

This notice has been translated from the original Japanese text of the timely disclosure statement dated May 7, 2024 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.

Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024; Flash Report [IFRS]



MEMBERSHIP

May 7, 2024

Listed Company Name: **Unicharm Corporation**
 Listing: **Tokyo Stock Exchange**
 Code Number: **8113**
 URL: **https://www.unicharm.co.jp/**
 Company Representative: **Takahisa Takahara, Representative Director, President and Chief Executive Officer**
 Contact Person: **Hirotsu Shimada, Managing Executive Officer, General Manager of Accounting Control and Finance Division**
 Telephone Number: **+81-3-3451-5111**
 Scheduled Date to Submit Quarterly Securities Report: **May 8, 2024**
 Scheduled Date to Commence Dividend Payments: –
 Preparation of Supplementary Material on Quarterly Financial Results: **Yes**
 Holding of Quarterly Financial Results Presentation Meeting: **Yes (Securities Analysts, Institutional Investors)**

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024 (January 1, 2024 through March 31, 2024)

(1) Consolidated financial results (Q1 cumulative total)

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

	Net Sales		Core Operating Income		Profit Before Tax		Profit for the Period		Profit Attributable to Owners of Parent		Total Comprehensive Income	
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%
Q1 of Fiscal Year Ending December 31, 2024	236,281	7.0	37,542	32.1	34,706	23.0	21,499	11.2	17,829	7.9	45,008	51.6
Q1 of Fiscal Year Ended December 31, 2023	220,839	8.1	28,427	(5.1)	28,206	(8.4)	19,329	(0.7)	16,516	(1.8)	29,686	(38.1)

	Basic Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
Q1 of Fiscal Year Ending December 31, 2024	30.21	–
Q1 of Fiscal Year Ended December 31, 2023	27.84	–

(Note) Core operating income information is a valuable benchmark for measuring the Group's recurring business performance. It is calculated by deducting selling, general and administrative expenses from gross profit.

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

(2) Consolidated financial position

	Total Assets	Total Equity	Equity Attributable to Owners of Parent	Ratio of Equity Attributable to Owners of Parent
	Millions of Yen	Millions of Yen	Millions of Yen	%
As of March 31, 2024	1,159,595	820,263	721,223	62.2
As of December 31, 2023	1,133,627	788,250	695,719	61.4

2. Cash Dividends

	Annual Dividends				
	1st Q-End	2nd Q-End	3rd Q-End	Year-End	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended December 31, 2023	–	20.00	–	20.00	40.00
Fiscal Year Ending December 31, 2024	–				
Fiscal Year Ending December 31, 2024 (forecast)		22.00	–	22.00	44.00

(Note) Changes in dividend forecasts recently disclosed: None

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2024 (January 1, 2024 through December 31, 2024)

(Figures in percentage represent increases or decreases from the previous fiscal year)

	Net Sales		Core Operating Income		Profit Before Tax		Profit Attributable to Owners of Parent		Basic Earnings Per Share
	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Millions of Yen	%	Yen
Full Year	1,006,000	6.8	144,000	12.5	144,000	8.8	90,000	4.6	152.49

(Note) Changes in results forecasts recently disclosed: None

*** Notes**

(1) Changes in major subsidiaries during the period (or any change of specified subsidiaries accompanying a change in the scope of consolidation): None

(2) Changes in accounting policies and accounting estimates

- (i) Changes in accounting policies required by IFRS: None
- (ii) Changes in accounting policies other than item (i) above: None
- (iii) Changes in accounting estimates: None

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

- (i) Number of issued and outstanding shares as of end of period (including treasury shares):
 - As of March 31, 2024: 620,834,319 shares
 - As of December 31, 2023: 620,834,319 shares
- (ii) Number of treasury shares as of end of period:
 - As of March 31, 2024: 30,616,551 shares
 - As of December 31, 2023: 30,605,773 shares
- (iii) Average number of shares during the period (accumulated total):
 - Q1 of Fiscal Year Ending December 31, 2024: 590,225,837 shares
 - Q1 of Fiscal Year Ended December 31, 2023: 593,269,752 shares

* The quarterly financial results report is exempt from quarterly review by certified public accountants or an auditing firm.

* Explanation regarding proper use of the forecasts of financial results and other notes
Forecasts stated herein are based on the currently available information and the Company's assumptions that were judged to be valid as of the announcement date hereof, and are not intended to be a promise by the Company to achieve these forecasts. Therefore, actual results may differ for various factors. Please refer to "1. Qualitative Information on Financial Results, (3) Explanation of future estimate information such as forecast of consolidated financial results" section on page 5 for more information concerning the assumptions used for forecasts of financial results and other notes on proper use.

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

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1. Qualitative Information on Financial Results

(1) Explanation of operating results

During the first quarter under review (January 1 to March 31, 2024), the operating environment of the Group was characterized by differences in the strength of economic recovery between countries/regions, and some signs of improvement, however, the future outlook remains uncertain due to persistent geopolitical risks and instability in exchange rates.

Overseas, the market is growing steadily as the spread of COVID-19 has been contained in many of the target markets, although there are countries such as China where the economy is still unstable and the outlook remains uncertain.

In Japan, consumer demand remains strong because the products handled by the Company are daily necessities, despite anticipated risks such as the trend of rising prices regardless of industry and the 2024 problem in logistics.

In these environments and under the banner “we constantly provide the world’s No. 1 and unprecedented products and services to everybody around the globe, and deliver comfort, impression, and satisfaction,” and taking the opportunity to create a new corporate brand essence, “Love Your Possibilities” in the fiscal year ending December 31, 2024, the first year of the 12th Medium-term Management Plan, the Company and its group companies have worked to create a “Cohesive Society” with social inclusion, as a society where people around the world are equal, unencumbered, respectful of each other’s individuality, and support each other with kindness, making heart-to-heart connections.

As a result, net sales, core operating income, profit before tax, profit for the period, and profit attributable to owners of parent in the first quarter under review reached ¥236,281 million (up 7.0% year on year), ¥37,542 million (up 32.1% year on year), ¥34,706 million (up 23.0% year on year), ¥21,499 million (up 11.2% year on year), and ¥17,829 million (up 7.9% year on year), respectively.

Financial results by segment are as described below.

1) Personal Care Business

● Wellness Care Business

In overseas markets, the Company actively invested in marketing particularly in China, where the population is aging even faster than in Japan and there is a large target market for adult excretion care products, in an effort to drive awareness and promote the use of these products, along with the addition of product lineups that meet local needs.

In countries in the Southeast Asian region such as Thailand and Indonesia, where the Company has been developing its business ahead of others, since demand for adult excretion care products is rising, the Company has driven market growth by expanding its product lineup and promoting the Japanese care model by using both pad-type products and disposable underwear.

For adult excretion care products in Japan, the Company maintained a high market share by developing an extensive product lineup tailored to ADLs^{*1} and responding to a wide range of consumer needs. As a new value proposition in the previous fiscal year, the Company launched disposable underwear that adopted an “ultrasonic bonding” related patented technology in the waist area of the underpants, which improved consumer satisfaction through enhanced comfort and improved delivery efficiency, thereby contributing to logistics issues and reduction of environmental impact.

In the mask category, the previous fiscal year was affected by the shrinkage of retail space due to changes in the interpretation of the law^{*2} designed to prevent COVID-19 infections, but the Company aimed to revitalize the market by expanding the product lineup in response to consumer needs in both the *Cho-kaiteki* and *Cho-rittai* brands.

*1 An abbreviation for Activities of Daily Living, an indicator of the level of nursing care provided to those being cared for, which represents the basic activities necessary for daily living, such as excretion, eating, and bathing

*2 Act on the Prevention of Infectious Diseases and Medical Care for Patients with Infectious Diseases

- Feminine Care Business

In China, due to continued uncertainty about the economic outlook, distribution inventories have been reduced and remain stable at a low level. In promotions, there was a gradual recovery from the partial impact of ALPS treated water in the previous fiscal year. In this environment, the Company continued to expand retail sales area and the number of stores handling premium products, mainly in coastal cities. In addition, while bolstering sales through utilizing new e-commerce platforms, we continued to propose new values targeting the younger generation, including a major launch of a shorts-shaped napkin for daytime use at a Women's Day event on March 8, which was well received by consumers. We will continue to launch an unprecedented number of new products, mainly premium products, to improve consumer satisfaction and capture market share, and achieve growth as planned going into the second half of the year.

In the Asian countries of Thailand, Indonesia, and Vietnam, we are also working to accelerate growth by strengthening the development of high value-added products, such as the new concept of cooling sanitary napkins that provide a cool and refreshing feeling of comfort and activated charcoal blended sanitary napkins.

In India, where the penetration rate of sanitary products is low, we are strengthening our product development based on the concept of anti-bacterial, which is a local need, mainly in urban areas, and have made steady progress in store expansion and continued to achieve high growth rates.

In the Middle East, the Company achieved high net sales growth as a result of steady domestic sales in Saudi Arabia as well as expanded exports to countries neighboring Saudi Arabia thanks to aggressive investment in marketing including for new products that contain olive oil tailored to local customs.

In Japan, despite a decrease in the target population, the Company achieved high sales growth by passing along more value to customers with high value-added products that cater to the growing emphasis on health and peace of mind and consumer needs, and by communicating with consumers via social media and the like. In addition, the Company endeavored to provide products and services that help realize dreams, by continuing to resolve the concerns faced by many people such as the last year's launch of *ninkatsu orimono sheet*, a pantyliner for checking the timing for pregnancy by reacting to discharge and enabling an easy method for predicting the timing for conception^{*3} while letting women trying to conceive lead normal lives, as well as adding a "desire to be pregnant mode" in the *SOFY* menstruation management application.

*3 A reference to the "approximate six days including the ovulation period" that is the best time to get pregnant

- Baby Care Business

In India, where the use of disposable diapers is still low, even compared to other emerging countries, as a result of endeavors to promote the use of pants type disposable diapers and expand the sales areas, the Company achieved sales growth.

In Vietnam, where the market continues to experience sluggish growth due to the spread of COVID-19 as well as a declining birth rate, the Company endeavored to invigorate the market, aiming to promote early conversion to pants type disposable diapers by launching the world's first^{*4} pants type disposable diapers for newborns that can be opened and closed on one side, which were launched in the previous year.

In China, where local companies are emerging and the birth rate continues to decline, the Company strategically adjusted its inventory for premium products made in Japan while accelerating a shift to the *moony* brand, a proprietary developed premium product made in China to meet the needs of the local population, as we work to improve profitability, and we expect to see results from structural reforms starting from the second quarter.

In Japan, where the market is shrinking with lower birth rates, the Company continued to pass increasing costs on prices of its extensive lineup of new and high-value added products for *moony* and *Mamy Poko* series, and worked to give parents more enjoyment as they raise their babies, resulting in net sales growth.

As a result, net sales and segment profit (core operating income) for the personal care business for the fiscal period under review were ¥198,525 million (up 5.7% year on year) and ¥30,344 million (up 32.5% year on year), respectively.

*4 For brands of pants type disposable diapers for babies sold by major global manufacturers, this provides the ability to open and close the side of the girth, moreover, the structure has one side longer than the other. (Survey by Unicharm Corporation, October 2022)

- Kirei Care Business

From the fiscal year under review, the Company has abolished the Global Kirei Care Marketing Division. Up until now, the Company has promoted its business in Japan mainly through the *Silcot* brand. In the future, as the use of Kirei Care is expected to take root not only in Japan but also worldwide due to increased hygiene awareness, the functions of the Global Kirei Care Marketing Division will be transferred to the Wellness Care, Feminine Care, and Baby Care respective Marketing Divisions, aiming to accelerate global expansion.

- 2) Pet Care Business

In the pet food business in Japan, in addition to products for cats that care for hairballs and reduce regurgitation of food in response to growing health consciousness, the Company launched a new product for cats that helps maintain healthy kidneys. In addition, for products for dogs, the Company achieved high sales growth as a result of responding to growing health consciousness by launching products for dogs tailored to the physical characteristics and ages of each breed, food products for building bodies with a new concept of maintaining muscle health, and products with grains that reduce the amount of rapid eating*5 by pet dogs. In the pet toiletry business, in response to the increase in recent years in the number of households with two working spouses, where pets are left at home more frequently and it is difficult for them to devote enough time on toilet care such as pet sheets, the Company has achieved stable growth by strengthening its product lineup, including the launch of diapers and toilet systems that can be used for extended periods of time.

In North America, although the previous fiscal year was affected by temporary inventory reduction by distributors concerned about consumer reluctance to spend due to intermittent inflation, the Company achieved steady net sales growth as a result of continued brisk sales of products incorporating Japanese technology and new concepts, such as wet-type snacks for cats.

In China, which is the second largest market in the world after North America and is expected to continue to grow, in November 2022, our consolidated subsidiary in China entered into a capital and business alliance with Jiangsu Jijia Pet Products Co., Ltd. (“JIA PETS”), and we began manufacturing food products incorporating our original concepts and technologies in the previous fiscal year.

By continuing to leverage combining the Group’s manufacturing technology and know-how on production management, which have been endorsed by consumers in Japan, with JIA PETS’ production and R&D capacities, as well as sales capabilities in its e-commerce channel, the Company aims to achieve the No. 1 market share in the priority cities.

Also, in the Southeast Asia region, where future market growth is expected, the Company aims to achieve dramatic business growth by proactively investing management resources in the emerging pet care markets in Thailand, Indonesia, and Vietnam, etc.

As a result, net sales and segment profit (core operating income) for the pet care business for the fiscal period under review were ¥34,266 million (up 10.7% year on year) and ¥7,275 million (up 32.1% year on year), respectively.

*5 The reduction effect varies from dog to dog.

- 3) Other Businesses

In the category of business-use products utilizing its core non-woven fabric and absorber processing and forming technology, the Company focused on promoting the sales of industrial materials.

As a result, net sales and segment profit (core operating income) in other businesses for the fiscal period under review were ¥3,490 million (up 61.8% year on year) and a loss of ¥76 million (-% year on year), respectively.

(2) Explanation of financial position

1) Status of assets, liabilities and equity

(Assets)

Total assets as of the end of the first quarter were ¥1,159,595 million (up 2.3% compared with the end of the previous fiscal year). The major increases were ¥73,366 million in other current and non-current financial assets mainly due to investment securities, and ¥5,760 million in property, plant and equipment, and the major decrease was ¥52,023 million in cash and cash equivalents.

(Liabilities)

Total liabilities as of the end of the first quarter were ¥339,332 million (down 1.8% compared with the end of the previous fiscal year). The major increase was ¥3,612 million in deferred tax liabilities, and the major decreases were ¥5,430 million in income tax payables, and ¥5,251 million in other current liabilities.

(Equity)

Total equity as of the end of the first quarter was ¥820,263 million (up 4.1% compared with the end of the previous fiscal year). The major increases were ¥19,155 million in other components of equity mainly due to exchange differences on translation in foreign operations, ¥17,829 million in profit attributable to owners of parent, and ¥6,509 million in non-controlling interests, and the major decrease was ¥11,805 million in dividends paid to owners of parent.

(Ratio of equity attributable to owners of parent)

Ratio of equity attributable to owners of parent as of the end of the first quarter was 62.2%.

2) Status of cash flows

Cash and cash equivalents as of the end of the first quarter were ¥201,748 million, a decrease of ¥52,023 million from the end of the previous fiscal year. The respective cash flow positions for the first quarter under review were as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥42,248 million (¥42,994 million was provided in the same period of the previous fiscal year). The main inflow was due to profit before tax.

(Cash flows from investing activities)

Net cash used in investing activities was ¥79,520 million (¥28,599 million was used in the same period of the previous fiscal year). The main outflows were due to payments into time deposits, purchase of debt instruments measured at fair value through other comprehensive income, and purchase of property, plant and equipment, and intangible assets.

(Cash flows from financing activities)

Net cash used in financing activities was ¥18,698 million (¥13,530 million was used in the same period of the previous fiscal year). The main outflows were due to dividends paid to owners of parent, and a decrease in short-term borrowings.

(3) Explanation of future estimate information such as forecast of consolidated financial results

Regarding forecast of full-year financial results, there were no changes from the announcement made on February 7, 2024.

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

2. Condensed Consolidated Financial Statements and Significant Notes Thereto

(1) Condensed consolidated statement of financial position

(Millions of Yen)

	Notes	Fiscal Year Ended December 31, 2023 (as of December 31, 2023)	Q1 of Fiscal Year Ending December 31, 2024 (as of March 31, 2024)
Assets			
Current assets			
Cash and cash equivalents		253,770	201,748
Trade and other receivables		151,561	145,950
Inventories		102,965	103,205
Other current financial assets		106,445	160,478
Other current assets		24,160	24,924
Total current assets		638,902	636,306
Non-current assets			
Property, plant and equipment		285,585	291,345
Intangible assets		95,727	98,487
Deferred tax assets		13,894	13,999
Investments accounted for using equity method		18,165	18,992
Other non-current financial assets		72,486	91,819
Other non-current assets		8,868	8,646
Total non-current assets		494,726	523,289
Total assets		1,133,627	1,159,595

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

(Millions of Yen)

	Notes	Fiscal Year Ended December 31, 2023 (as of December 31, 2023)	Q1 of Fiscal Year Ending December 31, 2024 (as of March 31, 2024)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		194,172	192,644
Borrowings		14,977	12,420
Income tax payables		15,607	10,176
Other current financial liabilities		6,362	8,149
Other current liabilities		38,956	33,705
Total current liabilities		270,073	257,094
Non-current liabilities			
Borrowings		13,588	14,457
Deferred tax liabilities		18,025	21,637
Retirement benefit liabilities		12,340	12,997
Other non-current financial liabilities		25,084	26,634
Other non-current liabilities		6,267	6,512
Total non-current liabilities		75,304	82,237
Total liabilities		345,377	339,332
Equity			
Equity attributable to owners of parent			
Capital stock		15,993	15,993
Share premium		10,259	10,646
Retained earnings		710,792	716,782
Treasury shares		(100,572)	(100,598)
Other components of equity		59,246	78,401
Total equity attributable to owners of parent		695,719	721,223
Non-controlling interests		92,531	99,040
Total equity		788,250	820,263
Total liabilities and equity		1,133,627	1,159,595

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

(2) Condensed consolidated statement of income and Condensed consolidated statement of comprehensive income

(Condensed consolidated statement of income)

(Millions of Yen)

	Notes	Q1 of Fiscal Year Ended December 31, 2023 (January 1, 2023 – March 31, 2023)	Q1 of Fiscal Year Ending December 31, 2024 (January 1, 2024 – March 31, 2024)
Net sales	4	220,839	236,281
Cost of sales		(143,227)	(144,080)
Gross profit		77,612	92,200
Selling, general and administrative expenses	5	(49,185)	(54,658)
Other income		644	687
Other expenses		(724)	(785)
Financial income		1,710	2,205
Financial costs		(1,851)	(4,943)
Profit before tax		28,206	34,706
Income tax expenses		(8,877)	(13,207)
Profit for the period		19,329	21,499
Profit attributable to			
Owners of parent		16,516	17,829
Non-controlling interests		2,813	3,670
Profit for the period		19,329	21,499
Earnings per share attributable to owners of parent			
Basic earnings per share (Yen)		27.84	30.21
Diluted earnings per share (Yen)		–	–

Reconciliation of changes from gross profit to core operating income

(Millions of Yen)

Gross profit	77,612	92,200
Selling, general and administrative expenses	(49,185)	(54,658)
Core operating income	28,427	37,542

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

(Condensed consolidated statement of comprehensive income)

(Millions of Yen)

	Notes	Q1 of Fiscal Year Ended December 31, 2023 (January 1, 2023 – March 31, 2023)	Q1 of Fiscal Year Ending December 31, 2024 (January 1, 2024 – March 31, 2024)
Profit for the period		19,329	21,499
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss			
Net changes in equity instruments measured at fair value through other comprehensive income		(250)	1,238
Remeasurements related to net defined benefit liabilities (assets)		(56)	(50)
Subtotal		(306)	1,188
Items that may be reclassified to profit or loss			
Net changes in debt instruments measured at fair value through other comprehensive income		(9)	(46)
Changes in fair value of cash flow hedges		5	46
Exchange differences on translation in foreign operations		10,625	21,529
Share of other comprehensive income of investments accounted for using equity method		41	793
Subtotal		10,663	22,322
Total other comprehensive income, net of tax		10,357	23,510
Total comprehensive income		29,686	45,008
Total comprehensive income attributable to			
Owners of parent		25,134	36,948
Non-controlling interests		4,552	8,060
Total comprehensive income		29,686	45,008

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

(3) Condensed consolidated statement of changes in equity

First Quarter of the Fiscal Year Ended December 31, 2023 (January 1, 2023 – March 31, 2023)

(Millions of Yen)

	Notes	Equity attributable to owners of parent						Non-controlling interests	Total equity
		Capital stock	Share premium	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at January 1, 2023		15,993	15,209	644,859	(83,699)	26,521	618,883	89,730	708,613
Profit for the period		–	–	16,516	–	–	16,516	2,813	19,329
Other comprehensive income		–	–	–	–	8,618	8,618	1,739	10,357
Total comprehensive income		–	–	16,516	–	8,618	25,134	4,552	29,686
Purchase of treasury shares		–	–	–	(0)	–	(0)	–	(0)
Dividends		–	–	(11,272)	–	–	(11,272)	(2,281)	(13,553)
Equity transactions with non-controlling interests		–	1	–	–	–	1	79	80
Share-based payment transactions		–	358	–	(36)	–	322	–	322
Transfer from other components of equity to retained earnings		–	–	(27)	–	27	–	–	–
Total transactions with owners		–	359	(11,299)	(37)	27	(10,949)	(2,202)	(13,151)
Balance at March 31, 2023		15,993	15,569	650,077	(83,735)	35,165	633,068	92,080	725,147

First Quarter of the Fiscal Year Ending December 31, 2024 (January 1, 2024 – March 31, 2024)

(Millions of Yen)

	Notes	Equity attributable to owners of parent						Non-controlling interests	Total equity
		Capital stock	Share premium	Retained earnings	Treasury shares	Other components of equity	Total		
Balance at January 1, 2024		15,993	10,259	710,792	(100,572)	59,246	695,719	92,531	788,250
Profit for the period		–	–	17,829	–	–	17,829	3,670	21,499
Other comprehensive income		–	–	–	–	19,120	19,120	4,390	23,510
Total comprehensive income		–	–	17,829	–	19,120	36,948	8,060	45,008
Purchase of treasury shares		–	–	–	(0)	–	(0)	–	(0)
Dividends		–	–	(11,805)	–	–	(11,805)	(1,662)	(13,467)
Equity transactions with non-controlling interests		–	37	–	–	–	37	112	149
Share-based payment transactions		–	350	–	(27)	–	323	–	323
Transfer from other components of equity to retained earnings		–	–	(35)	–	35	–	–	–
Total transactions with owners		–	387	(11,840)	(27)	35	(11,445)	(1,551)	(12,995)
Balance at March 31, 2024		15,993	10,646	716,782	(100,598)	78,401	721,223	99,040	820,263

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

(4) Condensed consolidated statement of cash flows

(Millions of Yen)

	Notes	Q1 of Fiscal Year Ended December 31, 2023 (January 1, 2023 – March 31, 2023)	Q1 of Fiscal Year Ending December 31, 2024 (January 1, 2024 – March 31, 2024)
Cash flows from operating activities			
Profit before tax		28,206	34,706
Depreciation and amortization expenses		10,337	11,133
Interest income		(1,043)	(1,939)
Dividend income		(262)	(265)
Interest expenses		620	765
Foreign exchange loss (gain)		1,429	3,837
Loss (gain) on sale and retirement of fixed assets		309	303
Decrease (increase) in trade and other receivables		29,426	8,852
Decrease (increase) in inventories		1,962	2,477
Increase (decrease) in trade and other payables		(12,772)	(3,153)
Increase (decrease) in other current liabilities		(2,408)	(530)
Decrease (increase) in other non-current assets		(1,472)	425
Other, net		(329)	1,689
Subtotal		54,004	58,300
Interest received		916	1,700
Dividends received		302	303
Interest paid		(601)	(480)
Income taxes refund		–	38
Income taxes paid		(11,627)	(17,612)
Net cash provided by (used in) operating activities		42,994	42,248
Cash flows from investing activities			
Payments into time deposits		(22,787)	(56,118)
Proceeds from withdrawal of time deposits		18,207	11,684
Purchase of property, plant and equipment, and intangible assets		(7,601)	(11,998)
Proceeds from sale of property, plant and equipment, and intangible assets		7	26
Long-term loan advances		(3)	(15)
Purchase of financial assets measured at amortized cost		–	(1,000)
Purchase of financial assets measured at fair value through profit or loss		(9,000)	(9,269)
Purchase of equity instruments measured at fair value through other comprehensive income		(2)	(1,890)
Purchase of debt instruments measured at fair value through other comprehensive income		(2,810)	(11,475)
Proceeds from sale and redemption of financial assets measured at amortized cost		5,000	–
Proceeds from sale and redemption of financial assets measured at fair value through profit or loss		1,000	–
Proceeds from sale and redemption of debt instruments measured at fair value through other comprehensive income		–	400
Purchase of shares of subsidiaries and associates		(10,617)	–
Other, net		4	135
Net cash provided by (used in) investing activities		(28,599)	(79,520)

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

(Millions of Yen)

	Notes	Q1 of Fiscal Year Ended December 31, 2023 (January 1, 2023 – March 31, 2023)	Q1 of Fiscal Year Ending December 31, 2024 (January 1, 2024 – March 31, 2024)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings		1,515	(3,378)
Repayments of lease liabilities		(1,567)	(1,844)
Payments for purchase of treasury shares		(0)	(0)
Dividends paid to owners of parent		(11,281)	(11,817)
Dividends paid to non-controlling interests		(2,279)	(1,658)
Proceeds from share issuance to non-controlling interests		81	–
Net cash provided by (used in) financing activities		(13,530)	(18,698)
Effect of exchange rate changes on cash and cash equivalents		2,618	3,947
Net increase (decrease) in cash and cash equivalents		3,483	(52,023)
Cash and cash equivalents at beginning of period		217,153	253,770
Cash and cash equivalents at end of period		220,636	201,748

(5) Notes to the condensed consolidated financial statements

1. Notes regarding going concern assumptions

None.

2. Material accounting policies

Material accounting policies adopted for these condensed consolidated financial statements are the same as those adopted to the consolidated financial statements for the fiscal year ended December 31, 2023.

3. Changes in the presentation method

(Condensed consolidated statement of financial position)

Liabilities related to sales promotion expenses were included in “other current liabilities” in the fiscal year ended December 31, 2023, but from the first quarter of the fiscal year ending December 31, 2024, they are included in “trade and other payables” to present the actual situation more clearly. As a result, “trade and other payables” of ¥168,867 million and “other current liabilities” of ¥64,261 million presented under current liabilities in the fiscal year ended December 31, 2023, have been restated as “trade and other payables” of ¥194,172 million and “other current liabilities” of ¥38,956 million.

(Condensed consolidated statement of cash flows)

Liabilities related to sales promotion expenses were included in “increase (decrease) in other current liabilities” under cash flows from operating activities in the first quarter of the fiscal year ended December 31, 2023, but from the first quarter of the fiscal year ending December 31, 2024, they are included in “increase (decrease) in trade and other payables” to present the actual situation more clearly. As a result, -¥10,814 million presented as “increase (decrease) in trade and other payables” and -¥4,365 million presented as “increase (decrease) in other current liabilities” under cash flows from operating activities in the first quarter of the fiscal year ended December 31, 2023, have been restated as “increase (decrease) in trade and other payables” of -¥12,772 million and “increase (decrease) in other current liabilities” of -¥2,408 million.

4. Segment information

(1) Overview of reportable segments

The Group’s reportable segments are part of its organizational units whose financial information is individually available, and are subject to regular review by its Board of Directors, the chief operating decision maker, for the purpose of deciding the allocation of its managerial resources and evaluating its business performance.

The Group is composed of three businesses, namely the personal care business, the pet care business and other businesses as its basic 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 Group’s reportable segments.

In the personal care business, the Group manufactures and sells wellness care products, feminine care products, and baby care products. In the pet care business, the Group manufactures and sells pet food products and pet toiletry products. In other businesses, the Group manufactures and sells industrial materials related products, etc.

The accounting policies for the reportable segments are the same as for the condensed consolidated financial statements.

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

(2) Sales and results by reportable segment

Sales and results by reportable segment are as follows.

(Millions of Yen)

	Q1 of Fiscal Year Ended December 31, 2023 (January 1, 2023 – March 31, 2023)					
	Reportable segments				Adjustments	Amounts reported in condensed consolidated statements
	Personal care	Pet care	Other	Total		
Sales to external customers	187,733	30,950	2,156	220,839	–	220,839
Sales across segments	–	–	113	113	(113)	–
Total segment sales	187,733	30,950	2,270	220,952	(113)	220,839
Segment profit (loss) (Core operating income)	22,899	5,508	21	28,427	–	28,427
Other income						644
Other expenses						(724)
Financial income						1,710
Financial costs						(1,851)
Profit before tax						28,206

(Millions of Yen)

	Q1 of Fiscal Year Ending December 31, 2024 (January 1, 2024 – March 31, 2024)					
	Reportable segments				Adjustments	Amounts reported in condensed consolidated statements
	Personal care	Pet care	Other	Total		
Sales to external customers	198,525	34,266	3,490	236,281	–	236,281
Sales across segments	–	–	48	48	(48)	–
Total segment sales	198,525	34,266	3,537	236,328	(48)	236,281
Segment profit (loss) (Core operating income)	30,344	7,275	(76)	37,542	–	37,542
Other income						687
Other expenses						(785)
Financial income						2,205
Financial costs						(4,943)
Profit before tax						34,706

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2024

5. Selling, general and administrative expenses

The breakdown of selling, general and administrative expenses is as follows.

(Millions of Yen)

	Q1 of Fiscal Year Ended December 31, 2023 (January 1, 2023 – March 31, 2023)	Q1 of Fiscal Year Ending December 31, 2024 (January 1, 2024 – March 31, 2024)
Freight-out expenses	14,311	14,963
Sales promotion expenses	6,083	6,774
Advertising expenses	5,376	6,500
Employee benefit expenses	11,804	12,998
Depreciation and amortization expenses	2,584	2,953
Research and development expenses	2,012	1,925
Others	7,015	8,544
Total	49,185	54,658