

FY2007 Consolidated Financial Results for the Third Quarter Ended December 31, 2006

(April 1, 2006 through December 31, 2006)

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

January 31, 2007

| | |
|---|--|
| Listed Company Name : | Unicharm Corporation |
| Listing : | First Section, Tokyo Stock Exchange in Japan |
| Code Number : | 8113 |
| Location of The Head Office : | Ehime Prefecture |
| URL : | http://www.unicharm.co.jp |
| Company Representative : | Takahisa Takahara ,President and Chief Exective Officer |
| Contact Person : | Atushi Iwata , Executive Officer |
| Telephone Number : | (03) 3451 - 5111 |
| Date of Board of Director's meeting to approve financial statement : | Wednesday January, 31, 2007 |
| U.S. Accounting Standards : | Not Applied |

1. Items pertaining to preparation of quarterly consolidated financial statement

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

2. Consolidated Results for the First Quarter Ended June 30, 2006

(1) Consolidated financial results

(Amounts less than one million yen are omitted)

| | Net Sales | | Operating Income | | Ordinary Income | |
|-------------------|-------------|------|------------------|-------|-----------------|-------|
| | Million yen | % | Million yen | % | Million yen | % |
| 3rdQ FY 2007 | 225,422 | 12.2 | 22,452 | 6.0 | 22,407 | 2.6 |
| 3rd Q FY 2006 | 200,989 | 8.0 | 21,184 | △ 4.4 | 21,839 | △ 3.0 |
| Year Ended FY2006 | 270,380 | | 28,531 | | 28,781 | |

| | Net income | | Net income Per share-basic | | Net income Per share-diluted | |
|-------------------|-------------|-------|-------------------------------|-----|---------------------------------|-----|
| | Million yen | % | Yen | Yen | Yen | Yen |
| 3rdQ FY 2007 | 11,302 | △ 5.0 | 174.01 | | 173.87 | |
| 3rd Q FY 2006 | 11,899 | △ 7.9 | 180.55 | | 180.11 | |
| Year Ended FY2006 | 15,287 | | 229.34 | | 229.00 | |

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

(2) Consolidated financial position

| | Total assets | Shareholders' equity | Ratio of shareholder' equity | shareholder' equity per share |
|-------------------|--------------|----------------------|---------------------------------|----------------------------------|
| | Million yen | Yen | % | Yen |
| 3rdQ FY 2007 | 258,618 | 170,983 | 60.2 | 2,415.95 |
| 3rd Q FY 2006 | 235,725 | 147,227 | 62.5 | 2,252.18 |
| Year Ended FY2006 | 250,355 | 151,182 | 60.4 | 2,309.59 |

(3) Consolidated Cash flows

| | From operating activities | From investing activities | From financing activities | Cash and cash equivalents at the end of year |
|-------------------|------------------------------|------------------------------|------------------------------|--|
| | Million yen | Million yen | Million yen | Million yen |
| 3rdQ FY 2007 | 14,483 | △ 13,168 | △ 9,575 | 59,698 |
| 3rd Q FY 2006 | 22,720 | △ 10,988 | △ 6,400 | 62,362 |
| Year Ended FY2006 | 36,888 | △ 20,251 | △ 6,217 | 67,649 |

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

(April 1, 2006 through March 31, 2007)

| | Net Sales | Operating Income | Net Income |
|-----------|-------------|------------------|-------------|
| | Million yen | Million yen | Million yen |
| Full Year | 295,000 | 30,000 | 16,000 |

Reference : Forecast net income per share for the 2007 fiscal year: 248.35 yen

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

Consolidated Quarterly Balance Sheets

| | 3rd quarter FY 2007 (As of December 31,2006) | | 3rd quarter FY 2006 (As of December 31,2005) | | Year Ended FY2006 (As of March 31,2006) | |
|--|---|-------|---|-------|--|-------|
| | Million yen | % | Million yen | % | Million yen | % |
| (ASSETS) | | | | | | |
| I CURRENT ASSETS | 135,143 | 52.3 | 125,210 | 53.1 | 134,983 | 53.9 |
| II FIXED ASSETS | 123,475 | 47.7 | 110,515 | 46.9 | 115,371 | 46.1 |
| Net property,plant and equipment | 83,901 | 32.4 | 73,073 | 31.0 | 77,110 | 30.8 |
| Software and Intangibles | 4,155 | 1.6 | 1,938 | 0.8 | 4,265 | 1.7 |
| Investments and Other Assets | 35,418 | 13.7 | 35,503 | 15.1 | 33,994 | 13.6 |
| TOTAL | 258,618 | 100.0 | 235,725 | 100.0 | 250,355 | 100.0 |
| (LIABILITIES) | | | | | | |
| I CURRENT LIABILITIES | 73,134 | 28.3 | 66,490 | 28.2 | 72,645 | 29.0 |
| II LONG-TERM LIABILITIES | 14,500 | 5.6 | 11,066 | 4.7 | 12,223 | 4.9 |
| TOTAL LIABILITIES | 87,634 | 33.9 | 77,557 | 32.9 | 84,868 | 33.9 |
| MINORITY INTERESTS | | | 10,940 | 4.6 | 14,304 | 5.7 |
| (SHAREHOLDERS' EQUITY) | | | | | | |
| TOTAL SHAREHOLDERS' EQUITY | — | — | 147,227 | 62.5 | 151,182 | 60.4 |
| TOTAL | — | — | 235,725 | 100.0 | 250,355 | 100.0 |
| (Net Assets) | | | | | | |
| I Owners' Equity | 148,266 | 57.3 | — | — | — | — |
| II Valuation, Translation Adjustment and Other | 7,383 | 2.9 | — | — | — | — |
| III Minority Interests | 15,333 | 5.9 | — | — | — | — |
| Total net assets | 170,983 | 66.1 | — | — | — | — |
| Total liabilities,net assets | 258,618 | 100.0 | — | — | — | — |

Consolidated Quarterly Statements of Income

| | 3rd quarter FY 2007 (April 1,2006 through December 31,2006) | | 3rd quarter FY 2006 (April 1,2005 through December 31,2005) | | Year Ended FY2006 (April 1,2005 through March 31,2006) | |
|----------------------------------|--|-------|--|-------|---|-------|
| | Million yen | % | Million yen | % | Million yen | % |
| I NET SALES | 225,422 | 100.0 | 200,989 | 100.0 | 270,380 | 100.0 |
| II COST OF SALES | 128,496 | 57.0 | 113,621 | 56.5 | 153,264 | 56.7 |
| Gross profit | 96,925 | 43.0 | 87,368 | 43.5 | 117,116 | 43.3 |
| SELLING,GENERAL AND | | | | | | |
| III ADMINISTRATIVE EXPENSES | 74,472 | 33.0 | 66,183 | 33.0 | 88,584 | 32.7 |
| Operating income | 22,452 | 10.0 | 21,184 | 10.5 | 28,531 | 10.6 |
| IV NON-OPERATING INCOME | 1,322 | 0.6 | 1,333 | 0.7 | 1,746 | 0.6 |
| V NON-OPERATING EXPENSES | 1,367 | 0.7 | 678 | 0.3 | 1,496 | 0.6 |
| Ordinary income | 22,407 | 9.9 | 21,839 | 10.9 | 28,781 | 10.6 |
| VI EXTRAORDINARY INCOME | 54 | 0.0 | 1,072 | 0.5 | 1,504 | 0.6 |
| VII EXTRAORDINARY LOSSES | 520 | 0.2 | 586 | 0.3 | 1,719 | 0.6 |
| Income before Income taxes | 21,941 | 9.7 | 22,326 | 11.1 | 28,566 | 10.6 |
| Income Taxes | 9,068 | 4.0 | 8,975 | 4.5 | 11,465 | 4.2 |
| Minority interests in net income | 1,569 | 0.7 | 1,451 | 0.7 | 1,813 | 0.7 |
| Net income | 11,302 | 5.0 | 11,899 | 5.9 | 15,287 | 5.7 |

Consolidated Statements of Cash Flows

| | 3rd quarter FY 2007 | 3rd quarter FY 2006 | Year Ended FY2006 |
|--|---|---|--------------------------------------|
| | (April 1,2006 through December 31,2006) | (April 1,2005 through December 31,2005) | (April 1,2005 through March 31,2006) |
| | Million yen | Million yen | Million yen |
| I Net cash provided by operating activities | 14,483 | 22,720 | 36,888 |
| II Investing activities | △ 13,168 | △ 10,998 | △20,251 |
| III Financing activities | △ 9,575 | △ 6,400 | △6,217 |
| IV Foreign currency translation adjustments on cash and cash equivalents | 310 | 309 | 499 |
| V Net increase(decrease)in cash and cash equivalents | △ 7,950 | 5,631 | 10,918 |
| VI Cash and cash equivalents, beginning of year | 67,649 | 56,359 | 56,359 |
| Net increase(decrease) in cash and cash equivalents due to change in subsidiaries' year- | — | 371 | 371 |
| VII Cash and cash equivalents, end of year | 59,698 | 62,362 | 67,649 |

Items pertaining to preparation of quarterly consolidated financial statement

Changes in scope of consolidation and equity method

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

Newly included in scope of consolidation

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

(April 1,2005 through December 31,2005)