

This notice has been translated from the original Japanese text of the timely disclosure statement dated May 13, 2016 and is for reference purposes only. In the event of any discrepancy between the original Japanese and this translation, the Japanese text shall prevail.

CAUTIONS REGARDING FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements, such as Unicharm Corporation's current plans, strategies, and future performance. These forward-looking statements are based on judgments obtained from currently available information. Please be advised that, for a variety of reasons, actual results may differ materially from those discussed in the forward-looking statements. Events that might affect actual results include, but are not limited to, economic circumstances in which Unicharm Corporation operates, competitive pressures, relevant regulations, changes in product development, and fluctuations in currency exchange rates.

**Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2016
(January 1, 2016 through March 31, 2016); Flash Report
[J-GAAP]**



May 13, 2016

Listed Company Name: **Unicharm Corporation**
 Listing: **First Section, Tokyo Stock Exchange**
 Code Number: **8113**
 URL: **http://www.unicharm.co.jp/**
 Company Representative: **Takahisa Takahara, President and Chief Executive Officer**
 Contact Person: **Shigeru Asada, Executive Officer, General Manager of Accounting Control and Finance Division**
 Telephone Number: **+81-3-3451-5111**
 Planned Filing Date of Quarterly Securities Report: **May 13, 2016**
 Planned Commencement Date of Dividend Payments: **—**
 Preparation of Any Additional Explanatory Documents for Quarterly Financial Results: **Yes**
 Holding of Any Briefing Session for Quarterly Financial Results: **No**

(Amounts less than one million yen have been truncated)

**1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2016
(January 1, 2016 through March 31, 2016)**

(1) Consolidated financial results (1Q cumulative)

(Figures in percentage represent increases or decreases from the same period last year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
1Q of Fiscal Year Ending December 31, 2016	173,065	(2.5)	15,039	(11.8)	9,948	(28.9)	8,517	47.4
1Q of Fiscal Year Ended December 31, 2015	177,558	—	17,049	—	13,993	—	5,778	—

(Note) Comprehensive income: 1Q of Fiscal Year Ending December 31, 2016: ¥(9,708) million (–%)
 1Q of Fiscal Year Ended December 31, 2015: ¥9,504 million (–%)

	Earnings Per Share	Earnings Per Share-diluted
	Yen	Yen
1Q of Fiscal Year Ending December 31, 2016	14.30	13.54
1Q of Fiscal Year Ended December 31, 2015	9.62	9.61

(Note) At the 54th Ordinary General Meeting of Shareholders held on June 25, 2014, the proposal of a “partial amendments of the articles of incorporation” was approved. As a result, from the fiscal year ended December 31, 2014, the last day of the fiscal year was changed from March 31 to December 31. As a result, the first quarter of the fiscal year ended in December 2015 differs from the first quarter of the fiscal year ended in December 2014, the period subject to year-on-year comparison, and the rates of change over the previous year are accordingly omitted for the first quarter of the fiscal year ended in December 2015.

(2) Consolidated financial position

	Total Assets	Net Assets	Ratio of Shareholders' Equity
	Millions of Yen	Millions of Yen	%
As of March 31, 2016	672,097	437,091	55.9
As of December 31, 2015	702,601	451,091	55.1

(Reference) Equity: As of March 31, 2016: ¥375,465 million
As of December 31, 2015: ¥387,195 million

2. Cash Dividends

	Annual Dividends				
	1st Q-End	2nd Q-End	3rd Q-End	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended December 31, 2015	–	7.40	–	7.40	14.80
Fiscal Year Ending December 31, 2016	–				
Fiscal Year Ending December 31, 2016 (projection)		8.00	–	8.00	16.00

(Note) Revision of dividend projections that have been disclosed lastly: None

3. Projected Consolidated Financial Results for the Fiscal Year Ending December 31, 2016 (January 1, 2016 through December 31, 2016)

(Figures in percentage represent increases or decreases from the preceding period)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
First Half	365,000	1.7	37,000	6.6	33,000	0.1	17,500	10.1	29.37
Full Year	777,000	5.2	87,000	8.8	80,000	12.1	47,000	16.0	78.89

(Note) Revision of projected results that have been disclosed lastly: None

*** Notes**

(1) Change in major subsidiaries during the quarterly consolidated term (or any change of specified subsidiaries accompanying a change in the scope of consolidation): None

(2) Application of special accounting to the creation of quarterly consolidated financial statements: None

(3) Change in accounting policies or estimates and retrospective restatements

- (i) Change in accounting policies in accordance with revision of accounting standards: None
- (ii) Change in accounting policies other than item (i) above: None
- (iii) Change in accounting estimates: None
- (iv) Retrospective restatements: None

(4) Number of issued and outstanding shares (common shares)

- (i) Number of issued and outstanding shares (including treasury shares):
 - As of March 31, 2016: 620,834,319 shares
 - As of December 31, 2015: 620,834,319 shares
- (ii) Number of treasury shares as of end of period:
 - As of March 31, 2016: 25,062,639 shares
 - As of December 31, 2015: 25,131,639 shares
- (iii) Average number of shares during the period (quarterly accumulated total):
 - Fiscal Year Ended March 31, 2016: 595,733,505 shares
 - Fiscal Year Ended March 31, 2015: 600,891,136 shares

(*Presentation regarding status of quarterly review procedures)

This Quarterly Consolidated Financial Results is not subject to the quarterly review procedures under the Financial Instruments and Exchange Act, and as of the date of disclosure hereof, the quarterly review procedures for financial statements under the Financial Instruments and Exchange Act are being carried out.

(*Explanation regarding proper use of the projected results and other notes)

Projections stated herein are based on the currently available information and the Company's assumptions and beliefs that were judged to be valid as of the announcement date hereof. The projections do not refer to a promise by the Company to fulfill thereof. Furthermore, actual results may differ for various factors.

Please refer to the "Explanation of future estimate information such as consolidated financial results projections" section on page 4 of the exhibit for further details on the conditions that form the basis for financial results projections and their use.

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2016

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1. Qualitative Information on the Quarterly Financial Results

(1) Explanation of operating results

In the first quarter of the fiscal year under review (January 1 to March 31, 2016), the price of imported raw materials rose as the macro-economies of emerging countries worsened and their currencies weakened. However, the Group proactively worked to popularize personal care products tailored to consumer needs.

In Japan, we proposed new value on a continuing basis to spark demand for high value-added personal care products.

In this environment and under the banner “we constantly provide the world’s No.1 and unprecedented products and services to everybody around the globe, and deliver comfort, impression, and satisfaction,” the Company and its group companies continued to develop products to meet the needs of consumers, using unique non-woven fabric processing and forming technology while endeavoring to revitalize the markets.

As a result, the Company’s net sales, operating income, ordinary income, and profit attributable to owners of parent for the fiscal period under review respectively reached ¥173,065 million (down 2.5% over the previous year), ¥15,039 million (down 11.8% over the previous year), ¥9,948 million (down 28.9% over the previous year), and ¥8,517 million (up 47.4% over the previous year).

Financial results by segment are as described below.

1) Personal Care Business

● Baby Care Products

Overseas, the Company strengthened its internet sales and promoted sales of *Moony* series in China, where demand for imports from Japan is heightening. In India, where the use of disposable diapers is still quite low even among emerging countries, the Company expanded its sales area while promoting pants-type disposable diapers.

In Japan, the Company has actively taken advantage of inbound demand from foreign tourists to Japan in the *Moony* series, which fits comfortably on the baby’s skin while preventing leakage. In addition, the Company endeavored to expand its product line-up and strengthen relationships in the *Mamy Poko* series of highly absorbent diapers featuring cute designs of Disney characters, and in sub-category products such as pants for children with bed-wetting problems.

● Feminine Care Products

Overseas, in China the Company’s high-quality products featuring charming designs remain highly popular with the younger generation. In addition, the Company has been actively expanding its sales area for products tailored to customer needs in emerging countries such as Indonesia and Thailand, further endeavoring to expand its market share.

In Japan, the Company is promoting its products, such as the *Sofy Hada Omoi* series of sanitary napkins that are gentle on sensitive skin so that the user feels comfortable during menses; the *Sofy Sound Sleep* series, providing peace of mind during sleep; and the *Center-in* series of sanitary napkins in a stylish and compact pouch with a cute design. In this way, the Company has been offering new value to meet the diversifying needs of women, and is working to revitalize the market.

● Health Care Products

In the continually growing domestic market for health care products and in line with the progression of Japan’s aging society, the Company has been working to educate the public about products that enable elderly people to continue with their current lifestyle as before. In the *Lifree* incontinence care product line, the Company has improved the absorbency of incontinence care products for men by the *Lifree Slim Comfortable Pads for Men* series, which is designed to prevent urine leakage and stains on trousers, and has added products to the lineup that are suitable for light incontinence so that customers can choose the right products for their situation. Along with the *Charm Nap* series, the Company has continued its efforts to remove resistance to using these products by conveying that everyone has light incontinence. In nursing care products, along with the *Lifree* series, the Company has also actively promoted its products through TV commercials, on its website, during over-the-counter consultations at shops and by creating shelf space at retailers based on daily activities. In this way, the Company has been leading in the market for excretion care products.

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● Clean and Fresh Products

In the domestic market for clean and fresh products, as living environments and lifestyles change, an increasing numbers of customers wish to clean their homes easily and within a limited time. Therefore, the Company has developed handy cleaning wipes that can clean the whole house to make cleaning fun without stirring up the dust that accumulates over the winter, as well as a limited edition *Wave Handy Wiper – Spring Design*, based on the concept of ease of use, convenience, and cleanliness, to enable spending daily life in comfort.

As a result, net sales and segment income (operating income) for the personal care business for the fiscal period under review were ¥151,940 million (down 2.8% over the previous year) and ¥14,678 million (down 12.7% over the previous year), respectively.

2) Pet Care Business

The Company has been working on introducing products focused on realizing a society where humans and pets can coexist comfortably and in good health at all times, amid the shift to dogs and cats living inside homes rather than outside, and also as family pets continue to age.

In the domestic pet toiletry business, the Company introduced absorbing sheets^{*1} to the *Deo Sheet* brand, the No. 1 brand for 15 straight years since 2001^{*2}, and released the *Deo Sheet No-fail Super-Absorbent Deodorizing Type* with significant improvements in the speed of excretion absorption and reversal. In addition, we brought *Deo Sheet Soft Scented Deodorizing Fragrance*, a reliable deodorizer with a gentle scent, to the market. These products meet the growing need for cleanliness and deodorizing functions. In addition, we endeavored to energize the market with the limited release of *Deo Sheet Funwari Deodorizing Design Sheet* with the smell of cherry blossoms to impart a sense of spring in the air.

In the domestic pet food market, given the longer lives of cats and a growing trend toward owning more than one cat, we launched the *Silver Spoon Special Marine Ingredients with Two Flavors*, which is a cat food providing two flavors in a single bag so that cats always look forward to their meals. We also released the *Silver Spoon Fuwafuwa Topping*, bonito and white fish prepared as light and thin shavings. Such products ensure that cats enjoy every last bite. In addition, we released the *Silver Spoon Three-Star Gourmet Fish Recipe with Special Ingredients in Four Flavors*, a super gourmet food that comes in four flavors per box and uses carefully selected luxury ingredients; and *Silver Spoon Three-Star Gourmet Pouches: Domestically Produced Premium*, a product developed jointly together with Hagaromo Foods Corporation that uses the flakes of 100% natural tuna fished in Japan and high-quality ingredients, as part of our efforts to create a high value-added market.

In the North American market, sales have remained steady in sheets for dogs and lightweight-type cat litter products. Also, the Company has steadily expanded sales of wet-type snacks for cats, which is a first of its kind in America.

As a result, net sales and segment income (operating income) for the pet care business for the fiscal period under review were ¥19,696 million (down 1.9% over the previous year) and ¥288 million (up 40.3% over the previous year), respectively.

*1 Absorbing sheets fit both the regular and wide models.

*2 Cumulative sales in the pet sheet market in the years between January 2001 and December 2015 (Intage SRI survey)

3) Other Businesses

In the category of business-use products utilizing its core non-woven fabric and absorber processing and forming technology, the Company focused on promoting the sales of industrial materials.

As a result, net sales and segment income (operating income) in other businesses for the fiscal period under review were ¥1,429 million (up 16.1% over the previous year) and ¥72 million (up 115.8% over the previous year), respectively.

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2016

(2) Explanation of financial position

(Assets)

Total assets as of the end of the first quarter were ¥672,097 million (down 4.3% over the previous consolidated fiscal year). The main decreases were a ¥12,456 million decrease in notes and accounts receivable – trade, a ¥5,877 million decrease in investment securities, a ¥4,540 million decrease in raw materials and supplies, and a ¥2,820 million decrease in buildings and structures, net.

(Liabilities)

Liabilities as of the end of the first quarter were ¥235,006 million (down 6.6% over the previous consolidated fiscal year). The major decreases were an ¥11,023 million drop in notes and accounts payable – trade and a ¥4,434 million reduction in income taxes payable.

(Net Assets)

Net assets as of the end of the first quarter were ¥437,091 million (down 3.1% over the previous consolidated fiscal year). The increase was ¥8,517 in profit attributable to owners of parent, while the primary decreases were ¥12,294 million in foreign currency translation adjustment, ¥4,408 million in dividend payments, and ¥3,777 million in valuation differences on available-for-sale securities.

(Shareholders' Equity Ratio)

The shareholders' equity ratio as of the end of the first quarter was 55.9%.

(3) Explanation of future estimate information such as consolidated financial results projections

Regarding full-year financials results projections there were no changes from the announcement made on February 12, 2016.

2. Matters Related to Summary Information (Notes)

(1) Change in major subsidiaries during the quarterly consolidated term

Not applicable items.

(2) Application of special accounting to the creation of quarterly consolidated financial statements

Not applicable items.

(3) Change in accounting policies or estimates and retrospective restatements

Not applicable items.

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2016

3. Quarterly Consolidated Financial Statements, Etc.

(1) Quarterly consolidated balance sheet

(Millions of Yen)

	Fiscal Year Ended December 31, 2015 (as of December 31, 2015)	1Q of Fiscal Year Ending December 31, 2016 (as of March 31, 2016)
Assets		
Current assets		
Cash and deposits	138,503	140,473
Notes and accounts receivable - trade	95,476	83,019
Merchandise and finished goods	30,169	30,494
Raw materials and supplies	32,499	27,959
Work in process	1,360	1,240
Other	33,833	34,354
Allowance for doubtful accounts	(148)	(141)
Total current assets	331,693	317,400
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	76,428	73,607
Machinery, equipment and vehicles, net	130,254	129,335
Other, net	41,125	38,380
Total property, plant and equipment	247,808	241,324
Intangible assets		
Goodwill	67,359	65,073
Other	22,468	20,780
Total intangible assets	89,828	85,854
Investments and other assets		
Investment securities	23,611	17,734
Deferred tax assets	2,195	2,275
Net defined benefit asset	2,160	2,501
Other	5,393	5,099
Allowance for doubtful accounts	(91)	(91)
Total investments and other assets	33,270	27,518
Total non-current assets	370,907	354,697
Total assets	702,601	672,097

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2016

(Millions of Yen)

	Fiscal Year Ended December 31, 2015 (as of December 31, 2015)	1Q of Fiscal Year Ending December 31, 2016 (as of March 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	93,799	82,776
Short-term loans payable	3,846	6,432
Income taxes payable	7,667	3,233
Provision for bonuses	5,514	3,583
Other	57,801	57,741
Total current liabilities	168,630	153,766
Non-current liabilities		
Convertible bond-type bonds with subscription rights to shares	54,421	54,176
Long-term loans payable	10,757	10,577
Net defined benefit liability	5,295	5,320
Other	12,403	11,164
Total non-current liabilities	82,878	81,239
Total liabilities	251,509	235,006
Net assets		
Shareholders' equity		
Capital stock	15,992	15,992
Capital surplus	6,858	6,834
Retained earnings	366,777	370,886
Treasury shares	(41,101)	(40,994)
Total shareholders' equity	348,527	352,719
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,164	7,387
Deferred gains or losses on hedges	(6)	(47)
Revaluation reserve for land	(157)	(157)
Foreign currency translation adjustment	33,804	21,510
Remeasurements of defined benefit plans	(6,136)	(5,947)
Total accumulated other comprehensive income	38,667	22,745
Subscription rights to shares	276	309
Non-controlling interests	63,619	61,316
Total net assets	451,091	437,091
Total liabilities and net assets	702,601	672,097

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2016

- (2) Quarterly consolidated statements of income and quarterly consolidated comprehensive income
 (Quarterly consolidated statements of income)
 (For the First Quarter of the Fiscal Year Ending December 31, 2016 Cumulative Consolidated Fiscal Period)
 (Millions of Yen)

	1Q of Fiscal Year Ended December 31, 2015 (January 1, 2015 – March 31, 2015)	1Q of Fiscal Year Ending December 31, 2016 (January 1, 2016 – March 31, 2016)
Net sales	177,558	173,065
Cost of sales	99,327	94,077
Gross profit	78,231	78,988
Selling, general and administrative expenses	* 61,181	* 63,949
Operating income	17,049	15,039
Non-operating income		
Interest income	414	732
Dividend income	1	1
Subsidy income	7	9
Gain on valuation of derivatives	31	1,121
Gain on forfeiture of unclaimed dividends	1,028	—
Other	293	339
Total non-operating income	1,777	2,203
Non-operating expenses		
Interests expenses	145	126
Sales discounts	964	429
Foreign exchange losses	3,697	6,322
Other	28	416
Total non-operating expenses	4,834	7,295
Ordinary income	13,993	9,948
Extraordinary income		
Gain on sales of non-current assets	1	10
Gain on sales of investment securities	—	3,659
Total extraordinary income	1	3,670
Extraordinary losses		
Loss on disposal of non-current assets	26	129
Total extraordinary losses	26	129
Profit before income taxes	13,967	13,488
Income taxes - current	2,789	2,780
Income taxes - deferred	2,933	1,349
Total income taxes	5,723	4,129
Profit	8,243	9,358
Profit attributable to non-controlling interests	2,464	841
Profit attributable to owners of parent	5,778	8,517

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(Quarterly consolidated statements of comprehensive income)

(For the First Quarter of the Fiscal Year Ending December 31, 2016 Cumulative Consolidated Fiscal Period)

(Millions of Yen)

	1Q of Fiscal Year Ended December 31, 2015 (January 1, 2015 – March 31, 2015)	1Q of Fiscal Year Ending December 31, 2016 (January 1, 2016 – March 31, 2016)
Profit	8,243	9,358
Other comprehensive income		
Valuation difference on available-for-sale securities	2,666	(3,777)
Deferred gains or losses on hedges	(8)	(79)
Foreign currency translation adjustment	(1,382)	(15,405)
Remeasurements of defined benefit plans, net of tax	(14)	195
Total other comprehensive income	1,260	(19,067)
Comprehensive income	9,504	(9,708)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,557	(7,405)
Comprehensive income attributable to non-controlling interests	1,947	(2,303)

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2016

(3) Notes to consolidated financial statements

(Note regarding the Company's position as a going concern)

Not applicable.

(Consolidated statement of income)

*The main expense items and amounts of selling, general and administrative expenses are as follows.

(Millions of Yen)

	1Q of Fiscal Year Ended December 31, 2015 (January 1, 2015 – March 31, 2015)	1Q of Fiscal Year Ending December 31, 2016 (January 1, 2016 – March 31, 2016)
Sales-related transportation expense	8,942	9,020
Sales promotion expense	29,847	31,722
Advertisement costs	4,566	5,461
Salaries and bonuses to employees	4,516	4,852
Allowance for bonuses transferred	975	1,003
Employee retirement benefits	485	588
Depreciation	928	813

(Notes in the event of changes in shareholders' equity)

Not applicable.

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2016

(Segment information, etc.)

[Segment Information]

First quarter consolidated calculation period (January 1, 2015 – March 31, 2015)

Information concerning the amount of sales, profits/losses, assets, liabilities and other items by reporting segment

(Millions of Yen)

	Reporting segment				Elimination or Company-wide	Amount of quarterly consolidated comprehensive income statement
	Personal care	Pet care	Other	Total		
Sales						
Sales to external customers	156,245	20,082	1,230	177,558	–	177,558
Internal sales or transfers across segments	–	–	4	4	(4)	–
Total	156,245	20,082	1,235	177,563	(4)	177,558
Segment income (Operating income)	16,810	205	33	17,049	–	17,049

First quarter consolidated calculation period (January 1, 2016 – March 31, 2016)

Information concerning the amount of sales, profits/losses, assets, liabilities and other items by reporting segment

(Millions of Yen)

	Reporting segment				Elimination or Company-wide	Amount of quarterly consolidated comprehensive income statement
	Personal care	Pet care	Other	Total		
Sales						
Sales to external customers	151,940	19,696	1,429	173,065	–	173,065
Internal sales or transfers across segments	–	–	9	9	(9)	–
Total	151,940	19,696	1,438	173,075	(9)	173,065
Segment income (Operating income)	14,678	288	72	15,039	–	15,039