

This notice has been translated from the original Japanese text of the timely disclosure statement dated January 31, 2012 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.

**FY2012 Consolidated Financial Results for the Third Quarter Ended December 31, 2011  
(April 1, 2011 through December 31, 2011); Flash Report  
[Japanese Standards]**



January 31, 2012

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: **Yasushi Akita, Executive Officer, General Manager of Accounting Dept.**  
 Telephone Number: **+81-3-3451-5111**  
 Planned Filing Date of Quarterly Report: **February 14, 2012**  
 Planned Commencement Date of Dividend Payments: **—**  
 Preparation of Any Additional Explanatory Documents for Quarterly Financial Results: **None**  
 Holding of Any Briefing Session for Quarterly Financial Results: **None**

(Amounts less than one million yen have been truncated)

**1. Consolidated Financial Results for the Third Quarter of FY2012 (April 1, 2011 through December 31, 2011)****(1) Consolidated financial results (Cumulative)**

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

	Net Sales		Operating Income		Ordinary Income		Net Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
3Q FY2012	315,724	12.0	40,815	17.1	36,878	17.1	14,532	-57.3
3Q FY2011	281,878	4.8	34,841	-3.7	31,498	-14.8	34,004	67.3

(Note) Comprehensive income: 3Q FY2012: ¥9,909 million (-67.1 %)   
 3Q FY2011: ¥30,137 million (— %)

	Net Income Per Share	Net Income Per Share Adjusted For Residual Shares
	Yen	Yen
3Q FY2012	77.95	71.71
3Q FY2011	180.12	174.92

**(2) Consolidated financial position**

	Total Assets	Net Assets	Ratio of Shareholders' Equity
	Millions of Yen	Millions of Yen	%
As of December 31, 2011	462,399	231,317	44.3
As of March 31, 2011	444,015	219,632	45.5

(Reference) Equity As of December 31, 2011: ¥204,743 million   
 As of March 31, 2011: ¥201,934 million

**2. Cash Dividends**

	Annual Dividends				
	End 1st Q	End 2nd Q	End 3rd Q	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2011	—	42.00	—	14.00	56.00
Fiscal Year Ending March 31, 2012	—	16.00	—		
Fiscal Year Ending March 31, 2012 (projection)				16.00	32.00

(Notes) Revision of dividend projection that have been disclosed lastly: None

Dividends at the end of the second quarter of the fiscal year ended March 31, 2011 do not account for the stock split. The total dividend for the fiscal year ended March 31, 2011 is the sum of the interim dividend and the year-end dividend.

**3. Projected Consolidated Financial Results for the Fiscal Year Ending March 2012 (April 1, 2011 through March 31, 2012)**

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full Year	421,000	11.7	51,000	9.5	46,000	6.6	22,400	-33.3	120.16

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

**4. Others**

**(1) Change in major subsidiaries during the period (or any change of specified subsidiaries accompanying a change in the scope of consolidation): Yes**

Number of new consolidated subsidiaries: 2

Company name: Unicharm China Co., Ltd., The Hartz Mountain Corporation

Number of deconsolidated subsidiaries: \_\_\_\_ Company name:

(Note) Please refer to "Change of major subsidiaries during the period" section on page 4 of Exhibit attached hereto for further details.

**(2) Application of any special accounting method for the preparation 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: Yes

(ii) Change in accounting policies other than item (i) above: Yes

(iii) Change in accounting estimates: Yes

(iv) Retrospective restatements: None

(Note) Please refer to "Change in accounting policies and estimates, and retrospective restatements" section on page 4 of Exhibit attached hereto for further details.

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

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

As of end of 3rd quarter of FY2012: 206,944,773 shares

As of end of FY2011: 206,944,773 shares

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

As of end of 3rd quarter of FY2012: 20,522,204 shares

As of end of FY2011: 20,521,968 shares

(iii) Average number of shares during the period:

Apr. – Dec. FY2012: 186,422,652 shares

Apr. – Dec. FY2011: 188,785,596 shares

(\* Presentation regarding status of quarterly review procedures)

This FY2012 Consolidated Financial Results for the Third Quarter Ended December 31, 2011 is not subject to the quarterly review procedures under the Financial Instruments and Exchange Law, and as of the date of disclosure hereof, the quarterly review procedures for financial statements under the Financial Instruments and Exchange Law are being carried out.

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

Projections stated herein include those based on the Company's assumptions, forecasts and plans as of the announcement date hereof. Therefore, actual results may differ due to risks and uncertainties associated with market competition and foreign exchange rates, etc. Please refer to "Qualitative information regarding projected consolidated financial results" section on page 3 of Exhibit attached hereto for further details.

The Company conducted a stock split in which three (3) shares were issued per each outstanding common share on October 1, 2010 as the effective date thereof.

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Unicharm Corporation (8113) Consolidated Financial Results for the Third Quarter of FY 2012

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## 1. Qualitative Information Regarding Consolidated Financial Results For This Quarter

### (1) Qualitative information regarding consolidated business performance

In light of the economic environment surrounding the Company and its group companies during the 3rd quarter consolidated fiscal period under review (April 1, 2011 through December 31, 2011), demand for personal care products continued to grow in the overseas market. In addition, domestic demand for personal and pet care products remained stable.

With respect to overseas markets, since the preceding fiscal year the Company has continued to expand its distribution areas in the Asian countries in which it operates, where markets are continuing to expand. At the same time, it has conducted aggressive marketing campaigns, expanded sales, and improved earnings in these markets. In the domestic market, meanwhile, it has generated fresh demand through new technological innovation and endeavored to revitalize the market.

As a result, the Company's net sales, operating income, ordinary income, and net income for 1Q-3Q reached ¥315,724 million (up 12.0% year on year, or up 14.7% year on year if no forex effect is factored in), ¥40,815 million (up 17.1% year on year, or up 19.9% year on year if no forex effect is factored in), ¥36,878 million (up 17.1% year on year) and ¥14,532 million (down 57.3% year on year), respectively.

The financial results by business segment are as follows:

#### 1) Personal Care Business

##### [Baby Care Products]

In Japan, the Company endeavored to expand and promote sales by giving *Oyasumi Man* pants, which is designed to absorb nighttime emissions by children who have grown out of daytime diapers, a new design featuring popular Disney characters, and making them from Softretch, a soft, stretchy, cloth-like material we have developed that offers 1.4 times more absorbency than the previous version of the product. We also boosted advertising of *Moony* and stepped up sales promotion for *Mamy Poko Pants*.

Overseas, the Company has worked to boost sales growth by continuously expanding its distribution areas in Asian countries in which it operates and conducting aggressive sales promotion.

##### [Feminine Care Products]

In Japan, the Company endeavored to promote sales of *Center-in Compact Slim*, which looks less like a sanitary napkin than a small personal possession, by responding to the needs for more fashionable sanitary products as for clothes, personal items, and cosmetics. To this end, we equipped the individual packages and back sheets with a stylish lace design that allows consumers to have fun in choosing and using them. We also strived to promote and expand sales of *Sofy Kiyora Fragrance*, a panty liner with a perfume-like smell that was launched in September to meet the desire of consumers to always be clean and comfortable.

Overseas, in the Asian countries in which it operates, the Company expanded sales areas and aggressively engaged in sales promotions activities for highly value-added sanitary napkins, including night time and thin sanitary napkins that meet the needs of consumers in each country in order to increase sales and profitability.

##### [Health Care Products]

The Company breathed life into the sanitary mask market by launching *Chokaiteki Mask Pleated-Type*, a new type of mask employing a "total fit structure" developed based on data from 40,000 people's faces and Softretch, a stretchy material adopted for our *Moony Pants* baby diapers. Although it features pleats, it does not cause ear discomfort even after long hours of use, and has the same high-level power to block particles as the *Chorittai Mask*. As for urine care products, we also expanded the product lineup by adding a long, peace-of-mind-delivering liner, *Charm Nap Kyusui Sarafi Long Panty Liner*, to the *Charm Nap Panty Liner* series. This new liner meets the needs of consumers who, despite concerns about urine leaks, wish to continue using liner-type products because of high satisfaction with their slimness and ease of use.

##### [Clean and Fresh Products]

The Company stepped up sales promotion of the sheet cleaner *Wave* series, convenient and stylish cleaning products that allows consumers to clean surprisingly easily and cleanly.

As a result, the net sales and segment income (operating income) of the personal care business for the quarter under review were ¥266,335 million and ¥36,468 million, respectively.

## 2) Pet Care Business

The Company worked to develop products linked to the five major trends among Japanese pet owners: “indoor pet keeping,” “popularity of smaller dogs,” “aging of pets,” “pet obesity,” and “pet health,” and also worked to create new markets.

In the pet food business, the Company endeavored to promote sales of the *Aiken Genki Best Balance* series for dogs which launched a version for Yorkshire Terriers, *Silver Dish-Today's Reward* series which improved its lineup of dental care products with the introduction of gums for ensuring healthy teeth, and the *Silver Spoon Premium Three-Star Gourmet* series which introduced new manufacturing methods and launched a version aimed at preventing the formation of fur balls. Moreover, by expanding the sales network for dog and cat foods, the Company continuously sought to create markets in China as in the preceding fiscal year.

In the pet toiletry business, the Company expanded its lineup of pet waste care products through the launch of a waterproof sheet, which employs a waterproof film, and *Deo Sheet Ashiage Wan-Chan Kabe Hari Guard*, with which a single sheet of highly absorbent material provides strong protection for both the wall and the floor from excretions from male dogs who lift up their legs to urinate.

As a result, net sales and segment income (operating income) in the pet care business for the quarter under review were ¥43,115 million and ¥3,906 million, respectively.

## 3) Other Businesses

In the category of business-use products utilizing its core non-woven fabric and absorbent technology, the Company's focus was on the improvement of earnings in the food wrapping category.

As a result, net sales and segment income (operating income) in other businesses for the quarter under review were ¥6,273 million and ¥423 million, respectively.

## (2) Qualitative information regarding consolidated financial position

## (Assets)

Total assets as of the end of this 3rd quarter consolidated fiscal period were ¥462,399 million (up 4.1% year on year). This was mainly because marketable securities, goodwill, and machinery, equipment and vehicles (net) increased by ¥24,304 million, ¥22,051 million, and ¥6,503 million, respectively, while cash and deposits decreased by ¥51,578 million.

## (Liabilities)

Total liabilities as of the end of this 3rd quarter consolidated fiscal period were ¥231,081 million (up 3.0% year on year). This was mainly because notes and accounts payable, short-term loans payable, and other current liabilities increased by ¥5,118 million, ¥4,420 million, and ¥8,341 million, respectively, while long-term loans payable decreased by ¥10,631 million.

## (Net Assets)

Net assets as of the end of this 3rd quarter consolidated fiscal period were ¥231,317 million (up 5.3% year on year). This was mainly because quarterly net income increased to ¥14,532 million, while foreign currency translation adjustments decreased by ¥5,915 million.

## (Shareholder's Equity Ratio)

The shareholder's equity ratio as of the end of this 3rd quarter consolidated fiscal period was 44.3%.

## (3) Qualitative information regarding projected consolidated financial results

The Company's projected consolidated financial results for the fiscal year ending March 2012 are the same as those announced on December 15, 2011.

## 2. Summary Information (Other)

### (1) Change of major subsidiaries during the period

Newly established Unicharm China Co., Ltd. and newly acquired The Hartz Mountain Corporation have been included in the scope of consolidation from the second and the third quarter of the consolidated fiscal year under review, respectively.

### (2) Application of any special accounting method for the preparation of quarterly consolidated financial statements

Not applicable

### (3) Change in accounting policies and estimates, and retrospective restatements

#### (Change in accounting policies)

##### (a) Change in methods of depreciation of tangible fixed assets

Depreciation of tangible fixed assets of the Company and its domestic consolidated subsidiaries had been computed by declining-balance method (straight-line method had been applied to buildings, excluding accessory equipment, acquired after April 1, 1998), but effective from this consolidated fiscal year, the straight-line method has been applied to all tangible fixed assets.

This change is aiming to unify the Group's accounting methods and adjust its profit and loss figures periodically. The change was triggered by developments in the Group's capital expenditure environment. In April 2011, the Group formulated its eighth medium-term management plan, "Blue Sky Plan," and under this plan, the Group expects to increase its overseas capital expenditures in its efforts to capitalize on the acceleration of global business development.

As a result, in order to carry out more appropriate cost allocation, the Company judged that the actual business conditions would be reflected more correctly by changing the depreciation method of tangible fixed assets to the straight-line method, as tangible fixed assets of the Company and its domestic consolidated subsidiaries have been stably operated within the useful life and stable profits are expected from the products of the Group.

Due to this change, operating income, ordinary income, and income before taxes and other adjustments increased during 1Q-3Q of the consolidated fiscal year under review by ¥2,554 million from the amount that would have been under the previous accounting method.

The impact on each business segment is stated in the relevant sections of this document.

##### (b) Application of Accounting Standard for Earnings Per Share Etc.

Effective from the 1st quarter of this consolidated fiscal period, "Accounting Standard for Earnings Per Share" (ASBJ Statement No. 2, June 30, 2010) and "Guidance on Accounting Standard for Earnings Per Share" (ASBJ Guidance No. 4, June 30, 2010) have been applied.

As a result, the method of calculating quarterly net income per share adjusted for residual shares has been changed. In the case of stock options that become vested after a certain period of service, the estimate of the amount that would be paid upon the exercise of the options, now includes that portion of the fair value of the options that relates to services that the Company will be provided in the future.

If these accounting standards had not been applied in the 3rd quarter consolidated fiscal period of the preceding fiscal year, net income per share adjusted for residual shares would be ¥174.91.

#### <Additional Information>

##### (Application of Accounting Standard, etc. for Accounting Changes and Error Corrections)

Effective for accounting changes and past error corrections made in or after the beginning of the 1st quarter consolidated fiscal period, the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No. 24, December 4, 2009) and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No. 24, December 4, 2009) have been applied.

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Unicharm Corporation (8113) Consolidated Financial Results for the Third Quarter of FY 2012

(Effect of changes in corporate taxation rate)

The “Act to partially revise the Income Tax Act and others in order to construct a tax system corresponding to changes in the structure of economic system” (Act No. 114 of 2011) and the “Special measures act to secure the financial resources required to implement policy on restoration after the Great East Japan Earthquake” (Act No. 117 of 2011) were announced on December 2, 2011, and as a result, effective from consolidated fiscal years beginning on or after April 1, 2012, the standard corporate taxation rate will be reduced and a special corporate tax for reconstruction will be introduced. Until now, the normal effective statutory tax rate we have used to calculate deferred tax assets and deferred tax liabilities have been 40.7%. Due to the above, however, with temporary disparities expected to be resolved from the consolidated fiscal year beginning on April 1, 2012 to the fiscal year beginning on April 1, 2014, the normal effective statutory tax rate will be 38.01%, while that applied to temporary disparities expected to be eliminated in or after the fiscal year beginning on April 1, 2015 will be 35.64%. As a result, the net value of deferred tax assets (i.e. deferred tax assets less deferred tax liabilities) will decline by ¥6,555 million, while adjustments on corporate tax etc. will increase by ¥6,748 million.



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Unicharm Corporation (8113) Consolidated Financial Results for the Third Quarter of FY 2012

**3. Consolidated Financial Statements, Etc.**

(1) Consolidated balance sheet

	(Millions of Yen)	
	FY2011 (as of March 31, 2011)	3Q of FY2012 (as of December 31, 2011)
<b>Assets</b>		
Current assets		
Cash and deposits	118,569	66,990
Notes and accounts receivable	46,038	53,456
Marketable securities	701	25,006
Merchandise and finished goods	11,724	17,365
Raw materials and supplies	10,309	12,242
Work in progress	359	309
Other current assets	17,050	20,423
Allowance for bad debts	(33)	(72)
Total current assets	204,719	195,721
Fixed assets		
Tangible fixed assets		
Buildings and other structures (net)	31,161	31,668
Machinery, equipment and vehicles (net)	48,525	55,029
Other tangible fixed assets (net)	18,703	21,548
Total tangible fixed assets	98,389	108,246
Intangible fixed assets		
Goodwill	65,022	87,073
Other intangible fixed assets	2,467	9,160
Total intangible fixed assets	67,489	96,234
Investments and other assets		
Prepaid pension expenses	5,658	5,804
Investments in marketable securities	13,027	13,134
Deferred tax assets	53,107	41,543
Other investments	1,804	1,907
Allowance for bad debts	(182)	(193)
Total investments and other assets	73,416	62,197
Total fixed assets	239,295	266,677
Total assets	444,015	462,399

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Unicharm Corporation (8113) Consolidated Financial Results for the Third Quarter of FY 2012

(Millions of Yen)

	FY2011 (as of March 31, 2011)	3Q of FY2012 (as of December 31, 2011)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable	37,991	43,109
Short-term loans payable	8,371	12,792
Accrued corporate taxes, etc.	1,953	3,469
Reserve for bonuses	3,833	2,479
Allowance for loss on disaster	639	—
Other current liabilities	37,353	45,694
Total current liabilities	90,143	107,544
Long-term liabilities		
Bonds with share warrants payable	80,642	80,599
Long-term loans payable	47,354	36,722
Reserve for severance benefits	2,623	2,917
Other long-term liabilities	3,619	3,297
Total long-term liabilities	134,240	123,537
Total liabilities	224,383	231,081
<b>Net assets</b>		
Shareholders' equity		
Common stock	15,992	15,992
Additional paid-in capital	18,802	18,802
Retained earnings	217,111	226,118
Treasury shares	(43,924)	(43,925)
Total shareholders' equity	207,981	216,988
Accumulated other comprehensive income		
Unrealized gains on available-for-sale securities	3,276	3,061
Gains (losses) on deferred hedges	(13)	(12)
Land revaluation differences	(89)	(157)
Foreign currency translation adjustments	(9,220)	(15,136)
Total accumulated other comprehensive income	(6,047)	(12,244)
Subscription rights to shares	288	800
Minority interests	17,408	25,773
Total net assets	219,632	231,317
Total liabilities and net assets	444,015	462,399

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Unicharm Corporation (8113) Consolidated Financial Results for the Third Quarter of FY 2012

(2) Consolidated statement of income and comprehensive income

Consolidated statement of income

For 3rd Quarter of FY2012 Cumulative Consolidated Fiscal Period

(Millions of Yen)

	3Q of FY2011 (April 1, 2010 – December 31, 2010)	3Q of FY2012 (April 1, 2011 – December 31, 2011)
Net sales	281,878	315,724
Cost of sales	151,910	170,771
Gross profits	129,967	144,952
Selling, general and administrative expenses	*1 95,126	*1 104,137
Operating income	34,841	40,815
Non-operating income		
Interest received	428	542
Dividends received	221	251
Other non-operating income	649	375
Total non-operating income	1,299	1,168
Non-operating expenses		
Interests paid	208	301
Sales discount	2,272	3,034
Foreign exchange losses	1,863	1,679
Other non-operating expenses	299	89
Total non-operating expenses	4,643	5,106
Ordinary income	31,498	36,878
Extraordinary income		
Gain on sale of fixed assets	998	2
Gain on sale of investments in affiliates	1,214	—
Others	108	1
Total extraordinary income	2,321	3
Extraordinary losses		
Losses on disposal of fixed assets	714	975
Losses caused due to application of accounting standards for asset retirement obligations	71	—
Loss on disaster	—	469
Business structure improvement expenses	—	*2 630
Other extraordinary losses	156	207
Total extraordinary losses	942	2,283
Income before taxes and other adjustments	32,877	34,598
Corporate tax, inhabitant tax and business tax	63,519	5,938
Refunds of corporate tax, etc.	(1,116)	(284)
Adjustments on corporate tax, etc.	(65,084)	11,771
Total corporate tax, etc.	(2,681)	17,425
Income before minority interests	35,558	17,172
Minority interests	1,553	2,640
Net income	34,004	14,532

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Unicharm Corporation (8113) Consolidated Financial Results for the Third Quarter of FY 2012

Consolidated statement of comprehensive income  
For 3rd Quarter of FY2012 Cumulative Consolidated Fiscal Period

(Millions of Yen)

	3Q of FY2011 (April 1, 2010 – December 31, 2010)	3Q of FY2012 (April 1, 2011 – December 31, 2011)
Income before minority interests	35,558	17,172
Other comprehensive income		
Unrealized gains on available-for-sale securities	151	(215)
Gains (losses) on deferred hedges	(75)	(5)
Foreign currency translation adjustment	(5,496)	(7,041)
Total other comprehensive income	(5,420)	(7,262)
Comprehensive income	30,137	9,909
Of which:		
Comprehensive income attributable to owners of the parent	29,906	8,402
Comprehensive income attributable to minority interests	230	1,507

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Unicharm Corporation (8113) Consolidated Financial Results for the Third Quarter of FY 2012

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

Not applicable

(4) Segment information

[Segment Information]

For 3rd Quarter of FY2011 Cumulative Consolidated Fiscal Period (April 1, 2010 through December 31, 2010)

1 Information regarding net sales and income or loss by reporting segment

(Millions of Yen)

	Reporting segment				Elimination or company-wide	Consolidation
	Personal care	Pet care	Other	Total		
Sales						
Sales to external customers	239,187	37,204	5,486	281,878	—	281,878
Internal sales or transfers across segments	—	—	17	17	(17)	—
Total	239,187	37,204	5,503	281,895	(17)	281,878
Segment income (Operating income)	29,324	5,286	212	34,823	17	34,841

2 Information regarding impairment loss or goodwill of fixed assets by reporting segment

(Significant Change in the Amount of Goodwill)

The Company conducted a tender offer for common shares of Unicharm PetCare Corporation, a consolidated subsidiary of the Company, during the period commencing on May 6, 2010 and ending on June 16, 2010. In addition, on September 1, 2010, the Company absorbed Unicharm PetCare Corporation, causing it to cease to exist.

As a result, the amount of goodwill for this 3rd quarter consolidated fiscal period increased by ¥55,516 million and such increase is in the pet care business segment.

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Unicharm Corporation (8113) Consolidated Financial Results for the Third Quarter of FY 2012

For 3rd Quarter of FY2012 Cumulative Consolidated Fiscal Period (April 1, 2011 through December 31, 2011)

1 Information regarding net sales and income or loss by reporting segment

(Millions of Yen)

	Reporting segment				Elimination or company-wide	Consolidation
	Personal care	Pet care	Other	Total		
<b>Sales</b>						
Sales to external customers	266,335	43,115	6,273	315,724	—	315,724
Internal sales or transfers across segments	—	—	14	14	(14)	—
<b>Total</b>	266,335	43,115	6,288	315,738	(14)	315,724
<b>Segment income (Operating income)</b>	36,468	3,906	423	40,797	17	40,815

(Note) As stated in “(3) Change in accounting policies and estimates, and retrospective restatements” in “2. Summary Information (Other),” depreciation of the tangible fixed assets of the Company and its domestic consolidated subsidiaries had been computed by the declining-balance method (the straight-line method had been applied to buildings, excluding accessory equipment, acquired after April 1, 1998), but effective from this consolidated fiscal year, the straight-line method has been applied to all tangible fixed assets. Consequently, operating income increased by ¥2,308 million in the personal care business, ¥200 million in the pet care business, and ¥45 million in other businesses from the amounts that would have been posted under the previous accounting method.

2 Information regarding impairment loss or goodwill of fixed assets by reporting segment

(Significant Change in the Amount of Goodwill)

On September 26, 2011 Diana Joint Stock Company and its subsidiary were made subsidiaries of the Company after our consolidated subsidiary, Uni-Charm (Thailand) Co., Ltd. acquired shares in Diana Joint Stock Company. As a result, the amount of goodwill for this 3rd quarter consolidated fiscal period increased by ¥13,374 million and such increase is in the personal care business segment.

In addition, on December 30, 2011 the Company acquired shares in The Hartz Mountain Corporation. As a result, The Hartz Mountain Corporation and five of its subsidiaries became subsidiaries of the Company, and consequently, the amount of goodwill for this 3rd quarter consolidated fiscal period increased by ¥11,252 million and such increase is in the pet care business segment.

(5) Note regarding material changes in shareholders' equity

Not applicable

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Unicharm Corporation (8113) Consolidated Financial Results for the Third Quarter of FY 2012

(6) Other notes

(Quarterly Consolidated Statement of Income)

(Millions of Yen)

3Q of FY2011 (April 1, 2010 through December 31, 2010)	3Q of FY2012 (April 1, 2011 through December 31, 2011)
*1 Major items constituting selling, general and administrative expenses	*1 Major items constituting selling, general and administrative expenses
Freight-out expenses 14,683	Freight-out expenses 16,105
Sales promotion costs 37,811	Sales promotion costs 42,347
Advertisement costs 9,369	Advertisement costs 9,867
Salaries and bonuses to employees 9,253	Salaries and bonuses to employees 10,237
Allowance for bonuses transferred 998	Allowance for bonuses transferred 805
Employee retirement benefits 1,102	Employee retirement benefits 982
Depreciation charges 1,033	Depreciation charges 963
—————	*2 Business structure improvement expenses are expenses incurred in relation to the reorganization of the personal care business segment.

(Business combination, etc.)

Business combination through acquisition: Diana Joint Stock Company

(1) Outline of business combination

1) Name and operations of acquired company

Name of acquired company: Diana Joint Stock Company (“Diana”)

Operations: Manufacturing and distribution of feminine care products, baby diapers, adult diapers, tissues, etc.

2) Main reason for business combination

To raise our presence in the Vietnamese market by fusing Diana’s business base, i.e. its diverse experience in marketing activities and sales capabilities in Vietnam, with the Uni-Charm Group’s technological strength, i.e. its manufacturing and development capabilities and lean production system.

3) Business combination date

September 26, 2011 (share acquisition date)

September 30, 2011 (deemed acquisition date)

4) Legal form of business combination

Acquisition of shares for cash

5) Name of company after business combination

Unchanged

6) Percentage of voting rights acquired

95.0%

7) Background to the decision on the business combination

The acquisition of shares for cash by our subsidiary Uni-Charm (Thailand) Co., Ltd.

TRANSLATION FOR REFERENCE PURPOSES ONLY

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- (2) Business term of the acquired company included in the consolidated statement of income for the 3rd quarter consolidated fiscal period

The deemed acquisition date is September 30, 2011, and Diana's fiscal year ends on December 31. Because the Uni-Charm Group's consolidated closing date relating to the fiscal year and quarters differ, Diana's business results are not included in the consolidated statement of income for the 3rd quarter consolidated fiscal period under review.

- (3) Acquisition cost for the acquired company and breakdown thereof

Price of acquisition	
fair value of ordinary shares in Diana acquired on the business combination date	¥14,563 million
<u>Expenses directly incurred in the acquisition</u>	
<u>advisory expenses, etc.</u>	¥327 million
Acquisition cost:	¥14,891 million

- (4) Amount of goodwill arising, reasons for it, and method and period of amortization

- 1) Amount of goodwill arising

¥13,374 million

- 2) Reasons for goodwill

The extra earning potential expected to be delivered through the future development of the business

- 3) Method and period of amortization

Straight-line amortization over 20 years

Business combination through acquisition: The Hartz Mountain Corporation

- (1) Outline of business combination

- 1) Name and operations of acquired company

Name of acquired company: The Hartz Mountain Corporation ("Hartz")

Operations: Manufacturing and sales of pet care products

- 2) Main reason for business combination

To quickly expand our pet care business in the U.S. by fusing Hartz's business foundation, i.e. its diverse experience in marketing activities and sales capabilities in the U.S., with the Uni-Charm Group's technological strength, product development capabilities, and lean production system in the pet care business.

- 3) Business combination date

October 1, 2011 (deemed acquisition date)

December 30, 2011 (share acquisition date)

- 4) Legal form of business combination

Acquisition of shares for cash

- 5) Name of company after business combination

Unchanged

- 6) Percentage of voting rights acquired

51.0%

- 7) Background to the decision on the business combination

The acquisition of shares for cash by the Company

- (2) Business term of the acquired company included in the consolidated statement of income for the 3rd quarter consolidated fiscal period

October 1, 2011 to December 31, 2011



TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the Third Quarter of FY 2012

(3) Acquisition cost for the acquired company and breakdown thereof

Price of acquisition	
fair value of ordinary shares in Hartz acquired on the business combination date	13,172 million
<u>Expenses directly incurred in the acquisition</u>	
<u>advisory expenses, etc.</u>	<u>¥96 million</u>
Acquisition cost:	¥13,269 million

(4) Amount of goodwill arising, reasons for it, and method and period of amortization

1) Amount of goodwill arising

¥11,252 million

2) Reasons for goodwill

The extra earning potential expected to be delivered through the future development of the business

3) Method and period of amortization

Straight-line amortization over 20 years

4) The amount of goodwill is provisional because the allocation of acquisition costs had not been completed at the end of the 3rd quarter consolidated fiscal period under review.