

TRANSLATION FOR REFERENCE PURPOSES ONLY

This notice has been translated from the original Japanese text of the timely disclosure statement dated July 30, 2010 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.

**FY2011 Consolidated Financial Results for the First Quarter Ended June 30, 2010
(April 1, 2010 through June 30, 2010); Flash Report
[Japanese Standards]**



July 30, 2010

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 Dpt.**
 Telephone Number : **(03) 3451 - 5111**
 Planned Filing Date of Quarterly Report : August 13, 2010
 Planned Commencement Date of Dividend Payments : -
 Preparation of Any Additional Explanatory Document for Quarterly Financial Results: None
 Holding of Any Briefing Session for Quarterly Financial Results: None

(Figures are rounded down to the nearest 1 million yen)

1. Consolidated Financial Results of First Quarter of Fiscal Year Ending March 2011 (April 1, 2010 through June 30, 2010)

(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	%
1st Q FY2011	90,307	7.0	12,306	23.2	10,263	(6.4)	6,144	3.6
1st Q FY2010	84,363	0.5	9,992	31.9	10,967	35.0	5,931	44.1

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	Net income per share	Net income per share adjusted for residual security
	Yen	Yen
1st Q FY2011	97.65	—
1st Q FY2010	93.19	93.18

(2) Consolidated financial position

	Total assets	Net assets	Ratio of shareholders' equity	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
1st Q FY2011	352,516	199,564	53.0	2,971.62
Fiscal Year Ended March 31, 2010	307,773	207,413	59.7	2,922.16

(Reference) Equity 1st quarter of FY2011: JPY 187.000 billion
 Fiscal Year Ended March 31, 2010: JPY 183.888 billion

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, 2010	—	35.00	—	35.00	70.00
Fiscal Year Ending March 31, 2011	—				
Fiscal Year Ending March 2011 (projection)		14.00	—	14.00	28.00

(Note) Any revision to the projected cash dividends for the period under review: None

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3. Projected Consolidated Financial Results for Fiscal Year Ending March 31, 2011 (April 1, 2010 through March 31, 2011)

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

	Net Sales		Operating Income		Ordinary Income		Net Income		Net Income Per Share
	Millions of Yen	%	Million of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
2nd Q FY2011 (Cumulative)	186,000	7.8	21,000	(2.1)	19,200	(12.7)	22,500	74.7	357.55
Full Year	393,000	10.1	46,000	2.1	43,000	(6.2)	32,000	30.8	508.51

(Note) Any revision to projected consolidated financial results for the period under review: Yes.

In respect of such revisions to projected consolidated financial results, please refer to the “*Notice Concerning Revised Business Results Forecast for FY Ending March 2011*” published as of the date hereof (viz, July 30, 2010).

Further, projected net income per share described in the projected consolidated financial results for the fiscal year ending March 2011 above shall be estimated without taking into account any effect of a stock. Please refer to the “*Explanation regarding proper use of the projected financial results and other notes*” on the next page for more details.

4. Other (For further details, please refer to “Other Information” on page 4 of the “Exhibit” attached hereto.)

(1) Change in major subsidiaries during the quarterly period: None

Number of new consolidated subsidiaries: ____ Company name:

Number of deconsolidated subsidiaries: ____ Company name:

(Note) The above indicates changes in specified subsidiaries involving a change in the scope of consolidation during the quarterly period.

(2) Application of any simplified accounting method or special accounting method: None

(Note) The above indicates whether or not any simplified accounting method or special accounting method for the preparation of quarterly consolidated financial statements was applied.

(3) Change in accounting policies, procedures or presentation methods, etc.:

(i) Any change arising from revision of accounting standards: Yes

(ii) Any change arising from other factors: None

(Note) The above indicates any change in accounting policies, procedures or presentation methods, etc. for the preparation of quarterly consolidated financial statements described in the “Changes to Material Matters, Etc. Affecting the Preparation of Quarterly Consolidated Financial Statements.”).

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

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

As of end of 1st quarter of FY2011: 68,981,591 shares

As of end of FY2010: 68,981,591 shares

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

As of end of 1st quarter of FY2011: 6,052,839 shares

As of end of FY2010: 6,052,515 shares

(iii) Average number of shares during the period (cumulative quarterly period):

As of end of 1st quarter of FY2011: 62,928,928 shares

As of end of 1st quarter of FY2010: 63,652,078 shares

(* Presentation regarding status of quarterly review procedures)

This FY2011 Consolidated Financial Results Flash Report for the First Quarter Ended June 30, 2010 is not subject to the quarterly review procedures under the Financial Instruments and Exchange Law, and as of the date of disclosure hereof, the review procedures for quarterly financial statements under the Financial Instruments and Exchange Law is carried out.

(* Explanation regarding proper use of the projected financial 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 4 of Exhibit attached hereto for more details.

In addition, stock split and partial amendments to the Company’s Articles of Incorporation following such stock split were resolved at the meeting of the Board of Directors of the Company held on April 30, 2010, and Company is to conduct a stock split where three (3) shares shall be issued per outstanding common share on October 1, 2010 as the effective date thereof. For such reasons, projected dividends for the fiscal year ending March 31, 2011 were estimated by taking into account the effect of such stock split.

Further, on the assumption that such stock split will have been implemented, projected net income per share as part of projected consolidated financial results for the fiscal year ending March 31, 2011 is as follows:

For the first two (2) quarters of FY2011: JPY 119.18

For the entire FY2011: JPY 169.50

Contents of Exhibit

1. Qualitative Information Regarding Consolidated Financial Results, Etc. For This Quarter

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- (2) Qualitative information regarding consolidated financial position**
- (3) Qualitative information regarding projected consolidated financial results**

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- (1) Outline of any change of major subsidiaries**
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- (1) Financial results of the Company's major consolidated subsidiary**
- (2) Tender offer for shares of, and merger with, the Company's major subsidiary**
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1. Qualitative Information Regarding Consolidated Financial Results, Etc. For This Quarter

(1) Qualitative information regarding consolidated business performance

In respect of the economic environment surrounding the Company and its group companies during this 1st quarter consolidated fiscal period (April 1, 2010 through June 30, 2010), demand for personal care products continued to grow in the overseas market.

As part of its overseas business initiatives, the Company strived to increase sales through promotion activities in connection with its expansion of sales areas in Asia. The Company also focused its efforts on the facilitation of sale promotion by introducing highly value-added products and expanding product lineups in the domestic personal care business. Further, the Company continued to build up product lines for the highly value-added category in the pet care business to gain sales.

As a result, the Company's sales, operating income, ordinary income and quarterly net income for this 1st quarter consolidated fiscal period reached JPY 90.307 billion (up 7.0% YOY or up 6.1% YOY if no forex effect was factored in), JPY 12.306 billion (up 23.2% YOY or up 22.5% YOY if no forex effect was factored in), JPY 10.263 billion (down 6.4% YOY) and JPY 6.144 billion (up 3.6% YOY), respectively.

Financial results by business segments are as follows:

1) Personal Care Business

[Baby Care Business]

Domestically, the Company was actively engaged in sales promotion activities by changing the brand color for *MamyPoko* and *MamyPoko Pants* for the first time in approximately ten (10) years and offering the "basic quality specialized in anti-leakage and anti-sweaty functions" and "excitement" at reasonable prices. The Company also introduced *Moony Pants Shitagi-Jitate*, an innovative product with new added value of "soft and comfortable fit as if wearing underwear" by renewing the *Moony Man* pants-type paper diaper product to stimulate the market.

In China, the Company was able to achieve high sales growth and profitability by entering new local markets. Further, the Company made its best efforts to increase sales and improve profitability in Indonesia, the Middle East, North Africa and South Korea.

[Feminine Care Business]

In Japan, the 40 cm-long sanitary napkin for night was newly added to the *Sofy Hada Omoi* series, products with "air fit structure" to prevent skin from tightly contacting the sanitary napkin, with the aim of vitalizing the skin care-oriented market.

Overseas, the Company expanded its sales areas to local cities in China for the purpose of ensuring sales growth. In other target Asia countries, the Company was aggressively engaged in sales promotion activities for highly value-added sanitary napkins, including night and thin sanitary napkins, in order to increase sales and profitability.

[Health Care Business]

Charmnap light incontinence care product has been improved, and the Company launched intensive promotion campaigns to boost sales. The Company also redoubled its sales promotion efforts by arranging store shelves for nursing care products to make customers easier to buy.

[Clean and Fresh Business]

The Company promoted the *Wave* series, convenient and stylish sheet cleaner products that make it easier to sweep dusts surprisingly cleanly.

As a result, sales and operating income of the personal care business for the quarter under review were JPY 76.652 billion and JPY 9.952 billion, respectively.

2) Pet care business

The Company has been committed to the development of products reflecting consumer needs and the creation of new markets by adding product lineups to accommodate four major trends among Japanese pet owners: ["indoor pet keeping," "popularity of smaller dogs," "aging of pets" and "pet obesity."

In the pet food business, *Neko Genki for Health Maintenance Against Lower Urinary Tract Disorder* was rolled out as a urinary care pet food to prevent cats from suffering bloody urine, urination difficulty, frequent urination, urinary tract obstruction and other lower urinary tract disorder, for the purpose of entering the pet health care market. Further, the Company was aggressively engaged in sales promotion activities by expanding product lineups for pet foods for old dogs and cats, dog foods by breed, and gourmet pet foods.

In the pet toiletry business, the Company also intensively promoted sales of dog waste disposal products, such as *Deo Sheet*, *Deo Sheet Super Deodorant* and *Zero-Wan*, the system toilet product for cats called *1 Week Long Deodorant and Antibacterial Deo Toilet*, pet paper diaper products and other pet waste care products that help create clean living environments for pets.

As a result, sales and operating income in the pet care business for the quarter under review were JPY 11.995 billion and JPY 2.247 billion, respectively.

3) Other Businesses

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

Consequently, sales and operating income in other businesses for the quarter under review were JPY 1.658 billion and JPY 99 million, respectively.

(2) Qualitative information regarding consolidated financial position

(Total Assets)

Total assets as of the end of this 1st quarter consolidated fiscal period was JPY 352.516 billion (up 14.5% YOY), mainly because goodwill, marketable securities, buildings and other structure (net), and raw materials and supplies increased by JPY 51.366 billion, JPY 5 billion, JPY 2.019 billion, and JPY 1.171 billion, respectively, while cash and deposits, notes and accounts receivable, investments in marketable securities decreased by JPY 14.701 billion, JPY 3.554 billion, and JPY 941 million, respectively.

(Net Assets)

Net assets as of the end of this 1st quarter consolidated fiscal period was JPY 199.564 billion (down 3.8% YOY), mainly because quarterly net income increased to JPY 6.144 billion, while minority interests and dividend payments out of retained earnings decreased by JPY 10.96 billion and JPY 2.202 billion, respectively.

[(Shareholders' Equity Ratio)]

Shareholder's equity ratio as of the end of this 1st quarter consolidated fiscal period was 53.0%.

(3) Qualitative information regarding projected consolidated financial results

The Company revised its projected consolidated financial results published on April 30, 2010, as announced today (viz., July 30, 2010) in the "Notice Concerning Revised Business Results Forecast for FY Ending March 2011." Accordingly, in respect of figures for newly projected financial results, please refer thereto.

2. Other Information

(1) Outline of any change of major subsidiaries

Not applicable.

(2) Outline of any simplified accounting method or special accounting method

Not applicable.

(3) Outline of any change of accounting policies, procedures and presentation methods, etc.

1) Application of "Accounting Standards for Asset Retirement Obligations"

Effective from this 1st quarter consolidated fiscal period, the "Accounting Standards for Asset Retirement Obligations" (Corporate Accounting Standard No. 18, March 31, 2008) and the "Guidelines for Application of the Accounting Standards for Asset Retirement Obligations" (Corporate Accounting Standards Application Guideline No. 21, March 31, 2008) shall apply hereto.

The effect of the application on the Company's operating income, ordinary income and quarterly income before taxes is minimal.

2) Application of "Accounting Standards for Business Combination, Etc."

Effective from this 1st quarter consolidated fiscal period, the "Accounting Standards for Business Combination" (Corporate Accounting Standard No. 21, December 26, 2008), the "Accounting Standards for Consolidated Financial Statements" (Corporate Accounting Standard No. 22, December 26, 2008), and the "Guidelines for Application of the Accounting Standards for Business Combination and Business Divestiture, Etc." (Corporate Accounting Standards Application Guideline No. 10, December 26, 2008) shall apply hereto.

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of FY 2011

3. Quarterly Consolidated Financial Statements, Etc.

(1) Quarterly consolidated balance sheet

(Millions of Yen)

	End of 1st Quarter of FY2011 (as of June 30, 2010)	Condensed Consolidated Balance Sheet for FY2010 (as of March 31, 2010)
Assets		
Current assets		
Cash and deposits	85,174	99,875
Notes and accounts receivable	38,089	41,643
Marketable securities	6,499	1,499
Merchandise and finished goods	12,392	11,607
Raw materials and supplies	9,376	8,205
Work in process	291	273
Other current assets	12,794	9,222
Allowance for bad debts	(68)	(75)
Total current assets	164,550	172,251
Fixed assets		
Tangible fixed assets		
Buildings and other structures (net)	28,527	26,507
Machinery, equipment and vehicles (net)	45,359	44,983
Other tangible fixed assets (net)	23,170	23,866
Total tangible fixed assets	97,056	95,356
Intangible fixed assets		
Goodwill	63,395	12,029
Other intangible fixed assets	2,618	2,582
Total intangible fixed assets	66,013	14,612
Investments and other assets		
Prepaid pension expenses	5,567	5,534
Investments in marketable securities	17,111	18,052
Other investments	3,229	2,991
Allowance for bad debts	(1,012)	(1,025)
Total investments and other assets	24,895	25,552
Total fixed assets	187,965	135,521
Total Assets	352,516	307,773

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of FY 2011

(Millions of Yen)

	End of 1st Quarter of FY2011 (as of June 30, 2010)	Condensed Consolidated Balance Sheet for FY2010 (as of March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable	37,506	36,135
Short-term loans payable	66,225	6,305
Accrued corporate taxes, etc.	3,545	10,390
Reserve for bonuses	2,079	3,858
Other current liabilities	36,527	35,635
Total current liabilities	145,884	92,324
Long-term liabilities		
Long-term loans payable	738	943
Reserve for severance benefits	2,328	2,325
Other long-term liabilities	3,999	4,766
Total long-term liabilities	7,066	8,035
Total liabilities	152,951	100,359
Net assets		
Shareholders' equity		
Common stock	15,992	15,992
Additional paid-in capital	18,802	18,802
Retained earnings	192,639	188,696
Treasury share	(36,332)	(36,329)
Total shareholders' equity	191,101	187,161
Valuation and translation adjustments, etc.		
Unrealized gains on available-for-sale securities	2,554	2,795
Gains (losses) on deferred hedges	6	8
Land revaluation differences	(389)	(618)
Foreign exchange adjustment	(6,272)	(5,459)
Total valuation and translation adjustments, etc.	(4,100)	(3,273)
Minority interests	12,564	23,524
Total net assets	199,564	207,413
Total liabilities and net assets	352,516	307,773

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of FY 2011

(2) Quarterly consolidated statement of income
For 1st Quarter of FY2011 Cumulative Consolidated Fiscal Period

(Millions of Yen)

	1st Quarter Consolidated Fiscal Period of FY 2010 (April 1, 2009 through June 30, 2009)	1st Quarter Consolidated Fiscal Period of FY 2011 (April 1, 2010 through June 30, 2010)
Net sales	84,363	90,307
Cost of sales	47,326	48,317
Gross profits	37,037	41,990
Selling, general and administrative expenses	*1 27,044	*1 29,683
Operating income	9,992	12,306
Non-operating income		
Interests received	131	143
Dividends received	109	103
Gain on sale of marketable securities	6	—
Foreign exchange gain	1,355	—
Other non-operating income	143	181
Total non-operating income	1,746	429
Non-operating expenses		
Interests paid	51	38
Sales discount	695	820
Foreign exchange losses	—	1,574
Other non-operating expenses	24	39
Total non-operating expenses	771	2,472
Ordinary income	10,967	10,263
Extraordinary income		
Gain on sale of fixed assets	1	9
Gain on reversal of allowance for bad debts	—	26
Total extraordinary income	1	36
Extraordinary losses		
Losses on disposal of fixed assets	120	146
Allowance for uncollectable receivables transferred	394	—
Losses caused due to application of accounting standards for asset retirement obligations	—	71
Other extraordinary losses	3	40
Total extraordinary losses	517	258
Quarterly income before taxes and other adjustments	10,451	10,040
Corporate tax, inhabitant tax and business tax	4,046	1,545
Adjustments on corporate tax, etc.	(991)	767
Total corporate tax, etc.	3,055	2,313
Quarterly income before minority interests	—	7,727
Minority interests	1,464	1,582
Quarterly net income	5,931	6,144

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of FY 2011

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

For this 1st Quarter Consolidated Fiscal Period (April 1, 2010 through June 30, 2010):

Not applicable.

(4) Segment information

[Segment Information by Business Type]

For 1st Quarter of FY2010 Cumulative Consolidated Fiscal Period (April 1, 2009 through June 30, 2009)

(Millions of Yen)

	Personal care	Pet care	Other	Total	Elimination or Company-wide	Consolidation
Sales						
(1) Sales to external customers	69,993	11,595	2,774	84,363	—	84,363
(2) Internal sales or transfers across segments	0	—	0	1	(1)	—
Total	69,993	11,595	2,775	84,365	(1)	84,363
Operating income	7,273	2,433	272	9,979	12	9,992

(Notes) 1. Method of segmenting businesses

Businesses are segmented based on the sales volume classification of the Company, taking similarities in product, sales market, etc. into account.

2. Main products by business segment

(1) Personal careBaby and child care products, feminine care products, health care products, etc.

(2) Pet carePet foods, pet toiletries

(3) OtherFood-wrapping materials, industrial materials, financing operations, etc.

[Segment Information by Region]

For 1st Quarter of FY2010 Cumulative Consolidated Fiscal Period (April 1, 2009 through June 30, 2009)

(Millions of Yen)

	Japan	Asia	Europe and Middle East	Total	Elimination or Company-wide	Consolidation
Sales						
(1) Sales to external customers	51,282	22,600	10,480	84,363	—	84,363
(2) Internal sales or transfers across segments	3,761	543	—	4,304	(4,304)	—
Total	55,043	23,144	10,480	88,668	(4,304)	84,363
Operating income	6,464	2,890	611	9,966	26	9,992

(Notes) 1. Classification of country or region is based on geographical proximity.

2. Main countries or areas classified into regions other than Japan:

(1) Asia; Taiwan, China, South Korea, Thailand, Indonesia, Australia, etc.

(2) Europe and Middle East; the Netherlands and Saudi Arabia

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of FY 2011

[Overseas Sales]

For 1st Quarter of FY2010 Cumulative Consolidated Fiscal Period (April 1, 2009 through June 30, 2009)

	Asia	Europe	Middle East, North Africa and North America	Total
I. Overseas sales (Millions of Yen)	22,604	6,176	4,623	33,404
II. Consolidated sales (Millions of Yen)	—	—	—	84,363
III. Overseas sales as a percentage of consolidated sales (%)	26.8	7.3	5.5	39.6

- (Notes)
1. Classification of country or region is based on geographical proximity.
 2. Major countries/regions belonging to each category.
 - (1) Asia; Taiwan, China, South Korea, Thailand, Indonesia, Australia, etc.
 - (2) Europe; The Netherlands, etc.
 - (3) Middle East, North Africa and North America: Saudi Arabia, Egypt, U.S.A., etc.

[Segment Information]

(Additional Information)

Effective from this 1st quarter consolidated fiscal period, the “Accounting Standards for Disclosure of Segment Information, Etc.” (Corporate Accounting Standard No. 17, March 27, 2009) and the “Guidelines for Application of the Accounting Standards for Disclosure of Segment Information, Etc.” (Corporate Accounting Standards Application Guideline No. 20, March 21, 2008) shall apply hereto.

1 Outline of reporting segments

The Company’s reporting segments shall be part of its organizational units whose financial information is individually available, and shall be subject to regular review by its Board of Directors for the purpose of deciding the allocation of its managerial resources and evaluating its business performance.

The Company is composed of three (3) businesses, namely the personal care business, the pet care business and other businesses, as its basic business 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 Company’ reporting segments.

The Company has manufactured and sold baby care products, feminine care products, health care products and clean-and-fresh products in the “personal care business,” pet food products and pet toiletry products in the “pet care business,” and business-use products in other businesses.

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of FY 2011

2 Information regarding amounts of sales and profits or losses by reporting segment.

For 1st Quarter of FY2011 Cumulative Consolidated Fiscal Period (April 1, 2010 through June 30, 2010)

(Millions of Yen)

	Reporting Segment			Total
	Personal Care Business	Pet Care Business	Other Businesses	
Sales	76,652	11,995	1,658	90,307
Sales generated from external customers	76,652	11,995	1,664	90,312
Intercompany sales or transferred amounts among reporting segments	—	—	5	5
Total	76,652	11,995	1,664	90,312
Operating income by reporting segment	9,952	2,247	99	12,300

3 Difference between the total profits or losses for all reporting segments and the amount recognized in the quarterly consolidated statement of income, and the major item that caused such difference (matter related to difference adjustments)

(Millions of Yen)

Profits	Amounts
Total for all reporting segments	12,300
Elimination of inter-segment transactions or company-wide	6
Operating income recognized in the quarterly consolidated statement of income	12,306

4 Information regarding goodwill by reporting segment

(Major change of 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. As a result of such tender offer, the amount of goodwill for this 1st quarter consolidated fiscal period increased by JPY 51.542 billion and such increase is in the pet care business segment.

(5) Note regarding material changes in shareholders' equity

For this 1st Quarter Consolidated Fiscal Period (April 1, 2010 through June 30, 2010)

Not applicable.

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of FY 2011

(6) Other notes

(Quarterly Consolidated Statement of Income)

(Million Yen)

1st Quarter Consolidated Fiscal Period of FY 2010 (April 1, 2009 through June 30, 2009)	1st Quarter Consolidated Fiscal Period of FY 2011 (April 1, 2010 through June 30, 2010)
*1 Major items constituting selling, general and administrative expenses	*1 Major items constituting selling, general and administrative expenses
Freight-out expenses 4,395	Freight-out expenses 4,730
Sales promotion costs 9,797	Sales promotion costs 11,695
Advertisement costs 2,020	Advertisement costs 2,607
Salaries and bonuses to employees 2,500	Salaries and bonuses to employees 2,588
Allowance for bonuses transferred 810	Allowance for bonuses transferred 830
Employee retirement benefits 384	Employee retirement benefits 352
Depreciation charges 500	Depreciation charges 425

4. Additional Information

(1) Financial results of the Company's major consolidated subsidiary

Financial Results of Unicharm PetCare Corporation

(Figures are rounded down to the nearest 1 million yen)

Financial Results for 1st Quarter Consolidated Fiscal Period of FY 2011 (April 1, 2010 through June 30, 2010)

(1) Non-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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
1st Q FY2011	12,034	3.5	2,233	(7.3)	2,063	(7.6)	1,217	(7.5)
1st Q FY2010	11,628	6.9	2,409	41.6	2,232	42.8	1,316	41.9

	Net income per share	Net income per share adjusted for residual security
	Yen	Yen
1st Q FY2011	43.44	—
1st Q FY2010	46.97	—

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of FY 2011

(2) Non-consolidated financial position

	Total assets	Net assets	Ratio of shareholders' equity	Net assets per share
	Million yen	Million yen	%	Yen
1st Q FY2011	29,138	19,832	68.1	707.65
Fiscal Year Ended March 31, 2010	30,329	19,191	63.3	684.74

(Reference) Equity 1st quarter of FY 2011: JPY 19.832 billion
 Fiscal Year Ended March 31, 2010: JPY 19.191 billion

As a result of the tender offer by the Company, Unicharm PetCare Corporation was delisted as of July 25, 2010.

(2) Tender offer for shares of, and merger with, the Company's major subsidiary

The Company, at the Board of Directors meeting held on April 30, 2010, resolved that the Company shall purchase common shares in Unicharm PetCare Corporation through a tender offer under the Financial Instruments and Exchange Law, and that the Company shall merge with Unicharm PetCare Corporation subject to the consummation of such tender offer. Accordingly, the Company executed the Merger Agreement with Unicharm PetCare Corporation.

Based on such resolutions, the Company had conducted such tender offer for the period commencing on May 6, 2010 and ending on June 16, 2010 and such tender offer was successfully consummated. Additionally, at the 50th General Meeting of Shareholders of the Company convened on June 24, 2010, the Company obtained approval for the Merger Agreement between the Company and Unicharm PetCare Corporation.

Thus, as of September 1, 2010, the merger between the Company as the surviving company and Unicharm PetCare Corporation as the extinct company will take effect.

[Purposes of Tender Offer and Merger]

Such tender offer and merger shall be conducted for the purpose of facilitating the reinforcement of business bases and the expansion of business areas by mutually complementing and effectively utilizing their respective business resources.

[Purchase Price]

- (i) Number of shares purchased: 16,424,052 common shares
- (ii) Total purchase price: JPY 62.821 billion (purchase price per share: JPY 3,825)

[Corporate Profile of Unicharm PetCare Corporation]

- (i) Business: Manufacturing and sale of pet food products and pet toiletry products
- (ii) Number of employees: 229 employees (as of March 31, 2010)
- (iii) Sales: JPY 46.821 billion (for fiscal year ended March 2010)

For further details, please refer to the following news releases posted on the Website of Tokyo Stock Exchange, Inc.

April 30, 2010:
 "Notification with Respect to Commencement of Tender Offer for Shares of Unicharm PetCare Corporation"

April 30, 2010:

“Notice of Entering into a Merger Agreement between Unicharm Corporation and Unicharm PetCare Corporation with the Failure of Tender Offer as a Condition Subsequent”

May 6, 2010:

“Unicharm Amends ‘Notification with Respect to Commencement of Tender Offer for Shares of Unicharm PetCare Corporation’”

May 6, 2010:

“Unicharm and Unicharm PetCare Amends ‘Notice of Entering into a Merger Agreement between Unicharm Corporation and Unicharm PetCare Corporation with the Failure of Tender Offer as a Condition Subsequent’”

June 17, 2010:

“Notification with Respect to Result of Tender Offer for Shares of Unicharm PetCare Corporation”

June 24, 2010:

“Announcement Regarding Approval at the 50th General Shareholders Meeting Concerning the Merger Agreement between Unicharm Corporation and Unicharm PetCare Corporation”

(3) Stock split

At its meeting held on April 30, 2010, the Board of Directors of the Company resolved in respect of a stock split, as follows:

I. Purpose of Stock Split

The Company shall conduct stock split for the purpose of creating an environment where investors can easily invest in the Company, improving the liquidity of its shares and expanding its investor base.

II. Outline of Stock Split

(i) Stock split method

Three (3) shares shall be issued per existing common share held by each shareholder listed or recorded in the Company’s Shareholder Register as of the end of September 30, 2010.

Stock split

(ii) Number of shares to be increased through stock split

Number of issued and outstanding shares of the Company before stock split:	68,981,591 shares
Number of shares to be increased through stock split:	137,963,182 shares
Number of issued and outstanding shares of the Company after stock split:	206,944,773 shares
Number of issuable shares of the Company after stock split:	827,779,092 shares

III. Schedule for Stock Split

- | | |
|------------------------------------|--------------------|
| (i) Record-date announcement date: | September 15, 2010 |
| (ii) Record date: | September 30, 2010 |
| (iii) Effective date: | October 1, 2010 |

For further details, please refer to the following news release posted on the Website of Tokyo Stock Exchange, Inc.

April 30, 2010:

“Announcement Regarding Stock split and Partial Amendment of Articles of Incorporation Associated with the Stock split”