

Third Quarter of the Fiscal Year Ending December 31, 2016 Unicharm Presentation Materials for Investor Meeting

November 4, 2016
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Projections stated herein include those based on the Company's assumptions, forecasts and plans as of November 4, 2016. Therefore, actual results may differ significantly from projections due to risks and uncertainties associated with market competition, foreign exchange rates, etc.

Third Quarter of the Fiscal Year Ending December 31, 2016 Financial Performance Summary

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Financial Performance Summary



- **Net sales -18.1 billion JPY (-3.4%)** – Approx. 5% increase in income excluding exchange effects
- **Operating profit +1.5 billion JPY (+3.2%)** – Approx. 8% increase in profits excluding exchange effects
 - ✓ Japan: Favorable performance for both Personal Care and Pet Care businesses led to increase in income and profit
 - ✓ China: About 30% growth for imports from Japan (mainly cross-border EC, authorized imports)
Sale Shift to EC has been positive
 - ✓ Indonesia : Increase of competition expenses and temporary inventory adjustment expenses.
- **Ordinary profit +2.4 billion JPY (+6.1%)**
 - ✓ Greater exchange gain mainly due to revaluation of inter company loans +1.8 billion JPY
- **Quarterly net income +11.9 billion JPY (+67.9%)**
 - ✓ Profit from sale of policy-held stocks that do not contribute to improvement of corporate value +3.7 billion JPY
 - ✓ Tax cost decrease due to lowering of effective tax rate, etc. mainly +3.8 billion JPY
 - ✓ Profit increase of parent company return from purchase of shares of Middle-East subsidiaries +1.9 billion JPY
- **Cash flows form operating activities +24.5 billion JPY (44.2 billion JPY→68.7 billion JPY +56%)**

Year-on-year: 3.4% net sales decrease, 3.2% operating income increase
Public achievement rates: 71.0% net sales, 62.0% operating profit



■ Consolidated account highlights

(Millions of yen)

	3Q of FY Ending Dec 31, 2016	3Q of FY Ended Dec 31, 2015	Difference	Difference (%)	(Reference) FY Ending Dec 31, 2016 (Published value)	Achievement rate
Net sales *1	510,893	529,071	-18,177	-3.4%	720,000	71.0%
Operating income Operating income margin *1	51,456 10.1%	49,878 9.4%	1,577	3.2% (+0.7%P)	83,000 11.5%	62.0%
Ordinary income Ordinary income margin	42,937 8.4%	40,486 7.7%	2,451	6.1% (+0.7%P)	70,000 9.7%	61.3%
Net income Net income margin	29,515 5.8%	17,576 3.3%	11,939	67.9% (+2.5%P)	42,000 5.8%	70.3%
EPS (Yen)	49.60	29.26	20.34	69.5%	71.08	—

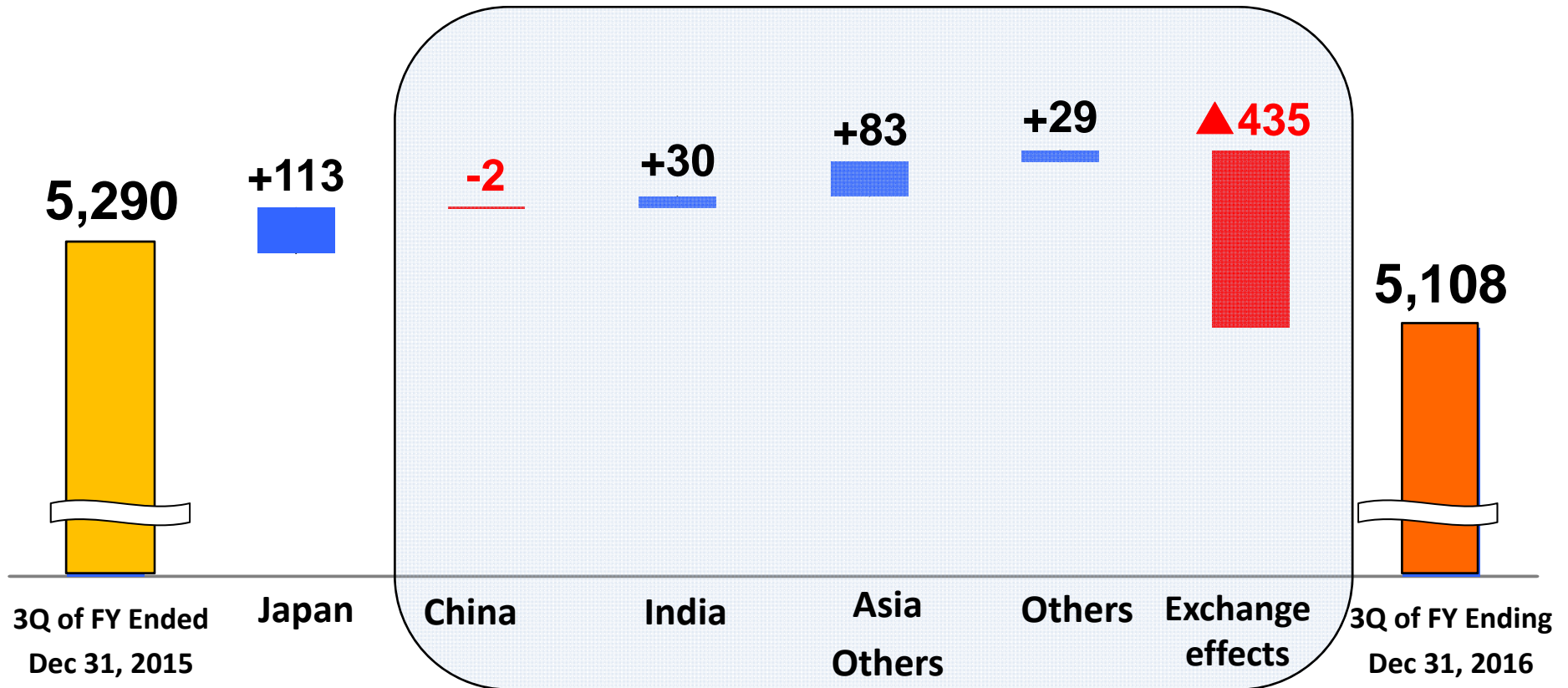
*1: Excluding effects from exchange fluctuations (Replaced with rate from FY Ended Dec 31, 2015)
 Approx. 5% growth in net sales, approx. 8% growth in operating income

The appreciation of the yen had a negative impact, but overseas,
 local currency base grew by approx. 4%
 In Japan, driving forces are Health Care and Feminine Care businesses.



■ Consolidated net sales fluctuation

(100 millions of yen)

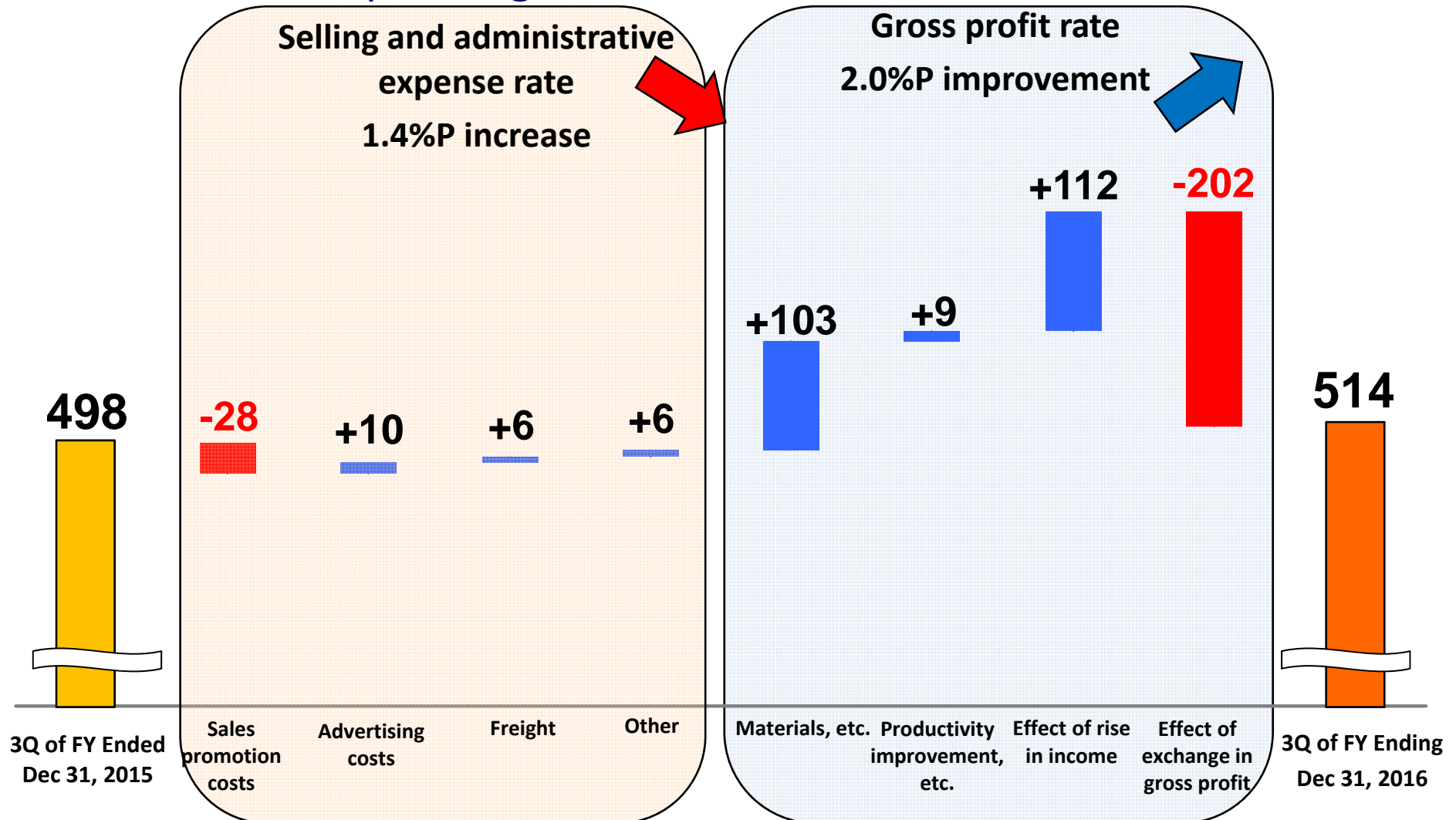


- ◆Japan: While inbound decreased, Personal Care, Pet Care continued with stable growth.
- ◆China: Baby Care seeing recovering trend, and Feminine Care maintaining favorable sell-out conditions.
- ◆India: Area expansion was promoted and growth continued more than market growth.
- ◆Asia, others: Vietnam, Thailand and Taiwan seeing upward shifts.

Profit increased due to effects of material cost fluctuations and rise in income

Consolidated operating income fluctuation

(100 millions of yen)



In Japan, steady growth from sales expansion of high value-added products

In Asia, active investment to expand the market



■ Geographical Segment Information

(Millions of yen)

	3Q of FY Ending Dec31, 2016		3Q of FY Ended Dec31, 2015		Net sales		Operating income	
	Net sales	Operating income Operating income margin	Net sales	Operating income Operating income margin	Difference	Difference (%)	Difference	Difference (%)
Japan	215,487	34,069 15.8%	204,165	30,079 14.7%	11,321	5.5%	3,989	13.3% (+1.1%P)
Asia	220,681	13,604 6.2%	243,510	17,982 7.4%	-22,829	-9.4%	-4,378	-24.3% (-1.2%P)
Others*	74,724	3,425 4.6%	81,395	2,253 2.8%	-6,670	-8.2%	1,171	52.0% (+1.8%P)
Elimination/ Companywide	-	357	-	-437	-	-	794	-
Consolidated	510,893	51,456 10.1%	529,071	49,878 9.4%	-18,177	-3.4%	1,577	3.2% (+0.7%P)

*Others: Main regions are U.S.A., Saudi Arabia, Brazil, and the Netherlands

**Effects of exchange fluctuations: Net sales -43.5 billion JPY, operating profit -3 billion JPY
(Breakdown of operating profit: Conversion -2.5 billion JPY,
rise in purchase price -0.5 billion JPY)**



■ Rate changes by currency

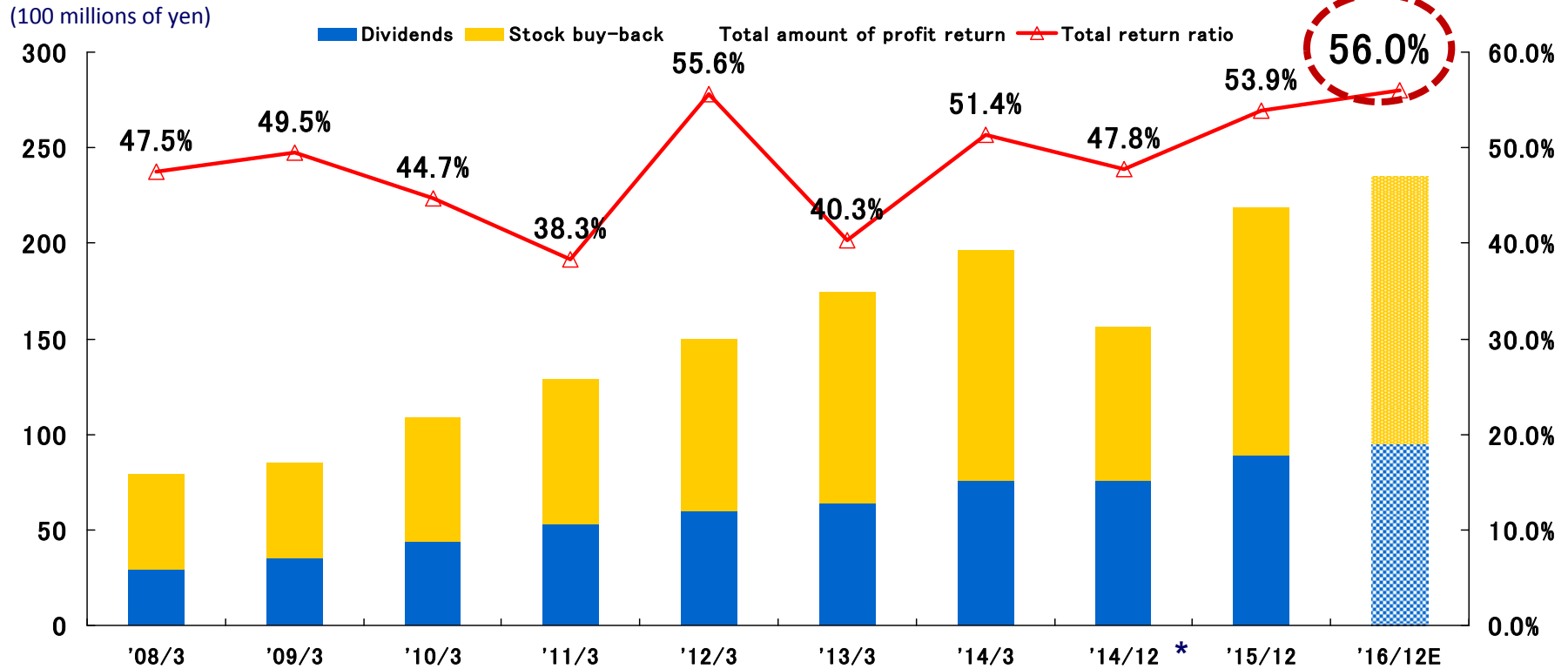
Currency	Exchange rate Jan – Sep 2016	Exchange rate Jan – Sep 2015	Change in rate
Taiwan (TWD)	3.35	3.85	-13.0%
Thailand (THB)	3.08	3.59	-14.2%
South Korea (KRW)	0.0936	0.1079	-13.3%
Indonesia (IDR)	0.0082	0.0092	-10.9%
Malaysia (MYR)	26.60	32.14	-17.2%
Netherlands (EUR)	121.17	134.77	-10.1%
China (CNY)	16.50	19.32	-14.6%
Philippines (PHP)	2.33	2.71	-14.0%
Saudi Arabia (SAR)	29.03	32.28	-10.1%
India (INR)	1.63	1.92	-15.1%
USA (USD)	108.69	120.89	-10.1%
Russia (RUB)	1.59	2.05	-22.4%
Australia (AUD)	80.46	92.27	-12.8%
Vietnam (VND)	0.0049	0.0055	-10.9%

FY Ending Dec. 31, 2016
Shareholder Return Policy

With a 50% total return ratio policy, forecast of increased dividends for 21 consecutive periods and 56% total return ratio



Shareholder Return Policy



*Irregular results due to change in settlement period

Our aim is to provide profit return with **a total return ratio of 50% as our goal** (Estimated payout ratio of 20%), in combination with shareholder allotment and stock buy-back acquisition, by implementing stable and continuous share allotment based on growth of mid-term consolidated earnings, while prioritizing business investment that ensures continuous growth, and swiftly acting as necessary in regards to shareholder allotment and stock buyback.

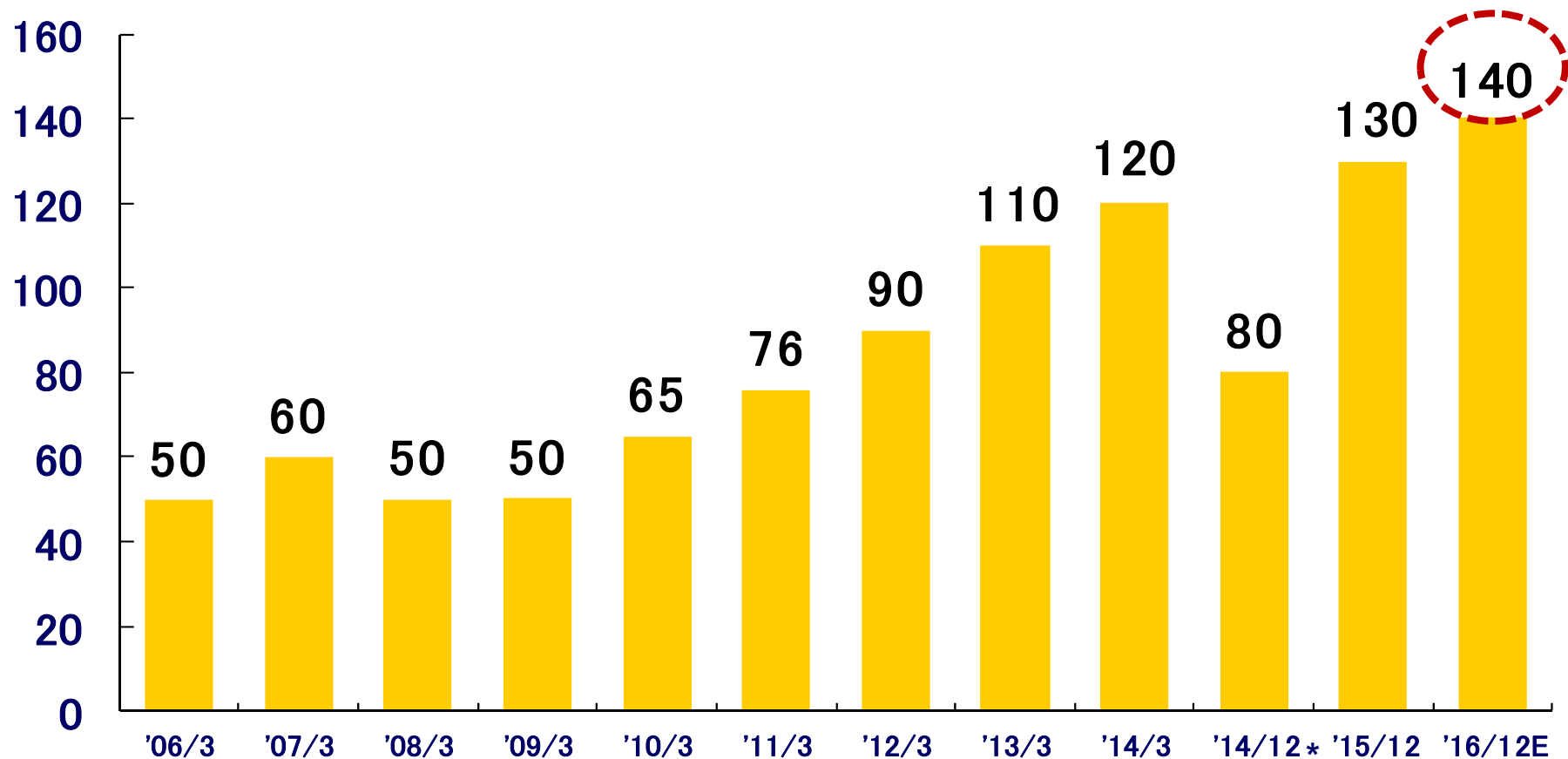
Swiftly acquired stocks through buy-back based on cash conditions

Acquisition for FY 2016 is 14 billion JPY, 5.72 million stocks (0.9% of the total issued shares)



■ Stock buy-back acquisition graph

(100 millions of yen)



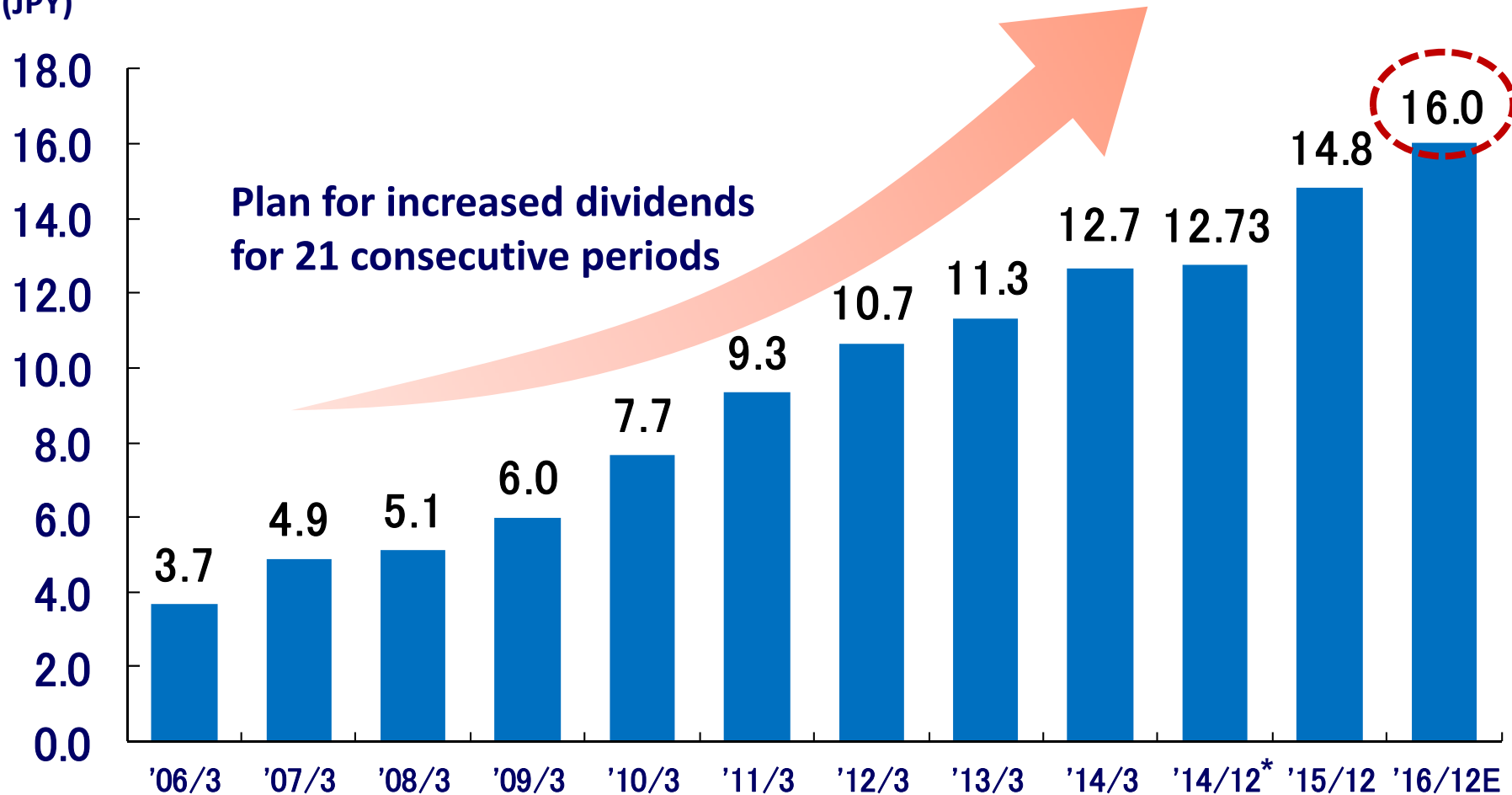
***Irregular results due to change in settlement period**

Steady and continual dividend payments



■ Dividends per share

(JPY)



*Irregular results due to change in settlement period

Reference materials

[Ref.] Pet Care business: Increase in income/profit in Japan via brand enhancement, etc. and shift to high value-added products overseas



■ Segment information by business

(Millions of yen)

	3Q of FY Ending Dec31, 2016		3Q of FY Ended Dec31, 2015		Net sales		Operating income	
	Net sales	Operating income Operating income margin	Net sales	Operating income Operating income margin	Difference	Difference (%)	Difference	Difference (%)
Personal Care	445,264	47,982 10.8%	463,860	48,350 10.4%	-18,595	-4.0%	-367	-0.8% (+0.4%P)
Pet Care	61,216	3,201 5.2%	61,377	1,351 2.2%	-161	-0.3%	1,850	136.9% (+3.0%P)
Others*	4,413	271 6.1%	3,833	175 4.6%	579	15.1%	95	54.3% (+1.5%P)
Elimination/ Companywide	-	-	-	-	-	-	-	-
Consolidated	510,893	51,456 10.1%	529,071	49,878 9.4%	-18,177	-3.4%	1,577	3.2% (+0.7%P)

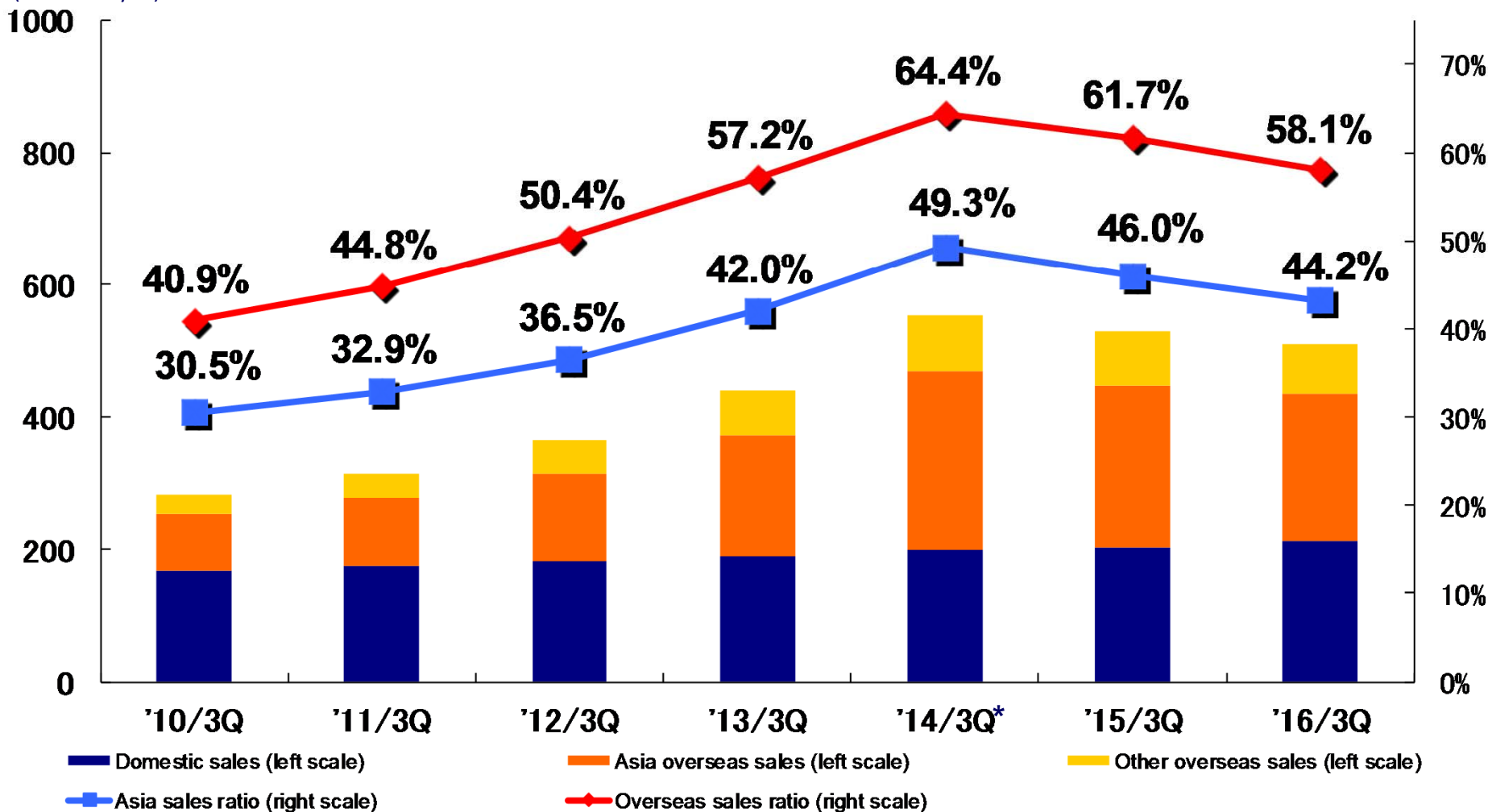
*Others: Products related to industrial materials, etc.

[Ref.] Overseas net sales ratio: 58.1% (61.4% excluding exchange effects)



■ Japan / overseas sales

(Billions of yen)

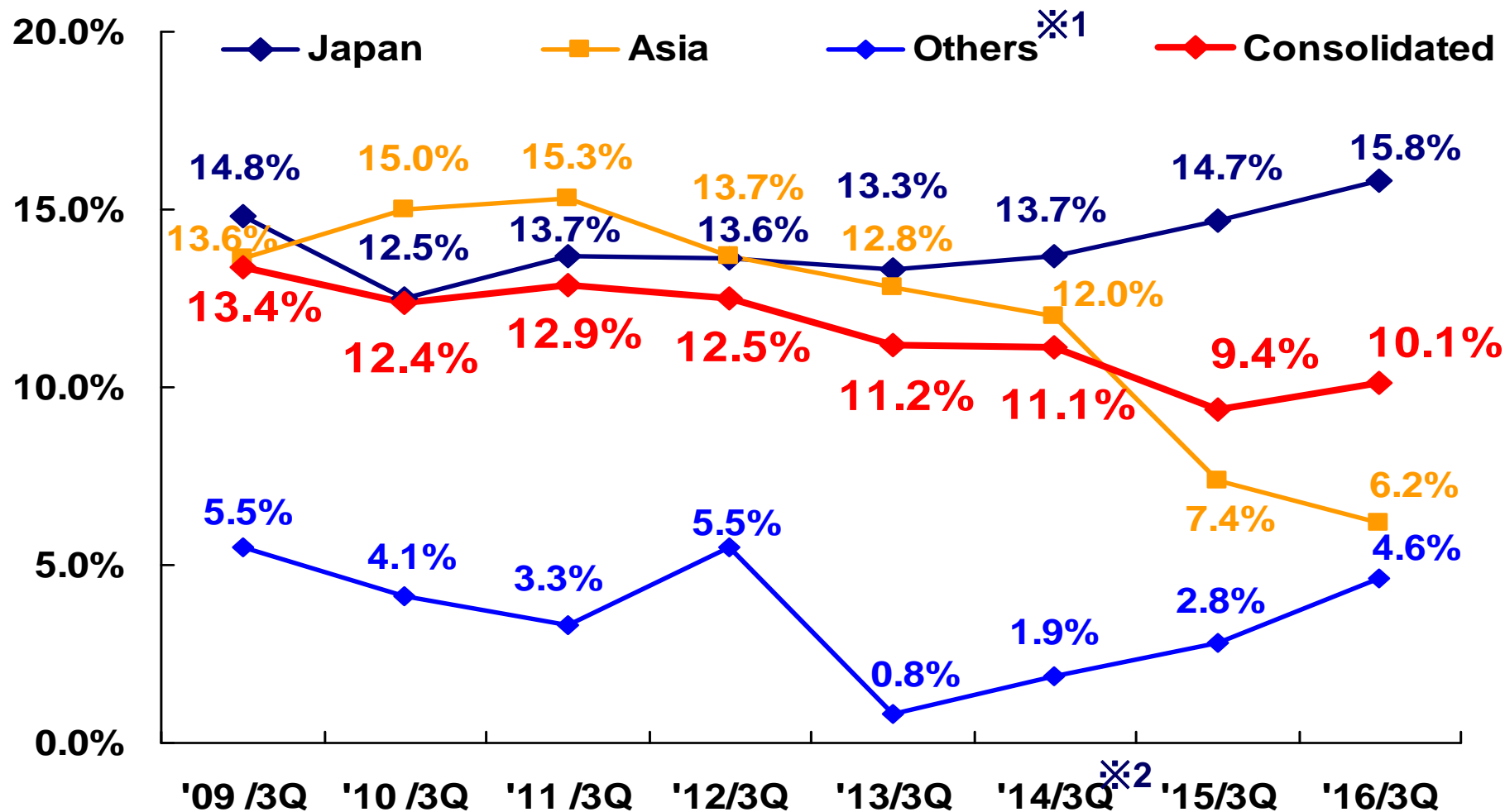


***Irregular results due to change in settlement period**

[Ref.]In Japan, improvement of product mixing with high value-added products
 In Asia, active marketing investment ahead of the market



■ Operating profit ratio by location



*1 Others: Main regions are U.S.A., Saudi Arabia, Brazil, and the Netherlands

*2 Irregular results due to change in settlement period

Thank you



Unicharm constantly provides the world's No.1 and unprecedented products and services to everybody around the globe, and delivers comfort, inspiration and satisfaction.