Financial Report for Fiscal Year ended March 31, 2015 [Japanese GAAP] (Consolidated)

May 12, 2015

Company name: Unitika Ltd. Listed stock exchange: Tokyo Stock Exchange
Code number: 3103 URL: http://www.unitika.co.jp/e/home.htm
Representative: Hiroyuki Shime, President and Chief Executive Officer
Contact: Shoji Ishikawa, Executive Officer, General Manager of Accounting Department TEL +81-6-6281-5721
Expected date for holding a regular shareholders meeting: June 26, 2015
Expected date for submitting securities report: June 26, 2015
Expected commencement date for paying dividend: –
Preparation of the attachment of Financial Report: Yes
Holding of a results presentation: Yes (for securities analysts and institutional investors)

(Figures less than one million yen were omitted.)

1. Consolidated performance for fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(1) Consolidated business results (Percentages represent changes from same period in previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 31, 2015	159,126	(2.2)	8,916	31.1	7,680	62.9	(27,033)	—
FY ended March 31, 2014	162,686	1.6	6,799	23.2	4,713	22.3	583	—

(Note) Comprehensive income FY ended March 31, 2015: (26,703) million yen [—%]
FY ended March 31, 2014: 2,065 million yen [—%]

	Net income per share	Diluted net income per share	Return on equity	Return on asset	Ratio of operating income to sales
	Yen	Yen	%	%	%
FY ended March 31, 2015	(46.87)	—	(123.2)	3.1	5.6
FY ended March 31, 2014	1.01	—	3.5	1.9	4.2

(Reference) Equity in earnings/losses of affiliates FY ended March 31, 2015: 12 million yen
FY ended March 31, 2014: 10 million yen

(2) Consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY ended March 31, 2015	235,882	31,590	12.0	(17.01)
FY ended March 31, 2014	254,181	19,368	6.1	26.94

(Reference) Shareholders' equity: FY ended March 31, 2015: 28,354 million yen
FY ended March 31, 2014: 15,540 million yen

(3) Consolidated cash flows situation

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Balance of cash and cash equivalents at period end
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended March 31, 2015	6,080	(145)	5,870	31,708
FY ended March 31, 2014	6,839	(4,103)	(3,053)	19,557

2. Dividend payment

	Annual dividend per share					Annual dividends paid (Total)	Dividend payout ratio (consolidated)	Dividend ratio of net assets (consolidated)
	End of Q1	End of Q2	End of Q3	Year end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY ended March 31, 2014	—	0.00	—	0.00	0.00	—	—	—
FY ended March 31, 2015	—	0.00	—	0.00	0.00	—	—	—
FY ending March 31, 2016 (forecast)	—	0.00	—	0.00	0.00		—	

(Note) The above *Dividend payment* refers to dividends paid to the holders of common stock. For details of dividend payment to the holders of class shares (unlisted), the rights of which are different from those of common stock, please refer to *Dividend payment to the holders of class shares* mentioned below.

3. Forecast of consolidated performance for fiscal year ending March 31, 2016 (April 1, 2015 to March 31, 2016)

(% figures represent changes from same period in the previous year.)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half of FY ending March 31, 2016	71,000	(8.5)	5,000	60.1	3,600	69.8	1,000	—	0.87
FY ending March 31, 2016	145,000	(8.9)	11,300	26.7	8,800	14.6	3,000	—	3.47

* Notes

(1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change of scope of consolidation): Yes
New companies: — (company name)
Excluded companies: 1 company; (company name): Unitika Logistics Co., Ltd.

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
(i) Changes in accounting policies due to revisions of accounting standards: Yes
(ii) Changes of accounting policies other than the above: No
(iii) Changes in accounting estimates: No
(iv) Retrospective restatement: No

(3) Number of shares outstanding (Common stock)
(i) Number of shares outstanding at end of period (including treasury stock):
Fiscal year ended March 31, 2015: 577,523,433 shares
Fiscal year ended March 31, 2014: 577,523,433 shares
(ii) Number of treasury stocks at end of period
Fiscal year ended March 31, 2015: 794,415 shares
Fiscal year ended March 31, 2014: 782,356 shares
(iii) Average number of shares outstanding during the term
Fiscal year ended March 31, 2015: 576,734,918 shares
Fiscal year ended March 31, 2014: 576,749,049 shares

(Reference) Summary of non-consolidated performance

1. Non-consolidated performance for fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015)

(1) Non-consolidated business results (Percentages represent changes from same period in previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 31, 2015	93,942	(0.2)	6,908	49.1	5,547	129.6	(30,595)	—
FY ended March 31, 2014	94,137	2.3	4,634	19.1	2,415	25.4	1,346	—

	Net income per share	Diluted net income per share
	Yen	Yen
FY ended March 31, 2015	(53.05)	—
FY ended March 31, 2014	2.34	—

(2) Non-consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
FY ended March 31, 2015	200,940	32,390	16.1	(10.01)
FY ended March 31, 2014	214,606	23,899	11.1	41.44

(Reference) Shareholders' equity: FY ended March 31, 2015: 32,390 million yen
FY ended March 31, 2014: 23,899 million yen

* Presentation of situation of audit procedures

This financial report is not subject to audit procedures under the Financial Instruments and Exchange Law of Japan. Audit procedures concerning financial statements have not been completed at the date of disclosure of this financial report.

* Explanation on appropriate use of forecasts of performance and other special items

The forward-looking statements in this document concerning forecasting of performance etc. are based on currently available information and assumptions considered by the company to be reasonable. Such statements are neither promises nor guarantees of future performance. The actual performance may be significantly different from forecasts due to various factors. Concerning assumptions used as a basis for forecasting performance and precautionary statements when using the forecast of performance, please refer to *1. Analysis of business results and financial situation (1) Analysis of business results: Forecast of business performance for fiscal year ending March 31, 2016* on page 3 of the Financial Report (the attachment).

Dividend payment to the holders of class shares

The breakdown of dividends per share related to class shares, the rights of which are different from those of common stock, is as follows:

	Annual dividends				
	End of Q1	End of Q2	End of Q3	Year end	Total
Class A share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2014	—	—	—	—	—
FY ended March 31, 2015	—	0.00	—	8,021.90	8,021.90
FY ending March 31, 2016 (forecast)	—	0.00	—	12,000.00	12,000.00
Class B share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2014	—	—	—	—	—
FY ended March 31, 2015	—	0.00	—	15,870.00	15,870.00
FY ending March 31, 2016 (forecast)	—	0.00	—	23,740.00	23,740.00
Class C share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2014	—	—	—	—	—
FY ended March 31, 2015	—	0.00	—	40,109.60	40,109.60
FY ending March 31, 2016 (forecast)	—	0.00	—	60,000.00	60,000.00

(Note) The Company plans to pay out dividends for the fiscal year ended March 31, 2015 from capital surplus. For the details, please refer to *Breakdown of dividends paid out from capital surplus* mentioned below.

Breakdown of dividends paid out from capital surplus

The portion of dividends paid out from capital surplus for the fiscal year ended March 31, 2015 is as follows:

Effective date	Year end	Total
Dividends per share	17,784.14 yen	17,784.14 yen
Total dividends	666 million yen	666 million yen

(Note) Ratio of decrease in net assets: 0.021

○ Table of contents for the attachment

1. Analysis of business results and financial situation

(1) Analysis of business results

(i) Business results for fiscal year ended March 31, 2015

In the fiscal year ended March 31, 2015 (April 1, 2014 to March 31, 2015), the Japanese economy continued to recover gradually, supported by the improvement in corporate earnings, mainly large companies, due to the continuation of the monetary easing policy by the Bank of Japan and flexible fiscal expenditure by the government, although sluggish consumer spending lingered due to the consumption tax rate hike and climbing prices caused by the yen's depreciation. Meanwhile, the outlook for the overseas economy was still uncertain because there was downside risk for the global economy, since the economies of emerging countries including China had slowed down and the European economy was stagnant, although the U.S. economy remained solid.

In this environment, the Unitika Group tried to strengthen its foundation as a functional materials manufacturer centering on the Polymers business with the aim of achieving targets at an early stage under the growth strategy stated in its new medium-term management plan, which started in the current fiscal year. In addition, as a part of its business portfolio restructuring, the Group revamped the industrial fiber business, including cutting production of short-fiber polyester, transferred the Medical business and the Healthcare & Amenity business, and transferred of shares in Unitika Kyoto Family Center Co., Ltd. and Unitika Ako Kaihatsu K.K.

Meanwhile, as the Company announced on December 16, 2014, the following facts were brought to light: the smoke insulation performance of fire-resistant screen shutters produced by Unitika Plant Engineering Co., Ltd. ("UPEC") did not satisfy the Ministry of Land, Infrastructure, Transport and Tourism ("MLIT")'s accreditation criteria; and UPEC had illegally acquired MLIT accreditation for some of its fire-resistant screen shutters. Consequently, the Company recorded estimated repair expenses of 3,708 million yen as an extraordinary loss for the current fiscal year. Management sincerely apologizes for the inconvenience and worry inflicted on many people including our shareholders. The Unitika Group is devoting all its energies into the repair work and the re-acquisition of MLIT accreditation. In addition, the entire Group is taking all possible measures to prevent a recurrence of such an incident and strives to restore confidence in its products.

As a result, the Unitika Group reported net sales of 159,126 million yen (down 2.2% year-on-year), operating income of 8,916 million yen (up 31.1% year-on-year), ordinary income of 7,680 million yen (up 62.9% year-on-year) and net loss of 27,033 million yen (net income of 583 million yen in the previous year).

Considering the above, the Unitika Group has decided it will pay no dividend for common shares in the current fiscal year. The management sincerely appreciates your understanding in this matter.

Here is a summary of business by segment.

[Polymers]

In the Films business, sales in the packaging sector increased because exports grew steadily, although sales volume decreased in Japan due to sluggish consumption of food products and miscellaneous daily articles after the consumption tax rate hike. Sales volume and sales in the industrial sector rose supported by the recovery of demand for electric and electronic equipment applications. In addition, sales of *Uni-peel*, a newly-launched mold release polyester film, and a highly heat-resistant polyamide film grew robustly. As a result, overall sales remained flat but profit grew.

In the Resin business, sales of nylon resins for automobile and electric power tool applications grew steadily. Sales of *U-Polymer*, the Company's original polyarylate resin, for smart phone applications rose, while those for office equipment-related applications increased stably. Meanwhile, demand for *Arrow Base*, an environmentally friendly water-based polyolefin cationic emulsion, picked up from the second half of the fiscal year and the adoption of *XecoT*, highly heat-resistant polyamide resin, progressed for automobile applications. As a result, sales remained flat but profit increased in the Resin business.

In the Non-woven Fabrics business, sales of polyester spunbond fabrics increased overseas supported by the expansion of sales volume, while their sales in Japan, for both daily product and industrial material applications, decreased due to weak demand after the consumption tax increase. Meanwhile, sales of cotton spunlace, mainly for face mask applications, grew steadily. As a result, sales decreased but profits increased in the Non-woven Fabrics business.

Consequently, the Polymers business posted operating income of 7,729 million yen (up 13.0% year-on-year) on net sales of 64,467 million yen (down 1.6% year-on-year).

[Advanced Materials]

In the Glass Fibers business, sales in the industrial materials sector, mainly building-related materials, remained strong. In the electronic materials sector, sales of IC cloth, especially ultra thin differentiated products, for smart phone applications grew robustly. In the Glass Beads business, sales for road marking applications decreased, but those for industrial and reflective material applications increased. Meanwhile, in the Activated Carbon Fibers business, sales fell due to weak demand for mainstay water purifier applications, a decrease in shipments for automobile applications, and inventory adjustment for air-purifying applications.

Consequently, the Advanced Materials business posted operating income of 1,959 million yen (up 3.0% year-on-year) on net sales of 14,682 million yen (down 1.2% year-on-year).

[Fibers and Textiles]

In the Industrial Materials business, demand for ultra-high strength polyester filament yarn remained robust in the field of building and civil engineering, its main applications, and profits increased due to efforts to reduce sales of low-profit-margin products and boost high-value-added products. In the short-fiber polyester business, profitability improved substantially due to drastic structural reforms. Although the profitability of vinylon fiber for reinforced concrete applications, a replacement for asbestos, improved due to progress in the shift to high-profit products in exports to Europe and emerging countries, the Company decided to discontinue the production of PVA fibers by the end of March 2016 because the business environment continued to be challenging.

In the Garments, Lifestyle Materials, and Bedding business, sales in the uniform field increased due to solid demand for uniforms for factory workers, but cost of procure overseas products rose due to the weaker yen. Meanwhile, sales in the sports field remained weak in Japan, but in women’s clothing fields, sales of both secondary products and textiles and knit fabrics remained steady. In addition, exports of denim remained strong.

Consequently, the Fibers and Textiles business posted operating income of 1,743 million yen (up 310.7% year-on-year) on net sales of 66,787 million yen (down 2.0% year-on-year).

[Others]

In the Healthcare & Amenity business, sales of health food, such as *Byakugen Houou*, remained weak, since demand did not recover due to the effect of the consumption tax rate hike, but sales of functional dietary materials and feed materials centering on Ceramide remained robust.

In the Medical business, sales of catheters, mainly quad lumen catheters, a product used for the treatment of circulatory system diseases, grew and profits increased due to cost reductions with increased production volume.

In the Real Estate business, revenues increased due to solid sales of condominiums that were completed in the latter half of the fiscal year.

Consequently, the Others category posted operating income of 536 million yen (down 32.7% year-on-year) on net sales of 13,188 million yen (down 6.7% year-on-year).

(ii) Forecast of business performance for fiscal year ending March 31, 2016

The Unitika Group will steadily implement the measures stated in its new medium-term management plan formulated in May 2014. To expand business, the Group will accelerate its business portfolio restructuring that it has carried out from the current year; concentrate its management resources on the Polymers business, a growing business, following the reinforcement of its capital base through financial support and external capital contributions at the end of July 2014; increase capability to supply products to the Asian region, a growing market; and boost sales of value-added products in Japan and overseas.

Through these efforts, the Unitika Group is forecasting the following consolidated business results: net sales of 145,000 million yen, an operating income of 11,300 million yen, an ordinary income of 8,800 million yen, and a net profit attributable to owners of parent of 3,000 million yen in the fiscal year ending March 31, 2016.

(2) Analysis on financial situation

Total assets decreased by 18,299 million yen from the end of the previous consolidated fiscal year to 235,882 million yen. This was mainly due to a decrease in property, plant and equipment. Liabilities decreased by 30,521 million yen from the end of the previous consolidated fiscal year to 204,291 million yen. This was mainly due to a decrease in interest-bearing debt. Net assets increased by 12,221 million yen from the end of the previous consolidated fiscal year to 31,590 million yen. This was mainly due to an increase in shareholders' equity by the issuance of common shares.

Here is a summary of the cash flow situation.

(Net cash provided by [used in] operating activities)
Net cash provided by operating activities during the current fiscal year amounted to 6,080 million yen (down 759 million yen year-on-year) due to cash-inflow—the total of non-cash items, such as depreciation and amortization and impairment loss (including business structure improvement expenses)—despite the net loss before income taxes and minority interests.

(Net cash provided by [used in] investment activities)
Net cash used in investment activities amounted to 145 million yen during the current fiscal year (4,103 million yen used in the previous fiscal year) due to capital expenditures despite proceeds from sales of assets associated with the business portfolio restructuring.

(Net cash provided by [used in] financing activities)
Net cash provided by financing activities during the current fiscal year amounted to 5,870 million yen (3,053 million yen used in the previous fiscal year) due to the issuance of common shares and repayment of loans payable.

As a result, cash and cash equivalents at the end of the current fiscal year increased by 12,151 million yen from the end of the previous fiscal year to 31,708 million yen.

The table below shows trends in cash flow indicators.

	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
(i) Shareholders' equity ratio (%)	12.0	6.1	7.0
(ii) Shareholders' equity ratio on market value basis (%)	13.4	12.9	11.5
(iii) Ratio of interest-bearing debt to cash flow	22.5	24.5	10.6
(iv) Interest coverage ratio	2.3	2.3	5.4

(Notes) Shareholders' equity ratio: Shareholders' equity/Total assets
Shareholders' equity ratio on market value basis: Market capitalization/Total assets
Ratio of interest-bearing debt to cash flow: Interest-bearing debt/Cash flow
Interest coverage ratio: Cash flow/Interest expense
*1. Each indicator is calculated based on consolidated financial results.
*2. Cash flow is net cash provided by operating activities.
*3. Interest-bearing debt includes all liabilities, reported on the consolidated balance sheet, on which interest is paid.

(3) Basic policy for profit distribution and dividends for the fiscal year ended March 31, 2015 and the fiscal year ending March 31, 2016

The Unitika Group considers that the profit distribution to its shareholders is an important aspect of its business, but management intends to cancel payment of dividends on common stock for the fiscal year ended March 31, 2015, giving due consideration to the business results and financial situation at the end of the fiscal year.

For the future, Unitika's basic dividend policy is to conduct profit distribution to shareholders appropriate to the Company's financial results. At the same time, the Company intends to decide dividend payment after considering the improvement of financial position and enhancing of internal reserve for securing profit for shareholders from a long-term perspective.

With regard to dividend payment to the holders of class shares issued through third party allotment in July 2014, the Company intends to pay dividends of 8,021.90 yen per Class A share, 15,870.00 yen per Class B share, and 40,109.60 yen per Class C share in accordance with the provisions for issuance of class shares set at issuance.

2. Management policies

(1) Basic management policies

Having the corporate mission of contributing to society by connecting people's lives and technology, the Unitika Group has been aiming to become a company that contributes to the improvement of people's lives and preservation of the environment, and social recognition. Management believes that the Group's contributions to society will enhance its corporate value, which in turn will reward shareholders, while the Company continues to promote its basic management policies: implementation of structural reform, establishment of a foundation as a functional materials manufacturer and strengthening of its corporate structure and shareholders' equity.

(2) Targeted management index

The Unitika Group places greater importance on amount of net sales, operating income and ordinary income that represent the results of its business activities. The Group considers enhancing its shareholders' equity ratio and reducing interest-bearing debts to strengthen its financial position and places emphasis on and manages cash flows with great care.

(3) Medium- to long-term business strategies and issues to be addressed

The Unitika Group will steadily implement the measures stated in its new medium-term management plan formulated in May 2014. To expand business, the Group will accelerate its business portfolio restructuring that it has carried out from the current year; concentrate its management resources on the Polymers business, a growing business, following the reinforcement of its capital base through financial support and external capital contribution at the end of July 2014; increase its capability to supply products to the Asian region, a growing market; and boost sales of value-added products in Japan and overseas. In addition, the Group will revamp its management and execution system and organizational management system in April 2015 to more clearly define authority and responsibility for the execution of business with the aim of turning itself highly profitable and making its balance sheet stronger.

Meanwhile, with respect to UPEC's failure to satisfy MLIT's performance criteria for smoke insulation of fire-resistant screen shutters and illegal acquisition of MLIT accreditation for some of its fire-resistant screen shutters, the entire Unitika Group will devote all its energies to the early completion of repair work and try to prevent the recurrence of such an incident.

Here is a summary of the strategies and issues to be addressed for each business.

Polymers:

In the Films business, the Unitika Group will expand sales of new barrier nylon films, such as *Emblem HG*, and explore business in non-food fields to increase its influence in the market as a leading manufacturer in the packaging field. In addition, the Group will try to increase its market share in the Southeast Asian market and expand sales in the European and North American markets by taking advantage of capacity expansion through the installation of advanced, large-scale equipment for producing nylon film, which began operation in P.T. Emblem Asia, a subsidiary in Indonesia. In the industrial field, the Unitika Group will aim to expand the adoption of *Uni-peel*, a strategic product for future growth, and a highly heat-resistant polyamide film. In the Resins business, the Group will further focus on expanding the use of *XecoT*, mainly in automobile, and electrical and electronics equipment applications, since it began operation of medium mass production equipment with annual capacity of 500 tons. In addition, the Group will continue to expand sales of *Arrow Base* and polyester resins for direct blow molding to existing customers, explore new possible applications and acquire new customers to improve profitability further. In the Non-Woven Fabrics business, the Unitika Group will continue to boost sales of polyester spunbond fabrics, mainly *MARIX* and *ELEVES*, by developing applications in the field of industrial materials, daily products, and agricultural materials. Furthermore, the Group has decided to build new production facilities in THAI UNITIKA SPUNBOND Co., Ltd., a subsidiary in Thailand, with the aim of maintaining and increasing its market share, mainly in the Asian region. Concerning cotton spunlace, the Group will continue to expand sales for wet sheet applications and cultivate overseas markets.

Advanced Materials:

In the glass fiber business, the Unitika Group will continue to expand sales of products for building and civil engineering applications and step up its efforts to increase sales of products for environment and electric and electronic applications in the industrial materials field. In regard to IC cloth in the electronics materials field, with the aim of expanding earnings, the Group will further develop ultra thin products to increase the percentage of differentiated products in smart phone applications. Regarding glass beads, the Unitika Group will try to expand sales mainly for industrial applications. In the activated carbon fiber business, the Group will continue to promote sales for water purifiers built into faucets, whose demand is expected to remain brisk in the future, and accelerate development of products that meet local needs in China, Taiwan, and European countries to expand sales by marketing differentiated products.

Fibers and Textiles:

In the industrial materials business, the Unitika Group will continue to shift its focus to sales of lucrative products and implement radical cost reduction measures at all stages—procurement, production, sales and administration—to establish a foundation that will enable it to improve profitability. In the Garments, Lifestyle Materials, and Bedding business, the Group will accelerate global expansion by using its overseas bases in China, Vietnam, and Indonesia, improve the function of products and focus on expanding sales of high-value added products in Japan.

Regarding overseas business development, the Unitika Group will try to secure a position as a top global player in the nylon film market through operation of the aforementioned advanced, large-scale nylon film manufacturing equipment. In regard to other businesses in the Polymers, Advanced Materials and Fibers and Textiles segment, the Group will focus on strengthening marketing and overseas procurement, cultivating new customers in the Asian market, and expanding sales in the European and North American markets in cooperation with its overseas bases in China and ASEAN.

With regard to R&D, the Unitika Group will accelerate the development of functional resins, heat-resistant film, and functional fibers, which are expected to serve as an engine of growth in the future, by making full use of the polymer design and control technologies, inorganic material technologies, and analysis and assessment technologies that the Group possesses.

Regarding cost reduction, the Unitika Group will strive to return to profitability by strengthening its consolidated management system and reducing administrative costs according to the nature of each business. In addition, the Group will thoroughly promote efficient management of operating capital including the reduction of inventories and try to reduce interest-bearing debt.

3. Basic approach to the selection of accounting standards

The Unitika Group adopts Japanese Accounting Standards (Japanese GAAP), since the Group intends to ensure the comparability of performance with competitors in Japan.

4. Consolidated financial statements

(1) Consolidated balance sheets

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
Assets		
Current assets		
Cash and deposits	19,587	31,738
Notes and accounts receivable-trade	35,324	39,059
Inventories	39,891	37,377
Deferred tax assets	1,170	977
Other	3,566	3,823
Allowance for doubtful accounts	(169)	(161)
Total current assets	99,370	112,814
Non-current assets		
Tangible fixed assets		
Buildings and structures, net	17,691	13,887
Machinery, equipment and vehicles, net	20,333	18,167
Tools, furniture and fixtures, net	1,170	1,055
Land	103,036	76,904
Leased assets, net	315	259
Construction in progress	6,040	6,168
Total tangible fixed assets	148,588	116,443
Intangible fixed assets		
Goodwill	9	4
Other	1,191	1,480
Total intangible fixed assets	1,201	1,485
Investments and other assets		
Investment securities	2,863	3,112
Investments in capital	18	11
Long-term loans receivable	183	169
Net defined benefit asset	86	15
Deferred tax assets	340	336
Other	1,802	1,737
Allowance for doubtful accounts	(273)	(243)
Total investments and other assets	5,020	5,138
Total non-current assets	154,811	123,067
Total assets	254,181	235,882

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	19,696	20,368
Short-term loans payable	70,125	2,072
Current portion of long-term loans payable	39,240	1,703
Lease obligations	217	189
Income taxes payable	1,035	461
Provision for bonuses	1,595	1,531
A product repair reserve fund	1,284	3,947
Provision for business structure improvement	566	1,751
Other	10,794	11,815
Total current liabilities	144,555	43,842
Non-current liabilities		
Long-term loans payable	55,187	130,127
Lease obligations	449	858
Deferred tax liabilities	16,903	12,288
Deferred tax liabilities for land revaluation	2,403	3,075
Provision for directors' retirement benefits	26	26
Net defined benefit liability	13,034	12,353
Other	2,252	1,718
Total non-current liabilities	90,257	160,449
Total liabilities	234,813	204,291
Net assets		
Shareholders' equity		
Capital stock	26,298	100
Capital surplus	4,385	60,275
Retained earnings	(11,392)	(31,138)
Treasury shares	(44)	(45)
Total shareholders' equity	19,245	29,191
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	265	468
Deferred gains or losses on hedges	(8)	(224)
Revaluation reserve for land	2,918	5,165
Foreign currency translation adjustment	(2,904)	(2,807)
Remeasurements of defined benefit plans	(3,977)	(3,439)
Total accumulated other comprehensive income	(3,705)	(837)
Minority interests	3,828	3,236
Total net assets	19,368	31,590
Total liabilities and net assets	254,181	235,882

(2) Consolidated income statement and consolidated comprehensive income statement
(Consolidated income statement)

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (April 1, 2014 to March 31, 2015)
Net sales	162,686	159,126
Cost of sales	132,503	126,515
Gross profit	30,183	32,610
Selling, general and administrative expenses	23,384	23,694
Operating income	6,799	8,916
Non-operating income		
Interest income	66	82
Dividend income	81	74
Rent income	90	87
Share of profit of entities accounted for using equity method	10	12
Foreign exchange gains	998	1,754
Other	645	431
Total non-operating income	1,893	2,443
Non-operating expenses		
Interest expenses	2,916	2,603
Other	1,063	1,076
Total non-operating expenses	3,979	3,679
Ordinary income	4,713	7,680
Extraordinary income		
Gain on sales of non-current assets	40	278
Gain on sales of investment securities	275	—
Gain on sales of shares of subsidiaries and associates	—	484
Dividends from liquidation of securities	186	—
Gain on bargain purchase	11	—
Gain on transfer of business	—	925
Other	21	—
Total extraordinary income	534	1,688
Extraordinary losses		
Loss on disposal of non-current assets	496	624
Impairment loss	1,316	3,375
Provision for product repair warranties	1,284	3,708
Business structure improvement expenses	368	31,172
Other	212	866
Total extraordinary losses	3,677	39,747
Income (loss) before income taxes and minority interests	1,571	(30,378)
Income taxes-current	1,211	743
Income taxes-deferred	(292)	(3,540)
Total income taxes	918	(2,797)
Income (loss) before minority interests	652	(27,580)
Minority interests in income (loss)	68	(547)
Net income (loss)	583	(27,033)

(Consolidated comprehensive income statement)

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (April 1, 2014 to March 31, 2015)
Income (loss) before minority interests	652	(27,580)
Other comprehensive income		
Valuation difference on available-for-sale securities	151	202
Deferred gains or losses on hedges	(14)	(218)
Revaluation reserve for land	(61)	338
Foreign currency translation adjustment	1,337	18
Remeasurements of defined benefit plans, net of tax	—	537
Total other comprehensive income	1,412	877
Comprehensive income	2,065	(26,703)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,708	(26,110)
Comprehensive income attributable to minority interests	356	(592)

(3) Consolidated statements of changes in net assets

Previous consolidated fiscal year (April 1, 2013 to March 31, 2014)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	26,298	4,385	(11,976)	(44)	18,663
Cumulative effects of changes in accounting policies					—
Restarted balance	26,298	4,385	(11,976)	(44)	18,663
Changes of items during period					
Net income			583		583
Purchase of treasury shares				(0)	(0)
Purchase of shares of consolidated subsidiaries					
Net changes of items other than shareholders' equity					
Total changes of items during period	—	—	583	(0)	582
Balance at the end of current period	26,298	4,385	(11,392)	(44)	19,245

	Accumulated other comprehensive income						Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	114	6	2,979	(3,954)	—	(854)	3,508	21,317
Cumulative effects of changes in accounting policies								—
Restarted balance	114	6	2,979	(3,954)	—	(854)	3,508	21,317
Changes of items during period								
Net income								583
Purchase of treasury shares								(0)
Purchase of shares of consolidated subsidiaries							(35)	(35)
Net changes of items other than shareholders' equity	151	(14)	(61)	1,050	(3,977)	(2,851)	356	(2,495)
Total changes of items during period	151	(14)	(61)	1,050	(3,977)	(2,851)	320	(1,948)
Balance at the end of current period	265	(8)	2,918	(2,904)	(3,977)	(3,705)	3,828	19,368

Current consolidated fiscal year (April 1, 2014 to March 31, 2015)

(Unit: Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of current period	26,298	4,385	(11,392)	(44)	19,245
Cumulative effects of changes in accounting policies			1,426		1,426
Restarted balance	26,298	4,385	(9,965)	(44)	20,672
Changes of items during period					
Issuance of new shares	18,749	18,749			37,499
Transfer to other capital surplus from capital stock	(44,947)	44,947			—
Deficit disposition		(7,806)	7,806		—
(Net loss)			(27,033)		(27,033)
Reversal of revaluation reserve for land			(1,946)		(1,946)
Purchase of treasury shares				(0)	(0)
Net changes of items other than shareholders' equity					
Total changes of items during period	(26,198)	55,890	(21,173)	(0)	8,518
Balance at the end of current period	100	60,275	(31,138)	(45)	29,191

	Accumulated other comprehensive income						Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Re-measurements of defined benefit plans	Total accumulated other comprehen-sive income		
Balance at the beginning of current period	265	(8)	2,918	(2,904)	(3,977)	(3,705)	3,828	19,368
Cumulative effects of changes in accounting policies								1,426
Restarted balance	265	(8)	2,918	(2,904)	(3,977)	(3,705)	3,828	20,795
Changes of items during period								
Issuance of new shares								37,499
Transfer to other capital surplus from capital stock								—
Deficit disposition								—
(Net loss)								(27,033)
Reversal of revaluation reserve for land			1,946			1,946		—
Purchase of treasury shares								(0)
Net changes of items other than shareholders' equity	202	(215)	300	97	537	922	(592)	330
Total changes of items during period	202	(215)	2,247	97	537	2,868	(592)	10,795
Balance at the end of current period	468	(224)	5,165	(2,807)	(3,439)	(837)	3,236	31,590

(4) Consolidated statements of cash flow

(Unit: Millions of yen)

	Previous consolidated fiscal year (April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (April 1, 2014 to March 31, 2015)
Cash flows from operating activities		
Income (loss) before income taxes and minority interests	1,571	(30,378)
Depreciation	5,127	4,954
Impairment loss	1,316	3,375
Business structure improvement expenses	188	29,751
Increase (decrease) in allowance for doubtful accounts	(56)	(38)
Increase (decrease) in provision for retirement benefits	(7,782)	—
Increase (decrease) in net defined benefit liability	9,033	1,257
Increase (decrease) in provision for business structure improvement	(521)	1,185
Increase (decrease) in provision for product repair	1,284	2,663
Loss (gain) on sales of shares of subsidiaries and associates	—	(484)
Increase (decrease) in other provision	(2)	(33)
Interest expenses	2,916	2,603
Loss (gain) on disposal of non-current assets	496	624
Loss (gain) on sales of non-current assets	(40)	(278)
Gain on transfer of business	—	(925)
Decrease (increase) in notes and accounts receivable-trade	1,367	(3,426)
Decrease (increase) in inventories	219	964
Increase (decrease) in notes and accounts payable-trade	(2,913)	181
Other, net	(1,573)	(2,050)
Subtotal	10,630	9,948
Interest and dividend income received	146	157
Interest expenses paid	(2,954)	(2,630)
Income taxes paid	(982)	(1,394)
Net cash provided by (used in) operating activities	6,839	6,080
Cash flows from investing activities		
Decrease (increase) in time deposits	2	(0)
Purchase of investment securities	(21)	(21)
Proceeds from sales of investment securities	766	82
Purchase of property, plant and equipment	(4,895)	(4,737)
Proceeds from sales of property, plant and equipment	58	2,105
Proceeds from transfer of business	—	1,734
Proceeds from sales of shares of subsidiaries resulting in change in scope of consolidation	—	1,174
Other, net	(14)	(482)
Net cash provided by (used in) investing activities	(4,103)	(145)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	1,073	(25,320)
Proceeds from long-term loans payable	33,544	101
Repayment of long-term loans payable	(37,334)	(5,981)
Proceeds from issuance of common shares	—	37,218
Other, net	(337)	(147)
Net cash provided by (used in) financing activities	(3,053)	5,870
Effect of exchange rate change on cash and cash equivalents	239	345
Net increase (decrease) in cash and cash equivalents	(78)	12,151
Cash and cash equivalents at beginning of period	19,636	19,557
Cash and cash equivalents at the end of period	19,557	31,708

(5) Notes regarding consolidated financial statements

(Notes regarding assumption of a going concern)

Not applicable

(Significant items that are the basis for preparation of consolidated financial statements)

1. Scope of consolidation

(1) Number of consolidated subsidiaries: 43 companies

Name of major consolidated subsidiaries:

NIPPON ESTER CO., LTD.

UNITIKA TRADING CO., LTD.

The number of consolidated subsidiaries decreased by four from the end of the previous fiscal year because of the following reasons: one company due to an absorption type merger by the Company, one company due to liquidation, and two companies due to the transfer of shares.

(2) Name of major non-consolidated subsidiaries:

Major non-consolidated subsidiaries:

Akoh Unitec Service Co., Ltd.

(Reasons the Company excludes such entities from the scope of consolidation)

Since the total assets, net sales, net income (loss) (corresponding to equity interest) and retained earnings (corresponding to equity interest) of the two non-consolidated subsidiaries are small and do not significantly influence the Company's consolidated financial statements, the Company excludes these entities from the scope of consolidation.

2. Application of the equity method

(1) Number of equity-method non-consolidated subsidiaries: 1 company

Name of equity-method non-consolidated subsidiaries

Akoh Unitec Service Co., Ltd.

(2) Number of equity-method affiliates: 2 company

Name of major affiliated companies

AD'ALL CO., Ltd.

(3) Name of non-equity-method non-consolidated subsidiaries and affiliates

Name of companies

Thai Nylon Co., Ltd.

(Reasons the Company does not apply the equity-method to such entities)

Since net income (loss) (corresponding to equity interest) and retained earnings (corresponding to equity interest) of the non-equity method non-consolidated subsidiaries and affiliates do not significantly influence the Company's consolidated financial statements and such entities do not have importance as a whole, if they are excluded from the scope of equity-method subsidiaries and affiliates, the Company excludes these entities from the scope of equity-method.

3. Account settlement date, etc. of consolidated subsidiaries

Among the consolidated subsidiaries, 11 companies settle their accounts on a date different from the consolidation date. Their account settlement dates are as follows:

December 31: P. T. EMBLEM ASIA and 9 other companies

February 28: UNITIKA (HONG KONG) Ltd.

For the purpose of preparing the consolidated financial statements, the financial statements for the respective account settlement dates of these companies are used, and any necessary adjustments are made with regard to significant transactions conducted during the period between the relevant settlement date and the current consolidation date.

4. Accounting standards

(1) Evaluation standards and method for significant assets

Marketable securities

Other marketable securities

With market values:	Valued at fair value based on market values, etc. on the settlement date (variance from valuation is processed with the method entirely to charge or credit directly to equity, and selling cost is calculated using the moving average method.)
Without market values:	Valued at cost using the moving average method

Derivatives

Valued at fair value

Inventories

Valued primarily at cost by using the moving average method (the balance sheet value is calculated by the book value written-down method based on decline in profitability.)

(2) Depreciation method for significant depreciable assets

Tangible fixed assets (excluding lease assets)

The Company and its consolidated subsidiaries primarily use the declining-balance method. However, some consolidated subsidiaries use the straight-line method.

Intangible fixed assets (excluding lease assets)

Straight-line method

Lease assets

Lease assets under finance lease transactions that do not transfer ownership

Lease assets are depreciated using the straight-line method over the lease term, based on the assumption that the residual value is equal to zero.

(3) Accounting standards for important allowances

Allowance for doubtful receivables

In order to cover losses from uncollectible account receivables, the Company provides for estimated uncollectible amount of normal receivables based on historical loss ratios. Specific claims including doubtful receivables, etc. are individually evaluated for the likelihood of recovery and estimated uncollectible amount is provided.

Provision for bonuses

The Company provides for allowance for bonus based on the estimated amount of the payment for employees.

Provision for product improvement

Since defects were discovered in its products supplied in the past, the Company makes a provision for estimated expenses to be incurred in relation to future product improvement.

Provision for business structure improvement

The Company provides for reasonably estimated amount of loss incurred in the next consolidated fiscal year due to implementation of a business structure improvement program.

Allowance for directors’ retirement bonuses

In the past, the Company and its consolidated subsidiaries provided for the amount payable at the end of the subject term under the internal rule to cover payment of retirement bonuses to directors (including executive officers). However, the Company and its consolidated subsidiaries abolished the directors’ retirement bonus system in June 2006 and suspended the transfer of such amount to allowance for directors’ retirement bonuses.

(4) Accounting method for retirement benefits

- The attribution method for estimated retirement benefit amounts

To calculate retirement benefit obligations, the Company adopts the benefit formula standard as the method of attributing expected retirement benefit to periods until the end of the current fiscal year.

- Methods for processing actuarial gains and losses, past service liabilities, and the transition difference due to a change in the accounting standards
  The transition difference due to a change in the accounting standards is equally expensed over 15 years.

  Past service liabilities are amortized using the straight-line method over the average remaining years of service of employees (generally 13 years) when the liability is incurred.

  Actuarial gains and losses are expensed using the straight-line method over the average remaining years of service of employees (generally 13 years) when gains and losses are incurred, allocated starting from the next year each respective gain or loss is incurred.

(5) Accounting standards for recognizing revenues and costs of construction contracts
The percentage-of-completion method has been applied to construction contracts if the outcome of the construction activity is deemed certain on March 31, 2013 (the estimated percentage of completion shall be based on the ratio of the cost incurred to the estimated total cost). The completed-contract method has been applied to other construction contracts.

(6) Standards for translating important foreign currency assets or liabilities to Japanese currency
Foreign currency monetary assets and liabilities are converted into yen currency at the spot exchange rate of the consolidated settlement date and exchange differences are treated as profit or loss. Meanwhile, the assets and liabilities of overseas subsidiaries are converted into yen currency by the spot exchange rate of the settlement date, and profits and expenses are converted into yen currency at the average market rate during the period with the exchange differences included in the currency exchange translation adjustment and minority interests.

(7) Interest relating to property for sale (inventories)
Interests paid in relation to some real estate for sale in progress among the real estate for sale held by some consolidated subsidiaries are included in the acquisition amount of such real estate.

(8) Important hedge accounting method
The Company adopts deferred hedge accounting, and uses the method for translating foreign currency receivables and payables on the basis of yen value cash flow fixed by forward contract for exchange contracts that may satisfy requirements for the said method, and preferential procedures for interest rate swaps that may satisfy requirements for preferential procedures.

(9) Items relating to amortization of goodwill
Goodwill is amortized using the straight-line method over 5 years.

(10) Scope of funds in consolidated statements of cash flows
Funds stated in the consolidated statements of cash flows consist of cash on hand, demand deposits and short-term investments that are readily convertible into cash, are exposed to insignificant risk of changes in value and are redeemable in three months or less from each acquisition date.

(11) Treatment of consumption taxes, etc.
The Company adopts the tax-excluding method.

(Changes in accounting policies)

(Application of the Accounting Standards for Retirement Benefits)

Effective from the current consolidated accounting year, the Unitika Group has applied the *Accounting Standard for Retirement Benefits* (ASBJ Statement No.26, issued May 17, 2012; hereinafter, the *Accounting Standard*) and the *Guidance on the Accounting Standard for Retirement Benefits* (ASBJ Guidance No.25, issued March 26, 2015; hereinafter, the *Guidance*). In accordance with the provisions stipulated in the main clause of Article 35 of the *Accounting Standard* and in the main clause of Article 67 of the *Guidance*, the Group reviewed the method of calculation for retirement benefit obligations and service costs, and changed the method of attributing expected retirement benefit to periods from the fixed amount per period standard to the benefit formula standard; and changed the method of calculating the discount rate from a method based on the number of years close to average remaining service periods for employees to a method using a single weighted average discount rate that reflects the estimated timing of benefit payment and amount of benefit payments by the estimated timing.

The *Accounting Standard* and *Guidance* have been applied in a transitional manner as provided in Article 37 of the *Accounting Standard*, and the effects from the changes in calculation method for retirement benefit obligations and service costs have been reflected in retained earnings at the beginning of the current consolidated accounting year.

Consequently, net defined benefit liability decreased by 1,426 million yen and retained earnings increased by 1,426 million yen at the beginning of the current consolidated accounting year. In addition, operating income and ordinary income decreased by 218 million yen, respectively, while net loss before income taxes increased by 218 million yen in the current consolidated accounting year.

Meanwhile, net assets per share increased by 2.47 yen and net loss per share grew by 0.38 yen in the current consolidated accounting year.

(Segment information etc.)

Segment information

1. Summary of reportable segment

Unitika's reportable segments are components of the Company for which separate financial information is available. These segments are subject to regular reviews by the Board of Directors to decide the distribution of managerial resources and evaluate business results.

The Company sets up divisions by product and service in its head office. Each division formulates comprehensive domestic and overseas strategies for its products and services and conducts business activities according to the strategies.

Unitika consists of segments by product and service based on divisions. The following three are its reportable segments: Polymers, Advanced Materials, and Fibers & Textiles.

The Polymers segment manufactures and markets films, resins, and non-woven fabrics. The Advanced Materials segment makes and sells glass fibers and so on. The Fibers & Textiles segment produces and distributes various types of fibers (threads, cotton, textiles and fabrics and the like).

2. Methods to calculate the amount of net sales, profit or loss, assets and other items by reportable segment

Methods of accounting treatment of reported business segments are almost the same as those stated in the Significant items that are the basis for preparation of consolidated financial statements.

Inter-segment earnings and transfers are based on prevailing market prices.

3. Information on the amount of net sales, profit or loss, assets and other items by reportable segment

The previous fiscal year (April 1, 2013 to March 31, 2014)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in Consolidated financial statements (Note 3)
	Polymers	Advanced Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	65,523	14,855	68,170	148,549	14,136	162,686	—	162,686
Inter-segment sales or transfer	22	60	267	350	1,611	1,962	(1,962)	—
Total	65,545	14,916	68,437	148,900	15,748	164,648	(1,962)	162,686
Segment income	6,839	1,903	424	9,167	798	9,965	(3,166)	6,799
Segment assets	87,078	18,622	64,451	170,153	49,453	219,607	34,574	254,181
Other items								
Depreciation and amortization	2,679	425	1,064	4,169	607	4,777	350	5,127
Increase in property, plant and equipment and intangible assets	2,654	273	984	3,912	407	4,319	1,238	5,557

(Note) 1. The *Other* category comprises business segments that are not included in reportable segments. It includes Environmental business, Medical business, Healthcare & Amenity business, and Real Estate-related business and the like.

2. Adjustment details are as follows.

(1) Adjustment of (3,166) million yen for *Segment income* includes corporate expenses that are not allocated to each reportable segment.

(2) Adjustment of 34,574 million yen for *Segment assets* include investment of surplus funds (cash and deposits) by the parent company, long-term investment funds (investment securities) and assets, etc. related to the Administration and the Research and Development Division of the parent company.

(3) Adjustment of 350 million yen for *Depreciation and amortization* is depreciation and amortization of common assets that are not allocated to each reportable segment.

(4) Adjustment of 1,238 million yen for *Increase in property, plant and equipment and intangible assets* is an increase in common assets that are not allocated to each reportable segment.

3. *Segment income* is adjusted with operating income in the consolidated statements of income.

Current consolidated fiscal year (April 1, 2014 to March 31, 2015)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in Consolidated financial statements (Note 3)
	Polymers	Advanced Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	64,467	14,682	66,787	145,937	13,188	159,126	—	159,126
Inter-segment sales or transfer	64	50	272	387	1,241	1,629	(1,629)	—
Total	64,531	14,733	67,059	146,324	14,430	160,755	(1,629)	159,126
Segment income	7,729	1,959	1,743	11,432	536	11,969	(3,052)	8,916
Segment assets	91,636	18,989	60,724	171,350	30,297	201,647	34,234	235,882
Other items								
Depreciation and amortization	2,821	400	867	4,089	548	4,637	317	4,954
Increase in property, plant and equipment and intangible assets	2,260	342	713	3,316	386	3,703	1,671	5,375

(Note) 1. The *Other* category comprises business segments that are not included in reportable segments. It includes Environmental business, Medical business, Healthcare & Amenity business, and Real Estate-related business and the like.

2. Adjustment details are as follows.

(1) Adjustment of (3,052) million yen for *Segment income* includes corporate expenses that are not allocated to each reportable segment.

(2) Adjustment of 34,234 million yen for *Segment assets* include investment of surplus funds (cash and deposits) by the parent company, long-term investment funds (investment securities) and assets, etc. related to the Administration and the Research and Development Division of the parent company.

(3) Adjustment of 317 million yen for *Depreciation and amortization* is depreciation and amortization of common assets that are not allocated to each reportable segment.

(4) Adjustment of 1,671 million yen for *Increase in property, plant and equipment and intangible assets* is an increase in common assets that are not allocated to each reportable segment.

3. *Segment income* is adjusted with operating income in consolidated statements of income.

(Per share information)

	Previous consolidated fiscal year (April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (April 1, 2014 to March 31, 2015)
Net assets per share	26.94 yen	(17.01) yen
Net income per share or net loss per share	1.01 yen	(46.87) yen

(Note) 1. Information on net income per share after full dilution for the current consolidated fiscal year was omitted, since we posted a net loss per share, although there was potential common stock. In addition, information on net income per share after full dilution for the previous consolidated fiscal year was omitted, since there was no potential common stock.

2. The basis for the calculation of net assets per share is as follows:

	Previous consolidated fiscal year (March 31, 2014)	Current consolidated fiscal year (March 31, 2015)
Total net assets (million yen)	19,368	31,590
Amounts deducted from the total net assets (million yen)	3,828	41,401
(of which amounts to be paid in for shares of class stock (million yen))	(—)	(37,499)
(of which preferred dividends (million yen))	(—)	(666)
(of which minority interests (million yen))	(3,828)	(3,236)
Net assets at the end of the fiscal year attributable to common stock (million yen)	15,540	(9,811)
Number of common stock at the end of the fiscal year used for calculating net assets per share (thousand shares)	576,741	576,729

3. The basis for the calculation of net income per share or net loss per share is as follows:

	Previous consolidated fiscal year (April 1, 2013 to March 31, 2014)	Current consolidated fiscal year (April 1, 2014 to March 31, 2015)
Net income per share or net loss per share		
Net income (loss) (million yen)	583	(27,033)
Amount not attributable to common stockholders (million yen)	—	—
Net income (loss) attributable to common stock (million yen)	583	(27,033)
Average number of common stock during the fiscal year (thousand shares)	576,749	576,734
Outline of potential common stock that was not included in the calculation of net income per share after full dilution due to the absence of dilutive effects.	—	Class A share: 21,740 shares Class B share: 5,759 shares Class C share: 10,000 shares

(Material subsequent events)

Not applicable

5. Other

Transfer of directors

(1) Transfer of representative directors

Representative Director,
Senior Managing Executive Officer: Masaaki Yasuoka (current Senior Managing Executive Officer)

Representative Director,
Managing Executive Officer: Shuji Ueno (current Director, Managing Executive Officer)

(2) Transfer of other directors

- Candidates for position of director

  Director, Senior Executive Officer: Akira Enokida (current Senior Executive Officer)
  (Part-time) Director: Toru Hanbayashi (current (part-time) Auditor)
  (Part-time) Director: Katsuo Ko (current (part-time) Auditor)

- Retiring directors

  Director, Senior Advisor: Kenji Yasue (new appointment: Senior Advisor)
  Director, Executive Officer: Yusei Yamaguchi (new appointment: Advisor)
  Director, Executive Officer: Takuro Matsunaga (new appointment: Advisor)
  (Part-time) Director: Shinichi Saito

- Candidates for position of auditor

  (Part-time) Auditor: Masanobu Obata (current Advisor)
  (Part-time) Auditor: Yoshito Kawachi
  (Part-time) Auditor: Yoshihisa Takeuchi

- Retiring auditors

  (Part-time) Auditor: Toshiro Yoshida (new appointment: Advisor)
  (Part-time) Auditor: Toru Hanbayashi
  (Part-time) Auditor: Katsuo Ko

(3) Appointment date

June 26, 2015

6. Supplementary materials

(1) Results (consolidated)

(Millions of yen)

			Net sales	Operating income	Ordinary income	Net income
Consolidated	FY ended March 2014	Full year	162,686	6,799	4,713	583
	FY ended March 2015	Q2	77,623	3,123	2,120	(21,613)
		Full year	159,126	8,916	7,680	(27,033)
Non-consolidated	FY ending March 2016	Q2 (Forecast)	71,000	5,000	3,600	1,000
		Full year (Forecast)	145,000	11,300	8,800	3,000
	Comparison with prior year	Q2 (Forecast)	(6,623)	1,877	1,480	22,613
		Full year (Forecast)	(14,126)	2,384	1,120	30,033

(2) Segment information (consolidated)

(Millions of yen)

			Polymers	Advanced Materials	Fibers & Textiles	Other	Elimination or corporate	Consolidated total
Results for prior fiscal year	FY ended March 2014	Net sales to outside customers	65,523	14,855	68,170	14,136	—	162,686
		Component ratio (%)	40.3	9.1	41.9	8.7	—	100.0
		Operating income	6,839	1,903	424	798	(3,166)	6,799
		Component ratio (%)	100.6	28.0	6.2	11.7	(46.6)	100.0
Results for current fiscal year	FY ended March 2015	Net sales to outside customers	64,467	14,682	66,787	13,188	—	159,126
		Component ratio (%)	40.5	9.2	42.0	8.3	—	100.0
		Operating income	7,729	1,959	1,743	536	(3,052)	8,916
		Component ratio (%)	86.7	22.0	19.5	6.0	(34.2)	100.0
Comparison with prior year		Net sales to outside customers	(1,056)	(173)	(1,383)	(948)	—	(3,560)
		Increase/decrease from prior year (%)	(1.6)	(1.2)	(2.0)	(6.7)	—	(2.2)
		Operating income	890	56	1,319	(262)	114	2,117
		Increase/decrease from prior year (%)	13.0	3.0	310.7	(32.7)	3.6	31.1
FY ending March 2016 (Forecast)	(Forecast)	Net sales to outside customers	68,000	15,000	58,000	4,000	—	145,000
		Component ratio (%)	46.9	10.3	40.0	2.8	—	100.0
		Operating income	9,200	1,900	2,500	(500)	(1,800)	11,300
		Component ratio (%)	81.4	16.8	22.1	(4.4)	(15.9)	100.0
	Comparison	Net sales to outside customers	3,533	318	(8,787)	(9,188)	—	(14,126)
		Increase/decrease from prior year (%)	5.5	2.2	(13.2)	(69.7)	—	(8.9)
		Operating income	1,471	(59)	757	(1,036)	1,252	2,384
		Increase/decrease from prior year (%)	19.0	(3.0)	43.4	—	(41.0)	26.7

(3) Capital expenditures, Depreciation (Property, plant and equipment), R&D expenditures, Interest-bearing liabilities, Financial account balance, Number of permanent employees (consolidated) (¥ million, persons)

		Capital expenditures	Depreciation (Property, plant and equipment)	R&D expenditures	Interest-bearing liabilities (end of fiscal year)	Financial account balance	Number of permanent employees (persons)
FY ended March 2013	Full year	6,095	5,480	4,345	166,521	(2,808)	4,534
FY ended March 2014	Full year	4,995	4,936	3,881	164,552	(2,768)	4,513
FY ended March 2015	Full year	4,808	4,715	3,940	133,903	(2,446)	4,458

(4) Cash flow (consolidated)

(Millions of yen)

		Cash flow from operating activities	Cash flow from investment activities	Cash flow from financing activities	Cash and cash equivalents at end of fiscal year
FY ended March 2013	Full year	16,040	(4,404)	(7,432)	19,636
FY ended March 2014	Full year	6,839	(4,103)	(3,053)	19,557
FY ended March 2015	Full year	6,080	(145)	5,870	31,708