

This notice has been translated from the original Japanese text of the timely disclosure statement dated May 14, 2020 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, 2020
(January 1, 2020 through March 31, 2020); Flash Report
[IFRS]**



May 14, 2020

Listed Company Name: **Unicharm Corporation**
 Listing: **First Section, Tokyo Stock Exchange**
 Code Number: **8113**
 URL: **<http://www.unicharm.co.jp/>**
 Company Representative: **Takahisa Takahara, Representative Director, President and Chief Executive Officer**
 Contact Person: **Hirotsu Shimada, Executive Officer, General Manager of Accounting Control and Finance Division**
 Telephone Number: **+81-3-3451-5111**
 Scheduled Date to Submit Quarterly Securities Report: **May 15, 2020**
 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, 2020
(January 1, 2020 through March 31, 2020)**

(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, 2020	183,788	9.0	30,281	50.7	27,910	33.3	21,228	41.8	19,215	51.3	(3,370)	—
Q1 of Fiscal Year Ended December 31, 2019	168,611	4.8	20,099	(18.7)	20,939	(4.1)	14,973	(7.2)	12,701	(10.4)	22,083	536.4

(Note) Core operating income is calculated by deducting selling, general and administrative expenses from gross profit.

	Basic Earnings Per Share	Diluted Earnings Per Share
	Yen	Yen
Q1 of Fiscal Year Ending December 31, 2020	32.19	32.12
Q1 of Fiscal Year Ended December 31, 2019	21.30	21.13

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2020

(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, 2020	837,072	533,437	466,079	55.7
As of December 31, 2019	864,003	542,900	473,073	54.8

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, 2019	—	14.00	—	14.00	28.00
Fiscal Year Ending December 31, 2020	—				
Fiscal Year Ending December 31, 2020 (forecast)		16.00	—	16.00	32.00

(Note) Changes in dividend forecasts recently disclosed: None

**3. Forecast of Consolidated Financial Results for the Fiscal Year Ending December 31, 2020
(January 1, 2020 through December 31, 2020)**

(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	760,000	6.4	100,000	11.4	98,000	40.9	63,000	36.6	105.47

(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, 2020:	620,834,319 shares
As of December 31, 2019:	620,834,319 shares
- (ii) Number of treasury shares as of end of period:

As of March 31, 2020:	23,504,928 shares
As of December 31, 2019:	24,604,939 shares
- (iii) Average number of shares during the period (accumulated total):

Q1 of Fiscal Year Ending December 31, 2020:	596,838,546 shares
Q1 of Fiscal Year Ended December 31, 2019:	596,292,838 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

- (1) While the core operating income disclosed by the Company is not an indicator defined in IFRS, the Company voluntarily discloses this as it is believed to be a valuable benchmark for measuring the Group's recurring business performance.
- (2) 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 4 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, 2020

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1. Qualitative Information on Financial Results

(1) Explanation of operating results

In the first quarter of the fiscal year under review (January 1 to March 31, 2020), the operating environment of the Group was affected by the continuous spread of the novel coronavirus disease (COVID-19) across the world, which has yet to show any sign of being contained. Overseas, in key target country China, restrictions on leaving homes and on travel depressed consumer spending and factory operating rates declined temporarily due to a shortage of workers. Meanwhile, Indonesia, Thailand, and other target countries continued to face concerns of an economic slowdown. However, an increased urge for consumers to stockpile resulted in temporary shortages in stores of such daily necessities as sanitary products and disposable diapers for babies. Even under these conditions, the Group achieved sustainable growth by strengthening production systems and bolstering sales activities for personal care products tailored to the market environment and consumer needs of each country.

The Group also achieved growth in Japan, where the COVID-19 pandemic drove special demand for products that could help to prevent the spread of the virus, such as masks and alcohol wet tissues. As overseas, an increased urge for consumers to stockpile also had an impact, and the Group strengthened its production system and continued to stimulate demand for high value-added personal care products.

The cost of sales ratio decreased due to a fall in the price of petroleum-based raw materials in particular, which had increased last year, and efforts to improve production efficiency in Japan and abroad. The core operating income ratio also increased following successful efforts to curb growth in other expenses.

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,” the Company and its group companies continued to develop unique non-woven fabric processing and forming technology, and products that meet the needs of consumers while working to create a “Cohesive Society” in which people from all generations can live while not feeling burdened by one another and with mutual respect for each other as people.

As a result, the Company’s net sales, core operating income, profit before tax, profit for the period, and profit attributable to owners of parent in the first quarter of the fiscal year under review reached ¥183,788 million (up 9.0% year on year), ¥30,281 million (up 50.7% year on year), ¥27,910 million (up 33.3% year on year), ¥21,228 million (up 41.8% year on year), and ¥19,215 million (up 51.3% year on year), respectively.

Financial results by segment are as described below.

1) Personal Care Business

● Baby Care Business

Overseas, in India, where the use of disposable diapers is still low, the Company continued to achieve high growth as a result of expanding the sales area for pants-type disposable diapers for babies.

In the politically unstable Middle East, exports from Saudi Arabia to neighboring Middle Eastern countries remained stable, and the Company gained the country’s top market share* by expanding sales channels and through proactive sales activities.

Meanwhile, the Company achieved sales growth in China, where it promotes sales of the high value-added *moony* series, mainly through e-commerce channels, although the COVID-19 pandemic did have negative impact.

In Japan, sales increased due to special demand sparked by COVID-19, which brought forward demand for baby care products.

* Survey by Unicharm Corporation, in 2019

● Feminine Care Business

For overseas markets, in China the Company’s high-quality products featuring charming designs remain highly popular with the younger generation. Under such circumstances, the Company continued in its efforts to expand its sales area and the number of stores. The COVID-19 pandemic resulted in temporary worker shortages, which depressed operating rates at factories and restricted distribution. This led to shortages of products, but sales still grew.

In Japan, sales expanded as the Company gained market share by promoting sales of high-value-added products such as the *SOFY Organic Cotton* series, which uses organic cotton, to meet demand from an increase in female workers and growing calls for health and peace of mind, and demand for feminine care products was brought forward due to special demand caused by COVID-19.

- Health Care Business

In the overseas markets, populations in Taiwan, Indonesia, Thailand, Vietnam and China are aging even faster than in Japan, which will boost the demand for adult excretion care products. The Company moved ahead with preparations to spread the care model established in Japan to Asian regions. In addition, the Company has conducted various initiatives aimed at accelerating the spread of such products in Thailand and Malaysia, where the Company is building a superior market position in the market for adult disposable diapers, and where DSG (Cayman) Limited, the manufacturer of the *Certainty* brand, operates.

In the domestic market, which continues to grow as Japan's population of the elderly increases, the Company continued to achieve stable growth by gaining market share from our expanded lineup of products tailored to daily activities, centered on mild and moderate products that help to extend healthy life-spans.

In addition, sales of the *Cho-rittai* and *Cho-kaiteki* mask brands were upbeat as consumers' awareness of measures to prevent infection increased following the COVID-19 outbreak, and sales grew as a result.

- Clean and Fresh Business

Increased demand for antibacterials due to the COVID-19 pandemic drove strong sales of wet tissues, especially alcohol-based wet tissues, achieving 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 ¥160,599 million (up 8.2% year on year) and ¥27,243 million (up 50.3% year on year), respectively.

2) Pet Care Business

In the domestic pet food market, the Company expanded its share* by launching new products for dogs tailored to the physical characteristics and ages of each breed, working to improve consumer satisfaction, with other new products meeting demand for increased health consciousness in the cat food market, which is growing due to an increase in the number.

In the North American market, sales have remained steady in sheets for dogs with the use of Japanese technology and in wet-type snacks for cats, and preparations were made for future growth, including reinforcing internet sales, which have grown significantly in recent years, and making overtures to pet specialty stores and dollar stores, single-price stores that are specific to US, expanding our sales channel. In addition, high growth was achieved as proactive sales activities and the increased urge for consumers to stockpile inspired by the COVID-19 pandemic resulted in demand being brought forward.

* Survey by Unicharm Corporation, in 2019

As a result, net sales and segment profit (core operating income) for the pet care business for the fiscal period under review were ¥21,320 million (up 14.2% year on year) and ¥2,881 million (up 45.2% year on year), respectively.

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 ¥1,868 million (up 27.4% year on year) and ¥157 million (segment profit (core operating income) was a loss of ¥9 million in the first quarter of the previous fiscal year).

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2020

(2) Explanation of financial position

(Assets)

Total assets as of the end of the first quarter were ¥837,072 million (down 3.1% compared with the end of the previous fiscal year). The major increase was ¥15,800 million in cash and cash equivalents, and the main decreases were ¥18,422 million in trade and other receivables, ¥9,855 million in property, plant and equipment, ¥5,979 million in inventories and ¥4,662 million in intangible assets.

(Liabilities)

Total liabilities as of the end of the first quarter were ¥303,635 million (down 5.4% compared with the end of the previous fiscal year). The main decreases were ¥12,135 million in trade and other payables and ¥4,691 million in bonds and borrowings.

(Equity)

Total equity as of the end of the first quarter was ¥533,437 million (down 1.7% compared with the end of the previous fiscal year). The major increase was ¥19,215 million in profit attributable to owners of parent, and the major decreases were ¥20,732 million in other components of equity mainly due to exchange differences on translation in foreign operations and ¥8,347 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 55.7%.

(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, 2020.

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2020

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, 2019 (as of December 31, 2019)	Q1 of Fiscal Year Ending December 31, 2020 (as of March 31, 2020)
Assets			
Current assets			
Cash and cash equivalents		128,787	144,588
Trade and other receivables		121,784	103,362
Inventories		65,240	59,261
Other current financial assets		86,418	85,933
Other current assets		24,891	21,782
Total current assets		427,120	414,926
Non-current assets			
Property, plant and equipment		284,105	274,250
Intangible assets		94,162	89,500
Deferred tax assets		13,141	12,360
Investments accounted for using equity method		939	931
Other non-current financial assets		42,342	43,027
Other non-current assets		2,193	2,078
Total non-current assets		436,882	422,146
Total assets		864,003	837,072

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2020

(Millions of Yen)

	Notes	Fiscal Year Ended December 31, 2019 (as of December 31, 2019)	Q1 of Fiscal Year Ending December 31, 2020 (as of March 31, 2020)
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables		150,007	137,872
Bonds and borrowings		10,264	5,703
Income tax payables		7,041	7,415
Other current financial liabilities		5,998	6,299
Other current liabilities		43,557	41,265
Total current liabilities		216,868	198,553
Non-current liabilities			
Bonds and borrowings		27,601	27,472
Deferred tax liabilities		20,682	19,329
Retirement benefit liabilities		10,173	10,211
Other non-current financial liabilities		40,500	42,794
Other non-current liabilities		5,279	5,276
Total non-current liabilities		104,234	105,082
Total liabilities		321,102	303,635
Equity			
Equity attributable to owners of parent			
Capital stock		15,993	15,993
Share premium		14,960	15,196
Retained earnings		513,066	523,942
Treasury shares		(58,769)	(56,142)
Other components of equity		(12,177)	(32,909)
Total equity attributable to owners of parent		473,073	466,079
Non-controlling interests		69,827	67,358
Total equity		542,900	533,437
Total liabilities and equity		864,003	837,072

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2020

(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, 2019 (January 1, 2019 – March 31, 2019)	Q1 of Fiscal Year Ending December 31, 2020 (January 1, 2020 – March 31, 2020)
Net sales	3	168,611	183,788
Cost of sales		(107,687)	(111,444)
Gross profit		60,924	72,344
Selling, general and administrative expenses	4	(40,826)	(42,063)
Other income		1,013	447
Other expenses		(299)	(699)
Financial income		1,270	1,091
Financial costs		(1,144)	(3,210)
Profit before tax		20,939	27,910
Income tax expenses		(5,966)	(6,682)
Profit for the period		14,973	21,228
Profit attributable to			
Owners of parent		12,701	19,215
Non-controlling interests		2,273	2,014
Profit for the period		14,973	21,228
Earnings per share attributable to owners of parent			
Basic earnings per share (Yen)		21.30	32.19
Diluted earnings per share (Yen)		21.13	32.12

Reconciliation of changes from gross profit to core operating income

(Millions of Yen)

Gross profit	60,924	72,344
Selling, general and administrative expenses	(40,826)	(42,063)
Core operating income (*)	20,099	30,281

* Core operating income comprises gross profit less selling, general and administrative expenses. While it is not an indicator defined in IFRS, the Company voluntarily discloses this in the condensed consolidated statement of income and Note “3. Segment information” as the Company’s Board of Directors evaluates the performance of business segments based on core operating income, and it is believed to be a valuable benchmark for measuring the Group’s recurring business performance.

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2020

Condensed consolidated statement of comprehensive income

(Millions of Yen)

	Notes	Q1 of Fiscal Year Ended December 31, 2019 (January 1, 2019 – March 31, 2019)	Q1 of Fiscal Year Ending December 31, 2020 (January 1, 2020 – March 31, 2020)
Profit for the period		14,973	21,228
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		824	(1,215)
Remeasurements related to net defined benefit liabilities (assets)		(7)	(0)
Subtotal		817	(1,216)
Items that may be reclassified to profit or loss			
Changes in fair value of cash flow hedges		(18)	56
Exchange differences on translation in foreign operations		6,311	(23,439)
Subtotal		6,293	(23,383)
Total other comprehensive income, net of tax		7,110	(24,599)
Total comprehensive income		22,083	(3,370)
Total comprehensive income attributable to			
Owners of parent		19,192	(1,292)
Non-controlling interests		2,891	(2,078)
Total comprehensive income		22,083	(3,370)

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2020

(3) Condensed consolidated statement of changes in equity

First Quarter of the Fiscal Year Ended December 31, 2019 (January 1, 2019 – March 31, 2019)

(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, 2019		15,993	13,058	480,457	(52,776)	(15,276)	441,456	62,214	503,670
Cumulative effects of changes in accounting policies		–	–	(530)	–	–	(530)	(23)	(554)
Restated balance at January 1, 2019		15,993	13,058	479,927	(52,776)	(15,276)	440,926	62,190	503,116
Profit for the period		–	–	12,701	–	–	12,701	2,273	14,973
Other comprehensive income		–	–	–	–	6,491	6,491	619	7,110
Total comprehensive income		–	–	12,701	–	6,491	19,192	2,891	22,083
Purchase of treasury shares		–	–	–	(5,829)	–	(5,829)	–	(5,829)
Conversion of convertible bond-type bonds with share acquisition rights		–	28	–	167	(15)	181	–	181
Dividends		–	–	(7,160)	–	–	(7,160)	(280)	(7,440)
Equity transactions with non-controlling interests		–	–	–	–	–	–	253	253
Transfer from other components of equity to retained earnings		–	–	862	–	(862)	–	–	–
Total transactions with owners		–	28	(6,298)	(5,662)	(876)	(12,809)	(27)	(12,836)
Balance at March 31, 2019		15,993	13,086	486,329	(58,438)	(9,661)	447,309	65,055	512,364

First Quarter of the Fiscal Year Ending December 31, 2020 (January 1, 2020 – March 31, 2020)

(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, 2020		15,993	14,960	513,066	(58,769)	(12,177)	473,073	69,827	542,900
Profit for the period		–	–	19,215	–	–	19,215	2,014	21,228
Other comprehensive income		–	–	–	–	(20,507)	(20,507)	(4,091)	(24,599)
Total comprehensive income		–	–	19,215	–	(20,507)	(1,292)	(2,078)	(3,370)
Purchase of treasury shares		–	–	–	(0)	–	(0)	–	(0)
Conversion of convertible bond-type bonds with share acquisition rights		–	243	–	2,627	(217)	2,653	–	2,653
Dividends		–	–	(8,347)	–	–	(8,347)	(489)	(8,837)
Equity transactions with non-controlling interests		–	(7)	–	–	–	(7)	98	90
Transfer from other components of equity to retained earnings		–	–	8	–	(8)	–	–	–
Total transactions with owners		–	236	(8,339)	2,627	(225)	(5,701)	(392)	(6,093)
Balance at March 31, 2020		15,993	15,196	523,942	(56,142)	(32,909)	466,079	67,358	533,437

(4) Notes to the condensed consolidated financial statements

1. Notes regarding going concern assumptions

None.

2. Significant accounting policies

Significant 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, 2019.

Quarterly income tax is calculated based on the estimated annual average effective tax rate.

3. 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 reporting segments.

In the personal care business, the Group manufactures and sells baby care products, feminine care products, health care products, and clean and fresh 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. The segment profit is the core operating income (comprising gross profit less selling, general and administrative expenses), which is the key performance indicator based on which the Board of Directors evaluates the performance of business segments.

TRANSLATION FOR REFERENCE PURPOSES ONLY

Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2020

(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, 2019 (January 1, 2019 – March 31, 2019)					
	Reportable segments				Adjustments	Amounts reported in condensed consolidated statements
	Personal care	Pet care	Other	Total		
Sales to external customers	148,468	18,676	1,467	168,611	–	168,611
Sales across segments (Note)	–	–	7	7	(7)	–
Total segment sales	148,468	18,676	1,473	168,618	(7)	168,611
Segment profit (Core operating income)	18,125	1,983	(9)	20,099	–	20,099
Other income						1,013
Other expenses						(299)
Financial income						1,270
Financial costs						(1,144)
Profit before tax						20,939

(Millions of Yen)

	Q1 of Fiscal Year Ending December 31, 2020 (January 1, 2020 – March 31, 2020)					
	Reportable segments				Adjustments	Amounts reported in condensed consolidated statements
	Personal care	Pet care	Other	Total		
Sales to external customers	160,599	21,320	1,868	183,788	–	183,788
Sales across segments (Note)	–	–	13	13	(13)	–
Total segment sales	160,599	21,320	1,882	183,801	(13)	183,788
Segment profit (Core operating income)	27,243	2,881	157	30,281	–	30,281
Other income						447
Other expenses						(699)
Financial income						1,091
Financial costs						(3,210)
Profit before tax						27,910

(Note) Sales across segments are based on prevailing market prices.

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Unicharm Corporation (8113) Consolidated Financial Results for the First Quarter of the Fiscal Year Ending December 31, 2020

4. 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, 2019 (January 1, 2019 – March 31, 2019)	Q1 of Fiscal Year Ending December 31, 2020 (January 1, 2020 – March 31, 2020)
Freight-out expenses	11,751	11,911
Promotion expenses	5,144	5,010
Advertising expenses	4,393	4,944
Employee benefits expenses	9,261	9,641
Depreciation and amortization expenses	2,606	2,683
Research and development expenses	1,700	1,857
Others	5,972	6,017
Total	40,826	42,063