

TRANSLATION FOR REFERENCE PURPOSES ONLY

This notice has been translated from the original Japanese text of the timely disclosure statement dated October 29, 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 Second Quarter Ended September 30, 2010
(April 1, 2010 through September 30, 2010); Flash Report
[Japanese Standards]**



October 29, 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 : **November 12, 2010**
 Planned Commencement Date of Dividend Payments : **December 6, 2010**
 Preparation of Any Additional Explanatory Document for Quarterly Financial Results: **None**
 Holding of Any Briefing Session for Quarterly Financial Results:
Yes (for Securities Analysts and Institutional Investors)

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

1. Consolidated Financial Results for Second Quarter of Fiscal Year Ending March 2011 (April 1, 2010 through September 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	%
2nd Q FY2011	182,214	5.6	22,169	3.4	19,758	(10.1)	24,630	91.3
2nd Q FY2010	172,530	1.5	21,440	40.5	21,988	46.0	12,876	60.4

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	Net income per share		Net income per share adjusted for residual shares	
	Yen		Yen	
2nd Q FY2011		391.40		390.69
2nd Q FY2010		202.30		202.28

(2) Consolidated financial position

	Total assets	Net assets	Ratio of shareholders' equity	Net assets per share
	Millions of Yen	Millions of Yen	%	Yen
2nd Q FY2011	515,726	217,766	39.4	3,232.11
Fiscal Year Ended March 31, 2010	307,773	207,413	59.7	2,922.16

(Reference) Equity 2nd quarter of FY2011: JPY 203.391 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	—	14.00			
Fiscal Year Ending March 2011 (projection)			—	14.00	28.00

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

3. Projected Consolidated Financial Results for Fiscal Year Ending March 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
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: None

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 split. Please refer to the "Explanation regarding proper use of the projected financial results and other notes" on the next page for further details.

4. Others (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: Yes

Number of new consolidated subsidiaries: ____ Company name:

Number of deconsolidated subsidiaries: 1 Company name: Unicharm PetCare Corporation

(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 2nd 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 2nd quarter of FY2011: 6,053,264 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 2nd quarter of FY2011: 62,928,728 shares

As of end of 2nd quarter of FY2010: 63,651,973 shares

(* Presentation regarding status of quarterly review procedures)

This FY2011 Consolidated Financial Results Flash Report for the Second Quarter Ended September 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 being 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 further details.

In addition, a 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 the Company conducted a stock split where three (3) shares were issued per each 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, projected net income per share after the implementation of such stock split as part of projected consolidated financial results for the fiscal year ending March 31, 2011 is as follows:

For the entire FY2011: JPY 169.50

Contents of Exhibit

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

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

2. Other Information

- (1) Outline of any change of major subsidiaries**
- (2) Outline of any simplified accounting method or special accounting method**
- (3) Outline of any change of accounting policies, procedures and presentation methods, etc.**

3. Quarterly Consolidated Financial Statements, Etc.

- (1) Quarterly consolidated balance sheet**
- (2) Quarterly consolidated statement of income**
- (3) Note regarding the Company's position as a going concern**
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- (5) Note regarding material changes in shareholders' equity**
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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 2nd quarter consolidated fiscal period (April 1, 2010 through September 30, 2010), demand for personal care products continued to grow in the overseas market. Meanwhile, domestic consumer spending was still tight, leading to a decline in prices for some personal care and pet care products.

As part of its overseas business initiatives, the Company strived to increase sales by expanding distribution areas in its target overseas markets and by actively launching promotion campaigns. The Company also focused its efforts on the facilitation of sales promotion and the improvement of profitability by introducing highly value-added products in the domestic personal care business. Further, the Company continued to build up product lines for its flagship value-added category in the pet care business to expand sales.

As a result, the Company's sales, operating income, ordinary income and quarterly net income for this 2nd quarter consolidated fiscal period reached JPY 182.214 billion (up 5.6% YOY or up 6.0% YOY if no forex effect was factored in), JPY 22.169 billion (up 3.4% YOY or up 3.7% YOY if no forex effect was factored in), JPY 19.758 billion (down 10.1% YOY) and JPY 24,630 billion (up 91.3% YOY), respectively.

Financial results by business segment are as follows:

1) Personal Care Business

[Baby Care Business]

Domestically, the Company was actively engaged in sales promotion activities by using "Baby Stitch" on packages and products for the first time in Japan for the *MamyPoko* and *MamyPoko Pants* series under the license agreement with Disney Consumer Product Inc.

In China, the Company endeavored to achieve high sales growth and profitability by continuously entering new local markets. Further, the Company made its best efforts to increase sales and improve profitability in other target Asian countries.

[Feminine Care Business]

In Japan, the Company again sold sanitary napkin for summer nights, namely *Sofy Super Sound Sleep Guard Ryohada*, for two consecutive summer seasons under the popular *Sofy Super Sound Sleep Guard* series in response to customers' requests and needs. In addition, the Company was aggressively engaged in promotional activities to increase sales and profits of the *CENTER-IN* brand.

In other target Asia countries, the Company successfully enhanced sales and profitability by entering new distribution areas and offering highly value-added sanitary napkins, including night and slim sanitary napkins, to accommodate each market's needs.

[Health Care Business]

As part of *Liferee* incontinence care products for adults, the Company introduced the thinnest underwear-type diaper *Liferee Ultra Thin Underwear-Type Diaper* to respond to customers' needs, and launched promotional campaigns through TV commercials, on its website and in stores for the purpose of achieving higher sales results.

[Clean and Fresh Business]

Silcot Moist Spongy Puff was released as a skin care cotton product that provides extra moistness to the skin with only half the amount of a normal lotion application, in order to satisfy customers who wish to apply skin lotion in an effective and efficient manner, and to boost sales.

As a result, sales and operating income of the personal care business for the quarter under review were JPY 155.857 billion and JPY 18.759 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, the Company rolled out the *Aiken Genki Cup* series, comprising small-portioned, easy-to-serve dog food products in cups for small dogs whose popularity is growing, with the aim of expanding product lineups.

In the pet toiletry business, the Company also launched *Deotoilet for Doggies*, a bilayer-structured dog waste disposal product with capabilities of preventing urine leakage and odor by using the newly-developed deodorant filter and deodorant/absorbent sheet.

As a result, sales and operating income in the pet care business for the quarter under review were JPY 23.119 billion and JPY 3.251 billion, 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.

Consequently, sales and operating income in other businesses for the quarter under review were JPY 3.237 billion and JPY 145 million, respectively.

(2) Qualitative information regarding consolidated financial position

(Assets)

Total assets as of the end of this 2nd quarter consolidated fiscal period was JPY 515.726 billion (up 67.6% YOY), mainly because cash and deposits, deferred tax assets, and goodwill increased by JPY 89.966 billion, JPY 57.091 billion, and JPY 54.297 billion, respectively, while notes and accounts receivable, and machinery, equipment and vehicles (net) decreased by JPY 3.056 billion, and JPY 2.488 million, respectively.

(Liabilities)

Total liabilities as of the end of this 2nd quarter consolidated fiscal period was JPY 297.959 billion (up 196.96% YOY), mainly because convertible bonds with share warrants payable, long-term loans payable, and accrued corporate taxes, etc. increased by JPY 80.671 billion, JPY 69.655 billion, and JPY 49.492 billion, respectively, while short-term loans payable, and notes and accounts payable decreased by JPY 2.650 billion and JPY 2.636 billion, respectively.

(Net Assets)

Net assets as of the end of this 2nd quarter consolidated fiscal period was JPY 217.766 billion (up 5.0% YOY), mainly because quarterly net income increased to JPY 24.630 billion, while minority interests, foreign currency translation adjustments, and dividend payments decreased by JPY 9.149 billion, JPY 3 billion, and JPY 2.202 billion, respectively.

(Shareholders' Equity Ratio)

Shareholder's equity ratio as of the end of this 2nd quarter consolidated fiscal period was 39.4%.

(3) Qualitative information regarding projected consolidated financial results

The Company's projected consolidated financial results for the fiscal year ending March 2011 is the same as those announced on July 30, 2010.

2. Other Information

(1) Outline of any change of major subsidiaries

Unicharm PetCare Corporation, a consolidated subsidiary and specified subsidiary of the Company as of the end of the fiscal year ended March 2010, ceased to exist as of September 1, 2010, following the merger between the Company as the surviving company and Unicharm PetCare Corporation as the extinct company.

(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.

3) "Change of Presentation Methods, Etc."

(Quarterly Consolidated Balance Sheet)

In the consolidated balance sheet for the 2nd quarter consolidated fiscal period of the fiscal year ended March 2010,

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

“prepaid pension expenses” were recognized as “others” of “investments and other assets.” However, for the purpose of presenting the Company’s asset conditions in a clearer manner, “prepaid pension expenses” shall be separately recognized in any quarterly consolidated balance sheet. As part of “others” of “investments and other assets” for the 2nd quarter consolidated fiscal period of the fiscal year ended March 2010, “prepaid pension expenses” amounted to JPY 5.531 billion.

Additionally, in the consolidated balance sheet for the 2nd quarter consolidated fiscal period of the fiscal year ended March 2010, “deferred tax assets” were recognized as “others” of “investments and other assets.” However, “deferred tax assets,” whose importance has increased, shall be separately recognized in any quarterly consolidated balance sheet. As part of “others” of “investments and other assets” for the 2nd quarter consolidated fiscal period of the fiscal year ended March 2010, “deferred tax assets” amounted to JPY 1.05 billion.

(Quarterly Consolidated Statement of Income)

In the consolidated statement of income for the 2nd quarter consolidated fiscal period of the fiscal year ended March 2010, “subsidiaries received” were recognized as “other non-operating income” of “non-operating income.” However, “subsidiaries received,” which have accounted for more than twenty percent (20%) of total non-operating income, shall be separately recognized in the quarterly consolidated statement of income. As part of “other non-operating income” of “non-operating income” for the 2nd quarter consolidated fiscal period of the fiscal year ended March 2010, “subsidiaries received” amounted to JPY 76 million.

Further, following the application of the Cabinet Order Concerning Partial Revisions to the Regulations on Financial Statements, Etc. (Cabinet Ordinance No. 5, March 24, 2009) pursuant to the “Accounting Standards for Consolidated Financial Statements” (Corporate Accounting Standard No. 22, December 26, 2008), “quarterly income before minority interests” are recognized in the consolidated statement of income for this 2nd quarter consolidated fiscal period of the fiscal year ended March 2010.

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3. Quarterly Consolidated Financial Statements, Etc.

(1) Quarterly consolidated balance sheet

(Millions of Yen)

	End of 2nd Quarter of FY2011 (as of September 30, 2010)	Condensed Consolidated Balance Sheet for FY2010 (as of March 31, 2010)
Assets		
Current assets		
Cash and deposits	189,842	99,875
Notes and accounts receivable	38,586	41,643
Marketable securities	1,899	1,499
Merchandise and finished goods	11,832	11,607
Raw materials and supplies	9,761	8,205
Work in process	260	273
Other current assets	18,008	9,222
Allowance for bad debts	(32)	(75)
Total current assets	270,160	172,251
Fixed assets		
Tangible fixed assets		
Buildings and other structures (net)	30,152	26,507
Machinery, equipment and vehicles (net)	42,494	44,983
Other tangible fixed assets (net)	22,243	23,866
Total tangible fixed assets	94,890	95,356
Intangible fixed assets		
Goodwill	66,326	12,029
Other intangible fixed assets	2,456	2,582
Total intangible fixed assets	68,783	14,612
Investments and other assets		
Prepaid pension expenses	5,600	5,534
Investments in marketable securities	17,239	18,052
Deferred tax assets	58,195	1,103
Other investments	1,851	1,887
Allowance for bad debts	(995)	(1,025)
Total investments and other assets	81,891	25,552
Total fixed assets	245,565	135,521
Total Assets	515,726	307,773

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

(Millions of Yen)

	End of 2nd Quarter of FY2011 (as of September 30, 2010)	Condensed Consolidated Balance Sheet for FY2010 (as of March 31, 2010)
Liabilities		
Current liabilities		
Notes and accounts payable	33,498	36,135
Short-term loans payable	3,655	6,305
Accrued corporate taxes, etc.	59,882	10,390
Reserve for bonuses	4,035	3,858
Other current liabilities	39,683	35,635
Total current liabilities	140,756	92,324
Long-term liabilities		
Convertible bonds with share warrants payable	80,671	—
Long-term loans payable	70,599	943
Reserve for severance benefits	2,372	2,325
Other long-term liabilities	3,561	4,766
Total long-term liabilities	157,203	8,035
Total liabilities	297,959	100,359
Net assets		
Shareholders' equity		
Common stock	15,992	15,992
Additional paid-in capital	18,802	18,802
Retained earnings	210,834	188,696
Treasury share	(36,337)	(36,329)
Total shareholders' equity	209,291	187,161
Valuation and translation adjustments, etc.		
Unrealized gains on available-for-sale securities	2,634	2,795
Gains (losses) on deferred hedges	15	8
Land revaluation differences	(89)	(618)
Foreign currency translation adjustments	(8,460)	(5,459)
Total valuation and translation adjustments, etc.	(5,900)	(3,273)
Minority interests	14,374	23,524
Total net assets	217,766	207,413
Total liabilities and net assets	515,726	307,773

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

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

(Millions of Yen)

	2nd Quarter Consolidated Fiscal Period of FY 2010 (April 1, 2009 through September 30, 2009)	2nd Quarter Consolidated Fiscal Period of FY 2011 (April 1, 2010 through September 30, 2010)
Net sales	172,530	182,214
Cost of sales	94,862	98,296
Gross profits	77,667	83,917
Selling, general and administrative expenses	*1 56,227	*1 61,748
Operating income	21,440	22,169
Non-operating income		
Interests received	251	299
Dividends received	145	184
Foreign exchange gain	1,047	—
Subsidies receivable	—	200
Other non-operating income	495	291
Total non-operating income	1,940	976
Non-operating expenses		
Interests paid	111	59
Sales discount	1,231	1,581
Foreign exchange losses	—	1,583
Other non-operating expenses	49	162
Total non-operating expenses	1,392	3,387
Ordinary income	21,988	19,758
Extraordinary income		
Gain on sale of fixed assets	25	992
Gain on sale of investments in affiliates	—	970
Others	—	91
Total extraordinary income	25	2,054
Extraordinary losses		
Losses on disposal of fixed assets	254	460
Allowance for uncollectable receivables transferred	393	—
Losses caused due to application of accounting standards for asset retirement obligations	—	71
Other extraordinary losses	120	114
Total extraordinary losses	767	646
Quarterly income before taxes and other adjustments	21,246	21,166
Corporate tax, inhabitant tax and business tax	7,842	62,434
Refunds of corporate tax, etc.	—	(1,054)
Adjustments on corporate tax, etc.	(1,899)	(65,532)
Total corporate tax, etc.	5,943	(4,152)
Quarterly income before minority interests	—	25,319
Minority interests	2,426	689
Quarterly net income	12,876	24,630

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

Not applicable.

(4) Segment information

[Segment Information by Business Type]

For 2nd Quarter of FY2010 Cumulative Consolidated Fiscal Period (April 1, 2009 through September 30, 2009)

(Millions of Yen)

	Personal care	Pet care	Other	Total	Elimination or Company-wide	Consolidation
Sales						
(1) Sales to external customers	144,598	22,476	5,455	172,530	—	172,530
(2) Internal sales or transfers across segments	0	—	1	1	(1)	—
Total	144,598	22,476	5,456	172,532	(1)	172,530
Operating income	16,966	3,883	567	21,417	22	21,440

(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 2nd Quarter of FY2010 Cumulative Consolidated Fiscal Period (April 1, 2009 through September 30, 2009)

(Millions of Yen)

	Japan	Asia	Europe and Middle East	Total	Elimination or Company-wide	Consolidation
Sales						
(1) Sales to external customers	107,076	45,150	20,303	172,530	—	172,530
(2) Internal sales or transfers across segments	7,259	1,083	—	8,343	(8,343)	—
Total	114,336	46,233	20,303	180,874	(8,343)	172,530
Operating income	14,862	5,619	1,065	21,547	(107)	21,440

(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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[Overseas Sales]

For 2nd Quarter of FY2010 Cumulative Consolidated Fiscal Period (April 1, 2009 through September 30, 2009)

	Asia	Europe	Middle East, North Africa and North America	Total
I. Overseas sales (Millions of Yen)	45,157	12,295	8,662	66,116
II. Consolidated sales (Millions of Yen)	—	—	—	172,530
III. Overseas sales as a percentage of consolidated sales (%)	26.2	7.1	5.0	38.3

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

For 2nd Quarter of FY2011 Cumulative Consolidated Fiscal Period (April 1, 2010 through September 30, 2010)

(Millions of Yen)

	Reporting Segment			Total
	Personal Care Business	Pet Care Business	Other Businesses	
Sales				
Sales generated from external customers	155,857	23,119	3,237	182,214
Intercompany sales or transferred amounts among reporting segments	—	—	11	11
Total	155,857	23,119	3,248	182,226
Operating income by reporting segment	18,759	3,251	145	22,157

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 reasons that caused such difference (matter related to difference adjustments)

(Millions of Yen)

Profits	Amounts
Total for all reporting segments	22,157
Elimination of inter-segment transactions or company-wide	12
Operating income recognized in the quarterly consolidated statement of income	22,169

4 Information regarding goodwill 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. Further, as of September 1, 2010, a merger was conducted between the Company as the surviving company and Unicharm PetCare Corporation as the extinct company.

As a result, the amount of goodwill for this 2nd quarter consolidated fiscal period increased by JPY 55.448 billion and such increase is in the pet care business segment.

(5) Note regarding material changes in shareholders' equity

Not applicable.

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(6) Other notes

(Quarterly Consolidated Statement of Income)

(Million Yen)

2nd Quarter Consolidated Fiscal Period of FY 2010 (April 1, 2009 through September 30, 2009)	2nd Quarter Consolidated Fiscal Period of FY 2011 (April 1, 2010 through September 30, 2010)
*1 Major items constituting selling, general and administrative expenses	*1 Major items constituting selling, general and administrative expenses
Freight-out expenses	Freight-out expenses
8,877	9,535
Sales promotion costs	Sales promotion costs
20,166	24,185
Advertisement costs	Advertisement costs
5,313	6,162
Salaries and bonuses to employees	Salaries and bonuses to employees
5,112	5,197
Allowance for bonuses transferred	Allowance for bonuses transferred
1,634	1,681
Employee retirement benefits	Employee retirement benefits
719	730
Depreciation charges	Depreciation charges
988	771