Consolidated Financial Results for the Six Months Ended June 30, 2026; Flash Report [IFRS]

August 5, 2026

Listed Company Name: **Unicharm Corporation**
Listing: **Tokyo Stock Exchange**
Code Number: **8113**
URL: **https://www.unicharm.co.jp/**
Company Representative: **Takahisa Takahara, Representative Director, President and Chief Executive Officer**
Contact Person: **Hirotatsu Shimada, Senior Managing Executive Officer, General Manager of Accounting Control and Finance Division**
Telephone Number: **+81-3-3451-5111**
Scheduled Date to Submit Semi-Annual Securities Report: **August 6, 2026**
Scheduled Date to Commence Dividend Payments: **September 2, 2026**
Preparation of Supplementary Material on Financial Results: **Yes**
Holding of Financial Results Presentation Meeting: **Yes (For Securities Analysts and Institutional Investors)**

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Six Months Ended June 30, 2026 (January 1, 2026 through June 30, 2026)

(1) Consolidated financial results (cumulative total)

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

	Net Sales		Core Operating Income		Profit Before Tax		Profit for the Period		Profit Attributable to Owners of Parent		Total Comprehensive Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Six Months Ended June 30, 2026	487,133	4.9	65,032	14.1	66,608	6.6	48,829	4.6	41,031	(1.9)	61,541	334.3
Six Months Ended June 30, 2025	464,170	(4.8)	57,014	(22.0)	62,496	(14.8)	46,697	(0.9)	41,813	5.5	14,170	(85.7)

	Basic Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
Six Months Ended June 30, 2026	23.75	–
Six Months Ended June 30, 2025	23.84	–

(Note) Core operating income information is a valuable benchmark for measuring the Group's recurring business performance. It is calculated by deducting selling, general and administrative expenses from gross profit.

(2) Consolidated financial position

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of June 30, 2026	1,231,452	906,982	811,594	65.9
As of December 31, 2025	1,223,176	891,259	794,705	65.0

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, 2025	–	9.00	–	9.00	18.00
Fiscal Year Ending December 31, 2026	–	11.00			
Fiscal Year Ending December 31, 2026 (forecast)			–	11.00	22.00

(Note) Changes in dividend forecasts recently disclosed: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2026 (January 1, 2026 through December 31, 2026)

(Figures in percentage represent increases or decreases from the previous fiscal year)

	Net Sales		Core Operating Income		Profit Before Tax		Profit Attributable to Owners of Parent		Basic Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full Year	1,015,000	7.4	113,000	3.8	113,500	7.7	70,000	7.3	40.68

(Note) Changes in results forecasts recently disclosed: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company [Company name] Nutrire Industria de Alimentos Ltda.

(2) Changes in accounting policies and accounting estimates

(i) Changes in accounting policies required by IFRS: None
(ii) Changes in accounting policies other than item (i) above: None
(iii) Changes in accounting estimates: None

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

(i) Number of issued and outstanding shares as of end of period (including treasury shares):

As of June 30, 2026:	1,862,502,957 shares
As of December 31, 2025:	1,862,502,957 shares

(ii) Number of treasury shares as of end of period:

As of June 30, 2026:	141,702,640 shares
As of December 31, 2025:	122,577,638 shares

(iii) Average number of shares during the period (accumulated total):

Six Months Ended June 30, 2026:	1,727,803,719 shares
Six Months Ended June 30, 2025:	1,753,731,834 shares

* Semi-annual financial results report is exempt from review by certified public accountants or an auditing firm.

* Explanation regarding proper use of the forecasts of financial results and other notes

Forecasts stated herein are based on the currently available information and the Company’s assumptions that were judged to be valid as of the announcement date hereof, and are not intended to be a promise by the Company to achieve these forecasts. Therefore, actual results may differ for various factors. Please refer to “1. Overview of the Operating Results, Etc., (3) Explanation of future estimate information such as forecast of consolidated financial results” section on page 6 for more information concerning the assumptions used for forecasts of financial results and other notes on proper use.

Contents of Exhibit

1. Overview of the Operating Results, Etc.

(1) Overview of the operating results for the fiscal period under review

During the six months ended June 30, 2026 (from January 1, 2026, to June 30, 2026), which commenced the first year of the 13th Mid-term Management Plan, the Company focused its efforts on strengthening its management foundation and implementing key strategies aimed at sustainable growth. Meanwhile, uncertainty continues to cloud the operating environment surrounding the Group due to exchange rate fluctuations driven by monetary policy trends in the United States, along with global inflation concerns and ongoing fears of soaring energy prices, such as crude oil, resulting from the prolonged Middle East crisis. Furthermore, the future outlook remains unclear as concerns grow over the slowdown in the growth of Asian economies and the depreciation of currencies in each country, compounded by rising costs for raw materials and logistics disruptions.

In this environment and under the banner of its corporate brand essence, “Love Your Possibilities - You can do anything. Anytime, forever. -,” the Group has promoted initiatives aimed at the development of a “Cohesive Society” in which people support one another with a compassionate and altruistic spirit, believing in the unlimited untapped potential contained within everybody.

In Asia, due to a deterioration in economic sentiment, increasing consumer cost-consciousness has led to continued polarization among certain baby care products. In China, the Group has steadily promoted strategic upfront investments in growth areas such as wellness care, pet care, and emerging e-commerce platforms, with an eye on future growth. Although the effect of these upfront investments has not yet manifested in performance improvement during the six months ended June 30, 2026, initiatives are steadily advanced to ensure a solid recovery in performance in the second half of the year.

In Japan, the Company’s market share has remained steady, despite a challenging consumer environment due to increasing consumer cost-consciousness amid inflation. This is because the products the Company handles are daily necessities, and the wide-ranging lineup of these products has appropriately captured the diverse needs of consumers.

As a result, net sales, core operating income, profit before tax, profit for the period, and profit attributable to owners of parent in the six months ended June 30, 2026 reached ¥487,133 million (up 4.9% year on year), ¥65,032 million (up 14.1% year on year), ¥66,608 million (up 6.6% year on year), ¥48,829 million (up 4.6% year on year), and ¥41,031 million (down 1.9% year on year), respectively.

Financial results by segment are as described below.

1) Personal Care Business

- Wellness Care Business

Looking at overseas markets, in Thailand, Indonesia, and Vietnam, where latent demand for adult incontinence care products is rising, the Company continued to expand its ADL[*1]-based product lineup and propose original products tailored to local needs. In Thailand, we launched the *U Pants by Lifree* economy underwear through e-commerce platforms and some convenience stores, actively promoting the development of new channels. In Indonesia, we updated the thin and comfortable *Lifree Pants TIPIS & NYAMAN* and the extra absorbent *Lifree Pants Ekstra Serap* to align with consumer habits of using a single pair for extended periods. Furthermore, in China, where the population is aging at a remarkably rapid pace compared to Japan, there is an extremely large target market. However, awareness of high-quality and high value-added specialized products remains low, and many people make do with alternatives such as sanitary products and bed sheets. In response to the challenge of “lack of appreciation for specialized products,” the lineup of light incontinence products was expanded at first to make it easier for customers to appreciate the unique value of these specialized products. The Company has also leveraged social media to proactively promote the comfort and convenience of its products, while conducting ongoing marketing investments to raise awareness of the entire category and drive business growth.

In Japan, the Company continued to develop high value-added products that cater to the growing emphasis on health and peace of mind. We maintain the No. 1 market share by offering a diverse product lineup tailored to the climate, ADL, and consumer needs, which includes the launch of the summer-only product, *Lifree Underwear Sensation - Super Thin Pants*, which incorporates our unique “sweat absorption sheet” that reduces the temperature inside the diaper by 2°C[*2] with ten times the quick-drying capability compared to conventional products, ensuring comfort even during the hot summer.

*1 An abbreviation for Activities of Daily Living, an indicator of the level of nursing care provided to those being cared for, which represents the basic activities necessary for daily living, such as incontinence, eating, and bathing

*2 Compared to conventional products of the Company

- Feminine Care Business

Overseas, we responded to consumer needs with a unique and wide-ranging product lineup such as cooling sanitary napkins and shorts-shaped napkins.

In China, where a cost-conscious attitude persists, particularly among young people, and recovery from past reputational damage is slower than expected amid economic uncertainty, we deployed a wide range of product lineups tailored to consumer needs. In addition to the strong performance of the skincare-inspired *Naked Feel S* amino acid-coated sanitary napkin, we are actively expanding the marketing of the *Dong! Xi* sanitary napkin, an unprecedented napkin which even absorbs “thick menstrual blood,” across various channels, and are working to stimulate demand in challenging conditions. Additionally, we launched collaboration project products with popular characters aimed at younger generations, increasing exposure in stores and on e-commerce platforms.

In Indonesia, we renewed our core overnight products to meet the needs for extended use and promoted the “value of reassurance” mainly through promotions utilizing characters to alleviate concerns about leakage.

In India, where the penetration rate of sanitary products is low, we continue to achieve strong sales growth by strengthening our sales channels and expanding our unique products with antibacterial features that cater to local needs.

In the Middle East, amid concerns about supply chain disruptions and export delays to certain regions due to deteriorating conditions stemming from regional conflicts, aggressive marketing investments in products such as those containing olive oil that have been tailored to local lifestyles, proved successful, and net sales remained steady.

In Japan, to meet the summer-specific needs brought on by the intense heat, we added sanitary napkins and delicate cleansing sheets as limited-time offerings to the *Sofy Cool* series, which was launched last year and received favorable reviews, in an effort to stimulate new demand. Additionally, as part of initiatives strengthening our engagement with consumers through the digital domain, we have continued to provide personalized information through the *Sofy Be* service, a menstrual and health management app, which focuses on hormonal changes. During the current period, we also invested in advertising to increase awareness and promote usage. As the environment and values surrounding women change and lifestyles become more diverse, we continue to aim to maximize the lifetime value of women by providing comprehensive support not only during their menstrual periods but throughout the entirety of their daily lives. This empowers each woman to understand and manage her physical and mental state, thereby contributing to the improvement of her health and quality of life.

- Baby Care Business

Overseas, we promoted the use of our products, particularly our pants-type disposable diapers, which are one of our strengths, as well as the deployment of unique products. In India, where the use of disposable diapers is still low, even compared to other target countries, the Company focused on expanding sales areas and continued awareness activities. On the product side, we updated *MamyPoko Pants All Night Absorb* to premium quality, enhancing the sense of security for the skin during extended use and a sense of luxury, to enhance brand value. Furthermore, net sales and market shares continued to be solid as a result of continuously launching products, including pre-launching the high-value-added type product *Premium Skin Breathe*, which features the concept of “allowing skin to breathe” through e-commerce platforms.

In countries such as Indonesia, Thailand and Vietnam, the Company promoted a two-brand strategy to serve both premium-conscious and price-conscious consumers. In the low-price segment in particular, we focused on building a supply system to respond rapidly to market changes and roll out products in an agile manner.

In Indonesia, we have continuously improved *MamyPoko Pants Awet* products, such as by offering affordable small-pack versions, and updating the absorbent core to allow consumers to use a single item comfortably for extended periods in response to consumers’ cost-consciousness.

In Thailand, we launched diapers with “no front or back” that improve the ease of diaper changing and have been highly praised by customers as a product that reduces the burden of childcare.

In Saudi Arabia, as in the Feminine Care Business, exports to neighboring countries were partially affected by supply chain disruptions caused by the escalating tensions in the Middle East. However, products such as those containing olive oil that have been tailored to local customs continued to perform well. As a result, we achieved a record-high market share in Saudi Arabia[*3].

In Japan, while the market is shrinking with lower birth rates, we have continued to address diverse needs through the two brands, *moony* and *MamyPoko*, based on our business philosophy of "giving parents more enjoyment as they raise their babies." As a result, we maintained the No. 1 market share and achieved improved profitability.

We also actively worked to improve consumer satisfaction and reduce environmental impact through both products and services. For example, for nursery facilities that have introduced the *Tebura Toen®* (*Hands-Free Commute*)[*4] service developed in collaboration with BABY JOB Inc., we promoted the introduction of the nursery facility-exclusive product that uses recycled pulp extracted from used paper diapers.

As a result, net sales and segment profit (core operating income) for the personal care business for the fiscal period under review were ¥396,815 million (up 4.0% year on year) and ¥48,039 million (up 10.7% year on year), respectively.

*3 NielsenIQ June 2026 Share of Sales

*4 A flat-rate subscription service for nursery facilities designed to reduce the burden on both parents and childcare workers, including the need for parents to prepare disposable diapers and wipes, carry bulky items to the facility, and for childcare workers to manage disposable diapers and wipes.

2) Pet Care Business

In the Japanese market, amid the slowing growth of the overall market due to consumer's increasing cost-consciousness, we continued to actively conduct promotions aimed at reigniting market growth, and worked to stimulate demand and revitalize the market.

In the pet food business, catering to the growing demand for diverse textures and flavors as well as health-consciousness, we launched *Silver Spoon Treats Japan Select Flavorful Crunch*, a dry cat treat that offers the deliciousness of carefully selected ingredients from various regions of Japan, and *Gran Deli Frecious Appetite-Stimulating Meaty*[*5] *Type* dog food, both of which have received strong support. Furthermore, we focused not only on product expansion but also on strengthening our sales strategy. For *Silver Spoon* and *Three-Star Gourmet*, we implemented package improvements to enhance brand recognition and adjusted the pack pricing to make them more affordable. As a result, we increased price-competitiveness at stores and net sales were steady. In the pet toiletry business, we stimulated demand by launching products such as the *Deo-clean -3℃ Chilled Body Wipe Sheet* for dogs, which releases heat upon wiping to lower the surface temperature by approximately 3°C[*6], and the *Manner Wear Long Hours Comfortable Diapers for Male Dogs*, which incorporates our proprietary "skin-smoothing air holes"[*8] that improve breathability by up to 300%[*7]. In addition, as part of our digital initiatives responding to diversifying purchasing behavior and information gathering using social media, we have continued to leverage a variety of channels, including the Q&A community *DOQAT*, where pet owners can share and resolve concerns about their dogs and cats, *Food Matching*, which uses AI to suggest the best food based on a pet's health and preferences, and our official store on the TikTok Shop. Through these platforms, we have further strengthened our ties with consumers to expand brand awareness and enhance convenience.

In North America, by focusing on wet-type cat snacks with new concepts that utilize Japanese technology and flexibly responding to market and consumer trends, both net sales and profitability remained steady.

In China, which has the world's second-largest market size after North America, the Company entered into a capital and business alliance with Jiangsu Jijia Pet Products Co., Ltd. ("JIA PETS")[*9] through its local Chinese subsidiary in November 2022, and began manufacturing pet food incorporating its unique concepts and technologies. During this period, we launched *Golden Spoon*, a dry cat food that combines high palatability with nutritional balance, and conducted proactive marketing, including utilizing social media and live commerce. By continuing to leverage the combination of manufacturing technology and know-how on production management, which have been cultivated in Japan, with JIA PETS' production and R&D capacities, as well as sales capabilities in its e-commerce, the Company aims to achieve the No. 1 market share in the priority cities in China.

Additionally, in Brazil, which is the third largest market in the world after North America and China and is expected to expand rapidly in the future, in order to attain an early and full-scale entry into the pet care market, we acquired all shares of Nutrire Indústria de Alimentos Ltda., a company that operates prominent pet food brands such as *Monello*, through our consolidated subsidiary UNICHARM PET DO BRASIL LTDA, thereby making it a consolidated subsidiary (sub-subsidiary). Going forward, we will integrate the company's strong business foundation, including production facilities and overseas export supply chain, with the Group's marketing capabilities and sales expertise, and we aim to provide total care by steadily expanding the business through brand investment and strengthening our sales network.

In the Southeast Asia region, where future market growth is expected, the Company aims to achieve dramatic business growth by proactively investing management resources in both food and toiletries due to emerging demands in Thailand, Indonesia, Vietnam, etc.

As a result, net sales and segment profit (core operating income) for the pet care business for the fiscal period under review were ¥82,870 million (up 9.6% year on year) and ¥15,723 million (up 21.6% year on year), respectively.

*5 Approximately 120% compared to *Frecious for Adult Dogs* (in the case of *Appetite-Stimulating Meaty Type, Medium Size*)

*6 Surface temperature after one full wipe

*7 Compared to products of the Company

*8 Excluding SSS size.

*9 Equity-method associate

3) Other Businesses

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

As a result, net sales and segment profit (core operating income) in other businesses for the fiscal period under review were ¥7,448 million (up 7.7% year on year) and ¥1,270 million (up 78.2% year on year), respectively.

(2) Overview of the financial position for the fiscal period under review

1) Status of assets, liabilities and equity

(Assets)

Total assets as of June 30, 2026 were ¥1,231,452 million (up 0.7% compared with the end of the previous fiscal year). The major increases were ¥16,759 million in intangible assets and ¥4,037 million in other current assets mainly due to prepaid income taxes, and the major decrease was ¥12,106 million in other current and non-current financial assets mainly due to time deposits with deposit terms exceeding three months.

(Liabilities)

Total liabilities as of June 30, 2026 were ¥324,470 million (down 2.2% compared with the end of the previous fiscal year). The major increases were ¥6,418 million in other current and non-current financial liabilities mainly due to lease liabilities, ¥2,266 million in borrowings and ¥2,594 million in income tax payables, and the major decrease was ¥18,283 million in trade and other payables.

(Equity)

Total equity as of June 30, 2026 was ¥906,982 million (up 1.8% compared with the end of the previous fiscal year). The major increase was ¥41,031 million in profit attributable to owners of parent, and the major decreases were ¥18,678 million in increase in treasury shares and ¥1,166 million in non-controlling interests.

(Ratio of equity attributable to owners of parent)

Ratio of equity attributable to owners of parent as of June 30, 2026 was 65.9%.

2) Status of cash flows

Cash and cash equivalents as of June 30, 2026 were ¥254,470 million, an increase of ¥1,378 million from the end of the previous fiscal year. The respective cash flow positions for the six months ended June 30, 2026 were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥61,563 million (¥59,286 million was provided in the same period of the previous fiscal year). The main inflow was due to profit before tax.

(Cash flows from investing activities)

Net cash used in investing activities was ¥16,997 million (¥1,216 million was used in the same period of the previous fiscal year). The main inflows were due to proceeds from withdrawal of time deposits and proceeds from sale and redemption of financial assets, and the main outflows were due to purchase of financial assets, payments into time deposits, and purchase of shares of subsidiaries resulting in change in scope of consolidation.

(Cash flows from financing activities)

Net cash used in financing activities was ¥47,620 million (¥45,605 million was used in the same period of the previous fiscal year). The main outflows were due to payments for purchase of treasury shares, dividends paid to owners of parent, and dividends paid to non-controlling interests.

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

Regarding forecast of the full year financial results, we expect to see sharp rises in raw material prices and logistics costs, etc. as a consequence of escalating tensions in the Middle East. In response, the Group will promote Group-wide initiatives to offset these cost increases by introducing new and revamped products to pass on value and improve productivity.

By steadily implementing these measures, we aim to accelerate the establishment of a high-profit structure for the next fiscal year, aiming for business expansion and improved profitability in the subsequent period. Additionally, we have adjusted the assumed exchange rate based on the current actual rates.

Furthermore, the differences from the forecast of consolidated financial results for the full year announced in the “Consolidated Financial Results for the Three Months Ended March 31, 2026; Flash Report” on May 8, 2026, are as follows.

Revision to the forecast of consolidated financial results for the full year

	Net Sales (Millions of Yen)	Core Operating Income (Millions of Yen)	Profit Before Tax (Millions of Yen)	Profit Attributable to Owners of Parent (Millions of Yen)	Basic Earnings Per Share (Yen)
Previously announced forecasts (A) *	1,010,000	136,000	135,800	86,500	50.26
Revised forecast (B)	1,015,000	113,000	113,500	70,000	40.68
Change (B-A)	5,000	(23,000)	(22,300)	(16,500)	–
Change	0.5%	(16.9)%	(16.4)%	(19.1)%	–
(Reference) Actual results for the previous fiscal year (fiscal year ended December 31, 2025)	945,268	108,884	105,386	65,212	37.30

* Forecast of consolidated financial results for the full fiscal year ending December 31, 2026, announced on May 8, 2026.

2. Condensed Consolidated Financial Statements and Significant Notes Thereto

(1) Condensed consolidated statement of financial position

(Millions of Yen)

	Notes	Fiscal Year Ended December 31, 2025 (as of December 31, 2025)	Six Months Ended June 30, 2026 (as of June 30, 2026)
Assets			
Current assets			
Cash and cash equivalents		253,092	254,470
Trade and other receivables		154,762	146,360
Inventories		123,344	125,610
Other current financial assets		100,279	80,363
Other current assets		10,167	14,204
Total current assets		641,644	621,007
Non-current assets			
Property, plant and equipment		275,748	278,853
Intangible assets		97,059	113,818
Deferred tax assets		16,966	17,617
Investments accounted for using equity method		19,584	21,205
Other non-current financial assets		160,589	168,400
Other non-current assets		11,585	10,553
Total non-current assets		581,532	610,446
Total assets		1,223,176	1,231,452

(Millions of Yen)

	Notes	Fiscal Year Ended December 31, 2025 (as of December 31, 2025)	Six Months Ended June 30, 2026 (as of June 30, 2026)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		221,583	203,299
Borrowings		3,488	6,850
Income tax payables		10,268	12,862
Other current financial liabilities		8,993	7,552
Other current liabilities		19,602	19,489
Total current liabilities		263,933	250,052
Non-current liabilities			
Borrowings		7,567	6,472
Deferred tax liabilities		15,312	14,632
Retirement benefit liabilities		15,942	16,112
Other non-current financial liabilities		23,368	31,227
Other non-current liabilities		5,795	5,976
Total non-current liabilities		67,984	74,419
Total liabilities		331,917	324,470
Equity			
Equity attributable to owners of parent			
Capital stock		15,993	15,993
Share premium		11,582	11,361
Retained earnings		801,367	826,906
Treasury shares		(140,428)	(159,106)
Other components of equity		106,191	116,441
Total equity attributable to owners of parent		794,705	811,594
Non-controlling interests		96,554	95,388
Total equity		891,259	906,982
Total liabilities and equity		1,223,176	1,231,452

(2) Condensed consolidated statement of income and Condensed consolidated statement of comprehensive income

(Condensed consolidated statement of income)

(Millions of Yen)

	Notes	Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)	Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 2026)
Net sales	3	464,170	487,133
Cost of sales		(283,331)	(288,873)
Gross profit		180,839	198,260
Selling, general and administrative expenses	4	(123,825)	(133,228)
Other income	5	5,804	1,478
Other expenses		(1,197)	(2,005)
Financial income		3,632	5,247
Financial costs		(2,757)	(3,145)
Profit before tax		62,496	66,608
Income tax expenses		(15,799)	(17,779)
Profit for the period		46,697	48,829
Profit attributable to			
Owners of parent		41,813	41,031
Non-controlling interests		4,884	7,798
Profit for the period		46,697	48,829
Earnings per share attributable to owners of parent			
Basic earnings per share (Yen)		23.84	23.75
Diluted earnings per share (Yen)		–	–

Reconciliation of changes from gross profit to core operating income

(Millions of Yen)

Gross profit	180,839	198,260
Selling, general and administrative expenses	(123,825)	(133,228)
Core operating income	57,014	65,032

(Condensed consolidated statement of comprehensive income)

(Millions of Yen)

	Notes	Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)	Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 2026)
Profit for the period		46,697	48,829
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss			
Net changes in equity instruments measured at fair value through other comprehensive income		1,224	1,402
Remeasurements related to net defined benefit liabilities (assets)		80	13
Subtotal		1,304	1,414
Items that may be reclassified to profit or loss			
Net changes in debt instruments measured at fair value through other comprehensive income		6	48
Changes in fair value of cash flow hedges		(10)	(2)
Exchange differences on translation in foreign operations		(32,570)	9,969
Share of other comprehensive income of investments accounted for using equity method		(1,256)	1,284
Subtotal		(33,831)	11,298
Total other comprehensive income, net of tax		(32,527)	12,713
Total comprehensive income		14,170	61,541
Total comprehensive income attributable to			
Owners of parent		15,193	51,448
Non-controlling interests		(1,023)	10,093
Total comprehensive income		14,170	61,541

(3) Condensed consolidated statement of changes in equity

Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)

(Millions of Yen)

	Notes	Equity attributable to owners of parent						Non-controlling interests	Total equity
		Capital stock	Share premium	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at January 1, 2025		15,993	11,405	766,342	(119,412)	98,734	773,062	100,649	873,711
Profit for the period		–	–	41,813	–	–	41,813	4,884	46,697
Other comprehensive income		–	–	–	–	(26,620)	(26,620)	(5,907)	(32,527)
Total comprehensive income		–	–	41,813	–	(26,620)	15,193	(1,023)	14,170
Purchase of treasury shares		–	–	–	(12,001)	–	(12,001)	–	(12,001)
Disposal of treasury shares		–	(752)	–	753	–	1	–	1
Dividends		–	–	(12,900)	–	–	(12,900)	(13,659)	(26,559)
Equity transactions with non-controlling interests		–	440	–	–	(1,452)	(1,012)	4,166	3,154
Share-based payment transactions		–	361	–	243	–	604	–	604
Transfer from other components of equity to retained earnings		–	–	527	–	(527)	–	–	–
Total transactions with owners		–	49	(12,374)	(11,006)	(1,979)	(25,309)	(9,493)	(34,802)
Balance at June 30, 2025		15,993	11,454	795,781	(130,417)	70,136	762,946	90,132	853,079

Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 2026)

(Millions of Yen)

	Notes	Equity attributable to owners of parent						Non-controlling interests	Total equity
		Capital stock	Share premium	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at January 1, 2026		15,993	11,582	801,367	(140,428)	106,191	794,705	96,554	891,259
Profit for the period		–	–	41,031	–	–	41,031	7,798	48,829
Other comprehensive income		–	–	–	–	10,417	10,417	2,295	12,713
Total comprehensive income		–	–	41,031	–	10,417	51,448	10,093	61,541
Purchase of treasury shares		–	(12)	–	(19,000)	–	(19,012)	–	(19,012)
Dividends		–	–	(15,659)	–	–	(15,659)	(11,259)	(26,918)
Share-based payment transactions		–	(210)	–	322	–	112	–	112
Transfer from other components of equity to retained earnings		–	–	168	–	(168)	–	–	–
Total transactions with owners		–	(222)	(15,492)	(18,678)	(168)	(34,559)	(11,259)	(45,818)
Balance at June 30, 2026		15,993	11,361	826,906	(159,106)	116,441	811,594	95,388	906,982

(4) Condensed consolidated statement of cash flows

(Millions of Yen)

	Notes	Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)	Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 2026)
Cash flows from operating activities			
Profit before tax		62,496	66,608
Depreciation and amortization expenses		23,638	23,301
Interest income		(2,808)	(3,609)
Dividend income		(508)	(539)
Interest expenses		1,358	566
Foreign exchange loss (gain)		1,799	(441)
Loss (gain) on sale and retirement of fixed assets		453	350
Decrease (increase) in trade and other receivables		10,950	11,629
Decrease (increase) in inventories		(4,017)	863
Increase (decrease) in trade and other payables		(11,825)	(21,253)
Other, net		(384)	(1,423)
Subtotal		81,152	76,052
Interest received		3,051	3,542
Dividends received		508	539
Interest paid		(1,349)	(559)
Income taxes refund		307	185
Income taxes paid		(24,383)	(18,196)
Net cash provided by (used in) operating activities		59,286	61,563
Cash flows from investing activities			
Payments into time deposits		(36,284)	(54,567)
Proceeds from withdrawal of time deposits		71,147	89,118
Purchase of property, plant and equipment, and intangible assets		(14,575)	(10,988)
Proceeds from sale of property, plant and equipment, and intangible assets		207	417
Long-term loan advances		(13)	(11)
Purchase of financial assets		(40,919)	(57,894)
Proceeds from sale and redemption of financial assets		20,402	38,257
Purchase of shares of subsidiaries and associates		(1,608)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	6	–	(21,965)
Other, net		428	636
Net cash provided by (used in) investing activities		(1,216)	(16,997)

(Millions of Yen)

	Notes	Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)	Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 2026)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings		3,742	1,901
Proceeds from long-term borrowings		1,389	–
Repayments of long-term borrowings		(13,485)	–
Repayments of lease liabilities		(3,686)	(3,659)
Payments for purchase of treasury shares		(12,001)	(19,012)
Dividends paid to owners of parent		(12,899)	(15,653)
Dividends paid to non-controlling interests		(11,438)	(11,197)
Proceeds from share issuance to non-controlling interests		2,773	–
Other, net		1	–
Net cash provided by (used in) financing activities		(45,605)	(47,620)
Effect of exchange rate changes on cash and cash equivalents		(7,481)	4,431
Net increase (decrease) in cash and cash equivalents		4,983	1,378
Cash and cash equivalents at beginning of period		261,054	253,092
Cash and cash equivalents at end of period		266,037	254,470

(5) Notes to the condensed consolidated financial statements

1. Notes regarding going concern assumptions

   None.

2. Material accounting policies

   Material accounting policies adopted for these condensed consolidated financial statements are the same as those adopted to the consolidated financial statements for the fiscal year ended December 31, 2025.

3. Segment information

(1) Overview of reportable segments

The Group’s reportable segments are part of its organizational units whose financial information is individually available, and are subject to regular review by its Board of Directors, the chief operating decision maker, for the purpose of deciding the allocation of its managerial resources and evaluating its business performance.

The Group is composed of three businesses, namely the personal care business, the pet care business and other businesses as its basic units, and has been engaged in its business activities by comprehensively developing domestic and overseas strategies by business unit.

Therefore, the “personal care business,” the “pet care business,” and “other businesses” constitute the Group’s reportable segments.

In the personal care business, the Group manufactures and sells wellness care products, feminine care products, and baby care products. In the pet care business, the Group manufactures and sells pet food products and pet toiletry products. In other businesses, the Group manufactures and sells industrial materials related products, etc.

The accounting policies for the reportable segments are the same as for the condensed consolidated financial statements.

(2) Sales and results by reportable segment

Sales and results by reportable segment are as follows.

(Millions of Yen)

	Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)					
	Reportable segments				Adjustments	Amounts reported in condensed consolidated financial statements
	Personal care	Pet care	Other	Total		
Sales to external customers	381,679	75,578	6,913	464,170	–	464,170
Sales across segments	–	–	90	90	(90)	–
Total segment sales	381,679	75,578	7,003	464,260	(90)	464,170
Segment profit (loss) (Core operating income)	43,376	12,925	713	57,014	–	57,014
Other income						5,804
Other expenses						(1,197)
Financial income						3,632
Financial costs						(2,757)
Profit before tax						62,496

(Millions of Yen)

	Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 2026)					
	Reportable segments				Adjustments	Amounts reported in condensed consolidated financial statements
	Personal care	Pet care	Other	Total		
Sales to external customers	396,815	82,870	7,448	487,133	–	487,133
Sales across segments	–	–	84	84	(84)	–
Total segment sales	396,815	82,870	7,531	487,217	(84)	487,133
Segment profit (loss) (Core operating income)	48,039	15,723	1,270	65,032	–	65,032
Other income						1,478
Other expenses						(2,005)
Financial income						5,247
Financial costs						(3,145)
Profit before tax						66,608

4. Selling, general and administrative expenses

The breakdown of selling, general and administrative expenses is as follows.

(Millions of Yen)

	Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)	Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 2026)
Freight-out expenses	32,796	36,348
Sales promotion expenses	17,161	17,560
Advertising expenses	15,502	17,220
Employee benefit expenses	27,277	28,598
Depreciation and amortization expenses	7,241	6,735
Research and development expenses	5,515	7,209
Others	18,333	19,556
Total	123,825	133,228

(Note) The research and development expenses for the six months ended June 30, 2026 reflect the amounts after reviewing and revising the scope of depreciation expenses, labor costs, and other costs recorded as research and development expenses to more accurately reflect the actual state of our research and development framework in the Company's business activities.
The amounts impacted by this revision in each item for the six months ended June 30, 2025 are as follows: employee benefit expenses of ¥806 million, depreciation and amortization expenses of ¥499 million, and others of ¥34 million.

5. Other income

"Other income" for the six months ended June 30, 2025 includes fire insurance proceeds of ¥5,274 million in relation to a fire accident that took place on June 24, 2020, at Ahmedabad Factory of Unicharm India Private Ltd., a subsidiary of the Company.

6. Business combinations

On June 30, 2026, UNICHARM PET DO BRASIL LTDA, the Company's consolidated subsidiary, acquired all shares of Nutrire Indústria de Alimentos Ltda. (hereinafter "Nutrire"), which is engaged in the production and sale of pet food in Brazil and exports primarily to countries in Central and South America.

(1) Overview of the business combination

1) Name and business descriptions of the acquiree

Name of the acquiree: Nutrire Indústria de Alimentos Ltda.

Business descriptions: production and sale of pet food

2) Main reasons for the business combination

The Company launched our pet care business in 1986 and provide comprehensive care—from nutrition to waste management—by offering specialized products such as pet food, waste pads, litter boxes, and disposable diapers. Through these initiatives, we aim to realize a "Cohesive Society" that includes pets, their owners, and even those who do not own pets. Furthermore, in the 13th Mid-term Management Plan (2026–2030), which began in 2026, we have identified wellness care and pet care as key growth drivers. By concentrating our management resources in these areas, we aim to achieve top-line growth and improve profitability.

Brazil's pet care market is the third largest in the world, and is expected to continue growing at an annual rate exceeding 10% against the backdrop of recent economic growth and the increasing trend of treating pets as "family members." Founded in 2001, Nutrire is a Brazilian pet food manufacturer that handles the entire process, from raw material selection to manufacturing and sales. In addition to providing high-quality premium pet food through a production system that utilizes cutting-edge technology, the company has established an extensive export network centered on neighboring countries.

By combining Nutrire's strengths in high-quality production infrastructure with the Company's long-cultivated marketing and product development capabilities, the Company aims to dramatically expand its pet care business in the rapidly growing Brazilian market and the wider Central and South American region.

3) Date of acquisition of control

June 30, 2026

(2) Fair value of consideration transferred, assets acquired, and liabilities assumed as of date of acquisition of control

(Millions of Yen)

Fair value of consideration transferred	Amount
Fair value of consideration transferred	
Cash	22,583
Fair value of assets acquired and liabilities assumed	
Current assets	3,631
Non-current assets	4,519
Current liabilities	2,027
Non-current liabilities	2,785
Net fair value of assets acquired and liabilities assumed	3,339
Goodwill	19,244

- As the allocation of the acquisition cost has not been completed, the amounts are provisionally calculated based on the information available at this time.
- Consideration transferred may fluctuate due to price adjustments resulting from changes in working capital, among other factors.
- The direct cost of the acquisition was ¥278 million, and is included in "selling, general and administrative expenses" in the condensed consolidated statement of income.
- Acquired trade and other receivables were ¥1,608 million, and there are no contractual cash flows that are expected to be uncollectible.

(3) Effects on cash flows from the business combination

(Millions of Yen)

	Amount
Payments of consideration transferred	(22,583)
Cash and cash equivalents acquired	617
Payments for acquisition of subsidiaries	(21,965)

(4) Impacts on the Group's financial results

The estimated profit and loss information assuming the acquisition had been completed at the beginning of the current fiscal year is not included due to the immaterial impact on the condensed consolidated statement of income. Furthermore, the profit and loss information assuming that the business combination was conducted at the beginning of the fiscal year has not been subject to an interim review by an auditing firm.