores that appeal to the five senses of consumers while responding to local circumstances by selling individually wrapped sanitary pads in packs of one, so that people can purchase products in the quantities needed. Meanwhile, Toyota Tsusho and CFAO Kenya are responsible for enhancing the local sales structure, including fully leveraging a community-based distribution network, increasing the number of stores selling the product, and managing sales.



Sanitary pads for sale in Kenya

Fostering African Development by Popularizing Sanitary Pads

Unicharm believes that its collaboration with Toyota Tsusho and CFAO Kenya helps invigorate local economies by creating employment in Kenya. Along with popularizing sanitary pads, it also promotes activities to disseminate accurate knowledge about menarche and menstruation. Through these activities, the Company will create an environment where even more Kenyan women can use sanitary products in their daily lives, thereby helping to improve public hygiene across communities and ensure women's advancement in society. Going forward, Unicharm will consider expanding into neighboring countries to help address hygiene issues across the continent, in addition to Kenya.

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Case Study 2

India

Helping Indian Women Dispel Negativity and Fulfill Their Dreams

Key Themes Related to Kyo-sei Life Vision 2030

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

Region-Specific Issues Created by Traditional Values

In India, although there is rapid modernization in cities, traditional values are deeply entrenched in rural areas. Women in such areas often encounter restrictions on their actions due to a lack of access to accurate information about menstruation. These circumstances impede women's ability to advance in society by attending school or going to work. In addition, women in rural areas face a variety of hygiene-related issues. For example, the use of dedicated menstrual care products is limited, and some women use old rags, newspapers, leaves, and other materials to absorb menstrual blood. Beyond its own efforts to popularize sanitary pads and disseminate accurate information on menstruation, Unicharm has concluded that women must have the financial power to purchase appropriate dedicated menstrual care products if such issues are to be fundamentally addressed. Unicharm is therefore encouraging women's empowerment in India by combining efforts to popularize and spread appropriate menstrual care with efforts to boost women's financial independence.

Project Jagriti: Facilitating Women's Empowerment

In fiscal 2021, Unicharm's local subsidiary in India launched Project Jagriti* in partnership with a local nongovernmental organization. Project Jagriti fosters women's financial independence by putting selected women in charge of shops in rural areas that sell items including sanitary products. In starting up such shops, the project offers the tools and resources necessary to operate them and provides opportunities for project participants to acquire the knowledge and skills required by shop operators.



Awareness-raising activities by a women entrepreneur

In addition, women supported by the project organize awareness-raising activities to spread accurate knowledge about menstruation to women in rural areas. In fiscal 2024, they held 167 sessions, attended by approximately 6,300 women. Unicharm believes that organizing regular awareness-raising activities reinforces engagement with the Company over the medium to long term, by enhancing participants' awareness of hygiene, including when they become mothers in the future.

In these ways, Project Jagriti not only contributes to women's financial independence but also helps to develop sales channels by raising awareness of hygiene and making sanitary pads accessible in rural areas. Thanks to the success of these activities, sanitary pad use in rural areas supported by the project increased from approximately 30% in fiscal 2021 to around 90% in fiscal 2024. Building on this greater usage, Unicharm is expanding its share of the sanitary pad market in India.

* Jagriti means "awakening" in Hindi.



A shop selling sanitary pads and related products

No. of women entrepreneurs supported by Project Jagriti

330

(Cumulative total between fiscal 2021 and fiscal 2024)

Feedback

Comments from a Female Entrepreneur Supported by Project Jagriti



Pinki

Namaste! I am Pinki from the village of Chiti in Uttar Pradesh. Thanks to Unicharm India's Project Jagriti, my life has been transformed. Through skills development and empowerment, I have built a successful business, earning around ₹10,000 to ₹12,000 per month. This journey has not only made me financially independent but also allowed me to take on a leadership role, inspiring those around me. As a strong advocate for safe menstrual practices, I am helping create a healthier, more self-reliant community where women support and uplift each other.



Seema

Namaste! I am Seema, a woman from a rural community, and Project Jagriti has transformed my life. Through this initiative, I learned essential business and customer service skills that gave me the confidence to start my own cosmetics shop. Initially, I had limited opportunities, but with the project's support, I became a successful entrepreneur, now earning around ₹8,000 to ₹12,000 per month and supporting my family. My journey has inspired other women in my community, and I now lead workshops on menstrual health, helping others achieve financial independence and adopt better health practices.

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Case Study 3

Japan

Creating Value for Pets and Their Owners

Key Themes Related to Kyo-sei Life Vision 2030: Coexistence with pets

Issues Arising from Closer Relationships Between Pets and Their Owners

In Japan, many people consider their pets, such as dogs and cats, as members of their families. Unicharm pursues value for both pets and their owners. To this end, the Company offers a variety of products, including pet food that provides pets with tasty essential nourishment and toilet-related products that help maintain stress-free and hygienic living environments. Meanwhile, an increasing number of pet owners are in employment, so they are constantly trying to manage their time effectively. A growing number of people wish to spend more quality time with their pets and less time managing incontinence care products. Accordingly, we are seeing demand for pet care products that provide both comfort for pets and convenience for pet owners.

Incontinence Care Products That Provide Comfort for Dogs and Their Owners

Dog owners who are in employment have found it hard to make enough time to provide toilet care for their pets, even with pet sheets. Meanwhile, growing environmental awareness is driving growing demand among pet owners who wish to use each pet sheet as effectively as possible to reduce waste.

Since dogs do not like to urinate in the same place, in September 2024 Unicharm launched the *Deo Sheet Kirei Pad*, a small pad that can be used to cover urine spots on an pet sheet. As it is no longer necessary to change an entire pet sheet every time their dog urinates on it, the product makes dog toilet care more efficient for dog owners and reduces waste by approximately 25% by enabling owners to make full use of pet sheets.*1 This product also utilizes scrap generated during the nonwoven fabric manufacturing process.



In addition, in March 2024 Unicharm launched sales of *Deo Sheet Deodorizing Lab Toilet System*, which makes life easier for pet owners and makes toilet-related products for pets more environmentally friendly. This dog toilet with a two-layered structure comprising a filter and a mat, reduces the frequency with which pet sheets need to be replaced, thereby reducing waste by approximately 52%.*2 The outer layer, an antibacterial dry filter,*3 contains silver ions, which inhibit the growth of odor-causing bacteria. Unicharm recommends changing the filter once a week. The inner layer consists of a highly absorbent deodorizing mat. Made with high-capacity absorbent material, the mat can absorb three days' worth of urine, while deodorizing microcapsules in the mat neutralize odors for an extended period of time. Even if it is not replaced, the mat will not smell for up to three days.*4

Meanwhile, in addition to ensuring that *Deo Sheet Deodorizing Lab Toilet System* makes life easier for dog owners, Unicharm has also designed the product to be comfortable for dogs to use. The filter keeps the surface dry by allowing urine to pass through to an underlayer, so that dogs' feet don't get wet, while bumps on the underside of the tray help dogs maintain their footing.

Unicharm will help realize convenient and comfortable pet-related lifestyles by continuously offering products with high added value that address the needs of both pets and their owners.



*1 When using Unicharm's *Deo Sheet Reliable Super-Absorption* regular size pet sheets. The number of sheets used is in keeping with typical quantity in prior product testing (based on Unicharm research).
*2 Calculated based on the number of *Deo Sheet Deodorizing Lab Toilet System* and *Deo Sheet Reliable Super-Absorption* regular size pet sheets used per month (based on Unicharm research, 2023)
*3 Third-party antibacterial efficacy test result. The antibacterial dry filter does not inhibit the growth of all bacteria. Odor-causing bacteria are bacteria that help facilitate the production of ammonia from urine.
*4 When absorbing the urine of one dog (regular sheet for a dog weighing 4 kg or less; wide sheet for a dog weighing 10 kg or less) and when feces are removed. In testing where consumers used the product in daily life, 87.9% responded that the mat did not smell for three days. Testing consisted of an odor intensity and pleasantness/unpleasantness assessment conducted by an odor analyst after dropping 20 ml of dog urine on the mat once a day for three days in a closed space and an ammonia density assessment conducted three days after dropping 20 ml of dog urine on the mat (based on Unicharm research).

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Supply Chain Management

Key Themes Related to Kyo-sei Life Vision 2030: Construction of value chains that account for sustainability

Policy

In October 2017, Unicharm established its **Basic Policy of Procurement** to prevent human rights, labor, and environmental issues throughout the supply chain stemming from the global expansion of its business. At the same time, it established the **Unicharm Group Sustainable Procurement Guidelines** to accompany the Basic Policy of Procurement.

However, laws and regulations on human rights, occupational safety, and workplace environment protection vary by country and region, as do public perceptions. Accordingly, we are strengthening efforts to gather information that is highly relevant to each country and region and adapt to their specific circumstances. We also promote procurement activities with priority on crisis management while working to promote understanding and awareness of our stance and approach to procurement, such as complying with the laws and social norms of each country and region and giving due consideration to human rights and labor conditions when engaging in new transactions and conducting ethical risk assessments. These efforts apply to all business partners in the countries and regions in which we do business. We will continue promoting initiatives in order to fulfill our social responsibilities throughout the supply chain.

Basic Policy of Procurement and Unicharm Group Sustainable Procurement Guidelines
Sustainability Report 2025, Pages 98–99

Management Structure

To address social issues such as employee health and safety and labor standards along the supply chain, meetings are held by the managers of the ESG Division, the Purchase R&D Department in the Global R&D Division which manages the material suppliers and contract manufacturers, and the Trinity Promotion Department and the Strategic Sourcing Department of Unicharm Products Co., Ltd., to discuss and determine the areas of foremost priority and specific courses of action while monitoring the progress of ongoing measures and seeking solutions to various issues.

In addition, the ESG Committee, chaired by the president & CEO, reports on the policies and progress of measures to resolve social issues related to the supply chain and of environmental activities on a regular basis, reviewing our plans as necessary.

Key Initiatives

Medium- to Long-Term Policy Briefing Session for Suppliers

In October 2024, we held the 15th Unicharm Medium- to Long-Term Policy Briefing Session for Suppliers, which was attended in person or online by 283 participants from 133 companies, including material suppliers for personal care and pet care products and external production contractors. The purpose of the session was to make participants aware of a variety of Unicharm's policies, including its basic environmental, human rights, and procurement policies, while seeking their understanding of the Company's policy and guidelines for constructing a sustainable supply chain. Unicharm also reported on and explained topics it has asked suppliers to cooperate on, including the use of the Sedex platform,*1 the progress of various activities for achieving Kyo-sei Life Vision 2030 and Environmental Targets 2030, provision of data to the GHG Emissions Visualization Project, and quality control activities to improve customer satisfaction through the supply of safe and reliable products.

*1 A global membership organization leading in responsible sourcing practices, Sedex provides companies with technology and insight to build a responsible business and supply chain, including the world's largest platform for sharing supply chain data on labor standards, health and safety, the environment, and business ethics. Over 85,000 business members in 180 countries and regions use Sedex solutions to manage supply chain risk, meet compliance requirements, and demonstrate measurable impact.

Supplier Monitoring

We monitor the activities of suppliers using the results of SMETA audits*2 by means of the Sedex platform. In 2024, a SMETA audit was carried out in 79 different scenarios, serving as a source of information on 221 cases of violations. The detected violations are classified according to the four ratings of Business Critical, Critical, Major, and Minor, and are subject to Sedex's SMETA Non-Compliance Guidance. For violations classified as either Business Critical or Critical that have yet to be amended three months after the date of audit, we contact the supplier to verify the status and course of action toward improvement. In fiscal 2024, of the 44 cases classified as Critical, two violations (two suppliers) that were not yet confirmed as amended within three months were discussed with suppliers to confirm their corrective action plans.

*2 A social auditing methodology developed by Sedex that enables businesses to assess their sites and suppliers to understand working conditions in their supply chain across the areas of labor standards, health and safety, the environment, and business ethics.

In Focus Human Rights Initiatives in Australia

To promote human rights awareness throughout the supply chain, Unicharm Australasia Pty Ltd (UcA), Unicharm's local subsidiary in Australia, conducts a curriculum and training on the risks of and measures against modern slavery,*3 particularly for material suppliers and retailers composing the downstream supply chain. In fiscal 2024, these programs were held for nine such suppliers and retailers. An example is a training program we conducted for a supplier that commissioned the production of t-shirts for promotional purposes. We believe this is a step in the right direction to addressing the apparel industry's high risk for violations of the Modern Slavery Act (MSA).*4

In March 2024, UcA held a seminar sponsored by Sedex for 12 Sedex member companies to share best practices on human rights. In July 2024, UcA also released Modern Slavery Statement 2023, which details the structural, operational, and monitoring frameworks for identifying risks concerning modern slavery within the supply chain network, in accordance with the MSA. In October 2024, UcA gave a keynote lecture to members of the Australian Catholic Anti-Slavery Network (ACAN) modern slavery working group on best practices in response to the MSA.

*3 Forms or acts of bonded labor, forced labor, human trafficking, etc., in which people are forced into slavery and servitude

*4 Modern Slavery Act 2018 was enacted to prevent forced labor, child labor, and other human rights violations in the supply chain by promoting voluntary compliance by companies through the mandatory disclosure of corporate activities



Unicharm Australasia Pty Ltd, Modern Slavery Statement 2023
https://modernslaveryregister.gov.au/statements/18871/

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Quality

Key Themes Related to Kyo-sei Life Vision 2030: Provision of safe, reliable products

Policy

At Unicharm, we contribute to creating a better quality of life for everyone by offering only the finest products and services to the market and customers, both at home in Japan and abroad. In keeping with this belief, which is set forth in the Unicharm Ideals, we are committed to continuously improving the quality of our products by always thinking from our customers' point of view.

Since many of our products used by customers come into direct contact with their skin, we must not only continuously strive for improvements in quality and safety but also ensure that our labels convey information appropriately so that customers can use our products with peace of mind.

Policy on Management of Chemical Substances

To provide safe and reliable products and services to customers while reducing their impact on the global environment, Unicharm is committed to ensuring the high standards of safety it sets for itself throughout the entire product life cycle, from materials procurement to product development, manufacturing, customer use, and disposal. In addition, we conduct comprehensive product risk assessments, including chemical analyses, as we believe it is our corporate social responsibility to be accountable to customers for the safety of our products. The Unicharm Group uses its Material Safety Guidelines to minimize the impact of chemical substances in our products on the human body and the global environment, and applies a policy for managing chemical substances that ultimately eliminates all harmful impacts found in the raw materials we use.

In defining harmful substances, we broadly gather information from a global perspective, such as from the databases of the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) and the European Chemicals Agency (ECHA), and identify approximately 4,000 chemical substances from potentially harmful substances classified as a substance of very high concern (SVHC), as well as toxic pigments, preservatives, modifiers, and surfactants, and create a list of target substances for reduction. While the target reduction substances are being determined, the information we receive from material suppliers on the substances found in their materials is used to conduct product risk assessments to measure the toxicity of chemical substances.

Policy on Animal Testing

From an animal welfare perspective, Unicharm is eliminating animal testing as a means to verify and prove the impact of chemical substances on health and the global environment. We no longer conduct experiments on animals, including outsourced testing, to check the safety of our products, nor do we plan to in the future. This is in exception of cases where Unicharm was held accountable toward society on safety issues or met with demands from local administrations in certain countries and regions. Whenever animal testing is unavoidable, we will minimize its use based on the 3R Principle for animal experiments: the "replacement" of animals with alternative testing methods, the "reduction" of the number of animals used, and the "refinement" of animal experiments to alleviate the pain and distress of animals.

Management Structure

At Unicharm, our quality management system is verified for compliance and effectiveness to ensure the highest levels of quality and, to that end, is audited internally and externally, primarily by the Global Quality Assurance Department under the direction of the chief quality officer (CQO). While taking corrective and preventive measures, the Global Quality Assurance Department, Unicharm Products Co., Ltd.'s Quality Control Department, and the Customer Communication Center jointly conduct management reviews on a regular basis and report the results to the CQO, which are reflected in our ongoing efforts to enhance quality on a Companywide basis.

ISO 9001 Quality Management System

Certain business sites in Japan and overseas have obtained ISO 9001 certification, the international standard for quality management systems, and operate a quality management system based on this standard. Relevant business sites in Japan and overseas have acquired ISO 13485 certification, the international standard for quality management systems specific to medical devices. As of December 31, 2024, 90.3% (84.6% in Japan, 94.4% overseas) of Unicharm's business sites were ISO 9001-certified while 100% of its relevant business sites were ISO 13485-certified.

Key Initiatives

Safety Initiatives

To ensure that our products that come into direct contact with the skin can be used by our customers with peace of mind, Unicharm conducts quality gate checks at each stage of the product life cycle, from material procurement to product development, manufacturing, customer use, and disposal, in accordance with the Unicharm Management System Basic Regulations. At the product development stage, a gate function is established by the Safety Assessment Committee to assess the risks associated with products based on their various uses and methods of disposal. For products confirmed as safe for customer use, a safety assessment confirmation form is issued. In addition, those products using materials that have been confirmed as safe are then tested for actual use.

Global Safety Initiatives

Safety initiatives are essential in all countries and regions where we operate. For that reason, we have been operating a Groupwide safety confirmation system, led by our local subsidiaries in China, South Korea, Taiwan–Greater China, Thailand, Indonesia, and Vietnam. Moreover, meetings attended by the representatives of each country and region, as well as periodic one-on-one meetings, are held to share insights and information on safety initiatives.

In addition, we visit suppliers, testing partners, and government institutions around the world as a means to strengthen communication.

Measures to Ensure Appropriate Product Labeling

In its marketing communications (product packaging, website announcements, and advertising materials), Unicharm has created its own voluntary standards based on the Pharmaceutical & Medical Devices Act, the Premiums and Representations Act, the Containers and Packaging Recycling Law, and the industry standards set by the Japan Hygiene Products Industry Association, in order to provide correct information to its customers. In addition to confirming compliance with these standards, we are working on a Groupwide basis to realize the most optimal and accurate labeling possible, by verifying whether the information we provide will lead to misunderstanding or misuse on the part of customers. Our voluntary standards in response to changes in our internal and external business environment, including the diversification of advertising media and changes in consumer awareness due to market changes, are then shared with the relevant departments through training and other means.

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Safeguarding the Well-Being of Our Planet

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

Our Basic Approach and Strategy

At Unicharm, we believe sustainable growth entails all our businesses taking responsibility for the sustainability of the global environment, which serves as the foundation for our continuous growth. Accordingly, we have established environmental targets for Kyo-sei Life Vision 2030 and Environmental Targets 2030, and are making steady progress toward these targets across the Group. Moreover, in the field of nonwoven fabric and absorbent material processing and molding technologies, Unicharm boasts a world-class research and development system and actively promotes the development of products that align with research themes, such as reducing environmental impact. Through these and other measures, we are driving innovation in our existing business domains.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
Development of eco-friendly products	No. of products and services that implement the "3Rs + 2Rs" based on Unicharm's unique approach	2	2	5	RefF-Related Initiatives to Expand Possibilities for Society and the Planet ▶ Pages 55–57	10 or more	2030	
Expanding line of recycled models	No. of disposable paper diaper recycling facilities introduced	1	1	1	RefF-Related Initiatives to Expand Possibilities for Society and the Planet ▶ Pages 55–57	10 or more	2030	
Addressing climate change	Percentage of renewable energy used for business operations in total	11.0%	22.8%	25.8%	Climate Change (Disclosure Based on the TCFD Recommendations) ▶ Pages 61–63	100%	2030	
Promotion of product recycling	Material recycling of nonwoven products using recycling resources	Development ongoing	Development ongoing	Development ongoing	Creating Value for Pets and Their Owners ▶ Page 51	Start of commercial usage	2030	
Reduction in amount of plastic materials used	Percentage of virgin plastics to total plastics	Development ongoing	Development ongoing	Development ongoing	Plastic Waste Reduction Measures ▶ Page 60	Reduced by half (compared with 2020)	2030	

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Key Themes Related to Kyo-sei Life Vision 2030

Development of eco-friendly products

Expanding line of recycled models

RefF-Related Initiatives to Expand Possibilities for Society and the Planet

As the country's population ages, the amount of disposable adult diapers used in Japan increases every year, and used disposable diapers are projected to account for approximately 6% of general waste in 2030.* Currently, most used disposable diapers are incinerated, generating environmental impacts through the emission of CO_2 and other greenhouse gases during the incineration process. In addition, the incineration of disposable diapers requires a significant amount of energy as disposable diapers contain a lot of moisture, making them difficult to burn. Accordingly, there are many drawbacks with incineration, including the costs of maintaining incinerators and building new ones. The manufacture of new disposable diapers also requires natural resources, including wood.

As a consumer goods manufacturer, Unicharm believes that if it is to remain the preferred choice of its customers, it is critical to establish and popularize a sustainable system on a society-wide basis to ensure that the life cycle of its disposable diapers does not burden the natural environment. At the same time, the Company must contribute to society in a variety of ways, including by improving public hygiene and easing the burden of childcare and nursing care. Unicharm is committed to expanding possibilities for society and the planet by promoting the recycling of used disposable diapers to address as many as possible of the diverse issues encountered by consumer goods manufacturers.

* Source: Estimate by the Japan Hygiene Products Industry Association

Case Study 1

Horizontal Recycling to Create New Diapers from Used Disposable Diapers

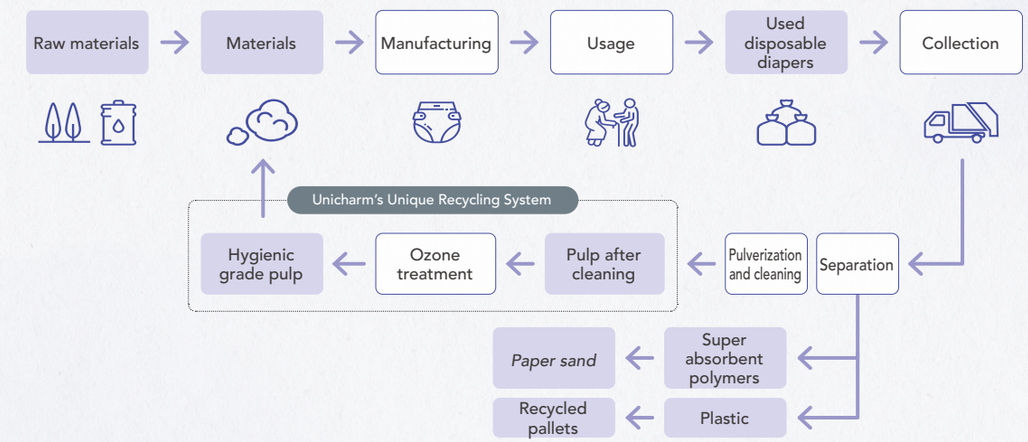
Since launching the Recycle for the Future (RefF) Project for the horizontal recycling of disposable diapers in 2015, Unicharm has proactively strengthened its efforts in this regard. The major developments are as follows.

2016 In cooperation with Shibushi City in Kagoshima Prefecture, and So Recycle Center LLC, which handles the recycling of waste in Shibushi City, Unicharm begins demonstration trials to recycle used disposable diapers.

2018 Osaki Town, located in So County, Kagoshima Prefecture, joins the demonstration trials.

2019 Unicharm establishes its proprietary recycling system to recycle collected disposable diapers into hygienic grade pulp that is equivalent to unused raw materials in terms of hygiene, safety, and use, sterilizing the bacteria in excrement by cleaning and separating the diapers and applying an ozone treatment to the pulp extracted from them.

Disposable Diaper Recycling Model



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June 2022

Nursing care facilities in the Kyushu area begin trials using *Lifree Side Leak Prevention Tape-on RefF* disposable adult diapers, which incorporate recycled materials as part of their absorbent materials, realizing the horizontal recycling of used disposable diapers. Thereafter, Unicharm includes *Lifree All Night Dry & Secured Pad Ultra RefF* in its lineup and expands sales to hospitals and nursing care facilities in the Kyushu area.



April 2024

Selected companies and Unicharm's online store launch the general sale of *Deo-Toilet Deodorizing / Disinfecting Sheets RefF*, a toilet-related product for cats, and *MamyPoko Pants RefF*, disposable baby diapers, thereby expanding sales channels for these products.



RefF products for sale at a retailer





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

March 2025

Unicharm launches *Deo-Sand: Paper Sand That Deodorizes with Fragrance RefF Pure Floral Fragrance*, for cat toilets made using super absorbent polymers recycled from used disposable diapers as part of the raw materials therein.



April 2025

Unicharm launches *Lifree Nobiru Fit Thin Lightweight Tape-on RefF* adult disposable diapers.



Currently, Unicharm's recycling system is in operation in two municipalities in Kagoshima Prefecture, Shibushi City and Osaki Town. From December 2024 to January 2025, the Company also joined a demonstration project for recycling used disposable diapers promoted by Hamamatsu City in Shizuoka Prefecture. Under the project, it was responsible for providing a collection box specifically for disposable diapers and developing and providing products made using recycled pulp. Going forward, Unicharm will establish a recycling model that can be deployed not only in Japan but also overseas, and it aims to facilitate the model's adoption in at least 10 municipalities by 2030.

Promoting Resource Recycling Through Cooperation with Other Companies

Unicharm works to promote the spread of the RefF project through cooperation with companies that support the project, thereby accelerating the creation of a society where recycling used disposable diapers is a given.

Effective Utilization of IP Based on Used Disposable Diaper Recycling Technology ▶ Page 27

August 2024

Poppy Paper Co., Ltd. commences sales of *Shibushi and Osaki Roll*, toilet paper made using wastepaper and pulp recycled from used disposable diapers collected in Shibushi City and Osaki Town in Kagoshima Prefecture.



October 2024

In the Kyushu area, Oji Nepia Co., Ltd. launches *Nepia Nepinepi Toilet Double Rolls 12-Pack RefF*, which uses solid fuel (refuse-derived paper and plastics densified fuel [RPF]) recycled from used disposable diapers in the production process.



February 2025

Wakakusa Co., Ltd. adopts the use of recycled pallets, made from a mixture of material from recycled plastic containers* and plastic separated during the recycling of used disposable diapers, for transporting materials between its materials warehouse and factories.



* Plastic collected under Japan's Containers and Packaging Recycling System

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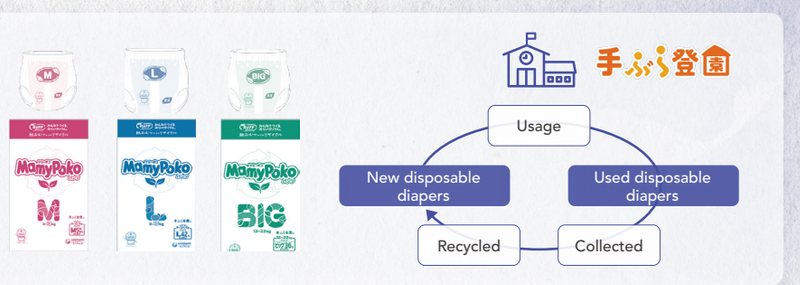
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Case Study 2

Realizing a Circular Economy with *Hands-Free Commute*



Hands-Free Commute, a subscription service providing disposable baby diapers and baby wipes to childcare facilities that is operated jointly by Unicharm and BABY JOB CO., LTD., has been adopted by more than 5,230 facilities, as of the end of December 2024. The service delivers disposable diapers and baby wipes directly to facilities, so that caregivers don't have to remember to write their child's name on these items and bring them in every day. It also helps reduce the number of bags caregivers need to take in with their children, allowing them to hold hands with their children. Additionally, since it relieves childcare workers of the responsibility of managing the disposable diapers and baby wipes of each child, the service eases the burden on both caregivers and childcare workers.

In April 2023, Unicharm started collecting used disposable diapers from childcare facilities in Shibushi City in Kagoshima Prefecture that use *Hands-Free Commute*. Then, in August 2024, the Company began providing *MamyPoko Pants RefF*—intended specifically for childcare facilities—which use recycled materials from used disposable diapers at childcare facilities in Shibushi City, creating a loop in which disposable diapers are used, collected, and recycled, and thereby realizing a circular economy within the city.

With *MamyPoko Pants RefF*, Unicharm devised a novel way to address the need to recognize the size of diapers at a glance, a need that is unique to childcare facilities since childcare workers change the diapers of many children, by coordinating the colors of boxes, packages, and diapers by size. In October 2024, all municipal childcare facilities in Yokohama City in Kanagawa Prefecture adopted *MamyPoko Pants RefF*.

Unicharm is examining the possibility of collecting used disposable diapers from all childcare facilities that adopt *Hands-Free Commute* and using them as raw materials for recycling.

Initiatives for a Future in Which Disposable Diapers Are Not Discarded After Use

June 2022
Begins distributing information via note, a social media platform

https://note.com/unicharm_reff/ (in Japanese only)



July 2023
Begins holding workshops in Osaki Town, Kagoshima Prefecture, for making postcards using recycled pulp



March 2024
Installs collection boxes made from recycled plastic and designed specifically for disposable diapers at 470 waste collection points in Shibushi City, Kagoshima Prefecture



November 2024
Holds outreach classes on RefF disposable diaper recycling at Onomi Municipal Elementary School in Shibushi City, Kagoshima Prefecture

December 2022
- Holds outreach classes on RefF disposable diaper recycling at Shibushi Municipal Elementary School in Shibushi City, Kagoshima Prefecture
- Begins distributing disposable diaper collection bags made from recycled plastic in Osaki Town, Kagoshima Prefecture



January 2024
Begins using business cards made with recycled pulp



April 2024
Launches the RefF brand website

https://www.unicharm.co.jp/en/csr-eco/reff.html



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Basic Environmental Policy

Policy

The products and services that Unicharm provides are consumables essential to a clean and healthy lifestyle. However, at the same time, they are closely connected to the global environment in terms of resource use and waste emissions. Accordingly, as we expand operations across the globe, our role and responsibility in reducing environmental impact continues to increase year after year.

As a manufacturer of consumer goods, we recognize the importance of our responsibility for protecting the global environment, and we will contribute to the achievement of the Sustainable Development Goals (SDGs), the Paris Agreement, and other goals through our business, in accordance with the **Unicharm Group Basic Environmental Policy**. We will also promote environmentally friendly manufacturing in all our business activities and provide products and services that bring comfort, excitement, and joy to people all over the world, thereby contributing to the realization of a sustainable society that protects the global environment and brings economic prosperity.

Under Environmental Targets 2030, formulated in May 2020, we set targets for 2030 based on our 2050 Vision in response to three environmental issues: plastic waste, climate change, and deforestation. Meanwhile, in Kyo-sei Life Vision 2030, our medium- to long-term environmental goals announced in October 2020, we established the key themes for safeguarding the well-being of our planet and are taking the measures necessary to achieve these targets.

Unicharm Group Basic Environmental Policy *Sustainability Report 2025*, Page 19

Management Structure

Our environmental activities are managed by the ESG Committee, which is chaired by the president & CEO and operates under the supervision of the Board of Directors. The implementation of ISO 14001, which closely relates to our day-to-day operations, is pursued independently by each of our business locations and involves a Plan–Do–Check–Act (PDCA) cycle and gate control based on preset control points and key performance indicators (KPIs). The ESG Division is responsible for tasks such as understanding the environmental situation and it reports to the ESG Committee, which meets four times a year. The details of its discussions are also reported to the Board of Directors.

Environmental Targets 2030 and the key themes established for safeguarding the well-being of our planet under Kyo-sei Life Vision 2030, which we have set as key environmental targets, are translated into targets for each individual division and involve detailed activities such as individual targets and weekly action plans linked to each division. The key themes in Kyo-sei Life Vision 2030 center on the achievement of certain targets by 2030 while Environmental Targets 2030 focuses on ensuring results year after year.

Evaluation and Remuneration System Incorporating ESG Assessments

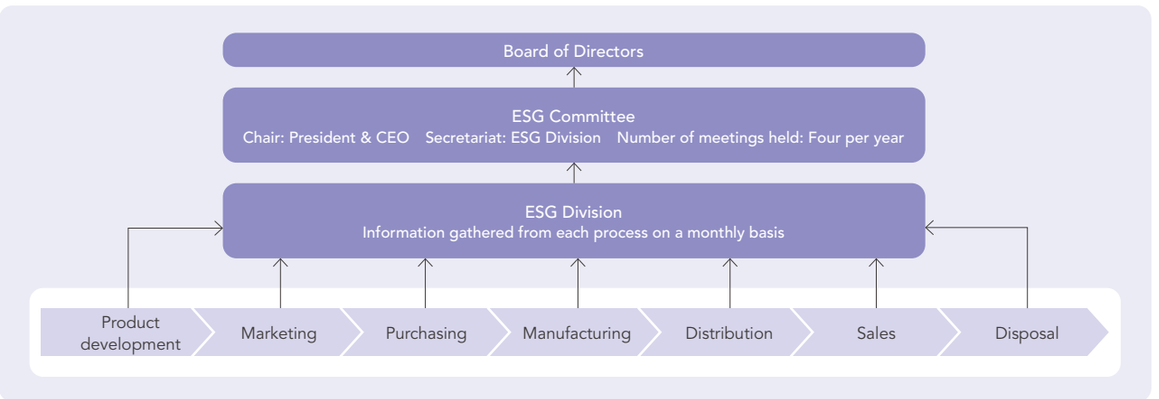
To ensure that directors and executive officers take the lead in steadily implementing ESG strategies, in fiscal 2020, ESG goals were incorporated into the evaluation criteria for directors (excluding those who are Audit & Supervisory Committee members) and executive officers. ESG goals were also incorporated into the evaluation criteria for all employees from fiscal 2023.

Evaluation Criteria for and Basic Policy on Executive Remuneration and Fiscal 2024 Remuneration Targets and Results Page 84

Environmental Management System Based on ISO 14001 Certification

Unicharm has acquired ISO 14001 certification, the international standard for environmental management, at each business site in Japan and overseas and continues to promote environmental conservation activities by implementing and operating an environmental management system (EMS) based on this standard.

As of December 31, 2024, 77.4% (76.9% in Japan, 77.8% overseas) of our business sites have acquired ISO 14001 certification.



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Progress of Environmental Targets 2030

Implementation Items			Base Year	Fiscal 2022 Results	Fiscal 2023 Results	Fiscal 2024 Targets	Fiscal 2024 Results	Fiscal 2025 Targets	2030 Targets	2050 Vision
Responding to the problem of plastic waste	Reducing usage of plastic in packaging materials	Per unit of sales	2019*1	–12.3%	–18.4%	–21.1%	–26.5%	–27.0%	–30%	Realizing a new society with zero plastic waste
	Selling products that do not contain petroleum-derived plastic	—	—	Development ongoing	Development ongoing	Development ongoing	Development ongoing	Development ongoing	10 or more stock-keeping units (SKUs) sold	
	Raising awareness about proper disposal of used products	—	—	50% (8 countries and regions)	56% (9 countries and regions)	63% (10 countries and regions)	63% (10 countries and regions)	69% (11 countries and regions)	Rolled out at all Group companies	
	Eliminating the use of plastic in sales promotional items	—	2019: Japan and China 2022: Vietnam 2023: India	–81.8% (Japan)	–86.9% (Japan) –76.5% (China)	–88.8% (Japan) –79.9% (China)	–97.5% (Japan) –93.7% (China) –37.4% (Vietnam) –21.7% (India)	–97.9% (Japan) –94.8% (China) –47.8% (Vietnam) –34.8% (India)	In principle, reduced to zero at all Group companies	
Responding to climate change	Reducing CO_2 emissions associated with raw materials procurement	Per unit of sales	2016	–12.6% (Japan)	+5.9%*2	–5.9%	+4.1%	+0.6%	–17%	Realizing a society with net zero CO_2 emissions
	Reducing CO_2 emissions in manufacturing	Per unit of sales	2016	–35.2%	–55.4%	–57.8%	–59.8%	–62.2%	–34%	
	Reducing CO_2 emissions associated with disposal of used products	Per unit of sales	2016	–11.6% (Japan)	–35.8%*2	–37.0%	–38.0%	–39.9%	–26%	
Helping prevent deforestation (response to procurement-related issues)	Ensuring traceability to pulp and palm oil production locations (country/region)	Forest-derived raw materials*3	—	97.1%	99.2%	100%	99.3%	100%	Completed	Realizing a society with zero deforestation related to the purchasing of timber
		Palm oil (Japan)	—	62.8%	58.5%	95%	99.4%	100%		
	Expanding the use of certified pulp (PEFC- and CoC-certified)	Percentage of certified factories*4	—	48.4%	58.6%	72%	60.0%	75%	100%	
		Percentage of certified materials procured*5	—	72.3%	65.3%	73%	70.3%	75%		
	Expanding the use of certified palm oil (RSPO-certified)*6 (Japan)	—	—	62.8%	58.5%	95%	99.4%	100%	100%	
	Promoting the recycling of used disposable diapers	—	—	2*7	2	2	2	2	Rolled out in at least 10 municipalities	

*1 We have updated our base year from fiscal 2016 to fiscal 2019 following a review in fiscal 2020. *2 Calculated using values from LCI database AIST-IDEA Ver. 3.4 Research Laboratory for IDEA, RISS, AIST, IPCC2021 with LULUCF AR6, and revised the calculation method for activity volume. *3 Percentage of raw materials derived from forest resources (pulp) for which traceability has been established to their place of origin (country and region), in addition to third-party certified materials. *4 Percentage of Unicharm factories that have acquired chain of custody (CoC) certification. *5 Figures for fiscal 2023 have been retroactively recalculated due to a revision in the number of factories subject to calculation and the scope of calculation for overseas businesses. *6 RSPO-certified palm oil based on the mass balance system. Figures for fiscal 2023 and prior have been retroactively recalculated due to the addition of new materials subject to calculation. *7 In fiscal 2022, we commenced operation of recycling facilities in two municipalities, Shibushi City and Osaki Town in Kagoshima Prefecture (conducted demonstration trials on the collection of used disposable diapers in Higashiyamato City and Machida City in Tokyo in fiscal 2020 and fiscal 2021, respectively).

Fiscal 2024 Results

Responding to the Problem of Plastic Waste

- **Reducing usage of plastic in packaging materials**
  We reduced the amount of plastic used in packaging materials by 26.5% (per unit of sales) compared with fiscal 2019 standards by making packaging thinner, minimizing its laminated areas and using paper packaging instead.
- **Raising awareness about proper disposal of used products**
  Unicharm's product packaging in 10 countries and regions contains information on proper disposal. We also conduct classes on waste separation and recycling.
- **Eliminating the use of plastic in sales promotional items**
  In addition to Japan and China, we are also promoting initiatives in Vietnam and India, such as switching to paper materials for promotional items.

Plastic Waste Reduction Measures ▶ Page 60

Responding to Climate Change

- **Reducing CO_2 emissions associated with raw materials procurement**
  Despite promoting the development of lighter, slimmer products and thinner packaging, CO_2 emissions increased 4.1% (per unit of sales) compared with fiscal 2016 standards.
- **Reducing CO_2 emissions in manufacturing**
  We achieved our 2030 targets ahead of schedule by reducing CO_2 emissions by 59.8% (per unit of sales) compared with fiscal 2016 standards by conducting energy-saving activities and procuring renewable power sources.
- **Reducing CO_2 emissions associated with disposal of used products**
  We reduced the amount of CO_2 emissions from the disposal of used products by 38.0% (per unit of sales) compared with fiscal 2016 standards by promoting the development of lighter, slimmer products and thinner packaging, in the same manner as our raw materials procurement activities.

Climate Change (Disclosure Based on the TCFD Recommendations) ▶ Pages 61–63

Helping Prevent Deforestation (Response to Procurement-Related Issues)

- **Ensuring traceability to pulp production locations (country/region) and expanding the use of certified pulp (PEFC and CoC-certified)**
  We raised the percentage of pulp traceable to its origin to 99.3% by strengthening our initiatives with suppliers. The percentage of PEFC- and CoC-certified factories came to 60.0%, reflecting new certifications at factories in China and Vietnam.
- **Ensuring traceability to palm oil production locations (country/region) (Japan) and expanding the use of certified palm oil (RSPO-certified) (Japan)**
  Certified palm oil has become available for procurement in small amounts, which has enabled us to raise both the percentage of palm oil traceable to its origin for Japan and the percentage of palm oil that we procure in small amounts to 99.4%.
- **Promoting the recycling of used disposable diapers**
  We operate recycling facilities in the two municipalities of Shibushi City and Osaki Town in Kagoshima Prefecture.

Biodiversity Conservation ▶ Page 64

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Plastic Waste Reduction Measures

Key Themes Related to Kyo-sei Life Vision 2030: Reduction in amount of plastic materials used

Policy and Management Structure

Although plastics are easy to process, durable, and essential to our hygienic lives, they must be properly disposed of and recycled after use. As a manufacturer that uses plastic in its products and packaging materials, Unicharm recognizes that it has a responsibility in this regard. Aiming to address the global problem of plastic, Unicharm supports the Plastics Smart campaign organized by the Ministry of the Environment. In addition, we became a member of the Japan Clean Ocean Material Alliance (CLOMA) in January 2024.

In response to the problem of plastic waste, which was put forth as an issue to be addressed under Environmental Targets 2030 announced in May 2020, we declared "realizing a new society with zero plastic waste" as part of our 2050 Vision and laid out our 2030 targets. In fiscal 2022, we participated in the World Wide Fund for Nature (WWF) Japan's Plastic Circular Challenge 2025 to express our commitment to resolving plastic pollution issues and set targets for 2025. Moreover, to strengthen efforts to resolve the issue of plastic waste throughout the Group, in fiscal 2023 Unicharm declared its participation in the Japan Business Coalition for a Global Plastics Treaty, for which WWF Japan serves as secretariat, and became a member of the Business Coalition for a Global Plastics Treaty in fiscal 2024.

Plastic Waste Reduction Measures, Risks and Opportunities *Sustainability Report 2025*, Page 25

Management Structure Page 58

Key Initiatives

Reducing Usage of Plastic in Packaging Materials

We are working to reduce the amount of plastic used in packaging throughout the Group by making packaging thinner, minimizing its laminated areas, and using paper packaging instead. Through these efforts, in fiscal 2024 we reduced the amount of plastic used in packaging materials by 26.5% (per unit of sales) compared to fiscal 2019. Furthermore, we also promote the use of plastics made from plant-derived raw materials.

Vietnam Using Paper Packaging

In conjunction with World Environment Day on June 5, 2024, Unicharm's local subsidiary in Vietnam released *Diana SENSI FOR NATURE*, limited-edition sanitary pads that come in paper packaging, thereby reducing the amount of plastic used in packaging by around 56%.



Product Initiatives

In light of the fact that many of the products manufactured and sold by Unicharm are considered disposable after use, we promote product development focused on reducing environmental impact upon disposal of our products. We are making efforts to develop lighter and thinner products by combining raw materials, increase the number of products using plant-derived raw materials, and develop products that do not use petroleum-derived plastic.

Indonesia Products Using Biomaterials*

Since 2021, Unicharm's subsidiary in Indonesia has continued to launch environmentally friendly products in conjunction with World Environment Day. In June 2024, the fourth year of this project, we launched *MamyPoko Royal Soft Bio* disposable baby diapers, *CHARM Cooling Fresh Bio* and *CHARM Daun Sirih Bio* sanitary pads, and *Kirey Wipes Antibacterial Bio* wet wipes, all utilizing previously discarded biomaterials such as sugarcane pomace, limestone, botanical oils, and natural resins.



* Materials using biomass or biomineral materials

Efforts Associated with Disposal and Recycling of Used Products

In some countries and regions where Unicharm provides products, there are areas where the process of waste separation and collection has yet to become widespread. As a manufacturer that provides consumer goods essential for hygienic daily life, we believe it is important to educate people about the correct disposal method for used products and spread awareness regarding sorting and recycling activities.

Raising Awareness About Proper Disposal of Used Products

Although the disposal methods for products after use vary between countries and regions, the entire Unicharm Group is raising awareness of proper disposal methods in accordance with the laws and standards of each country and region. In fiscal 2024, we displayed disposal methods on product packaging in 63% of our sales area (10 out of 16 target countries and regions).



Example from India

Initiatives Involving Promotion Items

Unicharm makes efforts to reduce the amount of plastic used in promotional items for display products in retail stores. We aim to achieve zero plastic usage throughout the Group by 2030. This initiative was promoted first in Japan and is gradually being expanded to all Group companies. Following China, we also introduced this initiative in Vietnam and India in fiscal 2024.

Japan
We are replacing the plastic used in hooks and fixtures and point-of-purchase (POP) displays with paper materials and are developing racks made of paper. As a result, in fiscal 2024 plastic use in sales promotional items amounted to approximately 0.79 tons, a 97.5% reduction from that in fiscal 2019.

China
As a result of switching to fixtures and POP displays made of paper and verifying degradable materials, we used approximately 7.6 tons of plastic in promotional items in fiscal 2024, a 93.7% reduction from that in fiscal 2019.

Vietnam
With the switch to display fixtures and shelf liners made of paper, plastic used in sales promotional items in fiscal 2024 was approximately 11.5 tons, a 37.4% reduction from that in fiscal 2022.

India
We worked to reduce the use of plastic-based sales promotional items, such as swing pop displays and display fixtures. Through these efforts, plastic used in sales promotional items was roughly 120.9 tons in fiscal 2024, a 21.7% reduction from that in fiscal 2023.

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Climate Change (Disclosure Based on the TCFD Recommendations)

Key Themes Related to Kyo-sei Life Vision 2030: Addressing climate change

Policy

Unicharm announced its endorsement of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in May 2019. We have examined the risks and opportunities associated with climate change and disclosed our initiatives, indicators, and targets related to the three areas of governance, strategy, and risk management in accordance with the TCFD framework.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Governance

The president & CEO is responsible for evaluating risks and opportunities related to climate change and for setting and enforcing CO_2 reduction targets. The ESG Committee, chaired by the president & CEO and staffed by directors and all executive officers, meets quarterly to report and deliberate on overall environmental activities including those related to measures against climate change, our response to social issues, and important issues for governance. For ESG Committee meetings, the ESG Division—which is responsible for responding to Groupwide environmental issues—collects and verifies environmental data and information on our activities every month for each site, and after discussions with the executive officer in charge of ESG, sets agendas for committee meetings.

The activities of the ESG Committee are then supervised by the Board of Directors, which receives reports on committee activities from the executive officer in charge of ESG at least once a year. The ESG Committee and the Board of Directors perform checks and provide guidance and instructions on these activities in accordance with the progression of Environmental Targets 2030 and Kyo-sei Life Vision 2030. To allow Unicharm to achieve its goals, we also set the term (years) for return on investment, deliberate on investment decisions on a case-by-case basis, implement necessary measures, and aim to meet our targets. Following the recommendations of the TCFD, since fiscal 2021, we have publicly shared information about specific plans based on Environmental Targets 2030 and Kyo-sei Life Vision 2030.

Moreover, to ensure that directors and executive officers demonstrate strong leadership toward the accomplishment of ESG strategies and targets, in fiscal 2020 we introduced ESG items into the evaluation indexes used to determine performance-linked compensation for directors (excluding those who are Audit & Supervisory Committee members) and executive officers. Furthermore, ESG criteria were also added as evaluation indicators for all employees in fiscal 2023.

Overview of TCFD Pillars and Initiative Status

TCFD Recommended Disclosure Pillars		Unicharm Initiative Status
Governance	Organizational governance with respect to climate-related risks and opportunities	• The ESG Committee, chaired by the president & CEO, meets quarterly and reports deliberations and decisions to the Board of Directors one or more times annually • In fiscal 2020, we introduced ESG criteria into the evaluation metrics for determining performance-linked remuneration of executive officers
Strategy	Impact of climate-related risks and opportunities on organization's businesses, strategy, and financial planning	• We conducted scenario analysis of financial impacts in 2030 based on 1.5°C and 4°C conditions in accordance with the TCFD recommendations • In Environmental Targets 2030 and Kyo-sei Life Vision 2030, we set reduction targets by scope and targets for switching to renewable electricity, and disclosed the results • Through the GHG Emissions Visualization Project, we formulated the GHG emissions reduction road map and promoted the visualization of GHG emissions of raw materials
Risk Management	Methods for identifying, assessing, and managing climate-related risks	• Risks and opportunities related to climate change are positioned as "Business Risks," with the ESG Committee discussing details and taking appropriate actions as necessary
Indicators and Targets	Indicators and targets used to assess and manage relevant climate-related risks and opportunities	• In May 2018, we received certification for our 2.0°C target from the Science Based Targets initiative (SBTi). However, to promote further reduction of CO_2 and other greenhouse gases, we established our 1.5°C target, for which we received certification from the SBTi in October 2024 • Under our 2050 Vision, we have set the target of realizing a "three zeros" society (zero plastic waste, zero CO_2 emissions, and net zero deforestation) in 2050, and to achieve this, formulated specific targets in Environmental Targets 2030 and Kyo-sei Life Vision 2030, and disclosed progress toward their achievement

Strategy

Unicharm considers risks and opportunities with reference to our situation year by year (the short term), in alignment with our medium-term management plan (the medium term, three to five years) and international prospects (the long term, 10 to 20 years) encompassing factors such as the SDGs and the Paris Agreement. We also use an enterprise risk management (ERM) approach to identify business and other risks facing the entire Group and address climate change risks as one of them. In order to respond to the risks and opportunities identified, we address them through a scenario planning approach in conjunction with our financial plan.

Scenarios and Planning ▶ *Sustainability Report 2025*, Page 33

Risks and Scenarios Envisioned by the Company Based on the TCFD Recommendations ▶ *Sustainability Report 2025*, Pages 33–34

Risk Management

We use an enterprise risk management (ERM) approach to identify risks to the Group as a whole and engage with climate change risks as one of them. Groupwide climate-related risk assessment is conducted by the ESG Division. First, we run simulations of climate change impact that cover severity, scope, and transition risks (carbon pricing, energy prices, etc.) based on the recommendations of the TCFD and create multiple qualitative scenarios (1.5˚C target scenario and 4˚C target scenario) for the period up to 2050, using information from sources such as the IPCC's*1 *Sixth Assessment Report* and the IEA's*2 *World Energy Outlook 2023*.

These scenarios are then used, together with the estimated value of damage (calculated as part of site-level risk assessment), to estimate the total damage costs of Group companies. The results of this evaluation are reported to the ESG Committee and the Board of Directors and are then used in the formulation of our business strategy and business plan. In the event that the ESG Committee, in which the Board of Directors and all executive officers participate, judges that the aforementioned scenarios would be impacted, a responsible task team will be established for developing a plan, with the ESG Division acting as secretariat. This plan will then be approved at the next ESG Committee meeting, upon which the responsible team will implement it and report on progress at ESG Committee meetings.

*1 IPCC: Intergovernmental Panel on Climate Change
*2 IEA: International Energy Agency

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Indicators and Targets

Unicharm endorsed the the SBTi in May 2017, as part of the Company's efforts to develop a specific action plan for measures to mitigate climate change. After conducting simulations up to 2045 and consulting with the SBTi, in June 2018, Unicharm became the 17th company in Japan to have its reduction plan certified for consistency with the 2°C target. Moreover, in light of increasing global momentum to promote the reduction of CO_2 and other greenhouse gases, we obtained certification for the 1.5°C target in October 2024.

We have set specific long-term CO_2 reduction targets for both Scope 1 (direct emissions from our own factories, offices, vehicles, etc.), Scope 2 (indirect emissions from our own factories, vehicles, etc.), and Scope 3 (indirect emissions from the supply chain).

1.5°C Target (Base Year: 2021, Target Year: 2031)
- Reduce Scope 1 and Scope 2 greenhouse gas emissions by 46.2%
- Reduce Scope 3 greenhouse gas emissions by 27.5%

By achieving these goals, we will also be preparing for the following risks.

- If regulations are strengthened in order to achieve the goals of the Paris Agreement, there is a risk that the development of energy-saving measures and the purchase of emissions credits will become necessary and that costs will rise for electric power companies, manufacturing sites, and suppliers.
- Electricity prices in Japan have risen by approximately 10% on average due to carbon taxes (taxes to fund global warming countermeasures) and the cost structure for purchasing renewable electricity. If carbon taxes are introduced in all of the overseas countries and regions where Unicharm carries out manufacturing or the cost structure for purchasing renewable electricity is not improved, operating costs could rise by 10%.

Unicharm has established a medium- to long-term vision and targets for climate change in its 2050 Vision and Environmental Targets 2030. "Reducing CO_2 emissions associated with raw materials procurement" (Scope 3, Category 1), "reducing CO_2 emissions in manufacturing" (Scope 1 and Scope 2), and "reducing CO_2 emissions associated with disposal of used products" (Scope 3, Category 12), which account for a large proportion of CO_2 emissions over the product life cycle, have been set as our targets for climate change response. For Scope 1 and Scope 2, meetings on energy conservation and renewable energy are held with promoters of environmental activities at each site four times a year, and monitor the progress of annual plans. For "CO_2 emissions from raw materials procurement" (Scope 3 Category 1) that form the bulk of our Scope 3 emissions, we perform LCAs*1 to calculate CO_2 emissions for each product from the design phase onward, and product developers and the ESG Division discuss these emissions and consider countermeasures from the perspectives of product function and CO_2 emissions.

*1 LCAs: Life Cycle Assessments. A method used to quantitatively assess the potential environmental impact on our planet and ecosystem of the resources used and CO_2 emissions generated throughout a product's life cycle, encompassing raw materials procurement, production, logistics, use, and disposal

Roadmap to Realizing a Zero-Carbon Society ▶ Page 63

Key Initiatives

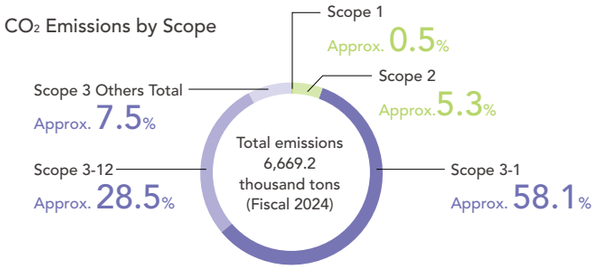
CO_2 Emissions Throughout the Supply Chain (Overall Picture of Scopes 1 to 3)

Unicharm calculates its CO_2 emissions according to the Greenhouse Gas Protocol,*2 the standard for calculating greenhouse gas (GHG) emissions most widely used in the world today. In fiscal 2024, life cycle CO_2 emissions were estimated to be approximately 58.1% for Scope 3 purchased materials, 28.5% for end-of-life treatment of sold products, 7.5% for others, and 5.8% for Scope 1 and Scope 2 manufacturing. Based on these estimates, we are working to reduce CO_2 emissions at all stages of the product life cycle, from raw materials procurement to end-of-life treatment after use.

Note: As a general rule, figures are rounded off to the nearest unit. Accordingly, the total amount may be different from the sum of its components.

*2 In 1998, the Greenhouse Gas Protocol was established to develop standards for calculating and reporting GHG emissions, led primarily by the World Resources Institute (WRI), an environmental NGO based in the United States, and the World Business Council for Sustainable Development (WBCSD), which comprises over 200 multinational corporations. In 2001, the first edition of the GHG Protocol Corporate Standard was established and, since then, this approach to calculating GHG emissions has become a global standard.

CO_2 Emissions by Scope



Life Cycle CO_2 Emissions Ratio



GHG Emissions Visualization Project

In May 2022, Unicharm launched the GHG Emissions Visualization Project to better promote its initiatives for addressing climate change. Under the project, the Company visualizes the Carbon Footprint of Products (CFP)*3 value of each of its products with the aim of identifying and implementing specific GHG reduction measures.

*3 The CFP system indicates GHG emissions throughout the entire life cycle of products and services, from the procurement of raw materials, to disposal and recycling, converted to CO_2

GHG Emissions Visualization Project ▶ *Sustainability Report 2025*, Page 43

Switching to Renewable Electricity

Unicharm has established the goal of switching fully to renewable electricity by 2030, and it is making Groupwide efforts to this end. In fiscal 2024, two factories installed solar power generation systems and three purchased renewable energy certificates. These efforts brought the percentage of renewable electricity used across the Group to 25.8%.

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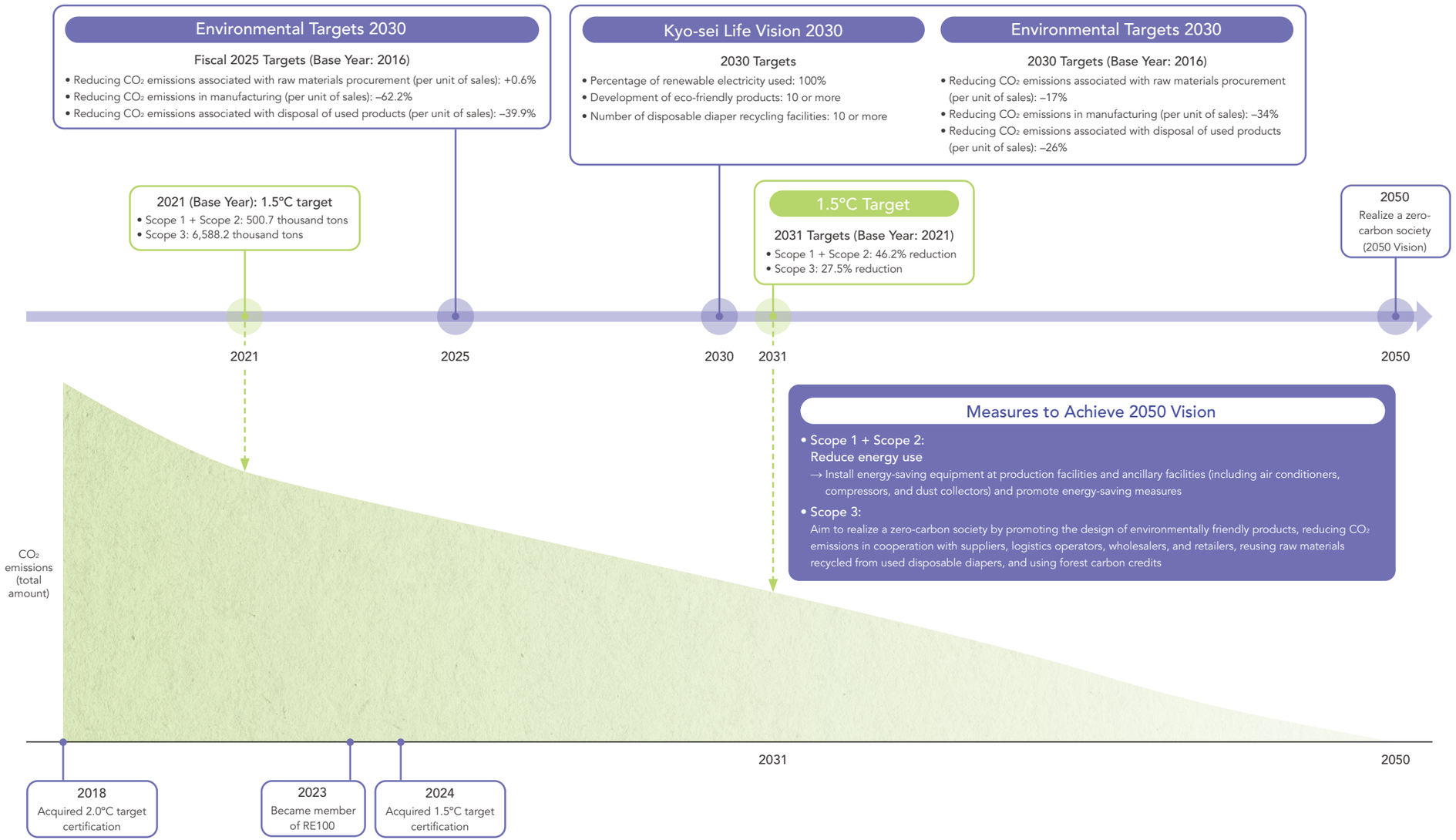
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Roadmap to Realizing a Zero-Carbon Society



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Biodiversity Conservation

Key Themes Related to Kyo-sei Life Vision 2030: Construction of value chains that account for sustainability

Policy and Management Structure

Unicharm promotes the use of resources in a sustainable manner based on the belief that damage to biodiversity caused by our business activities would result in tremendous damage to the entire value chain. With regard to pulp, paper, and palm oil in particular, which we use as raw materials, we established the **Forest-Derived Raw Materials Procurement Guidelines**, procure materials only from properly managed forests, and contribute to the mainstreaming of biodiversity by eliminating illegally logged timber and protecting the rights of local residents and forestry-related workers.

Under the theme of "helping prevent deforestation (response to procurement-related issues)," part of our Environmental Targets 2030 announced in May 2020, we declared our 2050 Vision of "realizing a society with zero deforestation related to the purchasing of timber" to contribute to the preservation of biodiversity. To realize this vision, we set targets for 2030 that include ensuring traceability, completing confirmation of origin, and switching to 100% certified pulp and palm oil, as well as promoting the recycling of used disposable diapers.

Moreover, in February 2025, we formulated the Unicharm Group Biodiversity Response Declaration based on the Kunming—Montreal Global Biodiversity Framework adopted at the 15th Conference of the Parties (COP15) to the Convention on Biological Diversity in December 2022 and the National Biodiversity Strategy 2023–2030 approved by the Cabinet of Japan in March 2023.

Forest-Derived Raw Materials Procurement Guidelines, Biodiversity Conservation Risks and Opportunities ▶ *Sustainability Report 2025*, Page 45

Management Structure ▶ Page 58

Key Initiatives

Forest-Derived Raw Materials (Pulp)

Unicharm is promoting the procurement of sustainable forest-derived raw materials. Much of the pulp used in product absorbent materials is made from Forest Management (FM)-certified softwood forests native to North and South America. We also request that suppliers not use raw materials harvested from high conservation value forests (HCVFs) and high carbon stock forests (HCSFs), which have a significant impact on biodiversity. Since fiscal 2016, we have expanded the scope of this policy to include local suppliers overseas in an effort to promote sustainable raw material procurement.

In fiscal 2024, the percentage of forest-derived raw material (pulp) traceable to its origin was 99.3% for the Group overall.

Expanding the Use of Certified Pulp (PEFC- and CoC-Certified)

We are working on a Groupwide basis to acquire chain of custody (CoC) certification under the Programme for the Endorsement of Forest Certification (PEFC), and in fiscal 2024, acquired certification for our Shanghai Factory in China and Bắc Ninh Factory in Vietnam. As of December 31, 2024, 18 of 30 eligible factories have acquired certification, bringing the percentage of PEFC- and CoC-certified factories to 60.0%, while 70.3% of the pulp we procured was PEFC-certified.*1

*1 PEFC 100% certified pulp

Procuring Sustainable Palm Oil

Unicharm joined the Roundtable on Sustainable Palm Oil (RSPO) in fiscal 2017 and promotes the procurement of certified sustainable palm oil.

The palm oil used in our domestically produced pet foods is Fuji Oil Group's RSPO-certified oil. Fuji Oil is working to improve the traceability of palm oil to the oil mills and plantations of its suppliers.

In 2024, Unicharm's procurement of RSPO-certified palm oil (Japan) based on the mass balance system*2 was 194.6 tons, while 99.4% of the palm oil used was traceable to its origin. Going forward, Unicharm will continue sustainable procurement activities while confirming quality and procurement routes to switch all our palm oil purchases to RSPO-certified oil.

*2 A certification model in which certified oil produced at certified farms is mixed with other uncertified oil during the distribution process. Although the certified oil physically contains uncertified oil, the certified farms and the amount of certified oil purchased are guaranteed.

Unicharm Group Biodiversity Response Declaration

Unicharm is committed to conserving biodiversity and the natural environment in all aspects of its corporate activities, based on the following principles:

Understanding Our Dependence and Impact on Biodiversity
We will strive to deeply understand the relationship between our business activities and biodiversity. We will continuously identify and assess our dependence and impact on biodiversity throughout the entire life cycle of our products, from raw materials procurement to manufacturing, use, and disposal.

Minimizing Our Environmental Footprint
We will endeavor to minimize our impact on biodiversity throughout the entire life cycle of our products. This includes addressing deforestation, water resource consumption, and climate change.

Utilizing Sustainable Resources
We will use sustainably sourced raw materials throughout our supply chain. For raw materials that have a significant impact on biodiversity, such as pulp, palm oil, and wood-derived fibers, we will promote the use of certification systems and improve traceability.

Promoting Biodiversity Conservation Activities
We will actively engage in forest conservation, water resource protection, ecosystem restoration, and other activities in cooperation with local communities where we operate.

Coexisting with Local Ecosystems
We will respect the ecosystems in the areas where we operate and aim to coexist with local communities and the natural environment without causing biodiversity loss.

Empowering Our Employees
We will implement educational and awareness-raising activities to encourage all Unicharm Group employees to embrace this declaration and take positive action to conserve biodiversity and the natural environment.

Collaborating with Stakeholders
We will promote collaboration in conserving biodiversity and the natural environment by working with various stakeholders, including government agencies, international organizations, NGOs/NPOs, local communities, and business partners.

February 10, 2025
Takahisa Takahara
President & CEO
Unicharm Corporation

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Unicharm Principles

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

Our Basic Approach and Strategy

At Unicharm, we believe that fair and transparent management is essential to ensuring and enhancing our relationship of trust with stakeholders. The Unicharm Ideals state that "we strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities." Viewing this as our highest priority, we have established and operate various internal rules and systems. In order to adapt to the ever-changing business environment, we must develop and utilize human resources with an even greater emphasis on diversity. We will create working environments that facilitate the personal growth of each employee and bring them happiness and accelerate our business growth in the process.

Key Themes	Indicators	Results			Key Themes in Fiscal 2024	Medium- to Long-Term Goals		Relevant SDGs
		Fiscal 2022	Fiscal 2023	Fiscal 2024		Target Value	Target Year	
Management practices that account for sustainability	Maintain and improve ratings by external evaluation agencies	—	—	—	External Evaluations ▶ Page 70	Highest level	Every year from 2026	
	No. of serious human rights violations in the value chain	1 (revised)	1 (revised)	Zero	Supply Chain Management ▶ Page 52 Human Rights ▶ Page 71	Zero	Every year	
Practice of appropriate corporate governance	No. of serious compliance violations	Zero	Zero	Zero	Compliance ▶ Page 72	Zero	Every year	
Promotion of diversity management	Percentage of female managers driven by the provision of various opportunities for women	23.2%	24.7%	25.5%	Expanding Possibilities for All Employees Through Diversity and Inclusion Initiatives ▶ Pages 66–67	30% or more	2030	
Fostering development of competent human resources	Percentage of positive answers received for the "Growth Through Work" section of the employee awareness survey	89.2%	88.7%	90.1%	Expanding Possibilities for Employees and the Organization: Three Aspects of Wealth ▶ Pages 68–69	80% or more	2030	
Construction of healthier work-places and work-place 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	7 employees (Japan)	9 employees (Japan)	13 employees (Japan)	Expanding Possibilities for Employees and the Organization: Three Aspects of Wealth ▶ Pages 68–69	Reduced by half (compared with 2020)	2030	

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Expanding Possibilities for All Employees Through Diversity and Inclusion Initiatives

As a company that aims to realize societies where women across the world can live their lives as they wish, the active participation of women is essential to Unicharm. To this end, Unicharm promotes diversity and inclusion (D&I) to become a company where diverse human resources can fully demonstrate their individuality and abilities by acknowledging and respecting each other's differences. As one initiative, the Company advances the development of workplace environments where female employees can continuously play an active role, at any life stage.

Unicharm's D&I initiatives aim to ensure that all employees acknowledge and respect each other's differences, whether in terms of gender, race, religion, sexual orientation, age, ancestry, or disability. In this way, the Company is expanding possibilities for all employees, not just those who are women.

Case Study 1 Creating an Employee-Friendly Workplace Environment Through Our D&I Curriculum

Unicharm strives to create a workplace environment where employees acknowledge and respect different values and that capitalizes on diversity. In Japan, the Unicharm Corporation has implemented a D&I curriculum since 2023 that includes e-learning and discussions on addressing unconscious bias, preventing harassment, and understanding sexual minorities. In fiscal 2025, in addition to maintaining efforts to promote D&I domestically, it will deploy this curriculum at overseas subsidiaries, adapting it to meet local needs.

Case Study 2 Developing Workplace Environments that Promote the Active Participation of Women

Unicharm Corporation has introduced a variety of systems, including a remote work system that allows employees to work from home and a flextime system (without set core work hours) that allows them to choose when to work so that they can adjust their workstyles flexibly according to life events. In addition, the Company creates a working environment that makes it easier for women to combine work and childcare by making the childcare leave system available to female employees until their children reach the age of two and providing them with paid leave before and after childbirth. It has also developed various systems that allow male employees to participate in childcare.

In fiscal 2021, Unicharm launched Room L+, a mentorship system to help female employees build networks. Through mentoring and roundtable discussions, the system helps participants address concerns about their career development, work, and personal lives. In fiscal 2024, the Company facilitated interactions and discussions with employees from other companies to broaden the horizons of its female employees. In addition, Maternity Leave Room L+, which is for employees who are preparing to return to work from maternity or childcare leave, endeavors to foster a sense of security for employees returning to work by providing a forum for them to share information with others in similar roles.

In Focus Encouraging Male Employees to Take Childcare Leave



As a company that provides childcare-related products and services, Unicharm works to ensure that male employees take childcare leave, so that all of its employees can participate actively in childcare.

Unicharm Corporation endorses the Work-Life Balance Co., Ltd.'s declaration, which calls for all eligible male employees to take childcare leave. To this end, the Company strives to enable male employees to participate in childcare, through the introduction of Moony Childcare Leave, which can be taken during their partner's pregnancy, and Moony Childcare Involvement Leave, special paid leave of up to five days that can be taken within eight weeks of the birth of their child.

Fiscal 2024
Percentage of male employees taking childcare leave*
100%

* Unicharm Corporation, Unicharm Products Co., Ltd.

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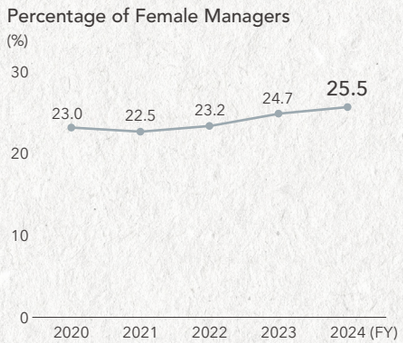
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Case Study 3

Developing Female Leaders



Unicharm arranges lunch meetings between the president & CEO and leaders, where participants learn management perspectives through direct dialogue with the Company's most senior executive, as a way to develop their leadership skills. The Company has also introduced its Empowerment System to provide individual support to female candidates for division head or executive positions. The system develops female candidates for executive positions, including by arranging one-on-one meetings with executive officers who are not their immediate supervisors, networking events, and interactions with other female businesswomen.

As a result of such efforts, the percentage of female managers was 25.5% (17.7% in Japan, 30.9% overseas) as of December 31, 2024. Unicharm is committed to raising the percentage of female managers across the Group to at least 30% by 2030 by providing female employees with various leadership opportunities.

Initiatives to Promote the Active Participation of Women	Activities	Eligible Employees
Empowerment System	• One-on-one interviews with executive officers • Mentor and mentee networking events • Lectures by female businesswomen	Female candidates for executive officer positions
Lunch meetings between the president & CEO and leaders	• Dialogue with the president & CEO	Female leaders Female leadership candidates
Room L+	• Mentoring and roundtable discussions • One-on-one meetings with experienced employees • Interactions and discussions with the employees of other companies	Female employees
Maternity Leave Room L+	• Networking events and in-house information sharing	Female employees preparing to return to work from maternity leave

D&I curriculum to create an employee-friendly workplace environment

Understanding unconscious bias | Preventing harassment | Understanding sexual minorities

Systems that allow employees to choose workstyles flexibly, according to life events

Remote work system | Flextime system and other workstyles | etc.

In Focus Developing Female Leaders at Overseas Subsidiaries

At PT UNI-CHARM INDONESIA TBK (UCI), Unicharm's local subsidiary in Indonesia, the results of an attitude survey confirmed that 37% of female employees found it challenging to balance work and family responsibilities. In response, UCI launched the Female Leadership Forum in fiscal 2024 to develop female employees. The first and second forums consisted of talks on balancing work and family responsibilities, by a female sales executive and an external lecturer respectively, while a psychologist spoke about stress management and self-care at the third forum.

No. of participants 84

Level of satisfaction 90%

Meanwhile, Unicharm India Private Limited (UCIa), Unicharm's local subsidiary in India, launched Break the Glass Ceiling and Power Through, a program for developing female leaders. A total of 47 female employees from various divisions at UCIa participated in the program, which seeks to cultivate a growth mindset by enabling female leaders to discuss and navigate the issues they face.



Feedback

Comments from a Program Participant (Indonesia)

Pisqa Arisanti
PT UNI-CHARM INDONESIA TBK

I attended a lecture by a female leader who balances work and family responsibilities. The new perspectives I gained from the lecture made me more proactive in sharing my opinions. The lecture taught me about self-care and boosted my confidence and motivation to become an executive in the future. I will continue to strive to share my opinions proactively to contribute to my own and the Company's growth.

Key Themes Related to Kyo-sei Life Vision 2030

Fostering development of competent human resources

Construction of healthier workplaces and workplace safety systems

Expanding Possibilities for Employees and the Organization: Three Aspects of Wealth

The active participation of energized employees is indispensable to Unicharm's goal of realizing a cohesive society. The Company has adopted the pursuit of three aspects of wealth as the basic policy of its human resource development, as it recognizes that enhancing the aspirations, financial position, and physical and psychological conditions of every employee is essential for improving employee engagement. Pursuing these three aspects of wealth will improve employee engagement, which will in turn help expand possibilities both for employees and the Unicharm Group.

Aspirational

Wealth

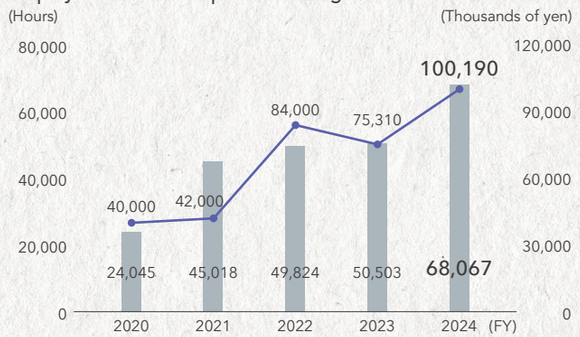
Providing Growth Opportunities

Unicharm's employees actively plan their own career development. Using My Career Vision & Career Plan, a format developed independently by Unicharm, every employee creates a plan according to the following steps.

STEP 1	STEP 2	STEP 3
Employees reflect on their own values and what matters to them most	Based on this reflection, they envision where they would like to be in 10 and three years' time, and divide their vision into a life vision and a career vision	They then devise a career plan to realize these visions

Employees share their career plans with their supervisors, who then provide support for their growth by offering suitable advice and essential information based on the plans to enable each employee to achieve their ambitions and visions as much as possible while respecting their autonomy. Unicharm has also created a My Career Vision & Career Plan database, which it uses to enhance personnel measures and training programs. Training programs include LinkedIn Learning, an online learning platform that allows employees to take courses anytime from anywhere at their own pace, which Unicharm has implemented in Japan and at 12 of its overseas subsidiaries.

Time and Costs Allocated to Employee Skills Development Training*



* Unicharm Corporation

Economic

Wealth

Revising the Personnel System

In April 2024, Unicharm Corporation revised its personnel system to enhance the skills, experience, and job satisfaction of every employee and accelerate their growth.

1 Revision of the Remuneration System

Unicharm has adopted a remuneration policy that realizes industry-leading remuneration and offers remuneration in accordance with the performance and contribution level of each employee. The Company believes that true fairness lies in offering remuneration that is commensurate with effort and results, rather than implementing uniform pay increases. Accordingly, it has revised its system to offer higher remuneration to employees who make continuous efforts and produce results, irrespective of their age or length of service.

Increase in Annual Salaries
The revision of the remuneration system raised the overall salary table by abolishing allowances that are unrelated to results or skills and redistributed them to basic pay. It also adjusted qualification-specific salary ranges, raising salaries 7.3% on average, with a maximum increase of 37%.

Revision of the Starting Salary
The revised system better incentivizes active participation among new graduates at an early stage by increasing their basic starting monthly salary by approximately ¥25,000. It also maintains the Adjustable Starting Salary System, which encourages their autonomous growth before joining the Company by increasing their basic pay if they obtain specific qualifications.

Revision of Annual Salary on Promotion to Executive Positions
Given the importance of the roles and responsibilities of executives and the fact that they play a crucial part in developing human resources, the revised system raises the annual salary of employees when they are promoted to executive positions.

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2 Revision of the Evaluation System

Unicharm revised its evaluation system to one that emphasizes employees' pursuit of ambitious goals and achievement of results while continuously improving their skills to maximize their abilities. The Company revised its previous evaluation criteria—which used comprehensive evaluations to determine bonus amounts and promotions—to enable it to evaluate employees properly, reflecting performance evaluations in bonuses and competencies* and skills in promotions. In addition, it specified more clearly the six competency requirements expected of resonant personnel, to help develop personnel capable of using deductive reasoning and powerfully promoting business transformation.

* Behavioral traits shared by high-performing employees

Promotions and Demotions That Emphasize Competencies
Unicharm's evaluation system emphasizes not only the results that an employee produces through their work but also the reasoning and actions that lead to these results, and their level of contribution to the organization. The Company therefore ensures that promotions and demotions are fairer and better understood by employees by specifying competency requirements and clarifying evaluation criteria.

Evaluations That Reflect Strategy Difficulty Level
Unicharm reflects strategy difficulty level in its evaluation metrics to ensure that employees who pursue more challenging strategies and produce results are appropriately recognized.

Establishment of the Acquisition of Formal Qualifications as a Requirement for Promotion
Unicharm has established the acquisition of formal qualifications as a requirement for promotion to encourage employees to acquire new knowledge and reskill.

Spiritual and Physical Wealth

Expanding Employee Benefits

In addition to health checkups and stress checks, Unicharm strives to create a workplace environment where employees can work in good mental and physical health and with peace of mind by implementing training and measures for enhancing the health literacy of employees.

Along with legally stipulated tests included in a standard health checkup, Unicharm Corporation's checkups include a number of other tests, such as cancer screening recommended by the Japanese government, pulmonary function, abdominal ultrasound, retinal examination, and intraocular pressure. The Company also conducts a host of initiatives to maintain and improve the health of employees and raise their productivity, including training on maintaining good mental health, courses on menopause and menstruation, daily radio exercises, body composition measurement sessions, massages by massage and finger-pressure therapists, and assisted stretching with external trainers. In addition, in fiscal 2024 the Company began subsidizing the cost of the Egg Freezing Anshin Bank service to support the diverse life plans of employees.

In recognition of these efforts, the Company was selected as a White 500 company under the Certified Health & Productivity Management Outstanding Organizations Recognition Program, which is sponsored by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi, for the second consecutive year.

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門 ホワイト500

In Focus Walkathon in Taiwan–Greater China

In fiscal 2022, UNITED CHARM COMPANY LTD. (UCC), Unicharm's local subsidiary in Taiwan-Greater China, began conducting Walkathon on a semiannual basis to maintain and improve employee health and safeguard the natural environment. Employees use a dedicated app to manage their own walking targets and achievements. The app encourages employees to establish an exercise routine. For example, points are awarded based on the number of steps walked and accumulated points can be exchanged for prizes. Employees can also use the app to check the distances and number of steps walked by all participants, the amount of CO_2 emissions they saved by walking rather than using an automobile, and the number of trees planted in recognition of their progress.

A total of 125 employees participated in Walkathon held between April 2024 and June 2024, walking a cumulative total of 100 million steps. To mark this achievement, UCC donated eight saplings to the city of Kaohsiung, which is home to endangered species of birds.

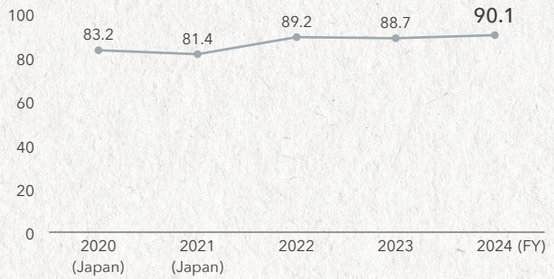


Monitoring Employee Engagement

Unicharm has adopted the percentage of positive answers received for the Growth Through Work section of the employee awareness survey as a metric for Kyo-sei Life Vision 2030, with the aim of establishing a virtuous cycle in which employees develop through their work and the scope of the Company's business activities expands through their development.

Unicharm verifies employee attitudes to work and job satisfaction levels on an ongoing basis by conducting an annual employee awareness survey across the Group. The Company uses the survey results in organizational reform and refers to them when examining management policies and personnel measures.

Percentage of Positive Answers Received for the "Growth Through Work" Section of the Employee Awareness Survey



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External Evaluations

Unicharm has been selected as a constituent of all six ESG indices for Japanese stocks, adopted by the Government Pension Investment Fund. We will continue to carry out appropriate business management and ensure highly transparent communication of our business results, in order to continue to be selected for key ESG indices and enhance our corporate value in line with the expectations of all stakeholders.

(As of March 31, 2025)

Selected as a Constituent of All Six ESG Indices for Japanese Stocks Adopted by the GPIF

FTSE Blossom Japan Index

FTSE Blossom Japan Sector Relative Index

2025 CONSTITUENT MSCI NIHONKABU ESG SELECT LEADERS INDEX

2025 CONSTITUENT MSCI JAPAN EMPOWERING WOMEN INDEX (WIN)

S&P/JPX Carbon Efficient Index

MORNINGSTAR GenDi J Japan ex-REIT Gender Diversity Tilt Index TOP CONSTITUENT 2025

Disclaimer
https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/csr-eco/report/E_disclaimer_ms.pdf

Other Evaluations

Included in the A List, scoring an A, the highest rating, across all three categories (climate, forests, and water) in CDP's 2024 evaluation

CDP is an international not-for-profit charity that strives to create sustainable societies by conducting surveys and disclosing information on the environment across the globe.

Climate Forests Water CDP A List 2024

Selected as an SX Brand 2024

SX Brand 2024

Unicharm was selected by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange as an SX Brand 2024, which recognizes a group of progressive companies that have enhanced their ability to generate sources for sustainable growth and improved their corporate value through sustainability transformation (SX). SX is an initiative to synchronize the sustainability of society with the sustainability of companies by conducting the necessary management and business reforms in order to achieve long-term sustainable increases in corporate value.

Index Inclusion Status

FTSE4Good

2024 MSCI ESG Leaders Indexes Constituent

Note: The MSCI ESG Leaders Indexes were renamed the MSCI Selection Indexes in February 2025.

2025 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS INDEX

JPX-NIKKEI 400

2024 Sompo Sustainability Index

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Unicharm Corporation has been independently assessed, and has satisfied the requirements to become a constituent member of the FTSE4Good Index Series, the FTSE Blossom Japan Index, and the FTSE Blossom Japan Sector Relative Index. Created by the global index provider FTSE Russell, these indices were designed to measure the performance of companies demonstrating strong environmental, social, and governance practices, and are used by a wide variety of market participants to create and assess responsible investment funds and other financial products.

The inclusion of Unicharm Corporation in any MSCI index, and the use of MSCI logos, trademarks, service marks, or index names herein, does not constitute a sponsorship, endorsement, or promotion of Unicharm Corporation by MSCI or any of its affiliates. The MSCI indexes are the exclusive property of MSCI. MSCI and the MSCI index names and logos are trademarks or service marks of MSCI or its affiliates.

External Evaluations
https://www.unicharm.co.jp/en/csr-eco/commendation.html

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Human Rights

Policy

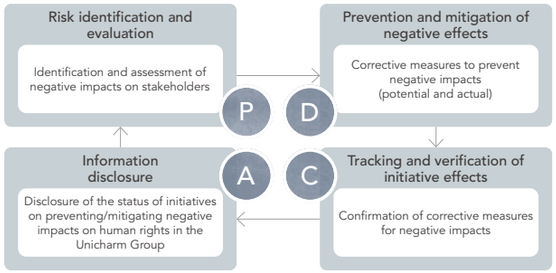
Since its establishment in 1961, Unicharm has taken appropriate measures to promote respect for human rights based on its "spirit of respecting humanity and dignity" as stated in its management policy. Thereafter, with the expansion of business into countries and regions outside of Japan, we determined that we must promote activities based on international human rights standards. In fiscal 2017, we established the **Unicharm Group Policy on Human Rights**, which aligns with the aims of the Universal Declaration of Human Rights (adopted in 1948 by the United Nations General Assembly). This human rights policy states that we strive to practice respect for human rights in all of our business activities and has been incorporated into the Unicharm Group Charter of Actions to instill this belief in all Group employees.

Furthermore, to contribute to the economic growth of the countries and regions in which we operate, we actively create employment in various fields and procure raw materials from local suppliers based on the principle of local production for local consumption. In view of this, the Unicharm Group CSR Procurement Guidelines, which were upgraded to the **Basic Policy of Procurement** in fiscal 2017, and the **Unicharm Group Sustainable Procurement Guidelines** were formulated and implemented in fiscal 2009 and fiscal 2017, respectively, for the purpose of maintaining fair and impartial relationships with all our suppliers.

Unicharm Group Policy on Human Rights ▶ *Sustainability Report 2025*, Page 76

Basic Policy of Procurement, Unicharm Group Sustainable Procurement Guidelines ▶ *Sustainability Report 2025*, Pages 98–99

Human Rights Due Diligence Process



Core Evaluation Items for Managing Labor Issues
• Prohibition of child labor • Prohibition of forced labor • Mechanisms for employee representatives to be involved in Company management
• Reduction of excessive working hours • Support for living wages

Management Structure

Since it is necessary to have a variety of departments involved in human rights, the Global Human Resources & Administration Division and the ESG Division take the lead, under the direction of the general manager of the Global Human Resources & Administration Division who is the executive-level officer assigned responsibility for human rights, in collaborating with the relevant departments that handle purchasing and auditing and Group companies inside and outside Japan and in reporting through the ESG Committee. In terms of our human rights initiatives for suppliers, which are led by the Procurement Department, the Basic Policy of Procurement and the Unicharm Group Sustainable Procurement Guidelines are distributed to our suppliers in an effort to promote compliance.

Key Initiatives

Assessing Human Rights Risks

Unicharm uses Sedex to assess human rights risks in its value chain.

Human Rights Risk Assessment at Unicharm Group Factories

In fiscal 2024, the Sedex Self-Assessment Questionnaire (SAQ) was conducted and these results were used along with Sedex's risk assessment tool to calculate a risk score. The risk score is determined by calculating an inherent risk score based on each factory's country and region of operation and line of business and a site characteristic risk score based on the SAQ results. These scores are used as a reference to conduct an even more in-depth analysis of high-risk factories and formulate other risk mitigation measures.

Human Rights Risk Assessments of Supplier Factories

In fiscal 2024, Unicharm began assessing risks related to the suppliers of materials used in its pet care products. As of December 31, 2024, we have reached an agreement with approximately 68.5% of material suppliers of personal care and pet care products and contract manufacturers of personal care and pet care products for use of the Sedex platform, enabling access to risk-related information. Of these factories, 61.8% have consented to sharing their inherent risk score while 54.0% have consented to sharing their site characteristic risk score. Using these scores as a reference point, we will continue to consider our approach to suppliers.

Human Rights Education for Employees

Employees are provided with education and training so that each person will acquire proper knowledge on human rights and the prevention of human rights risks. Upon the establishment of the Unicharm Group Policy on Human Rights, we held e-learning sessions for all employees on three separate occasions in fiscal 2018, in order to promote awareness of the importance of respecting human rights around the world. The Unicharm Group Charter of Actions, amended in fiscal 2021, is recited regularly at morning assemblies and other gatherings. In addition, we continue to educate employees and enhance awareness of our human rights policy through our new employee, role-based, and new leader training sessions. Role-based training consists of a curriculum through which employees learn about harassment and other issues that are likely to occur in the workplace and the appropriate measures to take in the event of a human rights issue.

In fiscal 2024, a workshop was held for all managers to enhance awareness of harassment prevention. By increasing awareness of those who should lead by example and fostering them to be able to respond appropriately to harassment complaints, we are committed to creating an environment where all employees can work with peace of mind. We also held a workshop on unconscious bias (practical level) for all Unicharm Corporation employees. As in fiscal 2023, employees were trained to gain a better understanding of unconscious bias by means of scrum meetings in sections and groups on how to respond in certain situations that are likely to occur in the actual workplace. In addition, a workshop titled Business and Human Rights was held by a law firm for departments where human rights issues may be more difficult to assess, such as in procurement. By using other companies' initiatives as a reference, the workshop enabled participants to learn about the ways in which they can increase their knowledge and awareness of business and human rights.

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Compliance

Key Themes Related to Kyo-sei Life Vision 2030: Practice of appropriate corporate governance

Policy

In line with the Unicharm Ideals, "we strive to pursue proper corporate management principles that combine corporate growth, employee well-being, and the fulfillment of our social responsibilities," which serve as the foundation of our business activities. We have established the Unicharm Group Charter of Actions, which sets forth more specific standards of conduct to ensure that directors and employees maintain the highest ethical standards, and comply with laws and regulations and the Articles of Incorporation.

The Unicharm Group Charter of Actions prohibits bribery and the provision and acceptance of excessive entertainment and gifts. Similarly, the charter also prohibits improper political contributions, donations to organizations, insider trading, money laundering, and other actions that could lead to fraud or corruption, and we strive to prevent all Group employees from engaging in such actions. Furthermore, to ensure that workplace culture is not conducive to fraud or corruption, we thoroughly manage our working conditions and hours in compliance with various laws and regulations.

The Unicharm Group Charter of Actions is recited at morning assemblies and other gatherings at our various business sites to instill awareness in all employees. We believe it is essential for directors, executive officers, and other members of management to lead by example so that the Unicharm Group Charter of Actions are not mere formality. By continuously conveying such words and actions to employees, we instill a sense of ethics and enhance their awareness of the charter.

Management Structure

The ESG Committee, chaired by the president & CEO, monitors and supervises all activities related to social responsibility centered around a framework of quality, safety, and the environment. Specifically, the ESG Committee ensures the legality, fairness, and soundness of business activities and reports regularly to the Board of Directors.

Moreover, the Compliance Hotline has been established as a consultation and whistleblowing contact point for violations of laws and regulations, internal regulations, and major corporate ethics while the Ring-Ring Employee Hotline has been established for problems in the workplace, such as internal harassment acts and interpersonal issues, as part of efforts to develop and enhance the compliance structure. The Corporate Ethics Office has been established within the ESG Division as the contact point for the management of these bodies. In the event of a serious problem, the executive officer in charge of the Corporate Ethics Office takes the helm to resolve the issue by convening the Corporate Ethics Committee, which consists of all members of the Audit & Supervisory Committee. The Corporate Ethics Committee reports on the actions it has taken to the Board of Directors so that the effectiveness of the committee can be verified on a regular basis.

Compliance Promotion Structure



In addition, in order to conduct audits on whether business execution in each division is being conducted appropriately in accordance with laws and regulations, and to provide advice as necessary, the Internal Audit Department has been established to serve as an internal auditing section that is independent from each business execution division and is directly supervised by the president & CEO and to conduct internal audits on all Group companies.

Key Initiatives

Whistleblowing System

Unicharm established the Compliance Hotline and the Ring-Ring Employee Hotline as consultation and whistleblowing contact points for Group employees in Japan and overseas. In principle, the system is available to all executives and employees* of the Company and its subsidiaries and affiliates, who can then remain anonymous when reporting or receiving consultation.

These matters are handled in accordance with the Consultation and Whistleblowing Management Regulations of the Corporate Ethics Office and whistleblowers and employees receiving consultation are notified of the results, with the exception of those who requested anonymity. The privacy of those who use this system is respected and every effort possible is made to ensure that they do not suffer any disadvantage from receiving consultation or reporting violations. In addition, if it becomes necessary to involve a third party, the whistleblower's consent to this will be sought. Along with the Compliance Hotline and the Ring-Ring Employee Hotline, Unicharm has also put in place a system that makes it easy for employees and their families to consult with external organizations. Overseas, similar hotlines have been established and are being operated at our subsidiaries in China, Taiwan–Greater China, Thailand, Indonesia, Malaysia, Singapore, India, Brazil, South Korea, the United States, Vietnam, Saudi Arabia, Egypt, and Australia.

* Includes contract, part-time, temporary, and dispatched employees, and former employees who resigned within a year

Initiatives to Raise Compliance Awareness

The Unicharm Group Charter of Actions, which all Group employees are required to comply with at all times, states the behaviors that should be kept in mind in order to achieve our pledge to each stakeholder and, through the recital of this charter, we are working to improve awareness of compliance in relation to issues such as corruption prevention. In addition, compliance-related questions have been added to the employee survey, which is conducted across the Group each year, to prevent acts of fraud, enhance awareness of legal compliance, and monitor compliance awareness.

Compliance Education and Training

Aiming to raise awareness of compliance with laws and regulations and prevent problems from occurring, Unicharm holds workshops on topics that reflect the roles and responsibilities of employees, distributes email newsletters on all aspects of compliance, and posts information on the Company intranet to constantly share details of revised laws and compliance information related to its business as a means to enhance compliance awareness throughout the Group.

Prohibition of Insider Trading

To prevent directors, executive officers, and employees from engaging in insider trading, Unicharm established the Insider Trading Prevention Regulations. The executive officer in charge of ESG, who is appointed by the president & CEO, is designated as the person responsible for managing insider information in order to prevent illegal acts. In addition to ensuring internal awareness of our zero-tolerance stance on insider trading, we require the submission of a trade notice for Unicharm's shares whenever they are traded and set specific limits on the trading of such shares based on the positions, roles, and departments of directors, executive officers, and employees.

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Risk Management

Policy

The Unicharm Ideals state that "we contribute to creating a better quality of life for everyone by offering only the finest products and services to the market and customers, both at home in Japan and abroad." And we always strive to create new value and set the fulfilling of our social responsibilities through our business as the basis of our corporate activities. To ensure we realize and embody these ideals, we identify all potential risks associated with our business activities and eliminate the possibility of adverse impacts on the Company. At the same time, in the unlikely event that adverse impacts do occur, we have established a series of responses positioned as important management priorities that include taking prompt corrective action to minimize damage and implementing permanent measures to prevent their recurrence. In view of this, the Company has established a Groupwide risk management system, defining risk as "uncertainties (events) that could affect corporate value" and classifying and managing risk into three categories: strategic risks, significant operational risks, and operational risks.

The ultimate decision-making and oversight responsibility for risk management lies with the Board of Directors. While overseeing the code of conduct and code of ethics, the Board of Directors analyzes and evaluates risks that are reported by each department, and if necessary, leads the formulation of improvement proposals, which are then deliberated and decided upon. The Audit & Supervisory Committee, comprising a majority of outside directors, fulfills its role by implementing various audits as required by laws and regulations. Additionally, in the event that risks occur requiring an urgent response, including those not classified as "**business and other risks**," the ESG Committee, chaired by the president & CEO and comprising inside directors and executive officers, will quickly meet to discuss and respond to the identified risks. Furthermore, in the event of a serious crisis, a Crisis Management Team (CMT) will be established in accordance with the Crisis Communication Manual (CCM, revised January 1, 2025), which stipulates crisis management protocols, in an effort to respond rapidly and appropriately and resume operations as quickly as possible.

"Business and other risks" are significant risks that could impair the Company's financial standing and management results. As we have implemented various business and other risk countermeasures, these risks are not likely to a have serious impact on our business operations at the present time. In addition, the timing and extent to which these risks could emerge in the future are unknown. Business and other risks that could impact business operations in the future are not restricted to those listed in the table above.

Business and Other Risks ▶ *Sustainability Report 2025*, Pages 127–129

Uncertainties (Events) That Could Affect Corporate Value

Classification	Strategic Risks	Significant Operational Risks	Operational Risks
Definition	Risks that may affect the decision or execution of management strategies, business plans, and other important strategies and matters decided by the Board of Directors of Unicharm Corporation	Risks that, if materialized, could significantly impede the execution of the Group's business or damage its reputation	Risks that can be prevented or mitigated to an acceptable extent through compliance with policies, rules, guidelines and operation processes established for daily business activities
Management Method	The Board of Directors takes these risks into consideration when making decisions on important strategies and matters. The Board of Directors will monitor the situation after decisions are made on the basis of regular reports to the Board of Directors or through discussions by all Directors.	The ESG Division will compile a list of the severity (impact × likelihood of occurrence) of these risks and the level of response readiness. The results of Control Self-Assessments (CSA) and business audits conducted by the Internal Audit Department are taken into consideration in determining the level of response readiness. The reports are made to the Board of Directors at least once a year following periodic review from the standpoint of changes in severity and whether there are any issues with the response readiness policy, and the Board of Directors monitors the situation.	The executive officer in charge shall be responsible for risk management and allocate management resources and execute management decisions based on these risks.

Management Structure

The Company has established a risk management system as shown on the following page. Under the supervision of the Board of Directors of the Unicharm Group, the president & CEO determines the basic policy for risk management of the Unicharm Group. In order to ensure effective and efficient risk management, executive officers of Unicharm Corporation are allocated the necessary authority, responsibilities, and management resources, and the ESG Division compiles risk information of the Group as a whole and reports regularly to the Board of Directors. In addition, an independent Internal Audit Department has been established to oversee these activities.

One of important themes to be addressed by the ESG Committee is sharing risk management issues and measures. The themes deliberated by the ESG Committee and their results are reported to the Board of Directors by the head of the ESG Division, and risk management supervision is implemented. Furthermore, in recognition of prohibitions on insider trading, compliance with antitrust laws, the elimination of child labor and forced labor, and the protection of personal information as important issues, we established the Unicharm Group Charter of Actions and require all employees to be aware of and use it as a guideline for their conduct.

Additionally, to comprehensively address risks of corruption, including insider trading and bribery, we are strengthening compliance education through various training programs and e-learning for employees working in countries and regions where these issues are likely to arise. Moreover, Unicharm provides employees with cautionary information on insider trading via the Company intranet and conducts internal audits as measures to prevent corruption. Audit results are reported to the president & CEO and the full-time Audit & Supervisory Committee members, and regular reports are made to the Audit & Supervisory Committee to verify the effectiveness of the audits.

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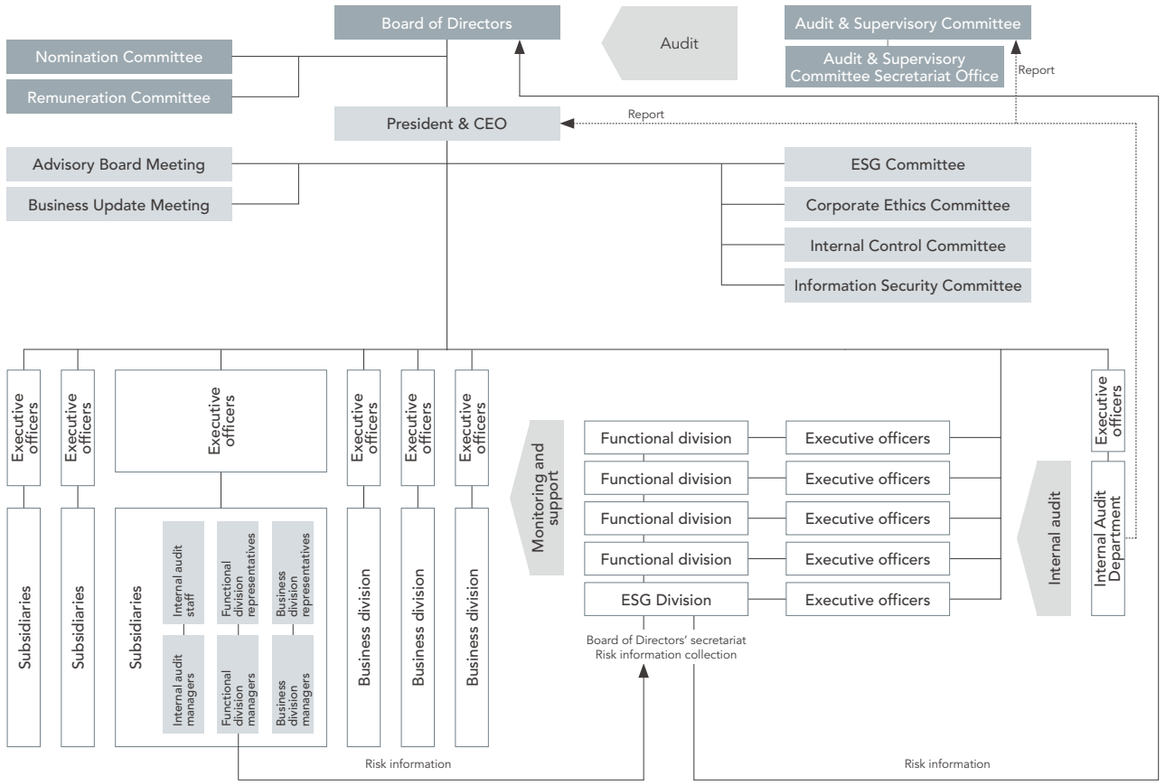
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Risk Management System



Key Initiatives

Rigorous Information Security

To ensure rigorous information security, Unicharm has set out information security principles and procedures such as the Information Security Policy and Information Security Rules. We also have in place the Personal Information Protection Regulations and Specified Personal Information Handling Regulations to safeguard our customers' personal information, and we strictly manage this information and take precautions to prevent information leaks. To ensure these rules are strictly observed, we established the Information Security Committee, chaired by the executive officer in charge of information security comprising Company directors and executive officers. The Information Security Committee earmarks one day of each month as an information management day on which we highlight a different security topic to remind employees about the risks of specific information leaks. We continue to develop such measures, provide employee training, and monitor progress to improve the security of information management across the Group.

Use of Control Self-Assessments

Unicharm previously used control self-assessments (CSAs) as a preliminary confirmation tool for on-site audits by the Internal Audit Department. However, in fiscal 2023 the Company identified risks based on its business characteristics and significantly revised the content of CSAs to establish a structure to prevent misconduct and impropriety and redress a variety of issues, including an excessive weighting toward confirmation of general and monetary controls. The revision revamped CSAs to enable them to function as a self-check tool for the Group's consolidated subsidiaries and for departments at Unicharm Corporation. It also improved CSAs in several ways, including by using plain language that is easy to understand for employees conducting a CSA for the first time and by stipulating matters to be confirmed in the form of a checklist.

In fiscal 2024, overseas subsidiaries along with subsidiaries and Unicharm Corporation departments in Japan conducted CSAs, which were verified by the Internal Audit Department. The Internal Audit Department then provided them with feedback reports noting points for improvement and highlighting matters requiring attention.

Business Continuity Plan (Japan)

In Japan, we have been strengthening risk countermeasures since 2005, formulating a business continuity plan (BCP) based on possible emergency scenarios that include a major earthquake directly under the Tokyo metropolitan area and a massive earthquake involving the Tokai, Tonankai, and Nankai plates (Nankai Trough earthquake). However, in light of increasing social and environmental risks in recent years, such as the frequent occurrence of natural disasters, climate change, cyberattacks, and infectious disease outbreaks, we significantly revised our BCP in fiscal 2024 and adopted an all-hazards approach. This revision aims to ensure the safety of employees and their families and strengthen the systems necessary for business continuity throughout the entire value chain. To this end, rather than simply revising existing manuals, we also introduced new technologies and systems to facilitate the prompt situational assessments and rapid responses in the event a disaster occurs.

Business Continuity Plan (Japan) ▶ *Sustainability Report 2025*, Page 132

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Directors and Executive Officers

Directors
(As of March 19, 2025)



Takahisa Takahara
President & CEO

Career Summary

April 1991	Joined the Company
October 1994	Vice Chairman of United Charm Industries Co., Ltd. (currently UNITED CHARM COMPANY LTD.)
June 1995	Director
April 1996	Director, General Manager of Procurement Division, and Deputy General Manager of International Division
April 1997	Director, Deputy General Manager of Sales Division, and Deputy General Manager of Marketing Division
June 1997	Senior Director, Deputy General Manager of Sales Division, and Deputy General Manager of Marketing Division
April 1998	Senior Director, General Manager of Feminine Hygiene Business Division
July 1999	Senior Director, Responsible for International Division
April 2000	Senior Director, Deputy General Manager of Corporate Planning Division
October 2000	Senior Director, Responsible for Management Strategy
June 2001	Representative Director, President
June 2004	Representative Director, President & CEO (to present)

Reasons for Appointment
Takahisa Takahara has delivered successful business results by steering Unicharm's global strategy as representative director and president since 2001. He has also endeavored to address social issues through the Company's unique business activities by powerfully promoting Kyo-sei Life Vision 2030, its medium- to long-term ESG goals. In addition, he has enhanced the decision-making and supervisory functions of the Board of Directors in his capacity as chairman of the Board. As such, the Company has deemed Mr. Takahara to be a suitable person to help it realize ongoing improvements to its corporate value.



Kenji Takaku
Director,
Senior Management,
in Charge of Marketing and Sales

Career Summary

April 1983	Joined the Company
April 1997	Marketing Director of Sanitary Business Group, Marketing Division
October 2000	Director of Marketing Department, Baby Care Business Division
January 2004	Managing Director of Shanghai Unicharm Co., Ltd.
October 2005	Deputy General Manager of Global Marketing Division and General Manager of Feminine Care Strategic Business Unit (SBU)
April 2008	Executive Officer and General Manager of Global Marketing Division
December 2014	Managing Executive Officer and General Manager of Global Marketing Division
July 2017	Managing Executive Officer and Managing Director of Unicharm India Private Limited
January 2022	Senior Managing Executive Officer, Co-Chief Marketing Officer (CMO), Chairman of Unicharm India Private Limited, Responsible for Unicharm Gulf Hygienic Industries Ltd. and for Unicharm Middle East & North Africa Hygienic Industries S.A.E.
March 2023	Director, Senior Managing Executive Officer, in Charge of Marketing and Sales, and Chairman, Unicharm India Private Limited, Responsible for Unicharm Gulf Hygienic Industries Ltd. and for Unicharm Middle East & North Africa Hygienic Industries S.A.E.
January 2025	Director, Senior Management, in Charge of Marketing and Sales, and Co-CMO (to present)

Reasons for Appointment
Kenji Takaku has promoted the planning and implementation of highly unique, systematic marketing strategies through strong leadership in his capacity as the head of Unicharm's Marketing Division, where he helped enhance the brand value of Unicharm and its products. He has also demonstrated excellent management capabilities, including accelerating the growth of Unicharm's subsidiary in India as its managing director. Therefore, the Company has deemed Mr. Takaku to be a suitable person to help it continue to grow globally and realize ongoing improvements to its corporate value through his marketing capabilities.



Tetsuya Shite
Director,
Senior Managing Executive Officer

Career Summary

April 1985	Joined the Company
April 1993	Sales Division, Sales Planning Department
April 2010	Deputy General Manager, Global Human Resources & Administration Division
January 2016	Executive Officer, General Manager, Global Human Resources & Administration Division
January 2019	Executive Officer, General Manager of Global Human Resources & Administration Division, General Manager of CSR Division, Department Manager of Corporate Ethics Office
January 2021	Managing Executive Officer, Chief Quality Officer, General Manager of Global Human Resources & Administration Division, Responsible for ESG Division, Customer Communication Center, and Global Quality Assurance Department
January 2022	Senior Managing Executive Officer, Co-Chief Inclusion Officer (CIO), General Manager of Corporate Planning Division, Responsible for Customer Communication Center and Global Quality Assurance Department
January 2024	Senior Managing Executive Officer, Co-CIO, General Manager of Global Human Resources & Administration Division, Responsible for Secretary Office
March 2025	Director, Senior Managing Executive Officer, Co-CIO, General Manager of Global Human Resources & Administration Division, Responsible for Secretary Office (to present)

Reasons for Appointment
Tetsuya Shite has endeavored to create an environment that allows employees to grow through their work by leading the planning and implementation of personnel measures that produce human resources capable of playing an active role globally through the implementation of Unicharm's unique management method, management with resonance. Accordingly, the Company has deemed Mr. Shite to be a suitable person to help it realize ongoing improvements to its corporate value, including by developing its core human resources—who are indispensable to accelerating growth—through the promotion of planned personnel assignments and rotations in cooperation with each functional division to realize Unicharm's approach to personnel, which is that its people are the source of its corporate value.

Executive Officers (As of April 1, 2025)

President & CEO	Takahisa Takahara	Senior Managing Executive Officer	Tadashi Nakai	Managing Executive Officer	Tsutomu Watanabe	Senior Executive Officer	Yuji Ishii	Senior Exective Officer	Takeshi Oda
Senior Managing Executive Officer	Tetsuya Shite	Senior Managing Executive Officer	Hirotatsu Shimada	Senior Executive Officer	Satoru Kiuchi	Senior Executive Officer	Chikara Oka	Senior Executive Officer	Tsutomu Kido

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Hiroaki Sugita

Outside Director,
Audit & Supervisory
Committee Member

Career Summary

April 1983	Joined JAPAN TRAVEL BUREAU Inc. (currently JTB Corp.)
April 1994	Joined The Boston Consulting Group (currently Boston Consulting Group)
January 2001	Partner and Managing Director of The Boston Consulting Group
November 2006	Supervisor of Japan Office of The Boston Consulting Group
May 2007	Senior Partner and Managing Director of The Boston Consulting Group
January 2014	Asia Pacific Client Team Leader of The Boston Consulting Group
January 2016	Japan Co-Chair of The Boston Consulting Group
January 2021	Managing Director and Senior Partner of Boston Consulting Group (to present)
March 2021	Director, Audit & Supervisory Committee Member of the Company (to present)
April 2021	Professor, Waseda Business School, Graduate School of Business and Finance, Waseda University (to present)
January 2023	Senior Advisor, Boston Consulting Group (to present)
October 2024	Outside Director, Luup, Inc. (to present)

Reasons for Appointment
With extensive experience of involvement in global strategy, corporate governance, group management, digital transformation, and other fields at a major foreign-affiliated consulting firm, Hiroaki Sugita has a high level of insight. The Company determined that he is qualified to further its global expansion and provide appropriate advice on both governance and management strategies.



Noriko Rzonca

Outside Director,
Audit & Supervisory
Committee Member

Career Summary

November 2000	Joined Allstate Insurance Company in the United States
May 2005	W. W. Grainger, Inc. (United States)
June 2006	CFJ G.K.
September 2008	Citibank Japan Ltd.
May 2015	MetLife Insurance K.K.
November 2017	Executive Officer, Sony Bank Incorporated
November 2021	Executive Officer and Chief Digital Officer, Cosmo Energy Holdings Co., Ltd.
April 2022	Senior Executive Officer and Chief Digital Officer, Cosmo Energy Holdings Co., Ltd. (to present)
March 2023	Director, Audit & Supervisory Committee Member of the Company (to present)

Reasons for Appointment
Having served in management over many years at foreign-affiliated financial institutions, Noriko Rzonca offers pertinent recommendations on management strategies and corporate governance. Ms. Rzonca also draws on the expertise she accumulated in the finance and insurance industries to offer appropriate advice on areas including Unicharm's promotion of DX and development of digital talent. Accordingly, the Company has determined that she is capable of providing appropriate recommendations on strengthening governance and implementing digital strategies.



Shigeru Asada

Director,
Audit & Supervisory
Committee Member
(Full-time)

Career Summary

April 1973	Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
March 1994	Managing Director, Chief Financial Officer of Panasonic Do Brasil Limitada
April 1999	General Manager (Tax) of Corporate Accounting Department of Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
April 2004	Managing Director, Chief Financial Officer of Panasonic Europe Co., Ltd.
April 2006	Director, General Manager of Internal Auditing Department of Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)
April 2009	Standing Corporate Auditor of IPS Alpha Technology, Ltd.
February 2013	Advisor for the Office of Audit and Supervisory Committee of the Company
April 2013	Executive Officer, General Manager of Accounting and Finance Division of the Company
March 2017	Director, Audit & Supervisory Committee Member (full time)
April 2019	Advisor, Audit & Supervisory Committee Member
March 2021	Director, Audit & Supervisory Committee Member (to present)

Reasons for Appointment
In addition to serving consecutively as the head of the internal audit and tax departments, as the officer in charge of accounting for overseas businesses, and in other roles at Panasonic Corporation's global headquarters, Shigeru Asada possesses extensive insight into finance and accounting, including through his experience serving as an executive officer and general manager of the Accounting and Finance Division of Unicharm. In addition, Mr. Asada served as a director and Audit & Supervisory Committee member between 2017 and 2019. The Company has determined that he is suitable to supervise the management of the Company given his track record.

Senior Executive Officer	Masahiro Kashiwagi	Senior Executive Officer	Eijun Sato	Executive Officer	Takahiro Okada	Executive Officer	Takashi Kan	Executive Officer	Yuzo Miyaaki
Senior Executive Officer	Kouichi Naoe	Senior Executive Officer	Kenji Ueda	Executive Officer	Toru Fujita	Executive Officer	Yuuki Noda	Executive Officer	Yuji Ikeda
Senior Executive Officer	Shigeto Yamanaka	Senior Executive Officer	Takumi Terakawa	Executive Officer	Daisuke Iguchi	Executive Officer	Junichi Okamoto	Executive Officer	Takahiro Imagawa
Senior Executive Officer	Masanori Yano	Executive Officer	Hiroe Inaba	Executive Officer	Yoshinori Tanaka	Executive Officer	Naoe Hirooka		

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Messages from Outside Directors



Hiroaki Sugita
Outside Director, Audit & Supervisory Committee Member

Proper governance is essential for companies to earn and maintain the confidence of their stakeholders, including shareholders. Amid dramatic changes in the operating environment and growing uncertainty about the future, it goes without saying that proper governance is becoming increasingly important for companies.

Unicharm increases business opportunities in emerging markets in search of ongoing growth, while continuously expanding its business domains in the countries and regions where it already operates. The Company must preemptively identify and quickly address the risks and opportunities that arise from these activities. The aspects of business that require effective governance are wide ranging. Vigilant monitoring of both risks and opportunities is therefore essential. Risks include market risks, global expansion of employee engagement, compliance risks, investment and capital efficiency, and financial soundness, such as cash flow. Opportunities include whether the Company is conducting proper decision-making, such as on bold investments at the right time in response to new market opportunities, whether it is responding effectively to the strategies and actions of its competitors, and whether it is making optimal use of its assets, such as human capital.

Specifically, Unicharm must address the following challenges:

- Realization of a cohesive society by expanding products and services that maximize the lifetime value of people through pursuit of “Love Your Possibilities”
- Business expansion in emerging markets, such as India and the Middle East, and through the New World Project in Africa
- Enhancement of global organizational capabilities to realize market expansion by leveraging Unicharm’s outstanding foresight (the source of its competitive edge), which allows it to anticipate and decipher market needs, its advanced product development capabilities focused on people’s unmet needs, and its ability to construct supply chains that facilitate the delivery of products and services in the optimal way to various countries and markets
- Acceleration of the full-fledged implementation of the Recycle for the Future (RefF) Project, under which the Company is advancing demonstration trials with the aim of realizing a circular economy.

These substantial challenges all require Unicharm to strike a balance between social value and financial value at a high level, and they make it more difficult for the Company to navigate its operating environment.

Given such circumstances, I believe that it is imperative for the directors of Unicharm to accurately understand the Company’s current position and the issues, risks, and opportunities that may arise in the future, and to ensure that they maintain a constant awareness of the requirements of ideal governance that is commensurate with such an understanding. Based on my recognition of the importance of presenting arguments, perspectives, and views on both risks and opportunities, I have invigorated discussions at meetings of the Board of Directors while cooperating and communicating with those in charge of business execution on the aforementioned challenges.

I am committed to proactively addressing these challenges in my capacity as an outside director by drawing on my experience of managing the Boston Consulting Group, in addition to the expertise I have accumulated while assisting a great many companies with achieving transformation for ongoing growth.

I believe that it is imperative for the directors of Unicharm to accurately understand the Company’s current position and the issues, risks, and opportunities that may arise in the future, and to ensure that they maintain a constant awareness of the requirements of ideal governance that is commensurate with such an understanding.

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For the past two years, I have actively participated as an outside director and Audit & Supervisory Committee member, contributing to discussions at meetings of the Board of Directors, at forums for deliberating strategy, and on other platforms to enhance the corporate governance, internal controls, and transparency that underpin Unicharm's credibility and sustainable growth. I have offered my input while keeping in mind the standpoints of diverse stakeholders, sometimes intervening to communicate thought-provoking points, and often making controversial contributions from a medium- to long-term perspective. In these ways, I have fulfilled my role of encouraging new perspectives and spurring innovation by preventing lapses into groupthink while advancing constructive discussions. Known as playing devil's advocate,* this technique is extremely useful during management meetings. It is also highly effective for ensuring transparency at other management-level meetings, allowing participants to engage in free and open-minded discussions.

Realizing "Love Your Possibilities," the basis of Unicharm's value creation, in a sustainable way is critical to spurring innovation on the front lines and accurately identifying unmet consumer needs. To this end, capitalizing fully on diversity, data, and digital technology is essential. I believe that Unicharm can further develop its long-cultivated uniqueness by making extensive use of technology to conduct multifaceted analyses of phenomena and engaging in discussions that transcend established frameworks with employees from a variety of backgrounds. I also believe that this is achievable precisely because Unicharm operates a wide range of businesses focused on Asia.

Co-creation with customers, which includes Unicharm's strengths of marketing research and innovation, provided the impetus for the launches of Project-L, its 12th Medium-Term Management Plan, and the Marketing by DX Division. I look forward to seeing Unicharm further accelerate its decision-making through data and digital technology while believing in its own potential and expanding into new worlds.

Love Your Possibilities!

* Intentionally stating an opposing view in a discussion or other argument to encourage more rigorous discussion



Noriko Rzonca
Outside Director,
Audit & Supervisory
Committee Member

I believe that Unicharm can further develop its long-cultivated uniqueness by making extensive use of technology to conduct multifaceted analyses of phenomena and engaging in discussions that transcend established frameworks with employees from a variety of backgrounds.

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Corporate Governance

Key Themes Related to Kyo-sei Life Vision 2030: Practice of appropriate corporate governance

Policy

Unicharm strives to achieve sustainable growth and create medium- to long-term corporate value by cooperating appropriately with stakeholders and ensuring that it is recognized and trusted by society, and believes that such efforts will lead to the promotion of sound corporate management in accordance with the Unicharm Ideals. To realize this goal, our basic policy on corporate governance is to achieve transparent, fair, timely, and decisive management through frank and proactive engagement that will gain the support of various stakeholders and enable management to make appropriate decisions without overlooking opportunities.

Corporate Governance Report
https://www.unicharm.co.jp/en/company/corporate-governance.html

History of Initiatives to Strengthen Corporate Governance

1999
- Formulates Corporate Code of Conduct
- Adopts executive officer system

2015
- Transitions to a company with audit and supervisory committee governance structure and introduces outside directors
- Establishes voluntary Nomination Committee and Remuneration Committee and begins evaluations of the effectiveness of the Board of Directors

2016
- Formulates selection standards for independent directors

2019
- Appoints first female director

2020
- Introduces restricted share-based remuneration
- Adopts clawback provision for director remuneration (applies to restricted share-based remuneration)
- Introduces performance-linked remuneration
- Incorporates ESG criteria into performance indicators for directors

2021
- Formulates Board of Directors skills matrix

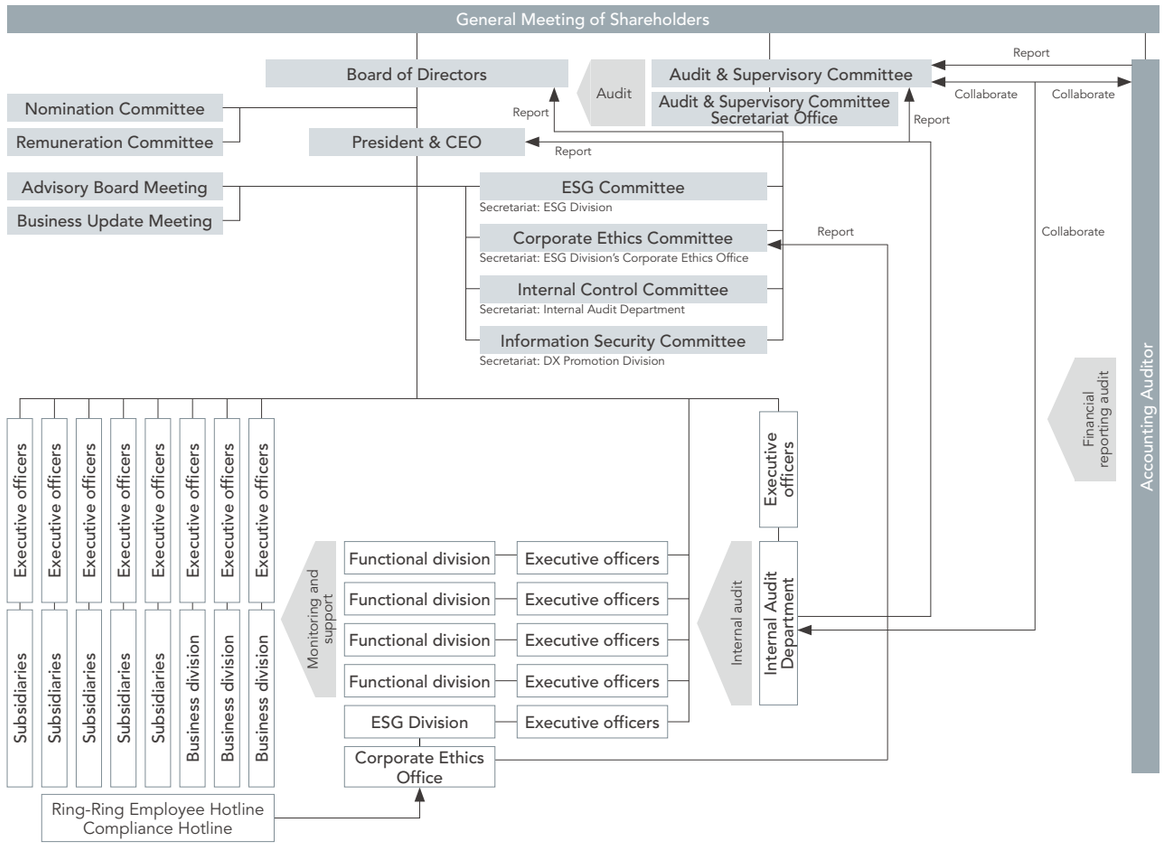
Management Structure

Unicharm has a company with audit and supervisory committee governance structure. It has a Board of Directors and an Audit & Supervisory Committee, as well as a voluntary Nomination Committee and Remuneration Committee.

Board of Directors, Audit & Supervisory Committee, and Nomination Committee and Remuneration Committee ▶ Pages 81–85

Composition of Important Meetings and Committees ▶ *Sustainability Report 2025*, Page 113

Corporate Governance Structure (As of March 19, 2025)



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Views on the Balance Between Knowledge, Experience, and Skills of the Board of Directors and Diversity and Size Thereof

In order to perform its functions, we must ensure that the Board of Directors has a good balance of essential knowledge, experience, and skills and that its composition is diverse and of an appropriate size.

Maintaining Diversity and Appropriate Size

The Company's inside directors and executive officers possess a high level of expertise in its areas of business which is utilized by the Board of Directors to oversee decision-making processes and provide advice on the Company's medium- to long-term direction from a wide range of perspectives. In this way, the Company ensures that the composition of the Board of Directors is diverse and of an appropriate size.

Inside Directors

The Board of Directors oversees decision-making processes and provides advice on the Company's medium- to long-term direction from a variety of perspectives utilizing the expertise of inside directors and executive officers. Accordingly, inside directors are selected from candidates with extensive knowledge of the Company's business.

Outside Directors

Outside directors are selected from candidates with strengths in areas that are key to the Company's strategies and in which advice from an external perspective is of particular importance. Emphasis is also placed on their ability to promote digital transformation, as this is an area in which advice from outside directors is particularly important in implementing the strategies underscored in the medium-term management plan. Furthermore, we also select candidates with experience in corporate management, due to its significance in the Board of Directors' ability to fulfill its supervisory function.

Directors Who Are Audit & Supervisory Committee Members

As a company with audit and supervisory committee structure, we believe, on the whole, that directors who are Audit & Supervisory Committee members must possess the knowledge, experience, and abilities to conduct effective audits. We also believe that directors who are Audit & Supervisory Committee members should include those with sufficient knowledge of finance and accounting, in particular, as well as legal affairs.

Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees and Relevant Expertise of Directors (As of March 19, 2025)

	Tenure	Composition of the Board of Directors, Audit & Supervisory Committee, and Other Committees				Relevant Expertise of Directors										
		Board of Directors	Audit & Supervisory Committee	Nomination Committee	Remuneration Committee	Corporate Management	Finance and Accounting	Corporate Governance	Risk Management	Human Resource Development	Overseas Business	Marketing	Distribution Strategy	Development and Production	Sustainability*2	Digital Transformation
Takahisa Takahara President & CEO	29 years, 9 months	◎		○	○	●	●	●	●	●	●	●			●	
Kenji Takaku Director, Senior Management, in Charge of Marketing and Sales	2 years	○				●		●	●	●	●	●	●	●		
Tetsuya Shite Director, Senior Managing Executive Officer	—*1	○				●		●	●	●			●		●	
Hiroaki Sugita Director, Audit & Supervisory Committee Member Outside Independent	4 years	○	○	◎	◎	●	●	●	●	●		●	●		●	●
Noriko Rzonca Director, Audit & Supervisory Committee Member Outside Independent	2 years	○	○	○	○	●		●	●	●	●	●			●	●
Shigeru Asada Director, Audit & Supervisory Committee Member	6 years	○	◎	○	○	●	●	●	●	●	●					

Note: ◎ Chair ○ Member Outside Outside director Independent Independent director
*1 Appointed on March 19, 2025 *2 Environment and quality

Selection Standards for Independent Directors (in Japanese only)
https://www.unicharm.co.jp/content/dam/sites/www_unicharm_co_jp/pdf/company/about/dokuritsutorisimariyakusennnin.pdf

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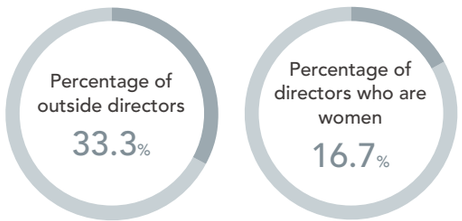
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Board of Directors

The Board of Directors comprises six members, including one representative director and two outside directors. It has the authority to determine basic management policies, decide on the establishment of the internal control system, and execute other important duties. It also fulfills a supervisory role in monitoring the formulation and execution of the medium- to long-term direction and provides advice from a variety of internal and external perspectives, ensuring an environment that enables management to make appropriate decisions without missing out on opportunities.

Fiscal 2024 Summary

Number of meetings: 9
Attendance rate: 100% (all 6 members attended all 9 meetings)
Agenda items:
- Medium-Term Management Plan
- Budgets and financial results
- Organizational reforms, director and executive officer personnel
- ESG Committee, Corporate Ethics Committee, Internal Control Committee, and Information Security Committee activities



Evaluation of the Effectiveness of the Board of Directors

The Company conducts a questionnaire of all directors every year and also hosts a discussion on the results of this survey with all participating directors. Through this process, the Company confirms progress regarding points identified as requiring further action in previous evaluations, identifies points that need to be addressed to further enhance the effectiveness of the Board of Directors, and summarizes the results of its analysis and evaluation of overall effectiveness of the Board of Directors. These results are also published with the approval of the Board of Directors.

The following is an overview of the analysis and evaluation results of the questionnaire conducted in fiscal 2025.

1 Questionnaire overview

The questionnaire asked respondents to selectively answer questions regarding the composition of the Board of Directors (number of members, skills, knowledge, experience, and diversity), oversight of succession planning, the quality, quantity, and timing of information provided at Board of Directors meetings, whether active discussions and comments were made, the number of days and hours the meetings were held, the number of proposals, and the time allotted for deliberation. Respondents were also asked to reflect on fiscal 2024 and comment on the future direction of the Board of Directors, its functions to be strengthened, the role of outside directors, the setting of agendas, the provision of information to directors, Board composition, and areas to address over the medium to long term.

2 Progress regarding points identified as requiring further action in previous evaluations

1. Regarding ongoing improvements, such as providing clearer explanations of information needed for deliberations to facilitate increasingly proactive discussions, we further strengthened coordination between the Board of Directors' secretariat and the Application Department and reflected issues identified by Audit & Supervisory Committee members in the explanatory materials.
2. Regarding setting agendas for discussion, including those focused on risk, we increased the number of matters to be reported to the Board of Directors.
3. Opinions on the composition of the Board of Directors, succession plan, and the operation of the Nomination Committee and the Remuneration Committee were shared with the Nomination Committee and Remuneration Committee secretariats, and discussions were held regarding the succession plan.
4. Regarding efforts to achieve further improvements, including progress and follow-up reports conducted in fiscal 2023, and increasing opportunities for outside directors and executive officers to engage, we enhanced the content of the progress and follow-up reports and conducted meetings between outside directors and executive officers on important management issues.

3 Results of the analysis and evaluation of overall effectiveness of the Board of Directors and points that must be addressed to further enhance effectiveness

Based on the results of the questionnaire and subsequent discussions of those results, the Company's Board of Directors was determined to be continuously improving and thus functioning effectively. We discussed the future direction of the Board of Directors, its functions to be strengthened, and the roles expected of outside directors and determined that the following efforts shall be made to further enhance the effectiveness of the Board of Directors.

1. Matters in which it is highly important to receive advice from directors, such as the Company's medium- to long-term direction, are added to the Board agenda for reporting and discussion at the discretion of the chairperson.
2. Strengthen preliminary explanations of agenda items for directors. For agenda items explained in advance, we will simplify explanations at Board of Directors meetings to allow more time for discussions.
3. Improve the materials used in considering proposals at Board of Directors meetings to enable discussions on the types of risks involved and whether they align with the organization's risk appetite.
4. Clarify internal rules regarding concurrent positions of directors from the perspectives of conflicts of interest and the focus and commitment necessary.

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Audit & Supervisory Committee

The Audit & Supervisory Committee comprises three members, including one full-time member who is a non-executive director and two members who are outside directors. The full-time member of the Audit & Supervisory Committee is selected for this role to increase the effectiveness of audits performed by the Audit & Supervisory Committee based on information obtained by a person highly familiar with the Company's internal situation. This person gains information through attending important meetings other than those of the Board of Directors and close collaboration with the internal auditing departments.

Fiscal 2024 Summary

Number of meetings: 11
Attendance rate: 100% (all 3 members attended all 11 meetings)
Resolutions: Audit plan and the sharing of the duties of the Audit & Supervisory Committee, reappointment and non-reappointment of the accounting auditor, agreement on the remuneration of the accounting auditor, Audit & Supervisory Committee audit reports, etc.
Reports: Prior confirmation of the Board of Directors' agenda items, audit plan and audit report of the accounting auditor, internal control and audit reports on the Internal Audit Department, strategies of domestic and overseas subsidiaries, reports on financial position and business restructuring, etc.

Evaluating Audit & Supervisory Committee Effectiveness

The Company's Audit & Supervisory Committee, in principle, meets once a month. During these meetings, the Audit & Supervisory Committee performs its audit duties through preliminary discussions of agenda items for Board of Directors meetings, reports on the audit plan summary and audits from the accounting auditor, reports on internal audits and internal control assessments from the Internal Audit Department, reports on performance projections and issues from the Accounting Control & Finance Division, and activity reports from each department based on their importance. Full-time Audit & Supervisory Committee members collect information necessary for audits based on the characteristics of full-time members, such as attending important meetings and reviewing important documents. In addition, through audit reports prepared by the full-time Audit & Supervisory Committee members and the exchange of opinions and information, outside Audit & Supervisory Committee members strive to improve the effectiveness of audits conducted by the Audit & Supervisory Committee.

Audit Status ▶ *Sustainability Report 2025*, Pages 115–116

The Nomination Committee and the Remuneration Committee

The Nomination Committee and the Remuneration Committee comprise four directors. Two directors are independent outside directors, one is a non-executive director, and the other is the representative director. Independent outside directors comprise half of the members and an independent outside director serves as chair.

Unicharm established the Nomination Committee as a discretionary body for the purpose of nominating director candidates and ensuring the transparency and objectivity of the selection of executive officers. The Nomination Committee has the authority to (1) propose ideas on the appointment and dismissal of directors to submit to the general meeting of shareholders, (2) select and dismiss the representative director, and (3) discuss proposals on the selection and dismissal of executive officers as well as executive officers with line responsibility.

Unicharm has established the Remuneration Committee, a discretionary body with the purpose of securing transparency and objectivity regarding the remuneration of directors (excluding directors who are Audit & Supervisory Committee members) and executive officers. The Remuneration Committee has the authority to deliberate on (1) proposals concerning remuneration of directors to be submitted to the general meeting of shareholders, (2) the policy for determining remuneration of individual directors (excluding directors who are Audit & Supervisory Committee members) and executive officers, and (3) the evaluation criteria and results used to determine the remuneration of individual directors (excluding directors who are Audit & Supervisory Committee members) and executive officers.

Fiscal 2024 Summary

Nomination Committee

Number of meetings: 1
Attendance rate: 100% (all 4 members attended)
Agenda items: Director and executive officer candidates, etc.

Remuneration Committee

Number of meetings: 1
Attendance rate: 100% (all 4 members attended)
Agenda items:
- Director and executive officer performance evaluations
- Director and executive officer remuneration, etc.

Candidates and Appointment and Dismissal of Executive Officers

Policies

Candidates for both inside and outside directors are nominated from those possessing outstanding characteristics and comprehensive management knowledge, with an emphasis on their capacity to appropriately fulfill the duties of a prudent manager and on their loyalty and contributions to the Company's sustained growth and increased corporate value. Internal directors are appointed based on the periodic assessment of their cultivation of successors and implementation of supervision by the directors, the Nomination Committee, and the Board of Directors. Moreover, in nominating director candidates, efforts are made to ensure that the Board of Directors, on the whole, has a good balance of essential knowledge, experience, and skills and that its composition is diverse and of an appropriate size.

Executive officers are appointed from those with outstanding characteristics who are familiar with the Group's businesses and practice the Five Great Pillars and Associate Code of Conduct established as the Group's Charter of Actions for both executives and employees, with an emphasis on the ability to appropriately execute business activities.

To ensure objectivity and transparency, the evaluation criteria for directors and executive officers are clearly defined per role and disclosed. When receiving an evaluation below standard for two consecutive years, the director or executive officer will be subject to review by the Nomination Committee and dismissed or not reappointed by the Board of Directors following a comprehensive evaluation based on advice and recommendations from the committee. For specific evaluation criteria, please refer to "Director Remuneration."

Director Remuneration ▶ Pages 83–85

Procedures

The nomination of candidates for directors and the appointment of executive officers are both determined by the Board of Directors based on deliberations by the Nomination Committee, which is chaired by an independent outside director and comprises the president & CEO, two independent outside directors, and one non-executive director, in order to secure transparency and objectivity. The Nomination Committee deliberates on the policy concerning the nomination of candidates for directors and the appointment of executive officers as necessary. Decisions on candidates for directors who are Audit & Supervisory Committee members are made by the Board of Directors based on a draft formulated after deliberation by the Nomination Committee in accordance with the policy of the Audit & Supervisory Committee, with prior consent from the same.

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Director Remuneration

Method of Determining the Policy for Decisions on Individual Remuneration of Directors

To ensure transparency and objectivity in the process for determining individual remuneration of directors, remuneration of directors is deliberated by the Remuneration Committee, which consists of the president & CEO (one person), a non-executive director (one person), and independent outside directors (two persons), with the independent outside directors comprising half of the seats on the committee, which is chaired by an independent outside director. Based on these deliberations, the results are then conferred for approval with the Board of Directors.

Our Basic Policy

Remuneration for directors (excluding directors who are Audit & Supervisory Committee members) and executive officers of the Company and related policies are determined based on comprehensive evaluation of their motivation to improve Unicharm's performance and corporate value and the securing of excellent human resources, in order to ensure that the level of remuneration is commensurate with the roles and responsibilities of their position. Basic policies on their remuneration aimed at promoting growth-oriented management, accomplishing management strategies, and fulfilling management plans are as indicated on the right.

Basic Policy on Director Remuneration

1. Contributes to the sustainable growth and medium- to long-term increase of corporate value
2. Remuneration structure that is linked closely with performance and motivates the fulfillment of management plans and the achievement of results
3. Remuneration level that can attract and retain human resources who can assume the role of management
4. Highly transparent and objective process for determining remuneration

Director Remuneration Policy

1. Remuneration is set to match director remuneration levels in the same industry in Japan and overseas and in companies of the same scale in other industries, as well as in consideration of our financial situation, in order to promptly cope with changes in the external environment and market conditions.
2. The target value of monetary compensation is set within the top 25 percentile and that of combined stock option compensation from a medium- to long-term perspective is set within the top 10 percentile.

Overview of the Policy for Decisions on Individual Remuneration of Directors

The following is an overview of the Company's policy for decisions on the individual remuneration of directors.

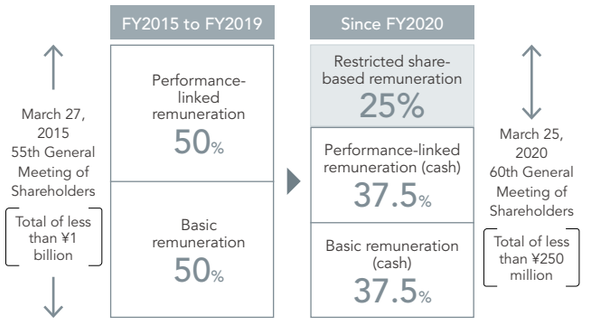
1. Overview of the Director Remuneration System

Remuneration for directors (excluding directors who are Audit & Supervisory Committee members) and executive directors consists of basic remuneration (cash) and performance-linked remuneration. Performance-linked remuneration consists of monetary compensation as a short-term incentive and restricted share-based remuneration as a medium- to long-term incentive. In addition, basic remuneration for each position is determined based on the extent of job responsibility.

Independent outside directors, coming from a stance independent of business execution, and directors who are Audit & Supervisory Committee members receive only fixed remuneration, given their roles to provide supervision and advice on the Company's management from an objective perspective.

The total amount of annual remuneration was approved to be within ¥1 billion for directors (applicable to eight members and excluding those who are Audit & Supervisory Committee members) and within ¥100 million for directors who are Audit & Supervisory Committee members (applicable to three members) at the 55th General Meeting of Shareholders held on March 27, 2015. The total annual amount of restricted share-based remuneration was approved to be within ¥250 million (applicable to three members and remaining within the aforementioned ¥1 billion limit) at the 60th General Meeting of Shareholders held on March 25, 2020.

Composition of Remuneration



Basic Remuneration (Cash)
To ensure the Company's competitiveness in the marketplace, basic remuneration is determined based on benchmarks set according to the extent of the roles and responsibilities for each position and paid in the form of monthly fixed compensation.

Performance-Linked Remuneration (Cash)
As a short-term (one year) incentive, performance-linked remuneration is set in the range of 0% to 200% (consisting of 10 remuneration levels) of the basic remuneration amount depending on performance results for that period. It is paid out from the following April to March of the following year based on the results of the fiscal year under evaluation (preceding January to December).

Restricted Share-Based Remuneration
As an incentive to increase corporate value over the medium to long term, the Company allocates in April of the following year restricted shares equivalent to 33% to 100% of the basic remuneration amount according to the performance results of the fiscal year under evaluation (preceding January to December). Restricted share-based remuneration has a transfer restriction period set at three years.

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• Evaluation Criteria for and Basic Policy on Executive Remuneration and Fiscal 2024 Remuneration Targets and Results

The evaluation criteria (consisting of eight themes in four categories, including ESG assessment) used to determine performance-linked remuneration (cash) and restricted share-based remuneration of directors (excluding those who are also Audit & Supervisory Committee members) and executive officers as well as the targets and results for remuneration in fiscal 2024 are presented below.

Moreover, weightings for evaluation criteria are assigned to each position in line with the extent of responsibilities. For example, evaluation weightings for the representative director are set at 50% each for the Group's performance and key strategies. For executive officers responsible for line function departments, the weightings are 30% each for the performance of the Group and the departments of which they are in charge and 20% each for the key strategies of the Group and the departments of which they are in charge.

In addition, in ESG assessment, which was added as a part of the evaluation criteria from fiscal 2020, Unicharm strives to be assessed as quantitatively as possible through criteria such as inclusion in the FTSE Blossom Japan Index and improved ESG scores.

No.	Evaluation Criteria	Accountability	Assessment Weighting	Targets	Results	Assessment
1	Group performance (business plan)	1-1 Consolidated net sales	20%–50%	¥1,006,000 million (up 6.8% YoY)	¥988,981 million (up 5.0% YoY)	98.3%
		1-2 Consolidated core operating income		¥144,000 million (up 12.5% YoY)	¥138,463 million (up 8.2% YoY)	96.2%
		1-3 Profit attributable to owners of parent		¥90,000 million (up 4.6% YoY)	¥81,842 million (down 4.9% YoY)	90.9%
2	Department performance	2-1 Sales in applicable business division	0%–40%	(Each department)	(Each department)	—
		2-2 Profits in applicable business division		(Each department)	(Each department)	—
3	Group key strategy	3-1 Priority strategies for each role	20%–50%	(Each director)	(Each director)	—
		3-2 ESG assessment (specialist rating agency evaluation, etc.)		(Each director)	(Each director)	—
4	Department key strategy	4 Priority strategy in applicable business division	0%–40%	(Each department)	(Each department)	—

Overview of key assessment indicators
1. Performance-based indicators for Company efforts 2. Performance-based indicators for individual director and executive officer efforts
3. Assessment indicators for Company priority strategies (including qualitative assessments)
4. Assessment indicators for individual director and executive officer priority strategies (including qualitative assessments)

• Conditions in the Agreement on the Allotment of Restricted Share-Based Remuneration

Restricted share-based remuneration means that eligible directors and executive officers receive monetary claims as their remuneration, all of which are then contributed to the Company. Finally, the Company disposes of treasury shares in exchange for these contributions. The Company and each of the eligible directors and executive officers conclude an agreement on the allotment of restricted shares.

Conditions in the Agreement on the Allotment of Restricted Share-Based Remuneration ▶ *Sustainability Report 2025*, Page 118

2. Method for Determining Individual Remuneration of Directors

In order to properly assess individual remuneration amounts based on the contribution performance of each director, the evaluation results based on each key performance indicator (KPI) are reported to and deliberated by the Remuneration Committee with a decision made by the representative director entrusted in a resolution of the Board of Directors.

3. Policy Regarding Decisions on the Composition and Amount of Fixed Remuneration, Bonuses, and Restricted Share-Based Remuneration

A Remuneration Committee meeting was held on February 22, 2021, to deliberate on matters concerning the calculation method, composition, timing of payment, and details and delegation of authority for the determination of fixed remuneration, performance-linked remuneration, and share-based remuneration. After discussions on the matters that should be resolved by the Board of Directors, decisions were made according to the resolutions of the Board of Directors meeting held on the same day.

Reasons for the Board of Directors' Decision to Ensure That Individual Compensation of Directors in Fiscal 2024 Is Consistent with the Policy for Decisions on Individual Remuneration of Directors

In regard to the individual remuneration of directors for fiscal 2024, the method for determining remuneration and the determined amounts of remuneration have been deemed consistent with the policy for determining remuneration approved by the Board of Directors. In addition, a high degree of importance is placed on reports from the Remuneration Committee, which also corresponds to said policy.

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Total Remuneration for Each Director and Executive Officer, Total for Each Type of Remuneration, and Number of Directors Receiving Remuneration

Role	Total Remuneration (Millions of Yen)	Total for Each Type of Remuneration (Millions of Yen)			No. of Directors Receiving Remuneration
		Basic Remuneration	Performance-Linked Remuneration	Non-Monetary Remuneration	
				Restricted Share-Based Remuneration	
Directors (excluding Audit & Supervisory Committee members and outside directors)	557	194	194	170	3
Directors (Audit & Supervisory Committee members) (excluding outside directors)	8	8	—	—	1
Outside directors	21	21	—	—	2

1. Total amount of remuneration of directors (excluding Audit & Supervisory Committee members) includes amounts recorded as expenses of ¥170 million for restricted share-based remuneration of three directors (excluding Audit & Supervisory Committee members).
2. Following the enforcement of the Companies Act, the Company's shareholders approved a resolution to abolish the retirement benefit system for directors and executive officers and incorporate their bonuses into remuneration at the 47th General Meeting of Shareholders held on June 26, 2007. Directors and executive officers now only receive annual compensation.

Succession Plan

Unicharm cultivates and nominates successors under the following system.

1. Each executive officer conducts interviews with prospective executive officers on a regular basis based on each candidate's career vision and career plan, and the results are used to create and update the human resource skills matrix.
2. The president & CEO conducts interviews with each executive officer on a quarterly basis, determines, in an objective manner, the targets to be achieved by the responsible department and each executive officer, evaluates performance, and provides guidance and training. The outside directors also meet with each executive officer at least once a year to confirm the status of and issues related to business execution, offer advice from a broad perspective, help resolve issues, and provide guidance and training so that they gain a higher perspective as a manager.
3. The operational status of the above schemes is reported regularly to the Nomination Committee and the Remuneration Committee for discussion and deliberation.
4. The Board of Directors nominates candidates for directors and executive officers based on the results of discussions by the Nomination Committee.
5. Global 30, a new successor development program directly supervised by the president & CEO, has been established to identify and develop candidates for directors and executive officers over the medium to long term, expanding the program, which had previously been focused on Japan, to overseas. Approximately 15 candidates for key positions in Unicharm Group management are selected to take part in experiential training in liberal arts and other fields at our head office approximately six times over a three-year period.
6. The Strategy Secretary to CEO program is held for mid-career employees in their 30s, whereby they are transferred to the Business Planning Office to serve as a secretary to the president & CEO for a two-month period to learn about the mindset and behavior of managers.
7. The Co-Chief Officer program is held to break down barriers of organizations, implement the Company's key strategies on a cross-divisional basis, and promote the growth of young talent. Executive officers and senior manager level executives appointed as chief officers work in tandem to establish and promote action plans for key strategies.

By establishing a forum for executive officers to discuss key Groupwide strategies with directors, including outside directors, the Company seeks to provide guidance and training through outside directors and substantiate discussions by the Nomination Committee, the members of which include outside directors.

Developing Succession Planning That Provides More Opportunities to Gain Early Appreciation of Management Viewpoints ▶ Page 23

Policy on Cross-Shareholdings

The Company holds the minimum number of shares in other companies necessary for the purpose of maintaining and strengthening its business relationships. In such cases, the Company shall determine whether to invest or not based on whether such investment would contribute to an increase in the corporate value of the Company, comprehensively taking into account the benefits that can be gained by maintaining and improving dividends and business relationships, as well as risks, capital costs, and other factors.

Each year, the Board of Directors verifies the appropriateness of each cross-shareholding, based on whether the purpose of the cross-shareholding has become insubstantial relative to the time of its acquisition and whether the risks and benefits are commensurate with capital costs.

Shares that are deemed as unreasonable to hold based on this verification are sold as appropriate, taking into consideration the overall impact on the market and other factors. With respect to the exercising of voting rights, the Company shall appropriately exercise voting rights upon careful examination of proposals and determination of whether or not these proposals contribute to the improvement of shareholder value. The Company shall not vote for any proposals that may damage shareholder value, regardless of whether they are submitted by the companies or their shareholders.

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Five-Year Non-Financial Summary

ESG Data
https://www.unicharm.co.jp/en/csr-eco/esgdata.html

	FY2020	FY2021	FY2022	FY2023	FY2024
The Environment					
CO_2 emissions*1 (thousand tons)	2,142.1	6,966.0	7,108.1	6,572.6	**6,669.2**
Scope 1 (thousand tons)	24.7	35.5	31.6	29.2	**30.1**
Scope 2 (thousand tons)	139.8	465.2	454.5	376.9	**354.6**
Scope 3 (thousand tons)	1,977.6	6,465.2	6,622.0	6,166.5	**6,284.5**
CO_2 emissions intensity*1 (tons/million yen)	7.326	8.900	7.915	6.979	**6.744**
Percentage of renewable electricity used (%)	4.1	7.3	11.0	22.8	**25.8**
Traceability ratio					
Percentage of forest-derived raw materials traceable to their origin*2 (%)	94.3	97.0	97.1	99.2	**99.3**
Percentage of palm oil traceable to country of origin (Japan)*3 (%)	85.9	77.2	62.8	58.5	**99.4**

*1 • Scope of data collection: Japan only for fiscal 2020; includes overseas since fiscal 2021. (For details of the scope of data collection, please see *Sustainability Report 2025*, Page 135.)
• Emission factors: Scope 3 emission factors calculated based on a Ministry of the Environment database in fiscal 2020, and using values from LCI database AIST-IDEA Ver. 3.4 Research Laboratory for IDEA, RISS, AIST, IPCC2021 with LULUCF AR6. (For fiscal 2021 to fiscal 2023, the method for calculating activity volume was reviewed and the figures recalculated.)
• Uses consolidated net sales as the denominator for calculating emissions intensity

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

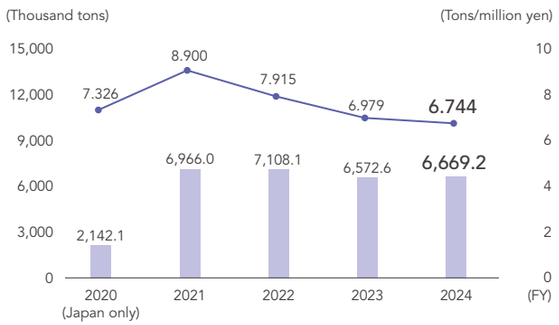
*3 RSPO-certified palm oil based on the mass balance system. Figures for fiscal 2022 and fiscal 2023 have been adjusted retroactively to reflect the addition of materials to be included in the scope of calculations.

	FY2020	FY2021	FY2022	FY2023	FY2024
Human Resources					
Number of Group employees	16,665	16,308	16,206	16,223	**16,464**
Japan	3,307	3,298	3,257	3,221	**3,211**
Overseas	13,358	13,010	12,949	13,002	**13,253**
Percentage of female employees in the Unicharm Group (%)	37.4	36.8	35.8	36.4	**36.8**
Percentage of female managers (%)	23.0	22.5	23.2	24.7	**25.5**
Japan (%)	14.7	14.4	14.4	15.4	**17.7**
Overseas (%)	28.3	27.8	29.2	30.7	**30.9**
Percentage of locally hired employees in management positions (general manager and above) at overseas subsidiaries (%)	43.0	45.5	52.2	52.3	**58.7**
Percentage of positive answers received for the "Growth Through Work" section of the employee awareness survey*4 (%)	83.2	81.4	89.2	88.7	**90.1**

*4 Scope of data collection: Japan only up until fiscal 2021; all Group companies since fiscal 2022

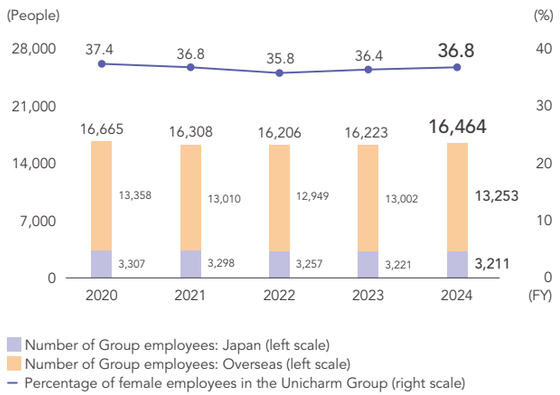
CO_2 Emissions*1 **6,669.2** thousand tons

CO_2 Emissions Intensity*1 **6.744** tons/million yen



Number of Group Employees **16,464**

Percentage of Female Employees in the Unicharm Group **36.8**%



Percentage of Female Managers **25.5**%

Percentage of Locally Hired Employees in Management Positions (General Manager and Above) at Overseas Subsidiaries **58.7**%



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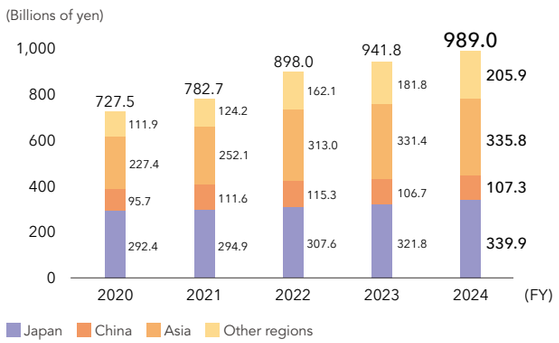
*1 Unicharm adopted International Financial Reporting Standards (IFRS) starting in fiscal 2017.
*2 These figures are for net sales to external customers.
*3 Core operating income refers to gross profit after deducting sales, general and administrative expenses.
*4 The Company conducted a three-for-one stock split of its common stock on January 1, 2025. Per-share data has been adjusted retroactively to reflect the impact of the stock split

(Millions of Yen)

	FY2015 (JGAAP)	FY2016 (JGAAP)	FY2016 (IFRS)*1	FY2017 (IFRS)*1	FY2018 (IFRS)*1	FY2019 (IFRS)*1	FY2020 (IFRS)*1	FY2021 (IFRS)*1	FY2022 (IFRS)*1	FY2023 (IFRS)*1	FY2024 (IFRS)*1
For the Fiscal Period:											
Net sales	738,707	710,965	604,653	641,647	688,290	714,233	727,475	782,723	898,022	941,790	988,981
By Segment:*2											
Personal Care Business	647,573	619,047	523,116	555,388	599,290	620,742	624,758	672,039	764,908	789,238	826,100
Pet Care Business	85,624	85,756	75,390	79,847	82,073	86,977	95,693	104,541	125,312	139,446	148,673
Other businesses	5,508	6,161	6,147	6,412	6,927	6,514	7,024	6,143	7,802	13,106	14,208
By Location:*2											
Japan	287,135	302,851	253,544	266,010	279,589	273,773	292,380	294,853	307,631	321,847	339,922
China	132,160	107,830	82,944	83,058	87,145	89,025	95,736	111,649	115,275	106,743	107,324
Asia	209,080	197,269	171,428	192,254	215,721	240,910	227,411	252,070	312,997	331,409	335,790
Other regions	110,331	103,014	96,736	100,326	105,835	110,526	111,947	124,151	162,118	181,790	205,944
Overseas sales to net sales ratio	61.4%	57.7%	58.4%	58.9%	59.8%	62.1%	60.5%	62.9%	66.3%	66.5%	65.9%
Cost of sales	406,521	376,510	376,842	393,101	423,005	447,495	434,866	469,078	569,422	590,261	599,072
Gross profit	332,186	334,455	227,811	248,546	265,285	266,738	292,609	313,645	328,600	351,528	389,909
Selling, general and administrative expenses	252,250	256,178	148,695	161,707	170,178	176,959	177,865	191,162	209,034	223,555	251,446
Operating income (JGAAP)/Core operating income*3 (IFRS)	79,934	78,277	79,116	86,838	95,107	89,779	114,744	122,482	119,566	127,974	138,463
Current profit (JGAAP)/Profit attributable to owners of parent (IFRS)	40,511	44,134	46,971	52,772	61,353	46,116	52,344	72,745	67,608	86,053	81,842
Diluted earnings per share (JGAAP)/Basic earnings per share*4 (IFRS) (Yen)	22.52	24.76	26.35	29.95	34.58	25.84	29.20	40.59	37.87	48.47	46.41
Annual cash dividends per share*4 (IFRS) (Yen)	4.9	5.3	5.3	6.7	8.0	9.3	10.7	12.0	12.7	13.3	14.7
Consolidated dividend payout ratio	21.9%	21.5%	20.2%	22.3%	23.1%	36.1%	36.5%	29.6%	33.4%	27.5%	31.6%

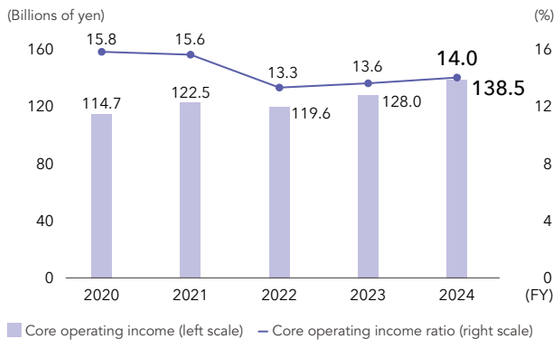
Note: JGAAP amounts have been truncated and IFRS amounts have been rounded off.

Net Sales by Geographical Region*2 ¥989.0 billion



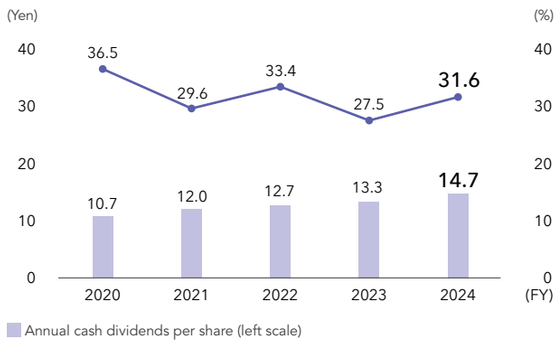
Core Operating Income*3 ¥138.5 billion

Core Operating Income Ratio 14.0%



Annual Cash Dividends per Share*4 ¥14.7

Consolidated Dividend Payout Ratio 31.6%



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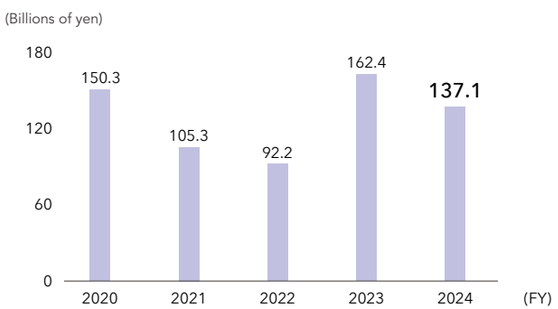
*1 Unicharm adopted International Financial Reporting Standards (IFRS) starting in fiscal 2017.
*2 Depreciation includes amortization of goodwill.
*3 The Company conducted a three-for-one stock split of its common stock on January 1, 2025. Per-share data has been adjusted retroactively to reflect the impact of the stock split

(Millions of Yen)

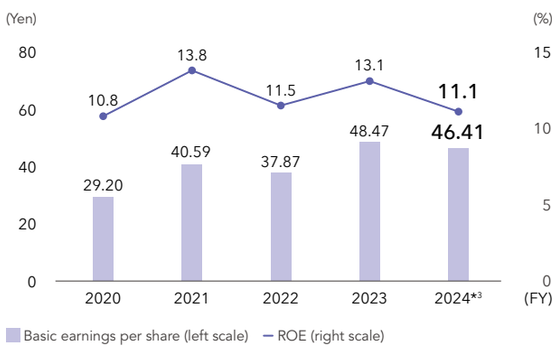
	FY2015 (JGAAP)	FY2016 (JGAAP)	FY2016 (IFRS)*1	FY2017 (IFRS)*1	FY2018 (IFRS)*1	FY2019 (IFRS)*1	FY2020 (IFRS)*1	FY2021 (IFRS)*1	FY2022 (IFRS)*1	FY2023 (IFRS)*1	FY2024 (IFRS)*1
For the Fiscal Period:											
Cash flows from operating activities	85,009	103,604	103,604	98,086	110,867	84,936	150,254	105,253	92,216	162,415	137,099
Cash flows from investing activities	(68,166)	(42,612)	(42,612)	(38,778)	(113,400)	(69,235)	(41,698)	(79,837)	(7,145)	(67,527)	(73,838)
Free cash flow	16,843	60,992	60,992	59,308	(2,533)	15,701	108,556	25,416	85,071	94,888	63,261
Capital expenditures	47,993	39,436	39,437	33,397	73,688	56,022	39,632	36,552	42,627	52,112	44,483
Depreciation*2	27,343	26,750	27,598	29,345	30,353	38,676	36,165	37,926	41,486	43,253	46,538
Amortization of goodwill	4,640	4,519	—	—	—	—	—	—	—	—	—
Research and development expenses	5,993	6,070	6,071	6,554	6,621	7,584	7,808	8,184	8,270	9,818	10,304
Fiscal Year-End:											
Total assets	702,601	711,541	668,592	736,644	795,483	864,003	893,413	987,655	1,049,218	1,133,627	1,239,973
Property, plant and equipment	247,808	244,325	236,629	228,521	240,628	284,105	258,814	271,689	271,662	285,585	293,230
Current portion of long-term debt (JGAAP)/Corporate bonds and borrowings (IFRS)	10,757	12,084	61,190	58,000	21,428	27,601	24,202	4,432	16,235	13,588	5,857
Net assets (JGAAP)/Total equity (IFRS)	451,091	449,974	414,387	453,029	503,670	542,900	562,653	635,438	708,613	788,250	873,711
Equity ratio (JGAAP)/Ratio of equity attributable to owners of parent (IFRS)	55.1%	54.4%	52.7%	52.6%	55.5%	54.8%	55.2%	56.5%	59.0%	61.4%	62.3%
Performance Indicators:											
Operating profit margin (JGAAP)/Core operating income ratio (IFRS)	10.8%	11.0%	13.1%	13.5%	13.8%	12.6%	15.8%	15.6%	13.3%	13.6%	14.0%
Profit margin (JGAAP)/Profit attributable to owners of parent ratio (IFRS)	5.5%	6.2%	7.8%	8.2%	8.9%	6.5%	7.2%	9.3%	7.5%	9.1%	8.3%
Gross profit percentage	45.0%	47.0%	37.7%	38.7%	38.5%	37.3%	40.2%	40.1%	36.6%	37.3%	39.4%
SG&A ratio	34.1%	36.0%	24.6%	25.2%	24.7%	24.8%	24.4%	24.4%	23.3%	23.7%	25.4%
ROE: Return on equity (JGAAP)/Return on equity attributable to owners of parent (IFRS)	10.0%	11.4%	13.4%	14.3%	14.8%	10.1%	10.8%	13.8%	11.5%	13.1%	11.1%
ROA: Return on assets (JGAAP)/Total profit margin before tax on assets (IFRS)	10.2%	10.2%	11.4%	13.2%	12.0%	8.4%	10.9%	13.0%	11.4%	12.1%	11.3%

Note: JGAAP amounts have been truncated and IFRS amounts have been rounded off.

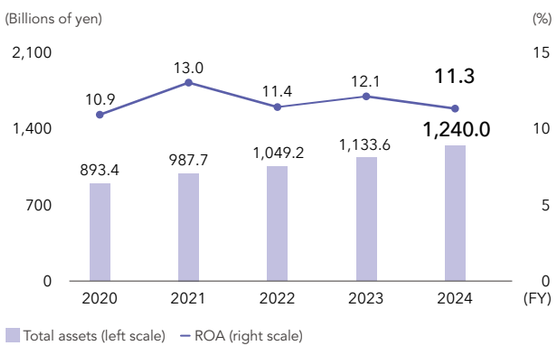
Cash Flows from Operating Activities ¥137.1 billion



Basic Earnings per Share*3 ¥46.41 ROE 11.1%



Total Assets ¥1,240.0 billion ROA 11.3%



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Publication of *Integrated Report 2025*

The Unicharm Group creates new value through its business activities, expanding possibilities for people across the world and addressing environmental and social issues with the aim of contributing to the realization of a cohesive society.

In *Unicharm Group Integrated Report 2025*, we endeavored to communicate clearly how the Group uses its unique strengths in its business activities to create unique value. We also included authentic contributions from employees on management with resonance, our unique management model, to enable readers to understand our development of our human resources, who are the source of our strengths. In addition, we strove to excite stakeholders about our further growth by showcasing specific activities, including the progress of the 12th Medium-Term Management Plan and Kyo-sei Life Vision 2030, our medium- to long-term ESG goals.

Planned and produced by the ESG Division, *Integrated Report 2025* was compiled with the cooperation of a wide range of departments. In my capacity as the executive officer in charge of ESG matters with responsibility for compiling the report, I have confirmed the validity of the compilation process and the contents thereof.

Kenji Ueda
Senior Executive Officer, General Manager of ESG Division
(Executive officer in charge of ESG matters with responsibility for compiling *Integrated Report 2025*)

Information Disclosure System

Investor Relations

Investor Relations
https://www.unicharm.co.jp/en/ir.html

Annual Securities Report
https://www.unicharm.co.jp/en/ir/library/securities.html

Presentation Materials for Investors
https://www.unicharm.co.jp/en/ir/library/investors.html

ESG and Sustainability

Sustainability
https://www.unicharm.co.jp/en/csr-eco.html

Kyo-sei Life Vision 2030
https://www.unicharm.co.jp/en/csr-eco/kyoseilifevision.html

GRI Standards Comparison Table
https://www.unicharm.co.jp/en/csr-eco/gri.html

SASB Comparison Table
https://www.unicharm.co.jp/en/csr-eco/sasb.html

Sustainability Report
https://www.unicharm.co.jp/en/csr-eco/report.html

Corporate Governance Report
https://www.unicharm.co.jp/en/company/corporate-governance.html

Integrated Report
https://www.unicharm.co.jp/en/ir/report.html

About the Cover

Having adopted "Love Your Possibilities" as our corporate brand essence, we provide support for individuals to realize their full potential in various ways. For example, we support Paralym Art, a project that fosters the long-term social participation and financial independence of people with disabilities. Accordingly, we feature works by artists with disabilities on the covers of our integrated and sustainability reports. We have supported Paralym Art since 2016, with 2025 marking the 10th year of our support.

Paralym Art®
障がい者アートを応援しています



Title: Fruitland
Artist: Anzu, Kobo Hand

Inspiration:
It would be nice if every day was cheerful, fun, and positive but calm, like the sharpness and sweetness of fruits. Even if each fruit has a different taste, their flavors mingle and overlap, so we can be sure that wonderful days await.

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Overview of the Unicharm Group

Company Profile (As of December 31, 2024)

Corporate Name	Unicharm Corporation
Date of Establishment	February 10, 1961
Capital	¥15,993 million
Head Office	Sumitomo Fudosan Tokyo Mita Garden Tower, 3-5-19, Mita, Minato-ku, Tokyo, Japan
Registered Company Office	182 Shimobun, Kinsei-cho, Shikokuchuo City, Ehime, Japan
Number of Employees	16,464 (on a consolidated basis)
Number of Production Sites	40 (17 in Japan, 19 elsewhere in Asia, and 4 in other regions)
Major Business Lines	Wellness care products Pet care products Feminine care products Baby and child care products Commercial-use food packaging materials
URL	https://www.unicharm.co.jp/en/

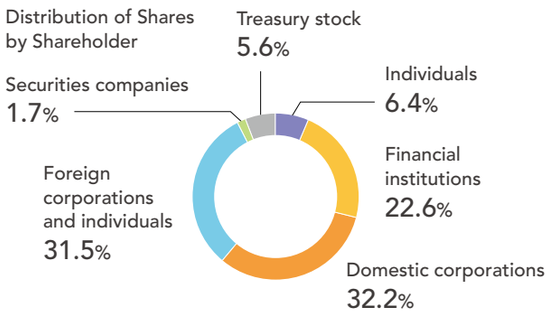
Primary Consolidated Subsidiaries (As of December 31, 2024)

Japan	Unicharm Products Co., Ltd. Unicharm Kokko Nonwoven Co., Ltd. Cosmotec Corporation Unicare Corporation Unicharm Mölnlycke K.K. Peparlet Co., Ltd.
Asia (Excluding Japan)	UNITED CHARM COMPANY LTD. Uni.Charm (Thailand) Co., Ltd. LG Unicharm Co., Ltd. Unicharm Consumer Products (China) Co., Ltd. PT UNI-CHARM INDONESIA TBK Unicharm India Private Limited Unicharm Australasia Pty Ltd DSG International (Thailand) Public Company Limited UNI-CHARM CORPORATION SDN. BHD. Diana Unicharm Joint Stock Company
Others	Unicharm Gulf Hygienic Industries Ltd. Unicharm Middle East & North Africa Hygienic Industries S.A.E. The Hartz Mountain Corporation UNICHARM DO BRASIL INDÚSTRIA E COMÉRCIO DE PRODUTOS DE HIGIENE LTDA. Unicharm Mölnlycke B.V.
Number of Consolidated Subsidiaries	50

Stock Information (As of December 31, 2024)

Total Number of Stocks Authorized	2,483,337,276*
Total Number of Stocks Issued	1,862,502,957 (including 103,393,746 shares of treasury stock)*
Listed Stock Exchange	Prime Market of Tokyo Stock Exchange (Securities Code 8113)
Transfer Agent	Mitsubishi UFJ Trust and Banking Corporation
Independent Auditor	KPMG AZSA LLC
Total Number of Shareholders	56,907

* As of January 1, 2025



Major Shareholders

Shareholder Name	No. of Shares Held (Thousands of Shares)	Ratio of Shareholding (%)
UNITEC Corporation	154,957	26.4
The Master Trust Bank of Japan, Ltd. (Trust Account)	63,751	10.9
Takahara Fund Ltd.	28,080	4.8
Custody Bank of Japan Ltd. (Trust Account)	24,153	4.1
The Iyo Bank, Ltd.	15,300	2.6
NORTHERN TRUST CO. (AVFC) RE UKUC UCITS CLIENTS NON LENDING 10PCT TREATY ACCOUNT	12,355	2.1
Nippon Life Insurance Company	12,189	2.1
JPMorgan Chase Bank 385632	10,501	1.8
State Street Bank and Trust Company 505001	8,132	1.4
The Bank of New York Mellon as Depositary Bank for Depositary Receipt Holders	8,044	1.4

Notes: 1. The numbers of shares held have been rounded to the nearest thousand.
2. The shareholdings ratio was calculated after deducting treasury stock (34,464,582 shares).

Investor Relations Activities

Unicharm strives to enhance disclosure to investors by publishing timely information, including financial results and annual securities reports, on the Investor Relations (IR) section of its website. This section presents useful information for investors clearly and concisely, including the integrated report, IR news, and financial and results information.

The Company also positions financial results briefings and overseas IR tours as crucial forums for dialogue between the president & CEO, the CFO, and investors, and it endeavors to enhance information disclosure to facilitate deeper understanding of its business activities. On the annual overseas IR tours, the president & CEO visits institutional investors in Europe and North America (certain meetings are held online) to provide explanations personally on matters including the Company's global growth potential over the medium to long term and its future business strategies.

In addition, Unicharm works to enhance dialogue by holding individual meetings with institutional investors and securities analysts.



Investor Relations:
https://www.unicharm.co.jp/en/ir.html