

Third Quarter of Fiscal Year Ending December 31, 2018

Financial Performance

Unicharm Investor Meeting Presentation Materials

November 5, 2018
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Projections stated in these materials include those based on the Company's currently obtained assumptions, forecasts and plans regarding the future. Therefore, actual results may differ significantly from projections due to risks and uncertainties associated with market competition, foreign exchange rates, etc.

Financial Performance Summary:

Third Quarter of Fiscal Year Ending December 31, 2018

◆ Document notations

BC: Baby Care Business

FC: Feminine Care Business

HC: Health Care Business

C&F: Clean & Fresh Business

PC: Pet Care Business

Third quarter of fiscal year ending December 31, 2018

Financial Results Summary



- **Consolidated results (New record high established)**
 - ✓ Sales of 498.1 billion JPY (32.5 billion JPY/7.0% increase), core operating income 75.8 billion JPY (9.2 billion JPY/13.8% increase).
 - ✓ Significant improvement of core operating income margin mainly in Asia, 14.3%⇒15.2%
- **Japan performance 10.6 billion JPY sales increase (+5.6%), 0.1 billion JPY core operating income decrease (-0.3%)**
 - ✓ HC: Continued expansion of market share. Continued overwhelming No.1 position. New moderate and light products see favorable growth.
 - ✓ BC: Cross-border EC to China approximately had 1.6 times growth. Growth in domestic market due to vitalization of high-premium market
- **Overseas performance 21.9 billion JPY sales increase (+7.9%), 9.3 billion core operating income JPY increase (+38.4%)**
 - ✓ Asia: 18.5 billion JPY sales increase (+9.2%), 9.1 billion JPY core operating income increase (+44.3%). Core operating income improved from 10.2%⇒13.4%.
 - ✓ China: FC expanded mainly in urban areas. Effective marketing favorable trends for high growth.
With positive effects toward BC with marketing investment in moony (imported disposable diapers), in addition to cross-border ECs, moony sales trended positively (official imported products + cross-border EC, approx. 1.3 times growth.)
A shift to Pants-type diapers was stimulated and the market ratio of pants diapers rose.
 - ✓ Indonesia: Due to the effects of continuous brand reinforcement, traditional sales route expansion, and etc., had continued stable growth and improved profitability.
 - ✓ India: Completed third factory in April. Further reinforced growth foundation and achieved high, sustainable growth.
- **Shareholder Return**
 - ✓ Dividends: Annual dividends expected to increase by 4 yen to 24 yen. The plan will achieve continuous increases for 17 consecutive fiscal periods and raise the dividend payout ratio in stages.
 - ✓ Resolution of purchase of own shares 15.5 billion JPY or 5,50,000 shares.

■ Consolidated account highlights

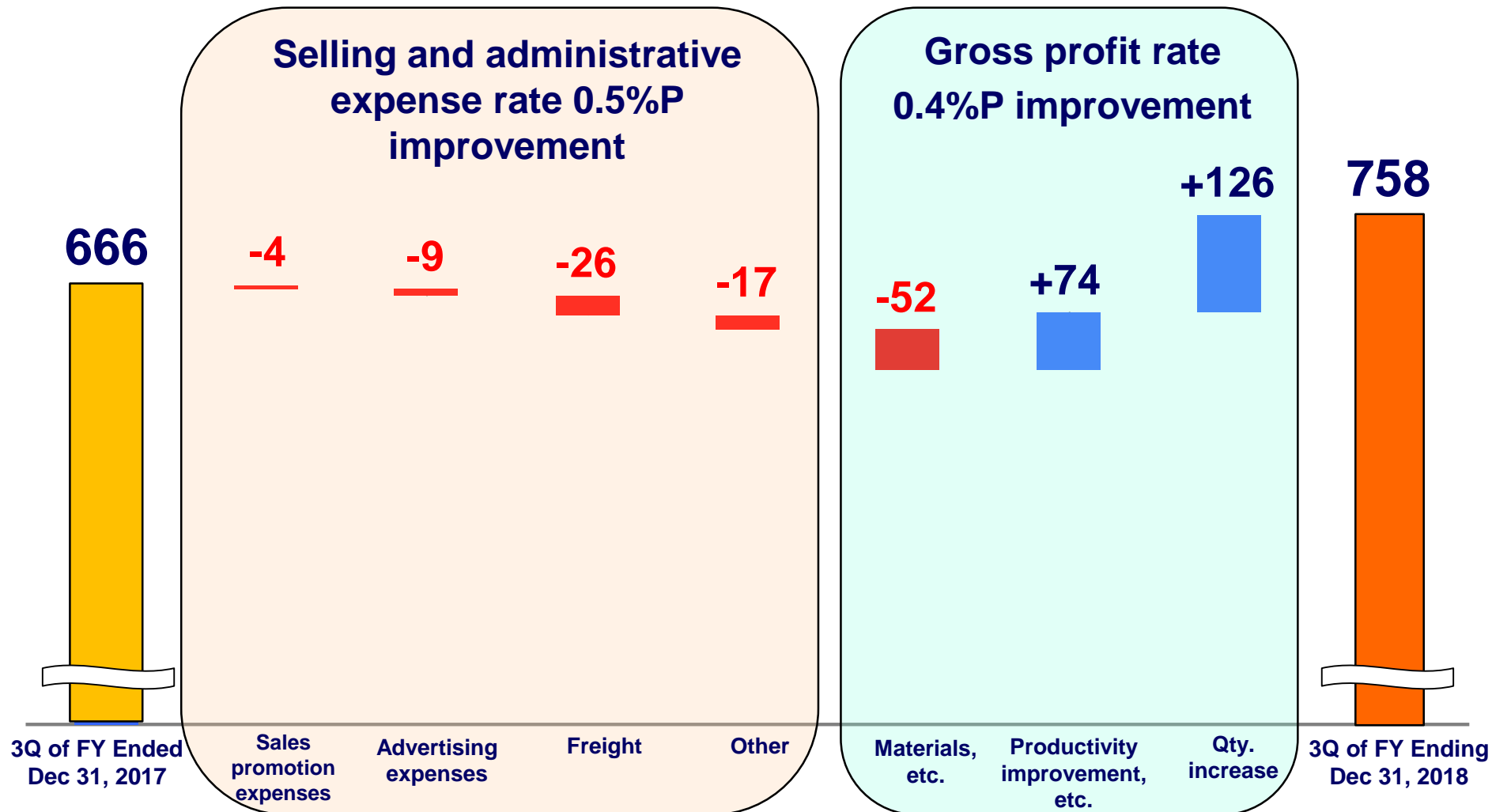
(Millions of yen)

	3Q of FY Ended Dec. 31, 2017	3Q of FY Ending Dec. 31, 2018	Difference	Difference (%)	(Forecast) FY Ending Dec. 31, 2018	Achievement Rate (%)
Net sales	465,592	498,115	+32,523	+7.0%	687,000	72.5%
Core operating income (Core operating income margin)	66,632 (14.3%)	75,808 (15.2%)	+9,176	+13.8% (+0.9%P)	94,000 (13.7%)	80.6%
Profit before tax (margin)	66,966 (14.4%)	73,905 (14.8%)	+6,939	+10.4% (+0.4%P)	93,000 (13.5%)	79.5%
Profit attributable to owners of parent (margin)	43,622 (9.4%)	47,086 (9.5%)	+3,464	+7.9% (+0.1%P)	59,000 (8.6%)	79.8%
Basic earnings per share (JPY)	74.21	79.85	+ 5.64	+ 7.6%	98.91	—
USD Rate (JPY)	111.92	109.61	-2.31	-2.1%	110.00	—
CNY Rate (JPY)	16.47	16.85	+0.38	+2.3%	16.80	—

Through continuous marketing investment effects, realized improvement of product mix and increase sales volume. And reduction of promotion expenses absorbed the rise of raw material prices. Core operating income margin increased by 9.2 billion JPY

■ Core operating income fluctuation

(100 millions of yen)



For Japan, BC cross-border continued high growth and other businesses developed favorably.

For Asia , profitability improved in principal countries such as China, Thailand, and Indonesia



■ Geographical segment information

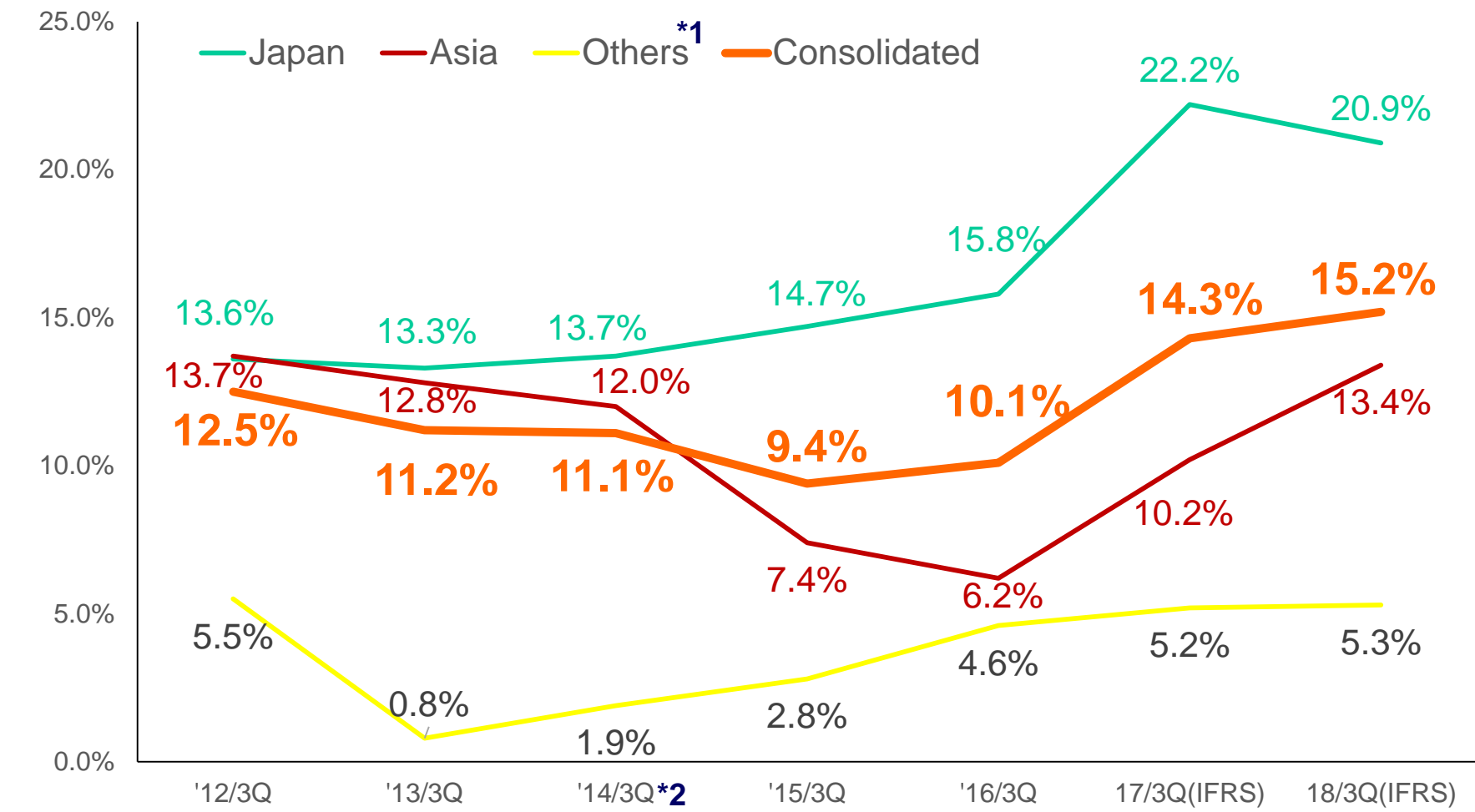
(Millions of yen)

		3Q of FY Ended Dec. 31, 2017	3Q of FY Ending Dec. 31, 2018	Difference	Difference (%)	^{*1} (Ref.) Actual difference
Japan	Net sales	189,798	200,430	+10,632	+5.6%	—
	Core operating income	42,072	41,944	-128	-0.3%	—
	(margin)	(22.2%)	(20.9%)		(-1.3%P)	—
Asia	Net sales	201,417	219,910	+18,493	+9.2%	+10.1%
	Core operating income	20,463	29,530	+9,067	+44.3%	+43.7%
	(margin)	(10.2%)	(13.4%)		(+3.2%P)	—
^{*2} Others	Net sales	74,377	77,775	+3,398	+4.6%	+6.4%
	Core operating income	3,831	4,090	+259	+6.8%	+6.6%
	(margin)	(5.2%)	(5.3%)		(+0.1%P)	—
Reconciling items, etc.	Net sales	—	—	—	—	—
	Core operating income	266	244	-23	—	—
	(margin)	—	—	—	—	—
Consolidated	Net sales	465,592	498,115	+32,523	+7.0%	+7.7%
	Core operating income	66,632	75,808	+9,176	+13.8%	+13.6%
	(margin)	(14.3%)	(15.2%)		(+0.9%P)	—

*1 : Actual difference rate except exchange effects.

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

■ Core operating income margin by geographical segment



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

*2 : Irregular results due to change in settlement period

For Personal care, FC growth mainly in China
For PC, Asia market growth led by use of Japanese technology



■ Business Segment Information

(Millions of yen)

		3Q of FY Ended Dec. 31, 2017	3Q of FY Ending Dec. 31, 2018	Difference	Difference (%)
Japan	Net sales	403,877	434,760	+30,883	+7.6%
	Core operating income	60,037	68,791	+8,754	+14.6%
	(margin)	(14.9%)	(15.8%)		(+0.9%P)
Asia	Net sales	57,048	58,251	+1,203	+2.1%
	Core operating income	6,681	6,950	+269	+4.0%
	(margin)	(11.7%)	(11.9%)		(+0.2%P)
*1 Others	Net sales	4,689	5,127	+438	+9.3%
	Core operating income	-86	67	+153	—
	(margin)	—	(1.3%)		—
Reconciling items, etc.	Net sales	-21	-23	-2	—
	Core operating income	0	0	0	—
	(margin)	—	—	—	—
Consolidated	Net sales	465,592	498,115	+32,523	+7.0%
	Core operating income	66,632	75,808	+9,176	+13.8%
	(margin)	(14.3%)	(15.2%)		(+0.9%P)

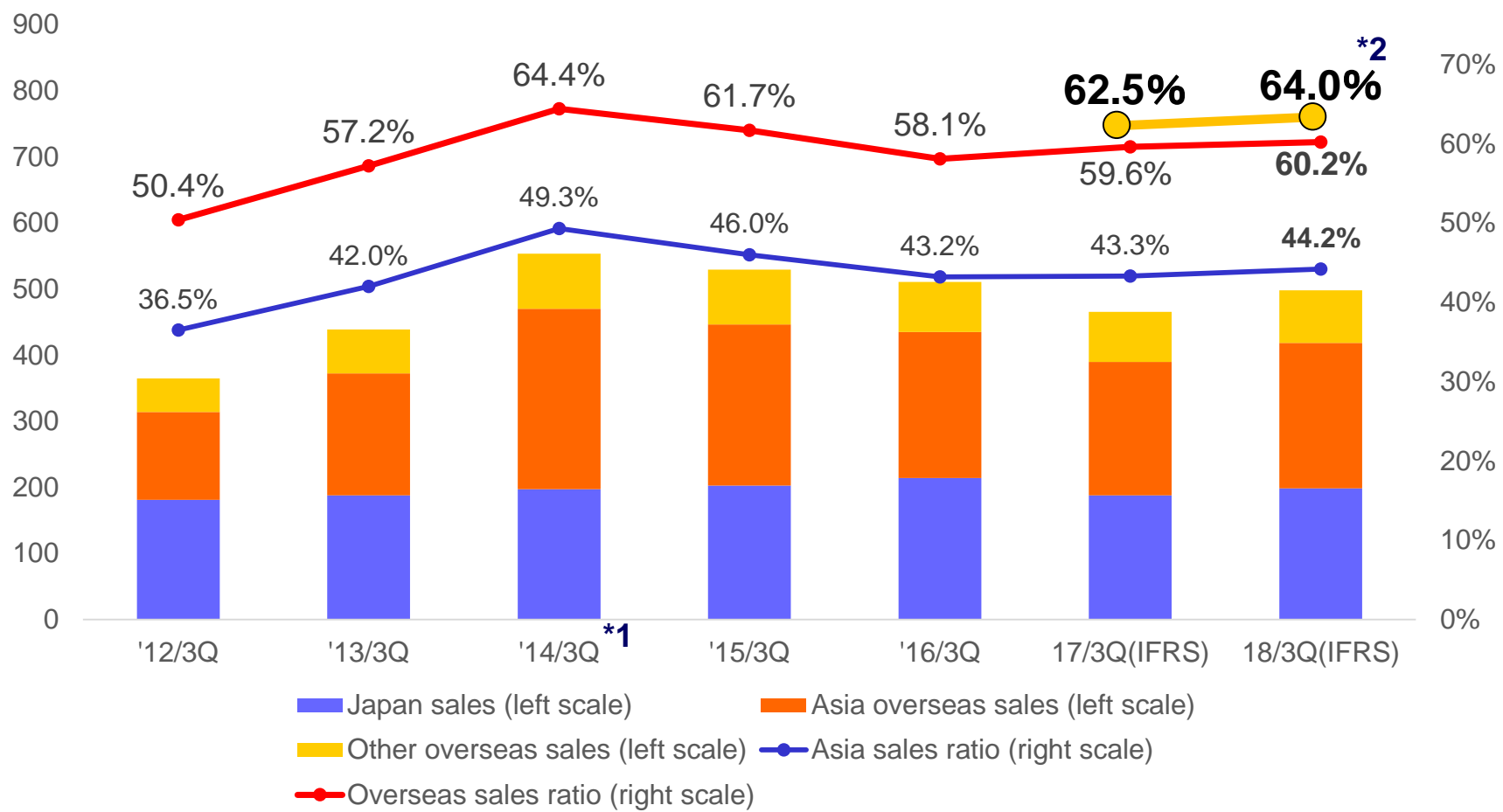
*1: Other products related to industrial materials, etc., child raising video streaming service.

Overseas sales composition ratio 60.2% (60.4% excluding exchange effects)



Domestic / overseas sales

(Billions of yen)



*1: Irregular fiscal year due to settle settlement period changes.

*2: When exports such as cross-border EC, etc. from Japan are considered overseas sales

Effects of exchange fluctuations

Approx. 3.2 billion yen decrease in sales

Approx. 0.1 billion yen increase in core operating income



■ Rate fluctuations by currency

Currency	Exchange rate Jan-Sep 2017	Exchange rate Jan-Sep 2018	Change in rate
China (CNY)	16.47	16.85	+2.3%
Indonesia (IDR)	0.0084	0.0078	-7.1%
Thailand (THB)	3.27	3.41	+4.3%
Saudi Arabia (SAR)	29.89	29.27	-2.1%
India (INR)	1.73	1.65	-4.6%
Vietnam (VND)	0.0049	0.0048	-2.0%
USA (USD)	111.92	109.61	-2.1%
Taiwan (TWD)	3.67	3.67	0.0%
Netherlands (EUR)	124.55	130.97	+5.2%
South Korea (KRW)	0.0985	0.1006	+2.1%
Australia (AUD)	85.73	83.11	-3.1%
Malaysia (MYR)	25.76	27.50	+6.8%
Egypt (EGP)	6.27	6.17	-1.6%
Brazil(BRL)	35.29	30.64	-13.2%
Russia (RUB)	1.92	1.79	-6.8%

Fiscal Year Ending December 31, 2018 Earnings Forecast

Continuance strong results in sales also 4Q, but aggressive investing in marketing cost toward next FY and due to greater raw material price changes than expected, initial performance forecasts were deferred

■ Consolidated earnings forecast

(Millions of yen)

	FY Ended Dec. 31, 2017	FY Ending Dec. 31, 2018	Difference	Difference (%)	^{*1} (Reference) Difference (%)
Net sales	641,647	687,000	+45,353	+7.1%	+7.5%
Core operating income (Core operating income margin)	86,838 (13.5%)	94,000 (13.7%)	+7,162	+8.2% (+0.2%P)	+8.5%
Profit before tax (margin)	92,926 (14.5%)	93,000 (13.5%)	+74	+0.1% (-1.0%P)	—
Profit attributable to owners of parent (margin)	52,772 (8.2%)	59,000 (8.6%)	6,228	+11.8% (+0.4%P)	—
Basic earnings per share (JPY)	89.85	98.91	+9.06	+10.1%	—
USD Rate (JPY)	112.19	110.00	-2.19	-2.0%	—
CNY Rate (JPY)	16.63	16.80	+0.17	+1.0%	—

*1 : Actual difference rate except exchange effects.

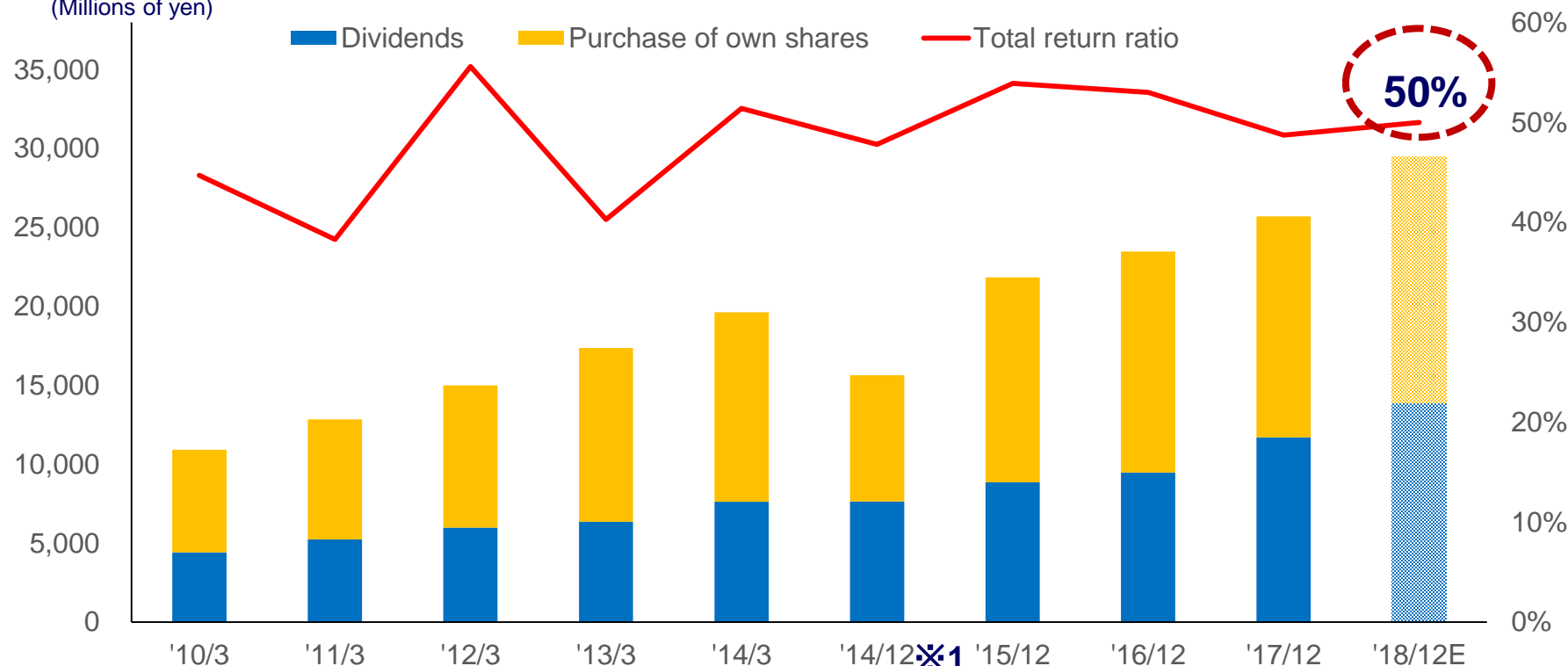
Shareholder Return Policy

Total return ratio of 50% scheduled in FY 2018

Dividends increase and purchase of own shares 15.5 billion JPY

Shareholder return policy

(Millions of yen)



*1: Fiscal year ended Dec. 31, 2014 is an irregular fiscal year lasting nine months.

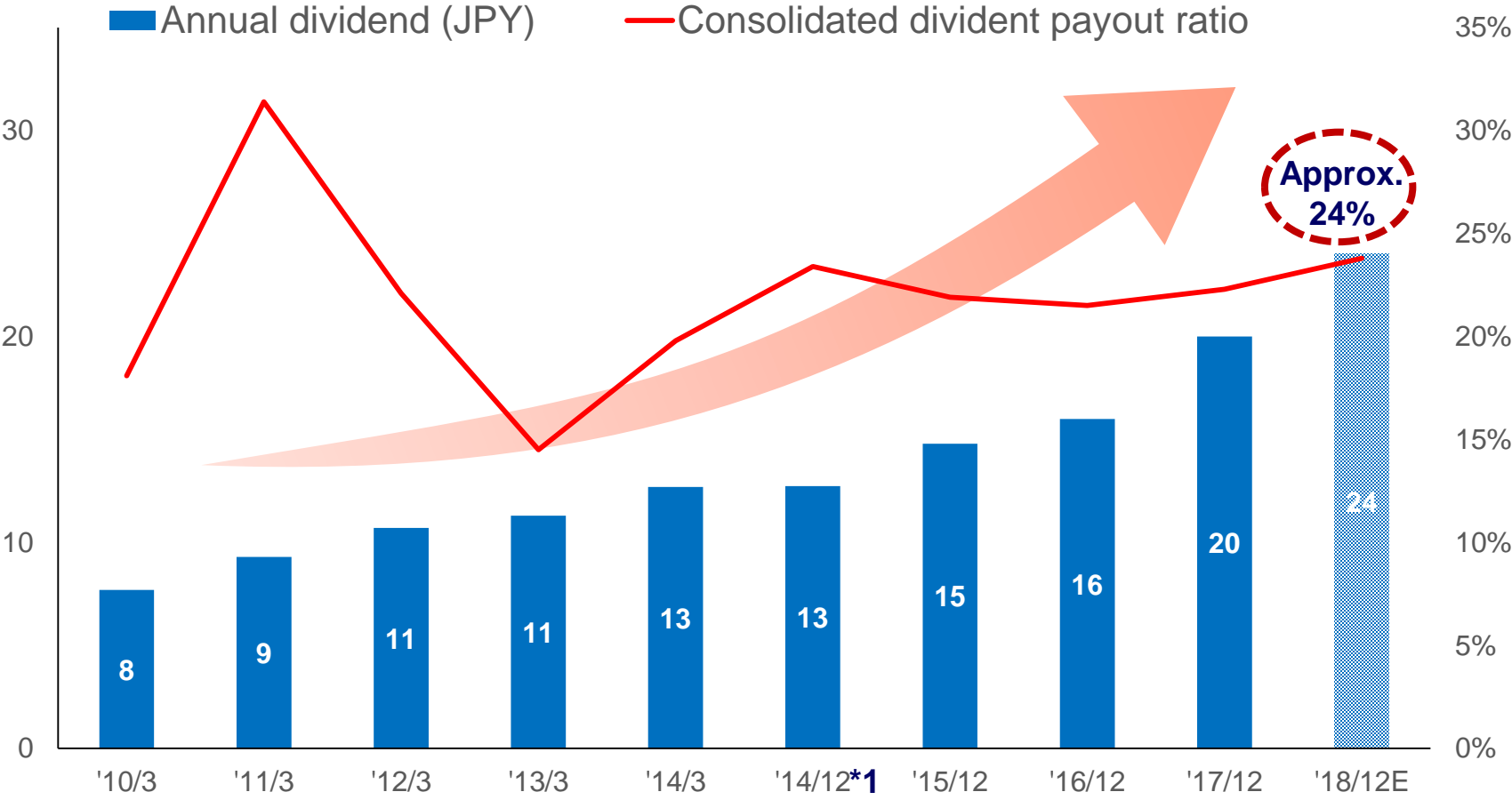
By prioritizing business investment in order to achieve continuous growth while paying out stable and continuous dividends based on the growth of mid-to-long term earnings, and carrying out the swift purchasing of our own shares if necessary, we plan on a profit return with a goal of **total return ratio of 50%** (raise the dividend payout ratio in stages) in addition to shareholder dividends and purchase of own shares.

Steady and continuous dividend payments increase, on track for 17 consecutive periods of increased dividends

Raise dividend payout ratio in stages



■ Dividends per share (JPY)



*1: Fiscal year ended Dec. 31, 2014 is an irregular fiscal year lasting nine months.

Raising Corporate Value

Through our initiatives to achieve Unicharm's envisioned "Cohesive Society", resolve important issues and achieve sustainable growth

Sustainable Development Goals (SDGs)



Unicharm's Key Challenges

1. Lengthening Healthy Life Expectancy



2. Supporting Women's Independence and Improving Hygiene in Emerging Countries



3. Contribution to Environmental and Sustainability Possibilities



4. Contributing to the Community



5. Strengthen the company's organization and ensure fair business practices



Initiatives to address important issues

Enhancement of governance

Lengthening Healthy Life Expectancy

Contributing to Global Environment

Supporting Women's Independence and improving Hygiene in Emerging Countries

Contributing to the Community

Unicharm's Vision for Society

All people lead independent lives and support each other

NOLA & DOLA
Necessity of Life with Activities & Dreams of Life with Activities





Lengthening healthy life expectancy



◆ Supporting healthy life expectancy with “Lifree”

■ Contributing to lengthening healthy life expectancy with Lifree “Social Walking”*

* A neologism formed by combining societal participation and walking, this is a walking program implemented to prevent dementia through interaction and having fun with people, and making it easier for seniors to walk. (Formulated under the super vision of the Tokyo Metropolitan Institute of Gerontology, a local incorporated administrative agency)



■ Reduce worries of urine leakage and promote motivation for going out, providing products that extend healthy life expectancy



◆ Participate in "Pink Ribbon activities" Japan and abroad

■ Communicate the importance of early detection and early detection of breast cancer screening



“Pink Ribbon activities” in United Charm (Taiwan)

◆ Implementation of “Dementia Supporter* Training Course”

■ Learn the importance of promoting social contribution activities for both the prevention and care of dementia, and develop human resources who will contribute to the realization of a “Cohesive Society” (In-house training)

*A person who supports those with dementia and their families with proper knowledge and understanding.



◆ Product development for the realization of a Cohesive Society for pets

■ Make life more comfortable for aging pets who need caregiving and provide happiness until the end of their lives





Supporting women's independence and improving hygiene in emerging countries



◆ Efforts to eliminate “I can't go to school because I am menstruating”

- Expansion of first menstruation educational programs in India, Indonesia, and Myanmar
- Lecture on first menstruation educational programs for developing countries relevant parties



First menstruation educational programs in India

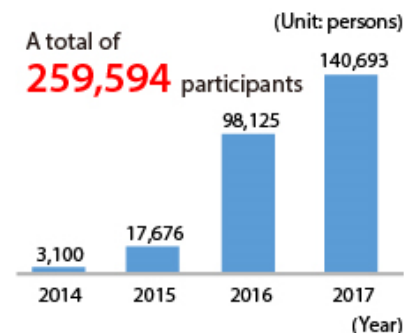


"School health training" for developing countries relevant parties



Menarche educational material developed for Myanmar

■ Social impact
Number of people in emerging economies attending menarche education activities



◆ Job Support at a Women-Only Factory in Saudi Arabia

- Further expanding the scope of the women-friendly working environment
- ✓ Providing nurseries and rest areas to fulfill children's needs
 - ✓ Female employees assigned leadership roles, improving factory operations





Contribution to Environmental and Sustainability Possibilities

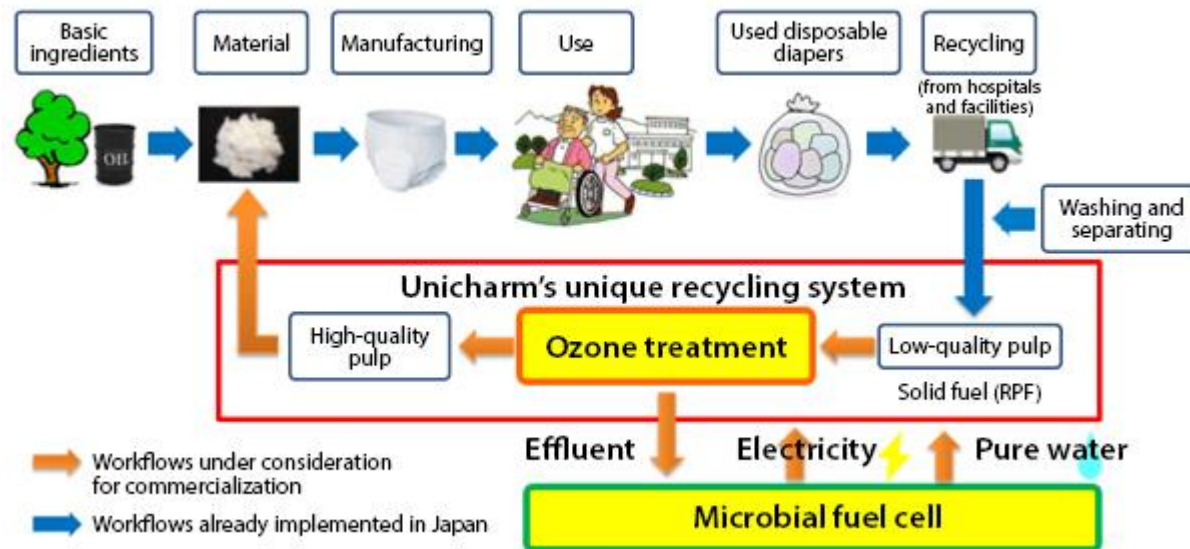


◆Activities towards recycling disposable diapers

■ Unicharm's aimed diaper recycling model

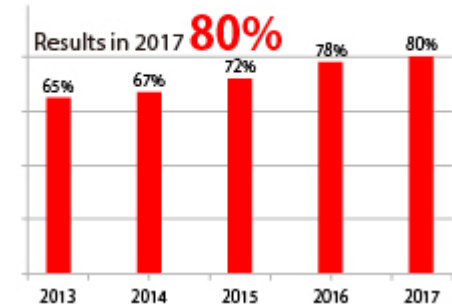
- ✓ We treat low-quality pulp with our unique ozone process after extracting it from used disposable diapers.
- ✓ This has made it possible to break down SAP into water and carbon dioxide by oxidization and recycling it as high-grade pulp that is as sanitary and safe as virgin pulp.
- ✓ Acquire patents related to treatment methods that make allow simultaneous water purification and electricity generation using microbial fuel cells in the process of recycling disposable diapers
- ✓ Establishing a recycling system that can be spread throughout the world with the City of Shibushi

■ Unicharm's recycling-oriented model for disposable diapers



■ Social impact

Change in the ratio of environmentally-friendly products



EcoCharming products increased to 146 (FY2017)



Contributing to the Community



◆ Contributing to the “Support of Disaster-Affected Areas”

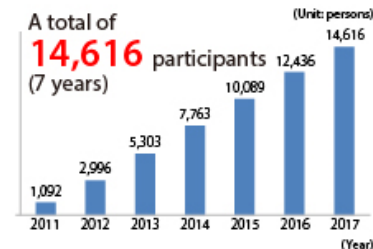
- Continuing the Matching Fund* which combines Disaster-Affected Area Support and energy-saving initiatives
- ✓ Sales of “Super Coolbiz 2018” 4,014 thousand JPY, Utilize donation to the “Michinoku Mirai Fund” that will fulfill the dream of going to school after the earthquake disaster, and to donate to the affected areas of “Heavy rain in July, 2018”

*Created for the “Support of Disaster-Affected Areas”. Original polo shirts, jumpers, and goods are sold to employees. Through this system, we double the money collected and donate it to charity.



Donation to flood victims in India

■ Social impact
Cumulative total of persons participating in the Super Cool Biz and Super Warm Biz activities to provide continued support to disaster-affected areas



* In 2011, only the Super Cool Biz activity was implemented.

◆ Local Revitalization Support

- Comprehensive Partnership Agreement with Kakegawa City, Shizuoka Prefecture in 7 fields such as disaster measures, child-raising support, health promotion, etc.
- “Agreement Regarding Cooperation with Provision of Supplies in the Event of a Disaster” with Fukushima City.
- Partnership agreements with Fukuoka, Kumamoto, Kagawa, etc.
- Continuous support and exchange for Indonesian child care center



Unicharm Indonesia visit to Child care center



Unicharm shall continue to supply the world-first and world-#1 products & services that can provide all people around the world with comfort, deep impression and joy for contributing to realize the “Cohesive Society” in which they can always be brightening through their independence and mutual supports.