Consolidated Financial Results for the Three Months Ended March 31, 2025; Flash Report [IFRS]

May 9, 2025

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: **Hirotatsu Shimada, Senior Managing Executive Officer, General Manager of Accounting Control and Finance Division**
Telephone Number: **+81-3-3451-5111**
Scheduled Date to Commence Dividend Payments: **–**
Preparation of Supplementary Material on Financial Results: **Yes**
Holding of Financial Results Presentation Meeting: **Yes (For Securities Analysts and Institutional Investors)**

(Amounts are rounded to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended March 31, 2025 (January 1, 2025 through March 31, 2025)

(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	%
Three Months Ended March 31, 2025	227,520	(3.7)	29,018	(22.7)	34,946	0.7	27,464	27.7	24,908	39.7	1,286	(97.1)
Three Months Ended March 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

	Basic Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
Three Months Ended March 31, 2025	14.18	–
Three Months Ended March 31, 2024	10.07	–

(Notes) 1. 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.
2. The Company conducted a 3-for-1 stock split of common stock effective January 1, 2025. Basic earnings per share is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

(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, 2025	1,187,445	850,608	756,949	63.7
As of December 31, 2024	1,239,973	873,711	773,062	62.3

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, 2024	–	22.00	–	22.00	44.00
Fiscal Year Ending December 31, 2025	–				
Fiscal Year Ending December 31, 2025 (forecast)		9.00	–	9.00	18.00

(Notes) 1. Changes in dividend forecasts recently disclosed: None
2. The Company conducted a 3-for-1 stock split of common stock effective January 1, 2025. The figures for the fiscal year ended December 31, 2024 are the actual amount of dividends paid before the stock split. The figures for the fiscal year ending December 31, 2025 (forecast) are the amount after the stock split.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2025 (January 1, 2025 through December 31, 2025)

(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	1,025,000	3.6	146,000	5.4	142,000	5.5	86,400	5.6	49.30

(Notes) 1. Changes in results forecasts recently disclosed: None
2. The Company conducted a 3-for-1 stock split of common stock effective January 1, 2025. Basic earnings per share in the forecast of consolidated financial results is the amount after the stock split.

*** Notes**

(1) Significant changes in the scope of consolidation during the period: 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, 2025:	1,862,502,957 shares
As of December 31, 2024:	1,862,502,957 shares

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

As of March 31, 2025:	109,989,494 shares
As of December 31, 2024:	103,393,746 shares

(iii) Average number of shares during the period (accumulated total):

Three Months Ended March 31, 2025:	1,756,848,927 shares
Three Months Ended March 31, 2024:	1,770,677,511 shares

(Note) The Company conducted a 3-for-1 stock split of common stock effective January 1, 2025. The number of issued and outstanding shares (common shares) is calculated on the assumption that the stock split was conducted at the beginning of the previous fiscal year.

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an auditing firm: None

* 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. Overview of the Operating Results, Etc., (3) Explanation of future estimate information such as forecast of consolidated financial results" section on page 6 for more information concerning the assumptions used for forecasts of financial results and other notes on proper use.

Contents of Exhibit

1. Overview of the Operating Results, Etc.

(1) Overview of the operating results for the fiscal period under review

During the three months ended March 31, 2025 (January 1, 2025 to March 31, 2025), the operating environment surrounding the Group evidenced variation in economic sentiment between countries/regions, and the future outlook remains difficult to predict.

Overseas, since there is lingering economic uncertainty in some Asian regions, consumers' budget-minded attitude has been continued, and for baby care products, a tendency of trading down is seen in multiple countries and regions, depending on products. Furthermore, in the competitive environment, the market is changing rapidly and facing continued severe conditions, with new competitors entering the continuously growing emerging e-commerce sector, and so forth. In this environment, the Company has developed strategies to respond flexibly and promptly to these changes and has worked to achieve its targets.

In Japan, sales growth has remained strong because the products the Company handles are daily necessities, and responded to consumer needs with an extensive product lineup.

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 creating a new corporate brand essence, "Love Your Possibilities" last year, 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 three months ended March 31, 2025 reached ¥227,520 million (down 3.7% year on year), ¥29,018 million (down 22.7% year on year), ¥34,946 million (up 0.7% year on year), ¥27,464 million (up 27.7% year on year), and ¥24,908 million (up 39.7% year on year), respectively.

Financial results by segment are as described below.

1) Personal Care Business

- Wellness Care Business
  Looking at overseas markets, in countries in the Southeast Asian region such as Thailand, Indonesia, and Vietnam, where demand for adult excretion care products is rising, the Company has continued to expand its product lineup and promote the Japanese care model by using both pad-type products and disposable underwear.

  In China, the population is aging even faster than in Japan and there is a large target market for adult excretion care products However, awareness of high-quality and high value-added specialized products is still low, and many people make do with alternatives such as using bed sheets. In response, the Company developed product lineups that meet local needs and continued to actively invest in marketing. The Company continues to aim to achieve dramatic business growth and further proceeds with investment of management resources.

  In Japan, under the concept of "Can increase what one can do, one by one," the Company achieved high sales growth, as a result of developing a wide range of products and services in line with ADL[*1], focusing primarily on light to moderate incontinence products that help extend healthy life expectancy. Among these, disposable underpants featuring "ultrasonic bonding" related patented technology in the waist area, designed for moderate incontinence products, contributed to addressing social issues in terms of both products and environmental impact, with improvements in the comfort and in the loading efficiency by increasing the compression ratio during packaging of the product.

  In the mask category, the Company revitalized the market by the various products lineup in both the *Cho-kaiteki* and *Cho-rittai* brands. The Company will continue to aim to expand its market share with a product lineup that meets consumer needs.

  *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

- Feminine Care Business

  Overseas, we responded to consumer needs with a unique and wide-ranging product lineup such as cooling sanitary napkins and shorts-shaped napkins.

  In China, amid continued uncertainty about the economic outlook, the Company launched an unprecedented number of new products in 2024. Among these, the new concept of a shorts-shaped napkin for daytime use with the enhanced ease of change was well received. In addition, in response to a heightened budget-minded attitude due to a tough employment environment particularly among young people, we strengthened our response to consumer needs, such as by launching shorts-shaped napkins in an affordable price range. However, we were affected by media reports of concerns regarding the quality of sanitary products and waste management in November 2024 and March 2025, resulting in cautious consumer purchasing behavior. We will continue to promote product strategies that promptly and accurately respond to ever-changing consumer needs, and will focus on expanding retail sales area and the number of stores selling our products.

  In the Asian countries of Thailand, Indonesia and Vietnam, we achieved steady net sales growth by expanding the offering of high value-added products, including 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 remains low, we maintained stable net sales and improved our profitability by offering a full lineup of products to meet local needs and expanding the number of stores selling our products. For example, we introduced products based on the concept of antibacterial care, mainly in urban areas, as well as unfolded, flat-type products with no individual packaging that take into account actual usage and economic conditions.

  In the Middle East, domestic sales in Saudi Arabia remained steady and exports to countries neighboring Saudi Arabia expanded thanks to aggressive investments in marketing, like the promotion of new products containing olive oil that have been tailored to local customs.

  In Japan, despite a decrease in the target population, the Company achieved high sales growth and also improved profitability as a result of promoting the rollout of high value-added products that cater to the growing emphasis on health and peace of mind, as well as proposing in-store displays and pursuing the strategy of continuous communication with consumers via social media. We also saw a steady growth in the number of members for the *Sofy Be* service, a menstrual and health management app that monitors health condition by focusing on hormonal changes, which was launched last year. As the environment and values surrounding women change and lifestyles become more diverse, we aim to maximize the lifetime value of women by providing comprehensive support not only during their menstrual periods but throughout their daily lives, empowering each woman to manage her mind and body and thereby improve her health and quality of life.

- Baby Care Business

  Overseas, we promoted the use of our products, particularly our pants-type disposable diapers, which are one of our strengths, as well as the deployment of unique products. In India, where the use of disposable diapers is still low, even compared to other target countries, we strove to promote the use of pants-type disposable diapers and expand the sales areas.

  Markets such as Thailand, Vietnam and Indonesia continue to face a tough situation due to a declining birth rate as well as continued price-based tactics from e-commerce driven startups, causing market growth to stagnate. In this environment, the Company responded to the needs of both premium-conscious and price-conscious consumers by promoting a two-brand strategy.

  In Vietnam, we maintain the No. 1 market share by promoting raising of awareness of disposable diapers and acceleration of the earlier use of pants-type disposable diapers through innovative proposals of new values that meet region-specific consumer needs, such as *Bobby One side Open Pants*, the world's first*[2] pants-type disposable diapers that can be opened and closed on one side based on actual usage of consumers. We will continue to work to further expand the market share and improve the profitability by encouraging acceleration of the shift to pants-type disposable diapers.

  In China, amid a continued severe competitive environment with a declining birth rate and emerging local companies, we promoted a shift to the *moony* brand, a new concept of premium product made in China to meet the unique needs of the Chinese market. We will continue to work to further improve the profitability by pursuing stable supply and cost optimization.

In the Middle East, where domestic sales in Saudi Arabia are strong and exports to neighboring countries are also steady, the Company achieved high net sales growth and market share expansion by continuing to invest aggressively in marketing including for new products that contain olive oil tailored to local customs.

In Japan, where the market is shrinking with lower birth rates, we have continued to convey our value through the two brands, *moony* and *Mamy Poko*, to both consumers having different needs based on our business philosophy of "giving parents more enjoyment as they raise their babies." For *moony* series, the "*bottom fit guide*" introduced in S size pants-type products for newborns in 2023 continued to be well received, and sales of products that both "are gentle on the skin" and "have a leak-prevent feature" were steady.

For *Mamy Poko* series, the package design was revamped to communicate the "long-lasting usability," the products' feature, at first sight and make them more visually appealing. Baby care products in Japan achieved stable net sales growth and improved profitability through proactive communication with consumers, such as by also updating the package of *MamyPoko Overnight Diapers* to a design that better conveys its feature of "preventing leakage until morning."

We also actively worked to improve consumer satisfaction and reduce environmental impact through both products and services. For example, nursery facilities that have introduced the *Tebura Toen*® (Hands-free handbag-free nursery facilities)*3 service developed in collaboration with BABY JOB Inc., we promoted the introduction of the nursery facility-exclusive product that uses recycled pulp extracted from used paper diapers.

As a result, net sales and segment profit (core operating income) for the personal care business for the fiscal period under review were ¥186,847 million (down 5.9% year on year) and ¥21,823 million (down 28.1% year on year), respectively.

*2 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, October 2022)

*3 *Tebura Toen*® is a flat-rate subscription service for nursery facilities designed to reduce the burden on both parents and childcare workers, including the need for parents to prepare disposable diapers and wipes, carry bulky items to the facility, and for childcare workers to manage disposable diapers and wipes.

2) Pet Care Business

In the pet food business in Japan, aiming to create a society where dogs and cats can live happy lives while staying connected to society under the slogan "More together, forever together," we responded to consumer needs with an extensive product lineup that caters to the growing demand among pet owners for their dogs and cats to enjoy a variety of textures and flavors, as well as the increased health consciousness. For snacks for cats, we newly released *Silver Spoon Tuna Chips in Cookies* from the *Silver Spoon* brand and *10 Kinds of Natural Ingredients* series from the *AllWell* brand of functional health food for cats to respond to diverse needs of consumers.

In the domestic pet toiletry business, for cats, we added new colors to toilet systems that respond to the growing demand for designs that harmonize with interior decor, and launched replacement sand and sheets scented with botanical fragrances. For dogs, we strove to revitalize the market, including the launch of *Special Mesh Guard* that prevents dogs' mischief from *Deo Sheet Deodorant Lab*, a toilet system for dogs, which does not smell bad even if it is not changed for three days*4.

In addition, alongside our Q&A service for pets, *DOQAT*, we also provided *Food Matching* service, which utilizes AI to suggest cat food, and worked to revitalize the market through both our products and services.

In North America, the Company achieved high 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 manufacture pet food products incorporating our original concepts and technologies.

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 EC channel the Company aims to achieve the No. 1 market share in the priority cities in China.

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 both food and toiletries 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 ¥37,265 million (up 8.8% year on year) and ¥6,925 million (down 4.8% year on year), respectively.

*4 When absorbing urine of one pet dog (regular: for dogs weighing 4 kg or less; wide: for dogs weighing 10 kg or less). If your dog leaves feces on the sheet, please remove them promptly. In a consumer test in everyday life, consumers who replied "The mat does not smell bad for three days" accounted for 87.9%. Odor intensity and hedonic evaluation was implemented by licensed smell examiners three days after a once-a-day drop of 20 cc of dog urine in a closed space. In addition, ammonia concentration was assessed three days after a drop of 20 cc of dog urine. Survey by Unicharm Corporation.

3) Other Businesses

In the category of business-use products, comprising mainly of products utilizing the Company's core non-woven fabric and absorber processing and forming technology, we 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 ¥3,408 million (down 2.3% year on year) and ¥270 million (–% year on year), respectively.

(2) Overview of the financial position for the fiscal period under review

1) Status of assets, liabilities and equity

(Assets)
Total assets as of March 31, 2025 were ¥1,187,445 million (down 4.2% compared with the end of the previous fiscal year). The major decrease was ¥43,522 million in other current and non-current financial assets mainly due to time deposits with deposit terms exceeding three months.

(Liabilities)
Total liabilities as of March 31, 2025 were ¥336,837 million (down 8.0% compared with the end of the previous fiscal year). The major decreases were ¥13,394 million in trade and other payables, ¥8,532 million in income tax payables, and ¥4,789 million in other current liabilities mainly due to provision for bonuses.

(Equity)
Total equity as of March 31, 2025 was ¥850,608 million (down 2.6% compared with the end of the previous fiscal year). The major decrease was ¥21,084 million in other components of equity mainly due to exchange differences on translation in foreign operations.

(Ratio of equity attributable to owners of parent)
Ratio of equity attributable to owners of parent as of March 31, 2025 was 63.7%.

2) Status of cash flows

Cash and cash equivalents as of March 31, 2025 were ¥287,793 million, an increase of ¥26,739 million from the end of the previous fiscal year. The respective cash flow positions for the three months ended March 31, 2025 were as follows:

(Cash flows from operating activities)
Net cash provided by operating activities was ¥28,445 million (¥42,248 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 provided by investing activities was ¥32,567 million (¥79,520 million was used in the same period of the previous fiscal year). The main inflow was due to proceeds from withdrawal of time deposits, and the main outflow was due to purchase of financial assets.

(Cash flows from financing activities)

Net cash used in financing activities was ¥27,191 million (¥18,698 million was used in the same period of the previous fiscal year). The main outflows were due to dividends paid to owners of parent, payments for purchase of treasury shares, and dividends paid to non-controlling interests.

(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 13, 2025.

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, 2024 (as of December 31, 2024)	Three Months Ended March 31, 2025 (as of March 31, 2025)
Assets			
Current assets			
Cash and cash equivalents		261,054	287,793
Trade and other receivables		168,631	150,810
Inventories		121,133	121,566
Other current financial assets		107,695	59,119
Other current assets		12,528	10,596
Total current assets		671,040	629,883
Non-current assets			
Property, plant and equipment		293,230	281,862
Intangible assets		101,091	95,465
Deferred tax assets		16,263	15,879
Investments accounted for using equity method		18,649	19,615
Other non-current financial assets		117,571	122,625
Other non-current assets		22,129	22,115
Total non-current assets		568,933	557,561
Total assets		1,239,973	1,187,445

(Millions of Yen)

	Notes	Fiscal Year Ended December 31, 2024 (as of December 31, 2024)	Three Months Ended March 31, 2025 (as of March 31, 2025)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		231,399	218,005
Borrowings		20,994	19,298
Income tax payables		17,020	8,488
Other current financial liabilities		7,367	7,416
Other current liabilities		24,806	20,017
Total current liabilities		301,585	273,225
Non-current liabilities			
Borrowings		5,857	5,624
Deferred tax liabilities		14,051	14,096
Retirement benefit liabilities		13,490	13,034
Other non-current financial liabilities		25,765	25,303
Other non-current liabilities		5,514	5,555
Total non-current liabilities		64,678	63,612
Total liabilities		366,263	336,837
Equity			
Equity attributable to owners of parent			
Capital stock		15,993	15,993
Share premium		11,405	11,734
Retained earnings		766,342	778,621
Treasury shares		(119,412)	(127,049)
Other components of equity		98,734	77,650
Total equity attributable to owners of parent		773,062	756,949
Non-controlling interests		100,649	93,659
Total equity		873,711	850,608
Total liabilities and equity		1,239,973	1,187,445

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

(Condensed consolidated statement of income)

(Millions of Yen)

	Notes	Three Months Ended March 31, 2024 (January 1, 2024 – March 31, 2024)	Three Months Ended March 31, 2025 (January 1, 2025 – March 31, 2025)
Net sales	4	236,281	227,520
Cost of sales		(144,080)	(138,955)
Gross profit		92,200	88,565
Selling, general and administrative expenses	5	(54,658)	(59,547)
Other income	6	687	6,133
Other expenses		(785)	(417)
Financial income		2,205	2,411
Financial costs		(4,943)	(2,198)
Profit before tax		34,706	34,946
Income tax expenses		(13,207)	(7,482)
Profit for the period		21,499	27,464
Profit attributable to			
Owners of parent		17,829	24,908
Non-controlling interests		3,670	2,557
Profit for the period		21,499	27,464
Earnings per share attributable to owners of parent			
Basic earnings per share (Yen)		10.07	14.18
Diluted earnings per share (Yen)		–	–

Reconciliation of changes from gross profit to core operating income

(Millions of Yen)

Gross profit	92,200	88,565
Selling, general and administrative expenses	(54,658)	(59,547)
Core operating income	37,542	29,018

(Condensed consolidated statement of comprehensive income)

(Millions of Yen)

	Notes	Three Months Ended March 31, 2024 (January 1, 2024 – March 31, 2024)	Three Months Ended March 31, 2025 (January 1, 2025 – March 31, 2025)
Profit for the period		21,499	27,464
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		1,238	1,643
Remeasurements related to net defined benefit liabilities (assets)		(50)	80
Subtotal		1,188	1,723
Items that may be reclassified to profit or loss			
Net changes in debt instruments measured at fair value through other comprehensive income		(46)	(72)
Changes in fair value of cash flow hedges		46	(8)
Exchange differences on translation in foreign operations		21,529	(26,902)
Share of other comprehensive income of investments accounted for using equity method		793	(920)
Subtotal		22,322	(27,902)
Total other comprehensive income, net of tax		23,510	(26,179)
Total comprehensive income		45,008	1,286
Total comprehensive income attributable to			
Owners of parent		36,948	4,095
Non-controlling interests		8,060	(2,810)
Total comprehensive income		45,008	1,286

(3) Condensed consolidated statement of changes in equity

Three Months Ended March 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

Three Months Ended March 31, 2025 (January 1, 2025 – March 31, 2025)

(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, 2025		15,993	11,405	766,342	(119,412)	98,734	773,062	100,649	873,711
Profit for the period		–	–	24,908	–	–	24,908	2,557	27,464
Other comprehensive income		–	–	–	–	(20,812)	(20,812)	(5,366)	(26,179)
Total comprehensive income		–	–	24,908	–	(20,812)	4,095	(2,810)	1,286
Purchase of treasury shares		–	–	–	(7,609)	–	(7,609)	–	(7,609)
Dividends		–	–	(12,900)	–	–	(12,900)	(4,180)	(17,080)
Share-based payment transactions		–	329	–	(28)	–	301	–	301
Transfer from other components of equity to retained earnings		–	–	272	–	(272)	–	–	–
Total transactions with owners		–	329	(12,628)	(7,637)	(272)	(20,208)	(4,180)	(24,388)
Balance at March 31, 2025		15,993	11,734	778,621	(127,049)	77,650	756,949	93,659	850,608

(4) Condensed consolidated statement of cash flows

(Millions of Yen)

	Notes	Three Months Ended March 31, 2024 (January 1, 2024 – March 31, 2024)	Three Months Ended March 31, 2025 (January 1, 2025 – March 31, 2025)
Cash flows from operating activities			
Profit before tax		34,706	34,946
Depreciation and amortization expenses		11,133	12,013
Interest income		(1,939)	(1,430)
Dividend income		(265)	(319)
Interest expenses		765	674
Foreign exchange loss (gain)		3,837	1,248
Loss (gain) on sale and retirement of fixed assets		303	52
Decrease (increase) in trade and other receivables		8,852	11,128
Decrease (increase) in inventories		2,477	(5,448)
Increase (decrease) in trade and other payables		(3,424)	(5,687)
Other, net		1,855	(2,485)
Subtotal		58,300	44,694
Interest received		1,700	1,774
Dividends received		303	319
Interest paid		(480)	(635)
Income taxes refund		38	149
Income taxes paid		(17,612)	(17,856)
Net cash provided by (used in) operating activities		42,248	28,445
Cash flows from investing activities			
Payments into time deposits		(56,118)	(9,627)
Proceeds from withdrawal of time deposits		11,684	53,300
Purchase of property, plant and equipment, and intangible assets		(11,998)	(7,692)
Proceeds from sale of property, plant and equipment, and intangible assets		26	152
Long-term loan advances		(15)	(11)
Purchase of financial assets		(23,635)	(19,374)
Proceeds from sale and redemption of financial assets		400	16,620
Purchase of shares of subsidiaries and associates		–	(933)
Other, net		135	131
Net cash provided by (used in) investing activities		(79,520)	32,567

(Millions of Yen)

	Notes	Three Months Ended March 31, 2024 (January 1, 2024 – March 31, 2024)	Three Months Ended March 31, 2025 (January 1, 2025 – March 31, 2025)
Cash flows from financing activities			
Net increase (decrease) in short-term borrowings		(3,378)	(572)
Repayments of lease liabilities		(1,844)	(1,981)
Payments for purchase of treasury shares		(0)	(7,609)
Dividends paid to owners of parent		(11,817)	(12,912)
Dividends paid to non-controlling interests		(1,658)	(4,116)
Net cash provided by (used in) financing activities		(18,698)	(27,191)
Effect of exchange rate changes on cash and cash equivalents		3,947	(7,082)
Net increase (decrease) in cash and cash equivalents		(52,023)	26,739
Cash and cash equivalents at beginning of period		253,770	261,054
Cash and cash equivalents at end of period		201,748	287,793

(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, 2024.

3. Changes in the presentation method

   (Condensed consolidated statement of cash flows)

   "Increase (decrease) in other current liabilities" and "decrease (increase) in other non-current assets," which were presented separately under cash flows from operating activities in the three months ended March 31, 2024, have been combined and presented as "other, net" from the three months ended March 31, 2025 in order to clarify the presentation. In addition, liabilities related to advertising expenses and labor costs, etc. which were included in "increase (decrease) in other current liabilities" under cash flows from operating activities in the three months ended March 31, 2024, are included in "increase (decrease) in trade and other payables" to present the actual situation more clearly from the fiscal year ended December 31, 2024. As a result, in the condensed consolidated statement of cash flows for the three months ended March 31, 2024, "increase (decrease) in trade and other payables" of ¥(3,153) million, "increase (decrease) in other current liabilities" of ¥(530) million, "decrease (increase) in other non-current assets" of ¥425 million, and "other, net" of ¥1,689 million under cash flows from operating activities have been restated as "increase (decrease) in trade and other payables" of ¥(3,424) million and "other, net" of ¥1,855 million under cash flows from operating activities.

   "Purchase of financial assets measured at amortized cost," "purchase of financial assets measured at fair value through profit or loss," "purchase of equity instruments measured at fair value through other comprehensive income," and "purchase of debt instruments measured at fair value through other comprehensive income," which were presented separately under cash flows from investing activities in the three months ended March 31, 2024, have been combined and presented as "purchase of financial assets" from the six months ended June 30, 2024 in order to clarify the presentation. In addition, "proceeds from sale and redemption of financial assets measured at amortized cost," "proceeds from sale and redemption of financial assets measured at fair value through profit or loss," and "proceeds from sale and redemption of debt instruments measured at fair value through other comprehensive income," which were presented separately under cash flows from investing activities in the three months ended March 31, 2024, have been combined and presented as "proceeds from sale and redemption of financial assets" from the six months ended June 30, 2024 in order to clarify the presentation. To reflect these changes in presentation, the condensed consolidated financial statements for the three months ended March 31, 2024 have been restated. As a result, in the condensed consolidated statement of cash flows for the three months ended March 31, 2024, "purchase of financial assets measured at amortized cost" of ¥(1,000) million, "purchase of financial assets measured at fair value through profit or loss" of ¥(9,269) million, "purchase of equity instruments measured at fair value through other comprehensive income" of ¥(1,890) million, and "purchase of debt instruments measured at fair value through other comprehensive income" of ¥(11,475) million under cash flows from investing activities were reclassified as "purchase of financial assets" of ¥(23,635) million under cash flows from investing activities. In addition, in the condensed consolidated statement of cash flows for the three months ended March 31, 2024, "proceeds from sale and redemption of debt instruments measured at fair value through other comprehensive income" of ¥400 million under cash flows from investing activities were reclassified as "proceeds from sale and redemption of financial assets" of ¥400 million under cash flows from investing activities.

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.

(2) Sales and results by reportable segment

Sales and results by reportable segment are as follows.

(Millions of Yen)

	Three Months Ended March 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

(Millions of Yen)

	Three Months Ended March 31, 2025 (January 1, 2025 – March 31, 2025)					
	Reportable segments				Adjustments	Amounts reported in condensed consolidated statements
	Personal care	Pet care	Other	Total		
Sales to external customers	186,847	37,265	3,408	227,520	–	227,520
Sales across segments	–	–	33	33	(33)	–
Total segment sales	186,847	37,265	3,441	227,553	(33)	227,520
Segment profit (loss) (Core operating income)	21,823	6,925	270	29,018	–	29,018
Other income						6,133
Other expenses						(417)
Financial income						2,411
Financial costs						(2,198)
Profit before tax						34,946

5. Selling, general and administrative expenses

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

(Millions of Yen)

	Three Months Ended March 31, 2024 (January 1, 2024 – March 31, 2024)	Three Months Ended March 31, 2025 (January 1, 2025 – March 31, 2025)
Freight-out expenses	14,963	16,229
Sales promotion expenses	6,774	8,182
Advertising expenses	6,500	6,006
Employee benefit expenses	12,998	13,777
Depreciation and amortization expenses	2,953	3,576
Research and development expenses	1,925	2,460
Others	8,544	9,317
Total	54,658	59,547

6. Other income

"Other income" for the three months ended March 31, 2025 includes fire insurance proceeds of ¥5,274 million in relation to a fire accident that took place on June 24, 2020, at Ahmedabad Factory of Unicharm India Private Ltd., a subsidiary of the Company.