

The 18th Fiscal Year
Financial Statements

From 1 January 2012
To 31 December 2012

Balance Sheet

Income Statement

Statement of Changes in Shareholder's Equity

Notes to Financial Statements

Unilever Japan Holdings K.K.



Independent Auditors' Report
(English Translation*)

15 March 2013

To the Board of Directors of Unilever Japan Holdings K.K.

PricewaterhouseCoopers Aarata

Motohide Ozawa, CPA
Designated and Engagement Partner

We have audited, pursuant to Article 436 (2) i of the Companies Act of Japan, the financial statements, which consist of the balance sheet, income statement, statement of changes in shareholder's equity and notes to the financial statements, and the supplementary schedules of Unilever Japan Holdings K.K. (hereinafter referred to as the "Company") for the 18th fiscal year from 1 January 2012 to 31 December 2012. These financial statements and supplementary schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and supplementary schedules based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we obtain reasonable assurance about whether the financial statements and supplementary schedules are free of material misstatement. An audit is performed on a test basis and includes assessing the accounting principles used by management including how they are applied and estimates made by management, as well as examining the overall presentation of the financial statements and supplementary schedules. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements and supplementary schedules referred to above present fairly, in all material respects, the financial position and the results of operations for the period covered by the financial statements and supplementary schedules in conformity with accounting principles generally accepted in Japan.

We have no interest in or relationship with the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

* The original audit report is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original audit report in Japanese.

Unilever Japan Holdings K.K.

Balance Sheet

(As of 31 December 2012)

(Unit: 1,000 yen)

Description	Amount	Description	Amount
<u>Assets</u>		<u>Liabilities</u>	
Current assets	2,520,927	Current liabilities	1,441,211
Cash and deposits in bank	1,555	Lease obligations	72
Accounts receivable	265,141	Accounts payable	228,497
Prepaid expenses	92,423	Accrued expenses	22,051
Other accounts receivable	104,458	Consumption tax payable	60,760
Withholding tax receivable	695,234	Deposits	8,893
Deposits to affiliate	1,360,885	Deposit from affiliate	1,000,000
Other current assets	1,288	Allowance for bonus	106,111
		Restructuring provision	14,824
Fixed assets	78,440,502		
Tangible fixed assets	753,966	Noncurrent assets	76,468,868
Buildings	738,011	Long-term loans	76,200,000
Motor vehicles	3,575	Lease obligations	275
Tools	11,165	Asset retirement obligations	268,593
Leased assets	1,214		
		Total liabilities	77,910,080
Intangible fixed assets	1,047,449	<u>Net assets</u>	
Software	1,047,449	Shareholder's equity	3,051,349
		Paid in capital	10,000
Investments and other assets	76,639,085	Retained earnings	3,041,349
Investment in securities of subsidiaries	76,048,567	Legal reserve on earnings	2,500
Long-term prepaid expenses	117,015	Other retained earnings	3,038,849
Security deposits	469,497	Net earned surplus forward	3,038,849
Prepaid pension cost	4,006		
		Total net assets	3,051,349
Total assets	80,961,429	Total liabilities and net assets	80,961,429



Unilever Japan Holdings K.K.

Income Statement

(From 1 January 2012 to 31 December 2012)

(Unit: 1,000 yen)

Description	Amount	
Sales	3,448,400	
Dividend income	3,476,171	6,924,571
Gross profit from sales		6,924,571
Selling and general administrative expenses		3,261,381
Operating profit		3,663,189
Non-operating income		
Interest income	12,798	
Foreign currency exchange gains	2,366	
Miscellaneous income	1,584	16,749
Non-operating expenses		
Interest expenses	495,119	
Loan issuance cost	37,659	
Ordinary profit		3,147,160
Extraordinary losses		
Restructuring expenses	108,147	108,147
Net income before income taxes		3,039,012
Income, inhabitant and enterprise taxes	163	163
Net income		3,038,849

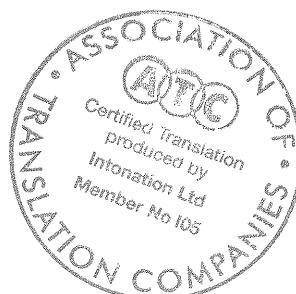


Unilever Japan Holdings K.K.
Statement of Changes in Shareholder's Equity

(From 1 January 2012 to 31 December 2012)

(Unit: 1,000 yen)

	Shareholder's equity								Total net assets
	Paid in capital	Capital surplus			Retained earnings			Total shareholder's equity	
		Legal reserve on capital surplus	Other capital surplus	Total capital surplus	Legal reserve on earnings	Other retained earnings Net earned surplus forward	Total retained earnings		
Balance at beginning of fiscal year	10,000	--	300,000	300,000	2,500	8,988,320	8,990,820	9,300,820	9,300,820
Changes during fiscal year									
Dividends from earned surplus	--	--	(300,000)	(300,000)	--	(8,988,320)	(8,988,320)	(9,288,320)	(9,288,320)
Net income for the year	--	--	--	--	--	3,038,849	3,038,849	3,038,849	3,038,849
Changes during current year in items other than shareholder's equity (net)	--	--	--	--	--	--	--	--	--
Total changes during fiscal year	--	--	(300,000)	(300,000)	--	(5,949,471)	(5,949,471)	(6,249,471)	(6,249,471)
Balance at end of fiscal year	10,000	--	--	--	2,500	3,038,849	3,041,349	3,051,349	3,051,349



Notes to Financial Statement

1. Notes Related to Significant Accounting Policies

(1) Valuation basis and method used for assets

Investment in securities

of subsidiaries: Cost method with cost being determined on a moving average basis.

(2) Valuation basis and method used for derivatives

Derivatives: Valued at fair value

(3) Depreciation method used for fixed assets

1) Tangible fixed assets

Buildings: Straight-line method

Other tangible fixed assets: Declining balance method

2) Intangible fixed assets

Straight-line method

Software for internal use is amortized using the straight-line method over the estimated useful life of five years.

3) Leased assets

Assets under finance leases whose ownership does not transfer to the lessee are depreciated using the straight-line method over lease terms with no residual value.

4) Depreciation method used for long-term prepaid expenses

Long-term prepaid expenses are amortized over the term of repayment of loans on a straight line basis.

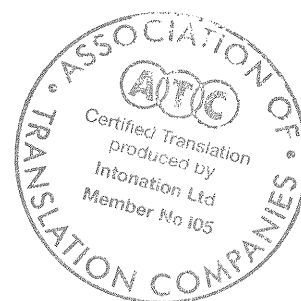
(4) Accounting for provisions

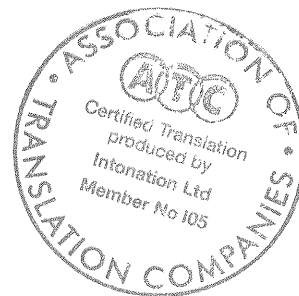
1) Allowance for bonus

Allowance is recorded for the portion of estimated bonus payable to employees that is related to the current year.

2) Restructuring provision

Provision is recorded for the portion of estimated amounts payable for





restructuring matters that are related to the current year.

3) Accrued retirement benefit cost

Retirement benefit cost is accrued for based on the projected benefit obligation and plan assets at the current year-end. Actuarial gains and losses are recognized as expenses through amortization using the straight-line method over 12 years which is within the average remaining service period, commencing in the following year. As the balance of the plan assets has exceeded the amount of the projected benefit obligation adjusted for actuarial gains and losses at the current year-end, the excess amount is presented as "prepaid pension cost" under investments and other assets on the balance sheet.

(5) Other significant basis for preparation of financial statements

1) Accounting for consumption taxes

Consumption taxes are not included in the amounts of sales, gross profit, selling, general and administrative expenses and other line items in the income statement.

2) Amounts shown have been rounded down to the nearest thousand yen.

(6) Additional information

Application of Accounting Standard for Accounting Changes and Error Corrections

Effective for accounting changes and correction of errors made on or after the beginning of the current fiscal year, the Company has adopted the "Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Statement No.24, 4 December 2009)" and the "Guidance on Accounting Standard for Accounting Changes and Error Corrections" (ASBJ Guidance No.24, 4 December 2009).

2. Notes Related to Balance Sheet

(1) Accumulated depreciation of tangible fixed assets: ¥271,580 thousand

(2) Receivables from and payables to affiliated companies

Short-term receivables: ¥1,730,388 thousand

Short-term payables:

¥1,029,184 thousand

3. Notes Related to Income Statement

(1) Transactions with affiliated companies

Sales:	¥3,448,400 thousand
Dividend income:	¥3,476,171 thousand
Other service charges:	¥45,534 thousand
Interest income:	¥3,764 thousand
Interest expenses:	¥1,459 thousand

4. Notes Related to Statement of Changes in Shareholder's Equity

(1) Matters related to number of shares issued

Class and total number of shares issued and outstanding at the current fiscal year-end: Ordinary shares: 200

(2) Matters related to the distribution of surpluses

Matters relating to distribution of surplus made during the current fiscal year

Resolution	Class of shares	Total dividend (thousands of yen)	Dividend per share (yen)	Record date	Effective date
Extraordinary shareholder's meeting held on 10 January 2012	Ordinary shares	5,505,053	27,525,265.79	31 December 2010	31 January 2012
Extraordinary shareholder's meeting held on 12 November 2012	Ordinary shares	3,783,267	18,916,337.12	31 December 2011	13 December 2012



5. Notes Related to Deferred Tax Accounting

The majority of deferred tax assets relates to net operating loss carried forward and investments in securities of subsidiaries. As full valuation allowance has been provided for against the entire deferred tax assets, no deferred tax assets were recorded in the balance sheet.

6. Notes Related to Financial Instruments

(1) Matters related to financial instruments

With regard to the Company's fund management, it solely uses short-term saving accounts and deposits to affiliate, and finances through borrowings from banks and other financial institutions. The Company engages in risk management in accordance with terms and conditions of contracts and most of its trade and other accounts receivables are due within one year. Most of its accounts payable are due within one year. It does not enter derivative transactions in speculative trading activities, restricting its use of derivatives to forward exchange contracts to avoid the risk of fluctuation in exchange rate on receivables and payables denominated in foreign currencies.





(2) Matters related to fair value of financial instruments

Amounts of financial instruments recorded in the balance sheet as of 31 December 2012, their respective fair values and differences are summarized as follows:

(Unit: 1,000 yen)

	Amount recorded in balance sheet (*)	Fair value (*)	Difference
(1) Deposits to affiliate	1,360,885	1,360,885	-
(2) Withholding tax receivable	695,234	695,234	-
(3) Deposit from affiliate	(1,000,000)	(1,000,000)	-
(4) Long-term loans	(76,200,000)	(76,200,000)	-
(5) Derivative transactions	384	384	-

(*): Receivables and payables arisen as a result of derivative transactions are presented in net and items with the total balance being a net liability position are shown in brackets.

(Note 1): Matters related to calculation methods for fair values of financial instruments, and security investments and derivatives

(1) Deposits to affiliate (2) Withholding tax receivable and (3) Deposit from affiliate

These are settled within a brief space of time, meaning that the market price is almost the same as the book price. The corresponding book price is therefore employed.

(4) Long-term borrowings

These are based on variable interest rates and in the short term reflect market interest rates. Since the market price is likely to be similar to the book price, the corresponding book price is employed.

(5) Trading in derivatives

- 1) Transactions to which hedge accounting is applied: There are no applicable transactions.
- 2) Transactions to which hedge accounting is not applied: Contractual amounts or nominal amounts under contract, their respective fair values, valuation gains and losses and calculation methods by class of transaction for which derivatives

are entered as of the balance sheet date are summarized as follows:

(Unit: 1,000 yen)

Classification	Class of transaction	Contractual amount	Amount with settlement in excess of 1 year	Fair value	Valuation gain or loss
Transactions other than market transactions	Forward exchange contracts (buying transactions) USD	20,328	-	20,713	384
Total		20,328	-	20,713	384

(Note 2): Since the shares in subsidiaries (¥76,048,567 thousand recorded in the balance sheet) are unlisted and their quoted market prices are not available, and dividends are unstable, it is extremely difficult to determine their fair values. As such, they are not subject to the fair value presentation.

7. Notes Related to Related Party Transactions

(1) Parent company

(Unit: 1,000 yen)

Relationship	Company name	Share of voting rights (%)	Relations with related parties	Description of transaction	Amount (#2)	Account title	Amount outstanding at year-end
Parent company	Mavibel B.V.	100% (Directly owned)	Cash pooling agreement	Interest income on cash deposit (#3)	719	Deposits to affiliate	1,360,885



(2) Subsidiaries

(Unit: 1,000 yen)

Relationship	Company name	Share of voting rights (%)	Relations with related parties	Description of transaction	Amount (#2)	Account title	Amount outstanding at year end
Subsidiary	Unilever Japan K.K.	100% (Directly owned)	Service agreement	Receipts of service fees (#1)	523,927	Accounts receivable	8,619
Subsidiary	Unilever Japan Customer Marketing K.K.	100% (Directly owned)	Service agreement	Receipts of service fees (#1)	1,468,217	Accounts receivable	130,137
			Loan agreement	Loan of funds (#3)	1,453	Deposit from affiliate	1,000,000
Subsidiary	Unilever Japan Service K.K.	100% (Directly owned)	Service agreement	Receipts of service fees (#1)	1,251,253	Accounts receivable	108,447
Subsidiary	Unilever Japan Beverage K.K.	100% (Directly owned)	Service agreement	Receipts of service fees (#1)	205,002	Accounts receivable	17,937

(3) Affiliated companies

There are no applicable matters.

Trade terms and policies to determine trade terms

(Notes):

- 1) Amount determined based on actual expenses in accordance with agreement.
- 2) Consumption taxes are not included in the amounts of transactions but are included in the amount outstanding at year-end.
- 3) Amount determined based on market interest rate in accordance with agreement.



(4) Officers

There are no applicable matters.

8. Notes Relates to Per-share Information

Net assets per share:	¥15,256,747.31
Net income per share:	¥15,194,247.31

9. Notes Related to Significant Subsequent Events

There are no applicable matters.

10. Notes Related to Retirement Benefits

(1) Summary of retirement benefit plans

The Company has a defined contribution retirement plan and a defined benefit retirement plan (cash balance plan) for its employees.

(2) Matters related to retirement benefit obligation

	(Unit: 1,000 yen)
Projected benefit obligation	(380,517)
Plan assets	<u>359,700</u>
Fund status	(20,817)
Unrecognized actuarial gains and loss	<u>24,823</u>
Prepaid pension cost	<u>4,006</u>



(3) Matters related to retirement benefit expenses

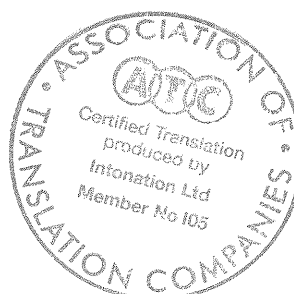
	(Unit: 1,000 yen)
Service cost	24,770
Interest expenses	16,941
Expected return on assets	(24,189)
Amortization of actuarial gains and losses	<u>4,373</u>
Retirement benefit cost	<u>21,895</u>

(4) Matters related to assumptions used in valuation of retirement benefit obligation

Benefit payment attribution method Straight-line method (benefit formula method is used for individuals who were aged more than 50 years at the transition to the current scheme)

Discount rate	1.60%
Expected return on assets	3.00%
Amortization period for actuarial gains and losses	12 years (*1)

(*1): Actuarial gains and losses are recognized as expenses through amortization on a straight-line basis over the fixed period within the average remaining service life of employees. The amortization commences in the following year.



The 18th Fiscal Year

Supplementary Schedules

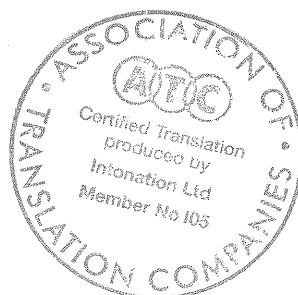
(Related to Financial Statements)

From 1 January 2012

To 31 December 2012

1. Schedule of Tangible Fixed Assets and Intangible Fixed Assets
(Including depreciable items recorded in Investments and Other Assets)
2. Schedule of Provisions
3. Schedule of Selling and Ordinary Administrative Expenses

Unilever Japan Holdings K.K.



1. Schedule of Tangible Fixed Assets and Intangible Fixed Assets (Including Depreciable Items Recorded in Investments and Other Assets)

(Unit: 1,000 yen)

Categories of assets	Opening book value	Increase for current year	Decrease for current year	Depreciation for current year	Ending book value	Accumulated depreciation	Depreciation rate
Buildings	797,093	13,710	10,133	62,658	738,011	174,856	19.2%
Motor vehicles	7,594	-	1,598	2,419	3,575	6,783	65.5%
Tools	15,634	-	752	3,716	11,165	10,811	49.2%
Land	167,125	-	167,125	-	-	-	-
Leased assets	4,194	-	-	2,980	1,214	79,127	98.5%
Total	991,642	13,710	179,610	71,775	753,966	271,580	
Software	1,403,433	114,000	-	469,984	1,047,449		
Software development in progress	40,087	-	40,087	-	-		
Total	1,443,521	114,000	40,087	469,984	1,047,449		
Long-term prepaid expenses	36,527	123,692	16,024	27,180	117,015		
Total	36,527	123,692	16,024	27,180	117,015		

Details of increases for the current year are mainly as follows:

Naka-Meguro headquarter	Buildings	¥12,066 thousand
ERP system	Software	¥114,000 thousand
Syndicated loan issuance cost	Long-term prepaid expenses	¥123,692 thousand

Details of decreases for the current year are mainly as follows:

Former Utsunomiya branch office	Land	¥167,125 thousand
Demand planning system	Software development in progress	¥40,087 thousand
IT investment cost	Long-term prepaid expenses	¥16,024 thousand



2. Schedule of Provisions

(Unit: 1,000 yen)

Description	Opening balance	Increase for current year	Decrease for current year		Ending balance
			Payment	Others	
Allowance for bonus	75,376	106,111	40,498	34,878	106,111
Restructuring provision	54,279	106,571	146,026	-	14,824

(Note) The amount of Others under Decrease for current year of allowance for bonus relates to the amount released from the provision recorded in the previous period.



3. Schedule of Selling, General and Administrative Expenses

(Unit: 1,000 yen)

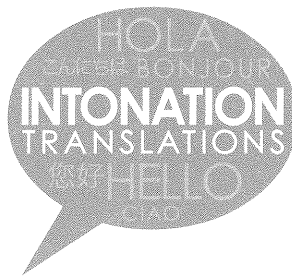
Description	Amount
Directors' remuneration	35,546
Salaries	457,331
Overtime salaries	53,882
Bonuses	180,110
Salaries for temporary workers	86,702
Social security cost	86,282
Commutation cost	7,768
Welfare cost	30,798
Retirement benefit cost	45,342
Travel and transportation cost	17,995
Insurance cost	44,246
Entertainment cost	3,390
Conference cost	2,542
Membership fees	8,220
Donations	16,699
Communication cost	75,905
Recruit cost	43,856
Education cost	3,791
Employee relocation cost	7,303
Computer cost	268,227
Publicity cost	20,100
Subscription expenses	4,268
Audit fees	25,052
Consulting fees	4,981
Agent service fees	355,115
Other tax expenses	11,065
Bank charges	216
Utility cost	43,205
Rental cost	500,531
Depreciation expenses	71,775
Other supply cost	7,901
Repair and maintenance cost	6,452
Cleaning cost	26,656
Other services charges	164,395
Software depreciation	469,984
Loss on disposals of tangible fixed assets	6,241
Loss on sales of tangible fixed assets	127
Other operating expense	67,365



Total	3,261,381
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(Amounts in the supplementary schedules are shown rounded down while ratios are shown rounded up or down.)





CERTIFICATE

I, Andrew Walker, MA in Japanese Studies, MITI, professional translator to Intonation Ltd of 21-23 East Street, Fareham, Hants, PO16 0BZ, being competent to proof read a set of accounts translated from Japanese into English, relating to Intonation job reference 378-13, hereby CERTIFY that the annexed translation in the English language, executed by me, is, to the best of my professional knowledge and skill, a true and accurate version of the Japanese document likewise hereunto annexed.

Date: 29th March 2013

Andrew Walker, MA in Japanese Studies, MITI