

The 12th Mid-term Management Plan (FY2024 ~ FY2026)

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

- **Review of 11th Mid-term Management Plan (FY2021 - FY2023)**
- **Desirable future in Year 2030**
- **12th Mid-term Management Plan (FY2024 - FY2026)**
- **Medium-to-Long-term financial goals (FY2026, FY2030)**
- **Capital Policy**



Review of 11th Mid-term Management Plan (FY2021 - FY2023)

◆ Notations

WC: Wellness Care Business

FC : Feminine Care Business

BC : Baby Care Business

PC : Pet Care Business

Review back on 11th Midterm Management Plan (FY2021 - FY2023)





➤ 11th Midterm Management Plan

<p>Human resources Promote human capital management that responds to diversity and changes in business environment</p>	<p>Environment Building relationships with consumers that go beyond “buying and using” to “collecting and recycling”</p>	<p>Marketing Practicing “NOLA & DOLA” to achieve greatest happiness of greatest “diversity” -Realizing social inclusion through providing product value-</p>	<p>Digital Transformation (DX) Sales of products with consideration for social inclusion, and creation of diverse channels to meet minority needs</p>	<p>Monodukuri Developing environmentally friendly products and building a supply chain</p>
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➤ Results of 11th Midterm Management Plan (Topics)

<p>Human resources Introducing the human resource development platform “KYOSHIN” globally to strengthen human resource development</p>	<p>Environment Test sale*2 of product that uses recycled pulp treated with world’s first*1 ozone technology as part of absorbent core of new disposable pants</p>	<p>Marketing Promote value shifting and stable supply by developing products and services in response to changes in external environment</p>	<p>Digital Transformation (DX) Formed MDX (Marketing by DX) Division to maximize LTV (Life Time Value) of customers (women)</p>	<p>Monodukuri Improved and strengthened supply chain to increased sales through OEMs and improved efficiency</p>
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 Localization ratio: (Results of FY 2023)
 General manager: 52.3%
 Department manager: 80.4%
 Women leader ratio: 23.6%



※1 Horizontal recycling technology from disposable pants to disposable pants using ozone treatment technology (UC Research Dec, 2020)
 ※2 Sold at some nursing homes in the Kyushu area

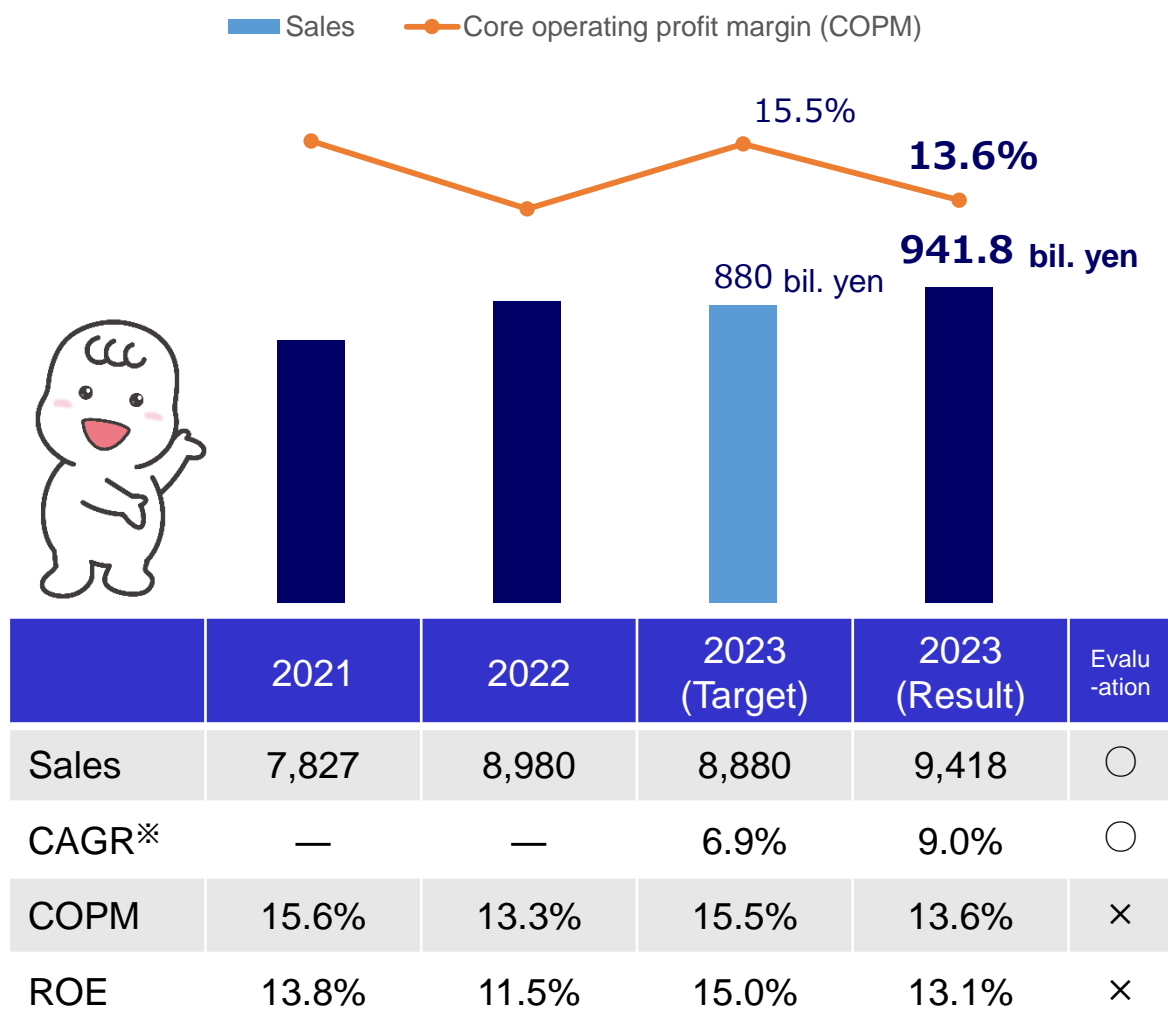


Tangible fixed assets turnover
 FY2020: 281%
 FY2023: 330%



Review of 11th Mid-term Management plan (FY2021 - FY2023)

➤ 11th Mid-term Management plan Summary of financial indicators



	2021	2022	2023 (Target)	2023 (Result)	Evaluation
Sales	7,827	8,980	8,880	9,418	○
CAGR※	—	—	6.9%	9.0%	○
COPM	15.6%	13.3%	15.5%	13.6%	×
ROE	13.8%	11.5%	15.0%	13.1%	×

※CAGR is Compound Average Growth Rates (Sales)

◆ Highlights

✓ External environment changes

- Rapid cost rises and forex fluctuation caused by COVID-19 expansion and Ukraine unrest situation.
- High inflation.
- Increase in distribution inventory caused by economic slowdown in China.
- Declining number of births faster than expected.
- Increase in opportunity using masks with increasing awareness of infection prevention.
- Increase in number of pets mainly cats.

✓ Performance summary

- Sales and CAGR target were achieved in FY2023.
- COPM was not achieved in 2023 though, COPM during the mid-term management period was at high level as 14.1% even with the impact of rapid cost rises over 2%.
- COPM was improved under harsh environment by promoting value-shifting strategy in Japan. (FY2020 19.7%→ FY2023 20.2%)
- Overseas, growth slowdown in China and Thailand etc. due to accelerated declining number of births, while continuing to grow in India.
- Delayed market development for PC and WC in China.
- Continued high growth in WC in South-East Asia.
- Steadily growth in Asia FC, North America PC and Brazil.

Desirable Future in Year 2030

Aiming to realize a “cohesive society” and become the World’s No.1 company





Love Your Possibilities

**Realizing a cohesive society
where people can love their own potential
and support each other
with an altruistic spirit at all times**



In addition to the vulnerable, we aim to support individuals who are temporarily or for a fixed period of time disadvantaged due to aging, illness, childbirth, menstruation, etc., so that they can live their own lives regardless of their circumstances. A society in which people can be independent while supporting each other in their own ways, with a reasonable sense of distance.

The Unicharm Way

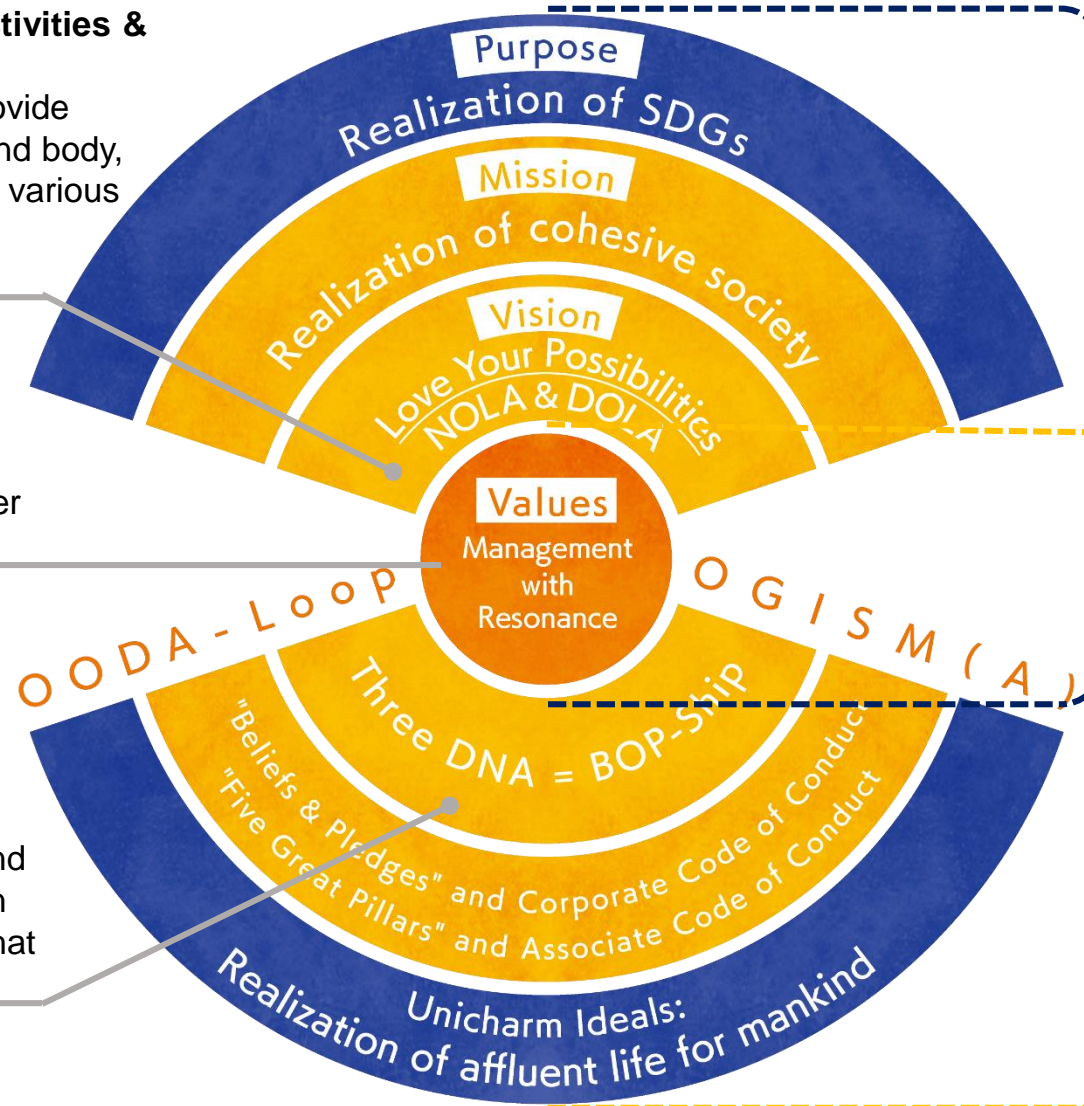
Abbreviation for Necessity of Life with Activities & Dreams of Life with Activities

This message encapsulates the desire to provide products that gently support both the mind and body, aiming to liberate individuals of all ages from various burdens and fulfill each person's dreams, from babies to the elderly.

Unified management model promoted by all employees of Unicharm, where both the management and frontline staff work together towards common goals.

Abbreviation for Best Practiceship, Ownership, Partnership

The core values that underpin Unicharm's activities, expressing the corporate culture and spirit known as the three DNA that have been passed down since its foundation, in a way that employees worldwide can easily understand.



Philosophy to share with society

For corporate branding at UC, we present our goals, areas of practice, and working philosophy (Values).

Philosophy for Practicing Management with Resonance

A concept that enables each employee to fully understand the policies of the management and to think and act from a management perspective

12th Mid-term Management Plan (FY2024 - FY2026)

➤ Projected Changes in the Number of Middle Class Households

(Unit: million households)	2012	2022	2030	22vs.30
East Asia	105	128	144	1.12x
Southeast Asia	40	52	59	1.12x
India / Surrounding countries	93	106	116	1.10x
Middle East / Africa	52	67	77	1.15x

➤ Per capita disposable income projection (Female)

(Unit: USD)	2012	2022	2030	22vs.30
Asia - Pacific	2,542	3,503	4,447	1.27x
Middle East / Africa	1,418	1,492	1,635	1.10x
North America	32,757	51,206	56,998	1.11x
Latin America	5,892	6,009	6,868	1.14x

Data Source : Euromonitor

Female consumption has become a megatrend

Middle class households are expanding, especially in Asia, and women's disposable income is increasing

Middle East and Africa regions are expanding as women enter the workforce



➤ Megatrends surrounding women



Love Your Possibilities

World's most
powerful consumers

GDP growth boosted
by increased female
workforce participation

Growth potential in
emerging countries,
including Africa

Increase in
single households
and pet owners

Diversification of
lifestyle choices

Expansion of the
Femtech domain

High interest in
ethical consumption



Project-L

By “thinking” and focusing on ladies as the base, will realize the potentials of Life Time Value for all people and become the World’s No.1 by year 2030!



Formulate Strategies Through Backcasting Based on What Desirable Future We Want to be in Year 2030

➤ Desirable Future in Year 2030

Aiming to realize a cohesive society and becoming World's No.1 company

Marketing

Practicing "NOLA & DOLA" to achieve greatest happiness from greatest "diversity" - Realizing social inclusion by providing product value ~

Monodukuri

Developing environmentally friendly products and building a supply chain

Digital Transformation (DX)

Sales of social inclusion products, creation of various channels to meet minority needs

Environment

Build a relationship with consumers that extends beyond "buy and use" to "collecting and recycling".

Human Resources

Promote human capital management that responds to diversity and changes in business environment

➤ 12th Mid-Term Strategy Management Plan (FY2024 - FY2026)



Marketing

Demonstrating uniqueness and strengths with a basis on women



Monodukuri

Monodukuri process innovation to create unique UI / UX



Digital Transformation (DX)

Building a model to maximize LTV (Life Time Value) with a basis on women



Environment

Achieving 3 sustainable values through RefF (Corporate value, Social value, Customer value)

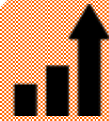


Human Resources

Creating human resources, environment, and organization that create unique value



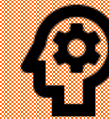
Love Your Possibilities



Strengthening
uniqueness and strengths
with a basis on women



Revolutionizing
the product creation process
to create unique UI / UX



Building a model to maximize
LTV (Life Time Value)
with a basis on women



Achieving 3 sustainable
values through RefF
(Corporate Value, Social Value,
Customer Value)



Establishing
human resources, environment,
and organizational
structures to create
unique value



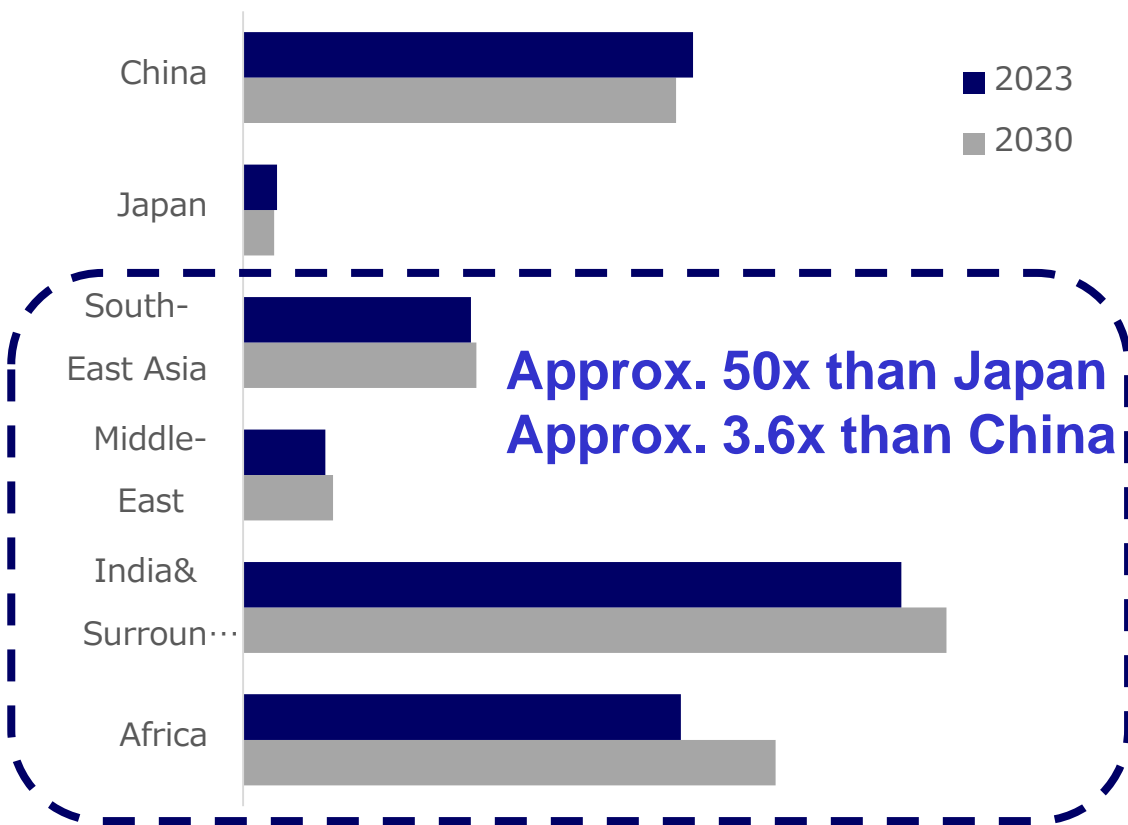
Love Your Possibilities



FC : Strengthen high value-added products with uniqueness in mature markets
Convert non-users of exclusive products to users in growing markets



➤ Target population projections by region



Data Source: Unicharm

Mature Market	Growing Market
<p><i>Offer high value-added products</i></p> <p>Safe</p>	<p><i>Convert non-users to users</i></p> <p>First proposal of unique value</p>
<p>Sense</p>	<p>Store display</p>
<p>Health</p>	<p>Menstruation education</p>
<p>Environment</p>	<p>Women advancement</p>

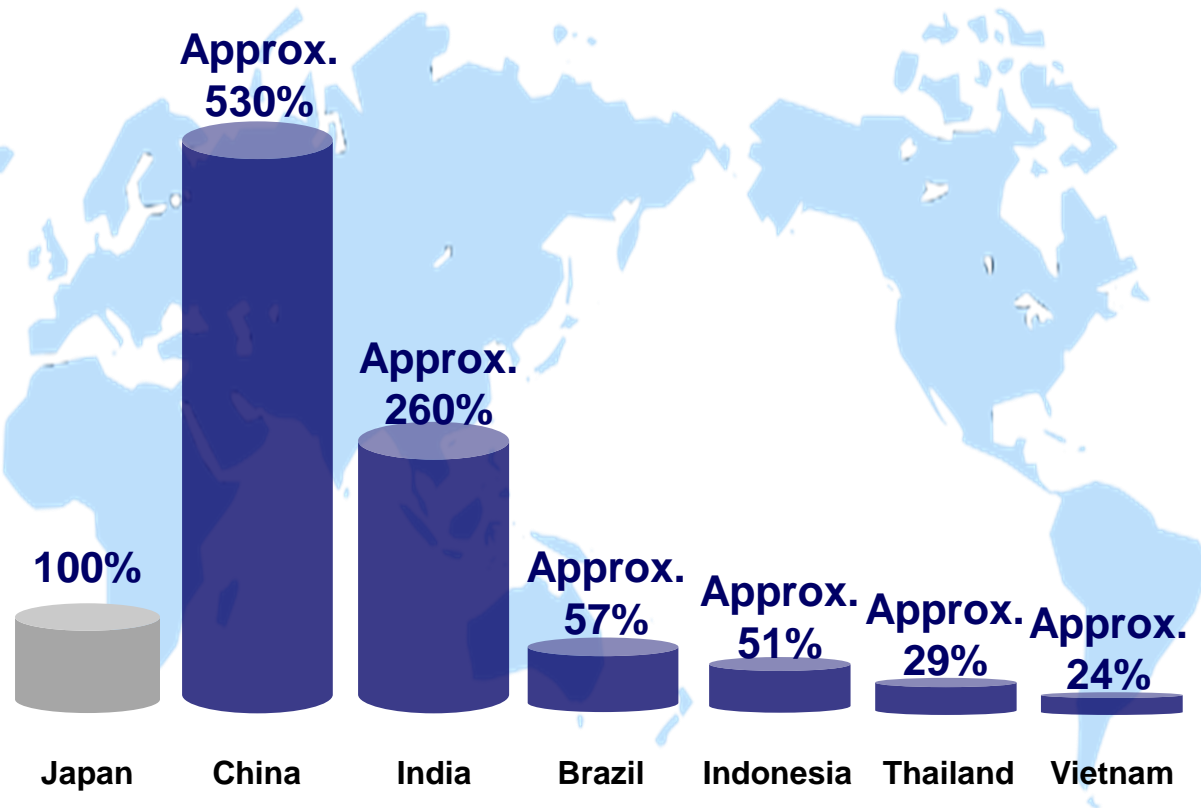
Sofy to be a symbol of women advancement.



WC : Accelerate to penetrate adult excretion care products in overseas Improve Quality of Life (QOL) by evolving care model in Japan



➤ Population projections for 65+ years old
(compared with Japan)



Data Source : United Nations

Pursuit of unique value focusing on light and moderate degree incontinence

Evolution of Japanese care model

Accelerate exclusive products



Accelerate diffusion of light products and transform aging to positive

Extension of healthy-life expectancy

Improve QOL of care receivers and reduce burdens from caregivers



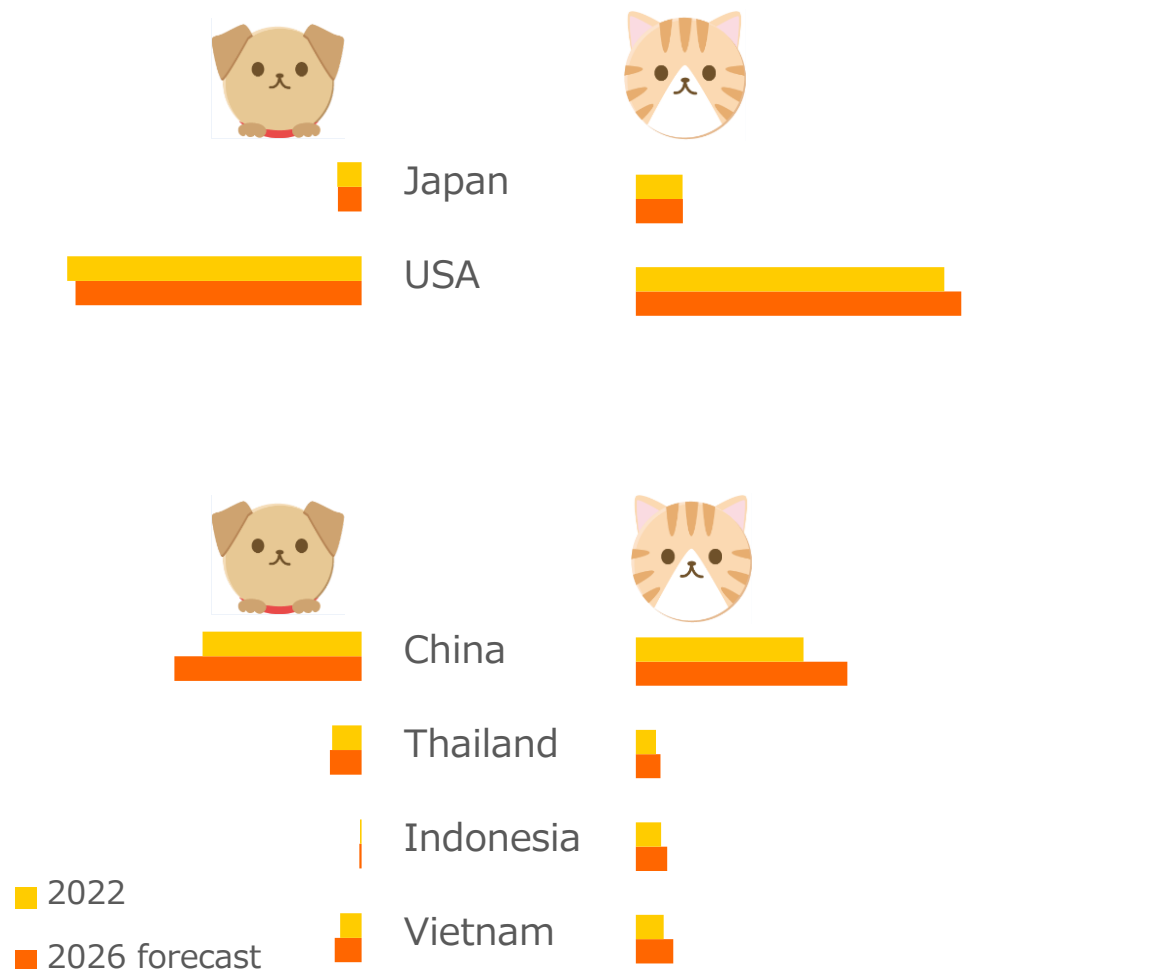
Be a symbol of Ageless



PC : Continue stable growth by creating new markets with offering unique values in Japan and North America
Aim for great growth by accelerating investments in China and Southeast Asia



➤ Projections of pet dogs and cats numbers



Data Source : Euromonitor, Unicharm

➤ Japan and North America

Functional value	Emotional value	Self-expressional value
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Aim steadily growth by offering 3 unique values preemptively

<ul style="list-style-type: none"> • Delectable • No leakage • No smell 	<ul style="list-style-type: none"> • Glad to see pets happy • Comfortable, pleasant • Glad to go out together 	Myself as a loving person who put pets first and take care of myself
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➤ China, South-East Asia etc.

Aim for great growth in focused 4 categories

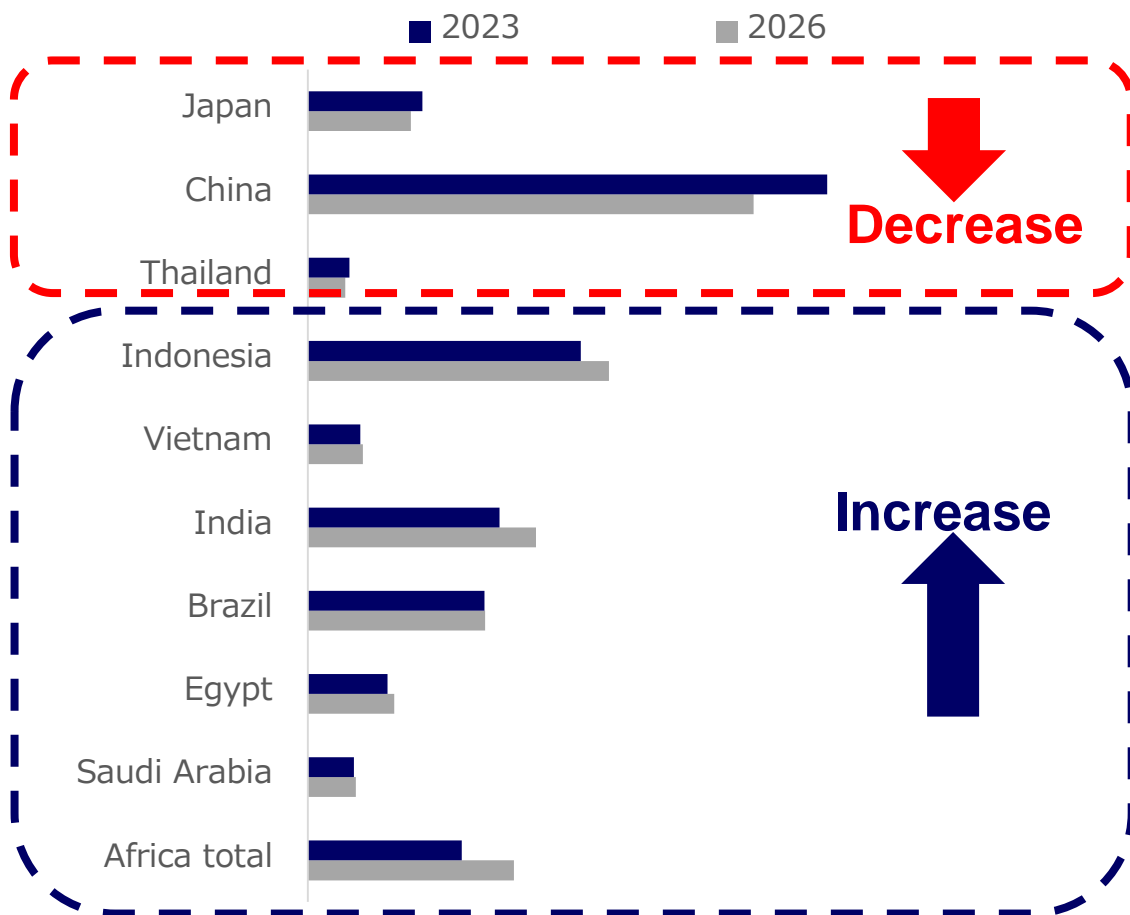
Treat	Main dish	Deo-toilet	Manner wear
Penetration in line with market environment	Preemptive proposal based on "health" needs	Improve understanding of "deodorizing + ease of use" benefit	Increase usage ratio mainly among users having high excretion trouble

BC : Steadily growth by offering functional unique values from pregnant period till end of diaper use in mature markets

Increase profits with unique value-added products tailored to market stage in growing markets



➤ Projections of BC market size by regions (volume)



Data Source : Euromonitor, Unicharm

Mature Market

Strengthen unique functional values from entry-to-exit



Growing Market

Propose unique values preemptively centered on pants type with affordable price



Support healthy child-caring circumstances

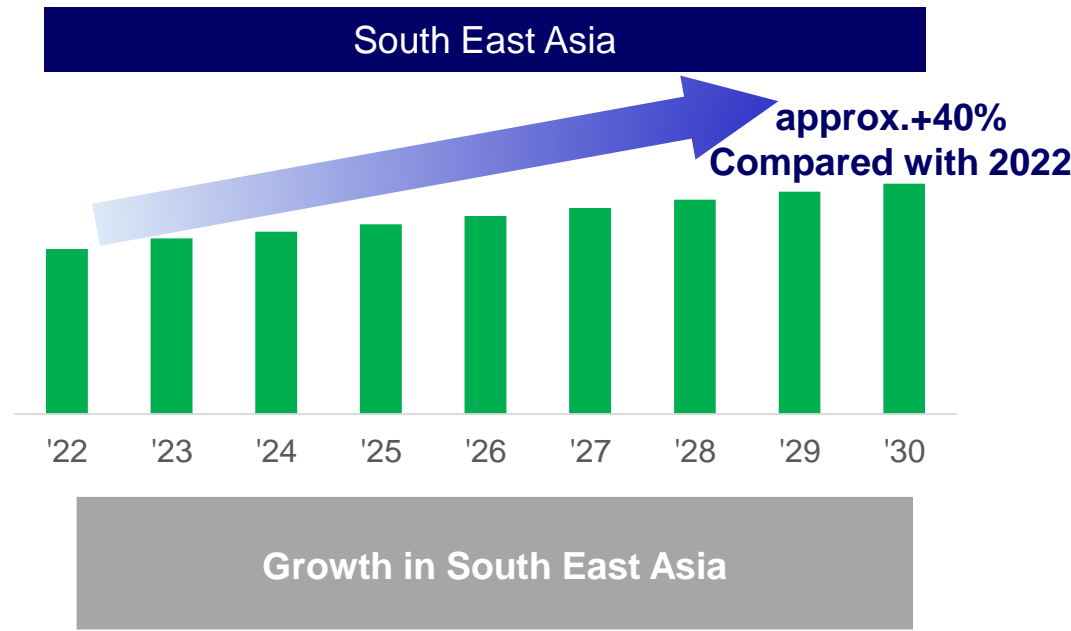
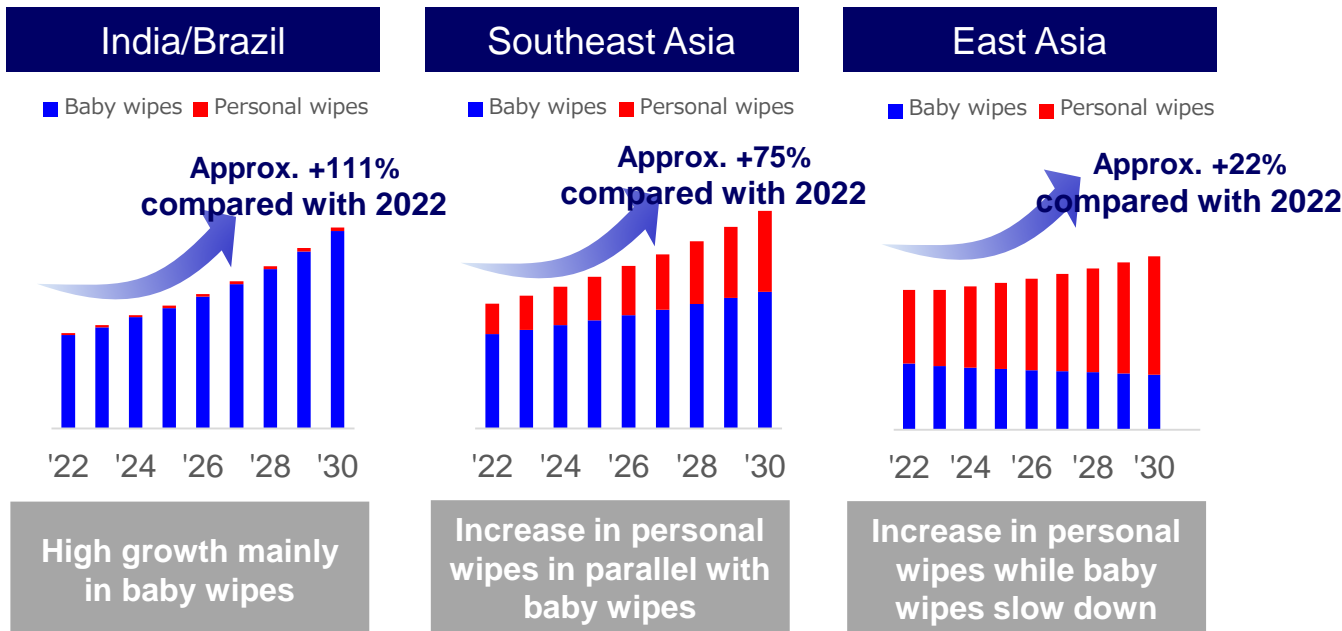


➤ Projections of personal wipes, baby wipes market size

➤ Projections of cotton puff market size

Data Source : Euromonitor, Unicharm

Data Source : Euromonitor, Unicharm



Expand entering areas and offer first products

Gain new demands

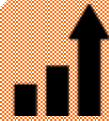


Improve consumers' QOL





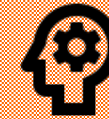
Love Your Possibilities



Strengthening
uniqueness and strengths
with a basis on women



Revolutionizing
the product creation process
to create unique UI / UX



Building a model to maximize
LTV (Life Time Value)
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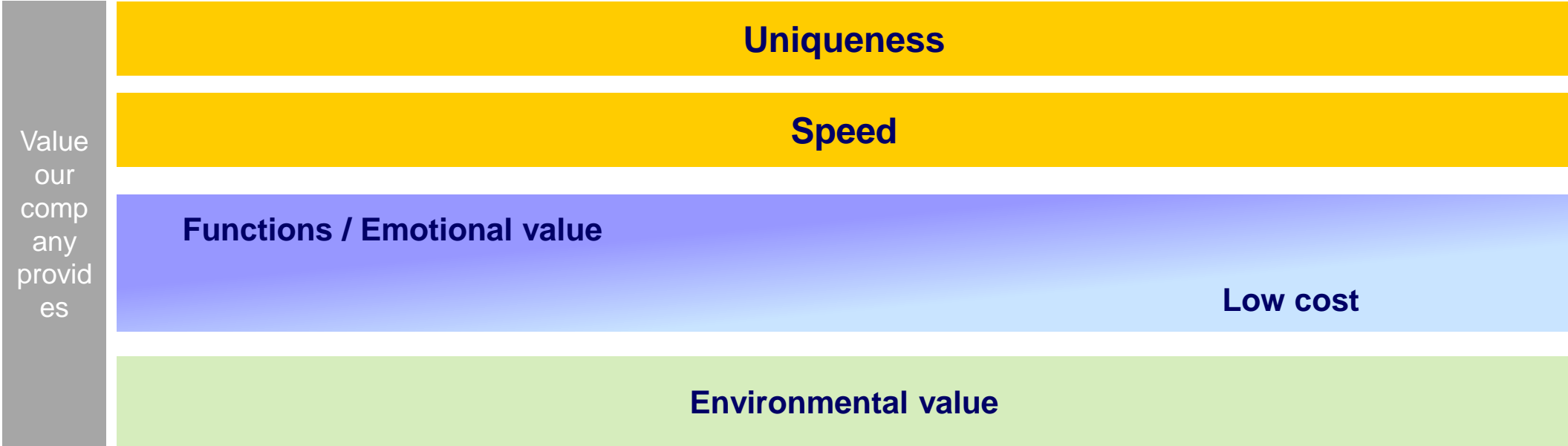


Achieving 3 sustainable
values through RefF
(Corporate Value, Social Value,
Customer Value)



Establishing
human resources, environment,
and organizational
structures to create
unique value

Monodukuri process innovation to create unique UI (User Interface) / UX (User Experience)



Continuous proposal of unique value by combining UI and UX

Conversion of non-user to user

Continuous proposal of products and services having unique values by using combination of UI/UX



➤ Japan and Overseas



Synchrofit



Panty liner that detects pregnancy timing



AntiMos Baby disposable diaper

UI

- ◆ Palm size
Triangular sanitary products

UX

- ◆ Gives peace of mind on anxious days

- ◆ Panty liner with tester to detect pregnancy hormones

- ◆ Easily find pregnancy timing with daily use panty liner

- ◆ Lemongrass fragrance Antimos diaper

- ◆ Protecting children's lives from dengue fever, reduce parental anxiety

Rapid market expansion through converting non-users of exclusive products to users by transforming process of product development to create unique UI/UX for non-users

➤ India surrounding countries and Africa area



- ◆ Product development based on non-users' UX (experience)
- ◆ Realize affordable price for non-users

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- ◆ Develop new channels
- ◆ Coordinate with governmental institutions, schools, hospitals and NGOs

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- ◆ Establish branding strategy to penetrate at local





Love Your Possibilities

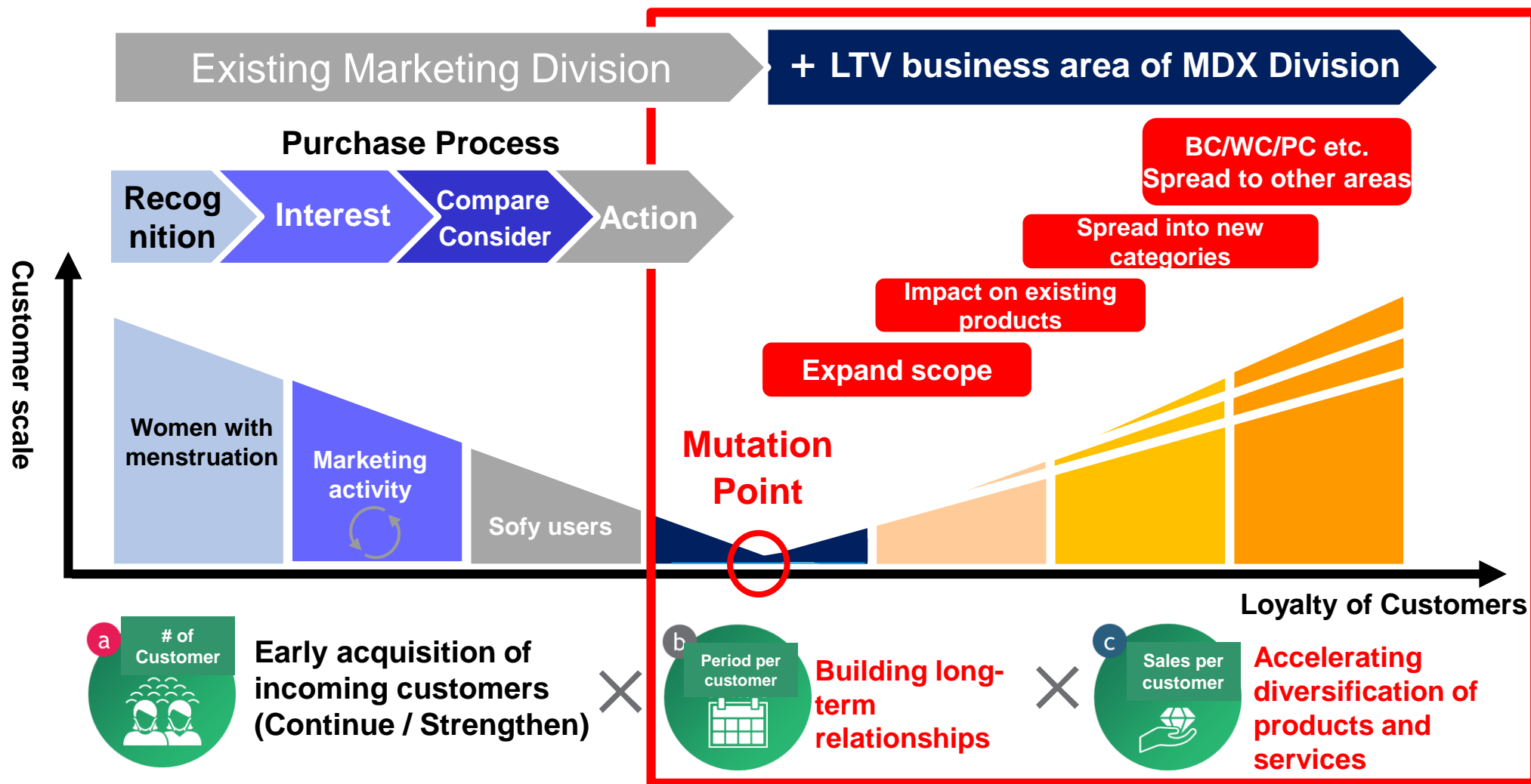


Creating a model to maximize Life Time Value (LTV) based on women

Building long-term relationships with customers and accelerating the diversification of products and services



➤ LTV business area of MDX Division (Marketing by DX)



➤ Examples of specific initiatives by MDX Division





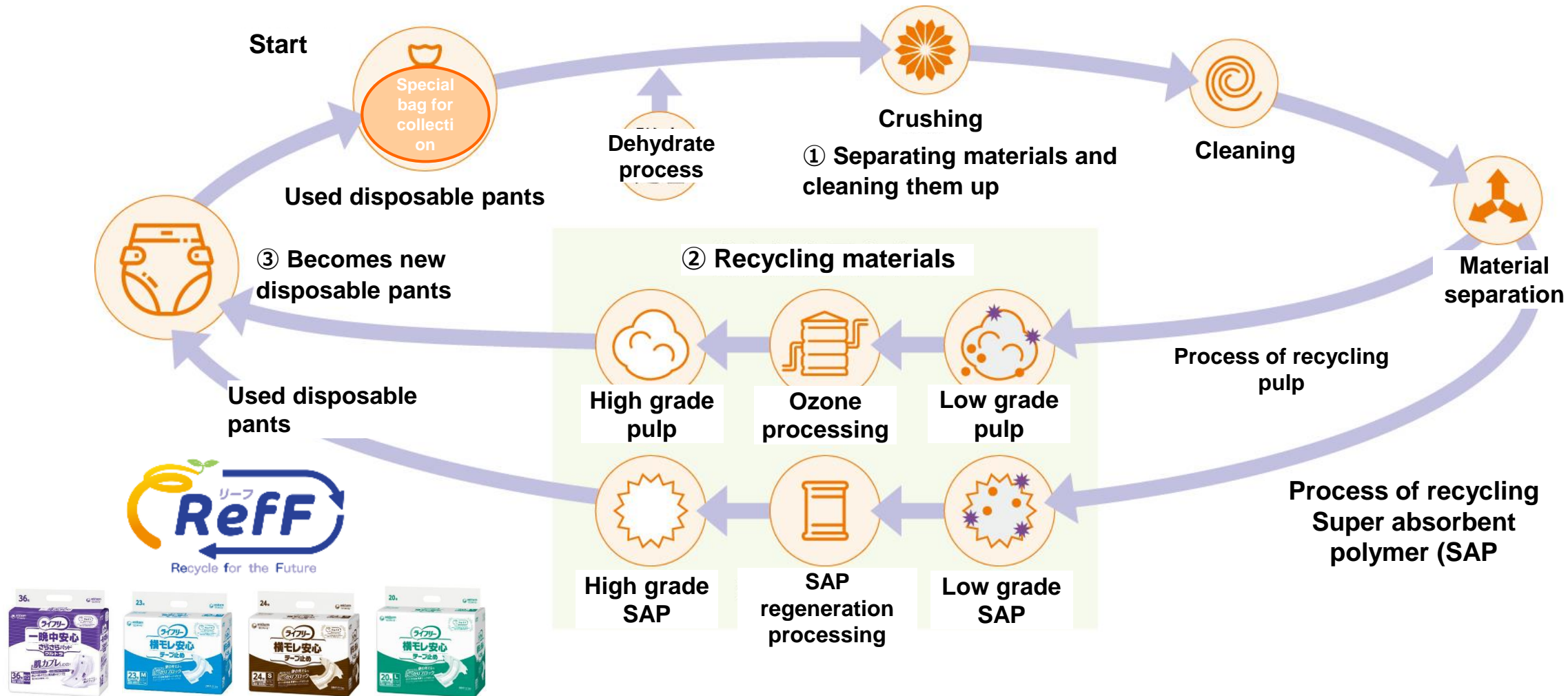
Love Your Possibilities



Realization of 3 Sustainable Values through RefF* (Corporate Value, Social Value, Customer Value)



➤ Aimed image of horizontal recycling for disposable pants “RefF (Recycle for the Future)” *

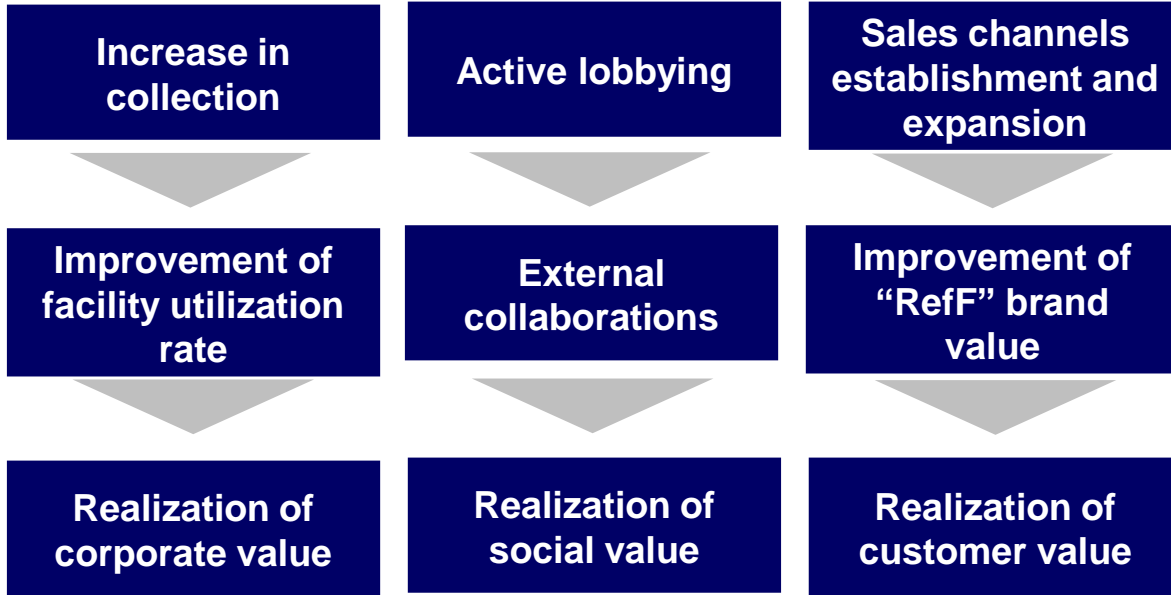


* Abbreviation for Recycle for the Future

Realization of 3 Sustainable Values through RefF[※] (Corporate Value, Social Value, Customer Value)



➤ Create new common sense
“disposable diaper is sustainable”



➤ 12th mid-term management plan target

Demonstration experiment for commercialization (households)	
2025	Start collection from institutions Start material recycle of RefF-SAP
2026	Engage with new municipalities for RefF cooperation agreement

Equipment of RefF to be a “new common sense”

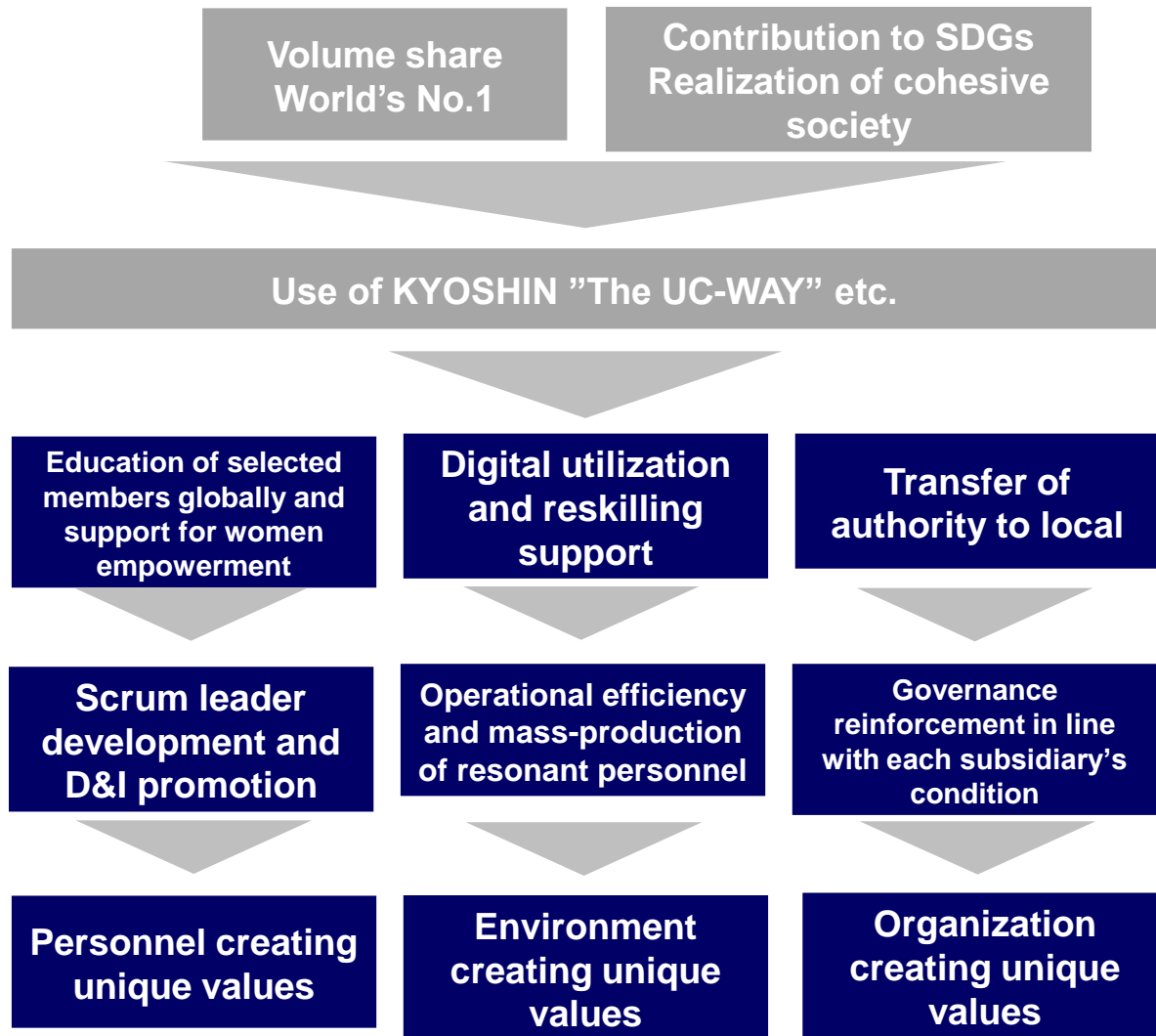




Love Your Possibilities



Global core personnel development through “KYOSHIN” system and promoting personnel, environment and organization that generate unique values



➤ Core Personnel localization

	2023 result	2030 target
General Manager	52.3% (+7.1%P vs LY)	80.0%
Department Manager	80.4% (-0.4%P vs LY)	90.0%
Scrum Leader	995	1,365

➤ Female Leaders

	2023 result	2030 target
No. of Leaders	364	600
Unicharm total	23.6% (+1.1%P vs LY)	30.0%
Japan	15.2% (+0.8%P vs LY)	23.0%

Medium-to-Long-term financial goals (FY2026, FY2030)

Towards realizing “Cohesive Society” in FY2030 and becoming world’s No.1 company, target in FY2026 is “sales 1,150 billion JPY” aiming sales CAGR approx. 7%.

● Financial Goal

Kyo-Sei Life Vision 2030

The 11th Mid-term Management Plan
(Results)

The 12th Mid-term Management Plan



Indicator	2023
CAGR	9.0% ^{※1}
COPM	13.6%
ROE	13.1%

	2026
CAGR	6.9% ^{※2}
COPM	15.8%
ROE	15.0%

	2030
CAGR	6.9% ^{※3}
COPM	17.0%
ROE	17.0%

※1 FY2020年→FY2023

※2 FY2023→FY2026

※3 FY2023年→FY2030

Capital Policy

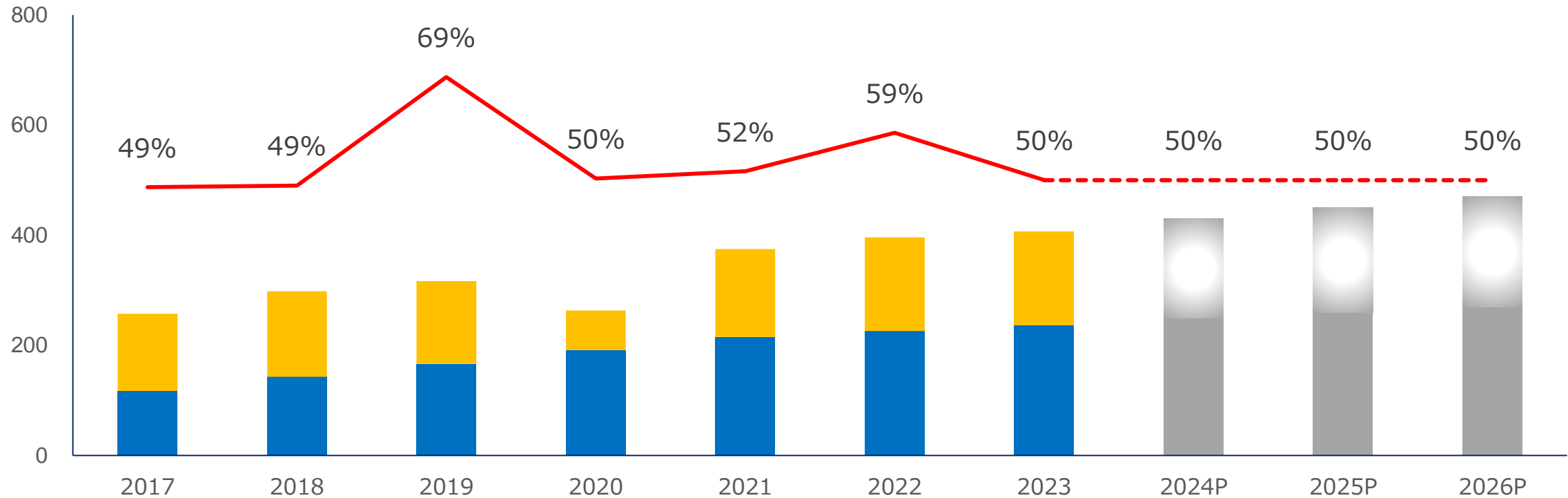
Shareholders return policy



We are aiming at returning profits to our shareholders with a goal of total payout ratio of 50% by paying dividends on a consistent and continuous basis and acquiring treasury shares, upon necessity, on a flexible manner.

(Unit: 100 million yen)

■ Dividend ■ Purchase of own shares — Total return ratio



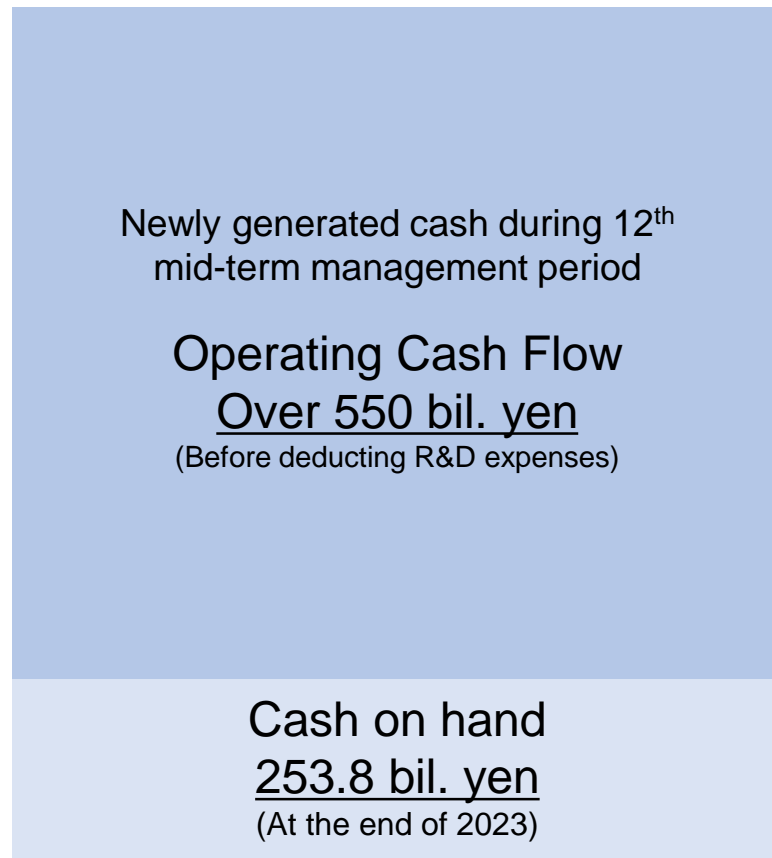
The 10th Mid-term Management Plan

The 11th Mid-term Management Plan

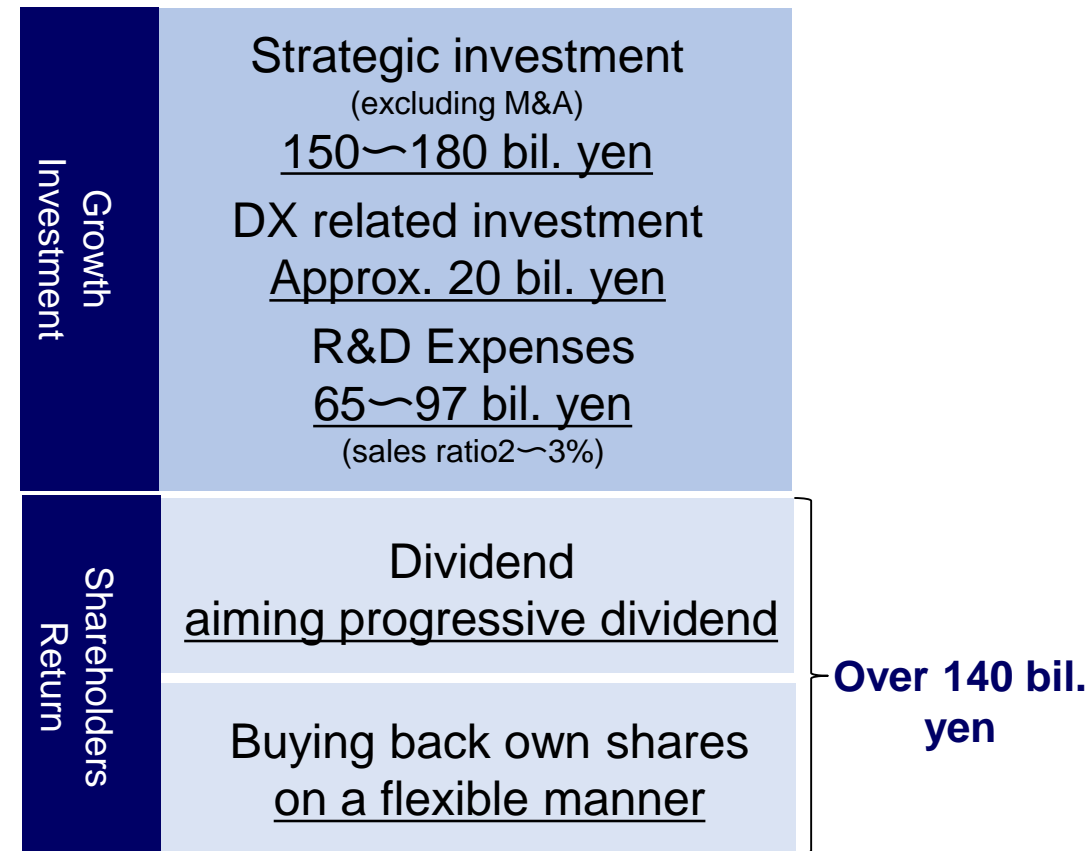
The 12th Mid-term Management Plan

We are aiming at returning profits to our shareholders based on the growth of med-to-long term consolidated earnings while focusing on the business investment for achieving the uninterrupted growth that can generate higher return than cost of capital.

Cash In



Cash Out





Love Your Possibilities

We support the Sustainable Development Goals(SDGs).

