

## FY2007 Consolidated Financial Results for the First Half Ended September 30, 2006

(April 1, 2006 through September 30, 2006)

(All financial information has been prepared in accordance with accounting principles generally accepted in Japan)  
English translation from the original Japanese-language document "KESSAN TANSIN"

October 27, 2006

<b>Listed Company Name :</b>	<b>Unicharm Corporation</b>
<b>Listing :</b>	<b>First Section, Tokyo Stock Exchange in Japan</b>
<b>Code Number :</b>	<b>8113</b>
<b>Location of The Head Office :</b>	<b>Ehime Prefecture</b>
<b>URL :</b>	<b>http://www.unicharm.co.jp</b>
<b>Company Representative :</b>	<b>Takahisa Takahara , President and Chief Executive Officer</b>
<b>Contact Person :</b>	<b>Atsushi Iwata , Executive Officer</b>
<b>Telephone Number :</b>	<b>(03) 3451 - 5111</b>
<b>Date of Board of Director's meeting to approve financial statement :</b>	<b>Friday , October 27, 2006</b>
<b>U.S. Accounting Standards :</b>	<b>Not Applied</b>

### 1. Items pertaining to preparation of quarterly consolidated financial statement

1. Application of simplified accounting method : None
2. Differences in accounting treatments applied compared to fiscal year : None
3. Changing in scope of consolidation and application of equity method : Yes

### 2. Consolidated Results for the First Half Ended September 30, 2006

#### (1) Consolidated financial results

(Amounts less than one million yen are omitted)

	Net Sales		Operating Income		Ordinary Income	
	Million yen	%	Million yen	%	Million yen	%
1st Half FY 2007	143,397	11.1	13,421	△ 1.1	13,318	△ 5.3
1st Half FY 2006	129,090	6.2	13,567	△ 7.1	14,056	△ 6.4
Year Ended FY2006	270,380		28,531		28,781	

	Net Income		Net Income Per share-basic		Net Income Per share-diluted	
	Million yen	%	Yen	Yen	Yen	Yen
1st Half FY 2007	6,548	△ 15.5	100.41		100.27	
1st Half FY 2006	7,751	△ 9.3	117.13		116.75	
Year Ended FY2006	15,287		229.34		229.00	

(Notes) 1: Equity method investment gain or loss:

1st half FY 2007 2 million yen  
1st half FY 2006 24 million yen  
Year Ended FY2006 33 million yen

2: Average number of shares outstanding (consolidated):

1st half FY 2007 65,215,509 shares  
1st half FY 2006 66,176,856 shares  
Year Ended FY2006 65,775,016 Shares

3: Changes in accounting policies: No

4: Percentage shown for Net sales, operating income, ordinary income and net income are at the increase or decrease compared with the previous year.

#### (2) Consolidated financial position

	Total Assets	Shareholders' Equity	Ratio of Shareholders' Equity	Shareholder's Equity per share
	Million yen	Million yen	%	Yen
1st Half FY 2007	250,735	165,230	60.1	2,338.99
1st Half FY 2006	225,146	141,964	63.1	2,171.66
Year Ended FY2006	250,355	151,182	60.4	2,309.59

#### (3) Consolidated Cash flows

	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at the end of year
	Million yen	Million yen	Million yen	Million yen
1st Half FY 2007	8,741	△ 7,651	△ 9,258	59,593
1st Half FY 2006	18,780	△ 6,857	△ 4,948	63,849
Year Ended FY2006	36,888	△ 20,251	△ 6,217	67,649

**(4) Scope of consolidation and equity method**

Number of consolidated subsidiaries	25companies
Number of non-consolidated subsidiaries	-
Number of affiliates	1company

**(5) Changes in scope of consolidation and equity method**

Consolidated subsidiaries	
(Increase)	1company
(Decrease)	-
Affiliates accounted for under the equity method	
(Increase)	-
(Decrease)	-

**3. Projected Financial Results for the Fiscal Year ending March 31, 2007**

(April 1, 2006 through March 31, 2007)

	Net Sales	Ordinary Income	Net Income
	Million yen	Million yen	Million yen
FY2007	295,000	30,000	16,000

Reference : Forecast net income per share for the 2007 fiscal year: 248.34 yen

(Notes) : The above-mentioned forecast is based on the information which is able to get hand at present, and including a potential risk and uncertainty. Therefore, actual achievements may differ from these forecast due to many factors.

## Consolidated Balance Sheets

	1st Half FY 2007 (As of September 30,2006)		1st Half FY 2006 (As of September 30,2005)		Year Ended FY2006 (As of March 31,2006)	
	Million yen	%	Million yen	%	Million yen	%
<b>(ASSETS)</b>						
I CURRENT ASSETS	132,086	52.7	117,530	52.2	134,983	53.9
II FIXED ASSETS	118,648	47.3	107,615	47.8	115,371	46.1
Net property,plant and equipment	80,502	32.1	72,648	32.3	77,110	30.8
Software and Intangibles	4,274	1.7	2,104	0.9	4,265	1.7
Investments and Other Assets	33,871	13.5	32,863	14.6	33,994	13.6
<b>TOTAL</b>	<b>250,735</b>	<b>100.0</b>	<b>225,146</b>	<b>100.0</b>	<b>250,355</b>	<b>100.0</b>
<b>(LIABILITIES)</b>						
I CURRENT LIABILITIES	72,767	29.0	63,004	28.0	72,645	29.0
II LONG-TERM LIABILITIES	12,737	5.1	9,963	4.4	12,223	4.9
<b>TOTAL LIABILITIES</b>	<b>85,505</b>	<b>34.1</b>	<b>72,967</b>	<b>32.4</b>	<b>84,868</b>	<b>33.9</b>
MINORITY INTERESTS			10,214	4.5	14,304	5.7
<b>(SHAREHOLDERS' EQUITY)</b>						
TOTAL SHAREHOLDERS' EQUITY	—	—	141,964	63.1	151,182	60.4
<b>TOTAL</b>	<b>—</b>	<b>—</b>	<b>225,146</b>	<b>100.0</b>	<b>250,355</b>	<b>100.0</b>
<b>(Net Assets)</b>						
I Owners' Equity	144,934	57.8	—	—	—	—
II Valuation,Translation Adjustment and Others	5,759	2.3	—	—	—	—
III Minority Interests	14,536	5.8	—	—	—	—
<b>Total net assets</b>	<b>165,230</b>	<b>65.9</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Total liabilities,net assets</b>	<b>250,735</b>	<b>100.0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

## Consolidated Statements of Income

	1st Half FY 2007 (April 1,2006 through September 30,2006)		1st Half FY 2006 (April 1,2005 through September 30,2005)		Year Ended FY2006 (April 1,2005 through March 31,2006)	
	Million yen	%	Million yen	%	Million yen	%
I NET SALES	143,397	100.0	129,090	100.0	270,380	100.0
II COST OF SALES	82,149	57.3	72,974	56.5	153,264	56.7
Gross profit	61,247	42.7	56,116	43.5	117,116	43.3
III SELLING,GENERAL AND ADMINISTRATIVE EXPENSES	47,826	33.3	42,548	33.0	88,584	32.7
Operating income	13,421	9.4	13,567	10.5	28,531	10.6
IV NON-OPERATING INCOME	835	0.6	947	0.8	1,746	0.6
V NON-OPERATING EXPENSES	938	0.7	458	0.4	1,496	0.6
Ordinary income	13,318	9.3	14,056	10.9	28,781	10.6
VI EXTRAORDINARY INCOME	6	0.0	906	0.7	1,504	0.6
VII EXTRAORDINARY LOSSES	310	0.2	498	0.4	1,719	0.6
Income before Income taxes	13,014	9.1	14,464	11.2	28,566	10.6
Income Taxes-Current	4,924	3.5	5,557	4.3	11,013	4.1
Income Taxes-Deferred	636	0.4	260	0.2	451	0.1
Minority interests in net income	905	0.6	893	0.7	1,813	0.7
<b>Net income</b>	<b>6,548</b>	<b>4.6</b>	<b>7,751</b>	<b>6.0</b>	<b>15,287</b>	<b>5.7</b>

## Consolidated Statements of Cash Flows

	1st Half FY 2007	1st Half FY 2006	Year Ended FY2006
	(April 1,2006 through September 30,2006)	(April 1,2005 through September 30,2005)	(April 1,2005 through March 31,2006)
	Million yen	Million yen	Million yen
I Net cash provided by operating activities	8,741	18,780	36,888
II Investing activities	△ 7,651	△ 6,857	△20,251
III Financing activities	△ 9,258	△ 4,948	△6,217
IV Foreign currency translation adjustments on cash and cash equivalents	113	145	499
V Net increase(decrease)in cash and cash equivalents	△ 8,055	7,118	10,918
VI Cash and cash equivalents, beginning of year	67,649	56,359	56,359
Net increase(decrease) in cash and cash equivalents due to change in subsidiaries' year-ends	—	371	371
VII Cash and cash equivalents, end of year	59,593	63,849	67,649

### Items pertaining to preparation of consolidated financial statement

#### **Changes in scope of consolidation and equity method**

Consolidated subsidiaries

(Increase)

1 company

(Decrease)

—

Affiliates accounted for under the equity method

(Increase)

—

(Decrease)

—

Newly included in scope of consolidation

Mieux products Co.,Ltd which was acquired the share by Unicharm's subsidiary Unicharm Product Co.,Ltd