

Financial Report for Fiscal Year ended March 31, 2024 [Japanese GAAP] (Consolidated)

May 14, 2024

Company name: Unitika Ltd.

Listed stock exchange: Tokyo Stock Exchange

Code number: 3103 URL: <https://www.unitika.co.jp/e/home.htm>

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Expected date for holding a regular shareholders meeting: June 27, 2024

Expected date for submitting securities report: June 27, 2024

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 rounded down to nearest million yen.)

1. Consolidated performance for fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 31, 2024	118,341	0.3	(2,475)	—	(1,014)	—	(5,443)	—
FY ended March 31, 2023	117,942	2.8	1,327	(77.9)	1,069	(83.3)	102	(95.4)

(Note) Comprehensive income FY ended March 31, 2024: (5,387) million yen (—%)

FY ended March 31, 2023: 1,975 million yen (–34.7%)

	Profit per share	Diluted profit per share	Return on equity	Return on asset	Ratio of operating profit to sales
	Yen	Yen	%	%	%
FY ended March 31, 2024	(94.41)	—	(13.8)	(0.5)	(2.1)
FY ended March 31, 2023	(3.13)	—	0.2	0.6	1.1

(Reference) Equity in earnings/losses of affiliates FY ended March 31, 2024: 6 million yen

FY ended March 31, 2023: 17 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, 2024	186,333	38,247	19.7	244.21
FY ended March 31, 2023	190,003	43,918	22.2	332.02

(Reference) Shareholders' equity: FY ended March 31, 2024: 36,764 million yen

FY ended March 31, 2023: 42,110 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, 2024	8,169	(7,541)	(279)	10,187
FY ended March 31, 2023	509	(8,092)	(1,657)	9,612

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, 2023	—	0.00	—	0.00	0.00	—	—	—
FY ended March 31, 2024	—	0.00	—	0.00	0.00	—	—	—
FY ending March 31, 2025 (forecast)	—	0.00	—	0.00	0.00	—	—	—

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

3. Forecast of consolidated performance for fiscal year ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages represent changes from same period in previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
1st half of FY ending March 31, 2025 (cumulative)	58,000	(0.1)	1,100	—	400	353.2	200	—	3.47
FY ending March 31, 2025	120,000	1.4	3,000	—	1,400	—	400	—	6.94

(Note) Unitika Ltd. calculated profit per share excluding the impact of dividend payment to the holders of class shares since the Company refrained from announcing the forecast of year-end dividends on class shares for the fiscal year ending March 2025.

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries accompanying change of scope of consolidation): No
 New companies: — (company name)
 Excluded companies: — (company name)
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 (i) Changes in accounting policies due to revisions of accounting standards: No
 (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 term (including treasury share):
 Fiscal year ended March 31, 2024: 57,752,343 shares
 Fiscal year ended March 31, 2023: 57,752,343 shares
 (ii) Number of treasury shares at end of term:
 Fiscal year ended March 31, 2024: 96,907 shares
 Fiscal year ended March 31, 2023: 96,504 shares
 (iii) Average number of shares outstanding during the term:
 Fiscal year ended March 31, 2024: 57,655,615 shares
 Fiscal year ended March 31, 2023: 57,656,240 shares

(Reference) Summary of non-consolidated performance

Non-consolidated performance for fiscal year ended March 31, 2024 (April 1, 2023 to March 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended March 31, 2024	76,996	(1.4)	(928)	—	1,754	(43.3)	(2,586)	—
FY ended March 31, 2023	78,094	0.8	2,381	(58.9)	3,094	(50.7)	1,751	9.0

	Profit per share		Diluted profit per share	
	Yen		Yen	
FY ended March 31, 2024	(44.86)		—	
FY ended March 31, 2023	25.47		14.13	

(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, 2024	173,697		38,734		22.3	278.39	
FY ended March 31, 2023	172,432		41,219			23.9	316.57

(Reference) Shareholders' equity: FY ended March 31, 2024: 38,734 million yen
 FY ended March 31, 2023: 41,219 million yen

* The financial report is not subject to audit procedures by a certified public accountant or an independent auditor.

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

(Note on forward-looking statements)

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 business performance and precautionary statements when using the forecast of performance, please refer to *1. Overview of Business Performance (4) Future forecast* on page 3 of the attachment.

(Method to obtain information on the presentation of financial results)

The Company plans to hold a results presentation conference call for securities analysts and institutional investors on Tuesday, May 21, 2024. It plans to post on its website supplementary documents to the financial results to be distributed at the results presentation.

Dividend payment to the holders of classified shares

The breakdown of dividends per share related to classified 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, 2023	—	0.00	—	12,000.00	12,000.00
FY ended March 31, 2024	—	0.00	—	0.00	0.00
FY ending March 31, 2025 (forecast)	—	0.00	—	—	—
Class B share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2023	—	0.00	—	23,740.00	23,740.00
FY ended March 31, 2024	—	0.00	—	0.00	0.00
FY ending March 31, 2025 (forecast)	—	0.00	—	—	—

(Note) Revision of the latest dividend forecast: Yes

Unitika Ltd. decided to suspend payment of year-end dividends on class shares for the fiscal year ended March 2024, considering its business performance in the consolidated fiscal year under review and financial situation at the end of the fiscal year.

In addition, the Company refrained from announcing the forecast of year-end dividends for the fiscal year ending March 2025.

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1. Overview of Business Performance

(1) Overview of business performance of the year

During the consolidated fiscal year under review (April 1, 2023 to March 31, 2024), looking at the domestic economy, the personal services industry, such as tourism and food services, enjoyed a robust business environment, supported by an increase in customer traffic and a pickup in the number of inbound tourists to Japan. On the other hand, the manufacturing industry suffered from the impact of cost increases due to soaring energy prices and a further decline in the value of the yen and stagnation in personal consumption associated with a rise in prices. In addition, consumer demand was weak in overseas markets, such as China and Europe, because of business slowdown. Accordingly, the outlook of the Japanese economy remained uncertain.

Under these circumstances, the Unitika Group announced in May 2023 “G-STEP30, 2nd,” a new medium-term management plan and implemented measures consisting of “Rebuilding the business portfolio,” “Promotion of global business,” and “Improvement of the business foundation,” the basic policies of the new medium-term management plan. However, the Group was forced to report very disappointing results since its measures came too late to cope with changes in the business environment, including a fall in demand caused by price increases and intensifying sales competition overseas, mainly in Southeast Asia.

Consequently, in the consolidated fiscal year under review, the Unitika Group reported net sales of 118,341 million yen (up 0.3% year on year) and an operating loss of 2,475 million yen (versus an operating profit of 1,327 million yen in the previous consolidated fiscal year). With the progress of yen depreciation, the Group posted foreign exchange valuation gains on foreign currency-denominated assets of 2,595 million yen, resulting in an ordinary loss of 1,014 million yen (versus an ordinary profit of 1,069 million yen in the previous consolidated fiscal year). Furthermore, loss attributable to owners of parent was 5,443 million yen (versus profit attributable to owners of parent of 102 million yen in the previous consolidated fiscal year), since the Unitika Group recorded an impairment loss of 3,872 million yen on business assets of the Non-woven Fabrics business, the Industrial Fibers business, the Garments, Lifestyle Materials and Bedding business.

Here is an overview of the business results by segment.

The Unitika Group changed the reporting segment of some consolidated subsidiaries in the consolidated fiscal year under review. Therefore, the Group reported financial results for the corresponding year-earlier period retrospectively restated based on the segment classification after the change for comparison purposes. For details, please refer to 3. *Consolidated Financial Statements and Main Notes (5) Notes on consolidated financial statements to Consolidated Financial Statements (Segment information, etc.)*.

[Polymers Segment]

In the Polymers Segment, sales volume decreased due to sluggish demand and the impact of inventory adjustment in the supply chain. In addition, profitability declined because the impact of continuing high raw material and fuel prices and the cost increase associated with a production decline exceeded the effect of price revisions.

In the Films business, looking at packaging applications, sales of food packaging films fell due to sluggish consumption of food products caused by inflation. On the other hand, sales of “EMBLEM-HG,” a barrier nylon film, grew steadily since the product’s outstanding gas barrier performance was appreciated. For industrial applications, sales of films mainly used in the manufacturing process of electric and electronic products fell. Furthermore, the profitability of nylon films declined since an inflow of low-priced competing goods from China caused sales unit prices to decline in the Southeast Asia market. Accordingly, the Films business saw net sales increase but operating profit decrease.

In the Plastics business, the sales volume of engineering plastics diminished, principally due to weak demand in China. The business revised sales prices since raw material and fuel prices remained at a high level. However, sales and profitability decreased due to the impact of a production decrease associated with poor sales. Sales of functional plastics for adhesive agents and coating materials were robust. In addition, sales of environmentally friendly materials, such as recycled materials, grew. Accordingly, the Plastics business saw net sales grow but operating profit decline.

Consequently, the Polymers Segment saw net sales increase but operating profit decrease. The segment posted an operating profit of 603 million yen (down 81.7% year on year) on net sales of 51,074 million yen (up 2.2% year on year).

[Performance Materials Segment]

In the Performance Materials Segment, sales continued to decline for many applications, despite signs of recovery in demand for some applications. Profitability deteriorated because the impact of continuing high raw material and fuel prices and the cost increase associated with a production decline exceeded the effect of the price revisions. Accordingly, the segment posted an operating loss.

In the Activated Carbon Fibers business, sales for mainstay water purifier and other applications were weak, although sales of VOC (volatile organic compounds) removal sheets were strong for air purification applications.

In the Glass Fibers business, sales in the industrial material sector remained robust for all applications. Sales of IC cloth in the electronic material sector recovered due to a pickup in some semiconductor market conditions. However, profitability deteriorated owing to a rise in costs caused by a production decrease for inventory adjustment.

In the Glass Beads business, sales for road and retroreflective material applications decreased, but sales of value-added products increased for industrial applications. In addition, profitability improved due to price revision and the effect of cost reduction efforts for each application.

In the Non-woven Fabrics business, sales declined since demand was sluggish across a wide range of sectors, including building construction, primary industry, and general consumer goods applications. Although the business revised sales prices to cope with the cost increase caused by soaring raw material and fuel prices, the effect of a fall in sales exceeded the contribution of price increase.

In the Industrial Fibers business, sales for filter applications and export sales of products differentiated from competitors’ ones were steady, but the business fought an uphill battle in sales of High-strength polyester yarn for civil engineering and construction applications.

Consequently, the Performance Materials Segment saw both net sales and operating profit decrease. The segment posted an operating loss of 2,478 million yen (versus an operating loss of 535 million yen in the previous consolidated fiscal year) on net sales of 34,206 million yen (down 0.6% year on year).

[Fibers and Textiles Segment]

In the Garments, Lifestyle Materials and Bedding business, demand for uniform applications, a mainstay of this business, and general clothing applications, such as women's clothing, mostly remained steady despite a slight slowdown in the second half. On the other hand, sales in the bedding and sport clothing sectors were sluggish. In the overseas business, export sales of denim fabric decreased. In the Industrial Materials business, sales declined due to slower recovery of demand for automobile and electric and electronic applications. Operating loss decreased from the previous year since the business saw profitability improve further as a result of efforts not only to revise its product prices but also to reduce costs.

Consequently, the Fibers & Textiles Segment posted an operating loss of 523 million yen (versus an operating loss of 1,354 million yen in the previous consolidated fiscal year) on net sales of 33,004 million yen (down 1.4% year on year).

[Others]

The Others category posted an operating loss of 87 million yen (versus an operating loss of 69 million yen in the previous consolidated fiscal year) on net sales of 54 million yen (down 20.0% year on year)

(2) Overview of financial position

Total assets decreased by 3,670 million yen from the end of the previous consolidated year to 186,333 million yen mainly due to a decline in inventories and property, plant and equipment.

Liabilities increased by 2,000 million yen from the end of the previous consolidated year to 148,085 million yen. This was primarily due to a rise in notes and accounts payable-trade.

Net assets declined by 5,670 million yen from the end of the previous consolidated year to 38,247 million yen. This was mainly due to a fall in capital surplus caused by the posting of loss attributable to owners of parent.

(3) Overview of cash flow

Cash and cash equivalents (hereinafter referred to as "net cash") as of March 31, 2024 increased by 575 million yen from the end of the previous consolidated year to 10,187 million yen.

(Net cash provided by [used in] operating activities)

Net cash provided by operating activities amounted to 8,169 million yen during the consolidated fiscal year under review (versus 509 million yen in the previous consolidated fiscal year) mainly due to a decrease in inventories despite the posting of a loss before income taxes.

(Net cash provided by [used in] investing activities)

Net cash used in investing activities amounted to 7,541 million yen during the consolidated fiscal year under review (versus 8,092 million yen used in the previous consolidated fiscal year) mainly due to the posting of expenses related to capital expenditures.

(Net cash provided by [used in] financing activities)

Net cash used in financing activities amounted to 279 million yen during the consolidated fiscal year under review (versus 1,657 million yen used in the previous consolidated fiscal year) mainly due to repayment of borrowings despite proceeds from sale and leaseback transactions.

(4) Future forecast

The fiscal year ended March 2024 was the initial year of "G-STEP30, the 2nd," a three-year medium-term management plan. However, the Unitika Group reported an operating loss, and overall, very unsatisfactory results that diverged vastly from its targets in its medium-term management plan. Behind this outcome, there were several factors, such as cost increases due to continuing high raw material and fuel prices and the yen's depreciation and a decline in demand at home and abroad. The management team considered that a primary reason for the poor results was the Group's failure to sufficiently deal with these factors.

Pulling the Company back into the black is "absolutely number one" on its list of priorities.

Specifically, Unitika Ltd. will make unceasing efforts to reduce costs and slash expenses, revise sales prices for improving profit margins, and expand sales of higher value added multifunctional products to enhance profitability.

The Group forecasts that it will post net sales of 120,000 million yen, operating profit of 3,000 million yen, ordinary profit of 1,400 million yen, and profit attributable to owners of parent of 400 million yen in the fiscal year ending March 31, 2025.

(5) Basic policy for profit distribution and dividends for the fiscal year ended March 31, 2024 and the fiscal year ending March 31, 2025

The Unitika Group considers profit distribution to its shareholders to be an important aspect of its business, but management intends to suspend payment of dividends on common stock and class shares for the fiscal year ended March 31, 2024, 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 in line with the Company's financial results. At the same time, the Company will decide dividend payment after sufficiently improving its financial

position and enhancing internal reserves to secure profit for shareholders from a long-term perspective.

2. 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.

3. Consolidated Financial Statements and Major Notes to Consolidated Financial Statements**(1) Consolidated balance sheets**

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (March 31, 2023)	Current consolidated fiscal year (March 31, 2024)
Assets		
Current assets		
Cash and deposits	10,548	11,206
Notes receivable-trade	3,094	2,945
Accounts receivable-trade	20,010	21,280
Inventories	35,739	33,161
Other	5,506	4,227
Allowance for doubtful accounts	(53)	(48)
Total current assets	74,845	72,773
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	13,880	12,178
Machinery, equipment and vehicles, net	25,996	26,159
Tools, furniture and fixtures, net	1,019	881
Land	62,605	62,706
Leased assets, net	49	76
Construction in progress	4,761	4,509
Total property, plant and equipment	108,313	106,512
Intangible assets		
Other	2,171	1,924
Total intangible assets	2,171	1,924
Investments and other assets		
Investment securities	2,608	3,169
Investments in capital	8	8
Long-term loans receivable	95	59
Retirement benefit asset	28	22
Deferred tax assets	250	387
Other	1,792	1,587
Allowance for doubtful accounts	(110)	(112)
Total investments and other assets	4,673	5,123
Total non-current assets	115,158	113,559
Total assets	190,003	186,333

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (March 31, 2023)	Current consolidated fiscal year (March 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	15,269	17,100
Short-term borrowings	4,124	3,085
Current portion of long-term borrowings	2,643	2,629
Lease liabilities	71	417
Income taxes payable	202	274
Contract liabilities	326	855
Provision for bonuses	1,554	1,372
Provision for product repair	35	35
Other	8,749	8,897
Total current liabilities	32,977	34,667
Non-current liabilities		
Long-term borrowings	86,671	86,434
Lease liabilities	307	1,368
Deferred tax liabilities	8,450	8,461
Deferred tax liabilities for land revaluation	3,139	3,139
Retirement benefit liability	14,375	13,886
Other	164	127
Total non-current liabilities	113,107	113,417
Total liabilities	146,085	148,085
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	11,476	11,476
Retained earnings	27,467	21,740
Treasury shares	(57)	(57)
Total shareholders' equity	38,986	33,259
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	544	929
Deferred gains or losses on hedges	4	5
Revaluation reserve for land	6,244	6,244
Foreign currency translation adjustment	(3,452)	(4,537)
Remeasurements of defined benefit plans	(217)	862
Total accumulated other comprehensive income	3,123	3,504
Non-controlling interests	1,808	1,483
Total net assets	43,918	38,247
Total liabilities and net assets	190,003	186,333

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

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
Net sales	117,942	118,341
Cost of sales	94,126	99,458
Gross profit	23,816	18,882
Selling, general and administrative expenses	22,489	21,358
Operating profit (loss)	1,327	(2,475)
Non-operating income		
Interest income	36	48
Dividend income	62	65
Share of profit of entities accounted for using equity method	17	6
Foreign exchange gains	1,395	2,595
Other	420	381
Total non-operating income	1,932	3,097
Non-operating expenses		
Interest expenses	1,051	1,112
Other	1,138	523
Total non-operating expenses	2,190	1,636
Ordinary profit (loss)	1,069	(1,014)
Extraordinary income		
Gain on sales of non-current assets	299	1
Gain on sales of investment securities	395	10
Total extraordinary income	694	11
Extraordinary losses		
Impairment loss	—	3,872
Loss on disposal of non-current assets	873	606
Business restructuring expenses	154	79
Total extraordinary losses	1,027	4,558
Profit (loss) before income taxes	736	(5,560)
Income taxes-current	416	465
Income taxes-deferred	338	(290)
Total income taxes	755	175
(Loss)	(18)	(5,736)
(Loss) attributable to non-controlling interests	(121)	(292)
Profit (loss) attributable to owners of parent	102	(5,443)

(Consolidated comprehensive income statement)

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
(Loss)	(18)	(5,736)
Other comprehensive income		
Valuation difference on available-for-sale securities	109	384
Deferred gains or losses on hedges	5	1
Foreign currency translation adjustment	887	(1,117)
Remeasurements of defined benefit plans, net of tax	990	1,079
Total other comprehensive income	1,994	348
Comprehensive income	1,975	(5,387)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,941	(5,062)
Comprehensive income attributable to non-controlling interests	33	(324)

(3) Consolidated statements of changes in net assets
Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

	Shareholders' equity				Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares	
Balance at beginning of period	100	12,301	27,597	(57)	39,942
Changes in items during period					
Dividends of surplus			(302)		(302)
Profit attributable to owners of parent			102		102
Purchase of treasury shares				(825)	(825)
Cancellation of treasury shares		(825)		825	—
Reversal of revaluation reserve for land			69		69
Net changes in items other than shareholders' equity					
Total changes in items during period	—	(825)	(130)	(0)	(955)
Balance at end of period	100	11,476	27,467	(57)	38,986

	Accumulated other comprehensive income						Non-controlling 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 beginning of period	435	(1)	6,313	(4,184)	(1,208)	1,354	1,774	43,071
Changes in items during period								
Dividends of surplus								(302)
Profit attributable to owners of parent								102
Purchase of treasury shares								(825)
Cancellation of treasury shares								—
Reversal of revaluation reserve for land								69
Net changes in items other than shareholders' equity	109	5	(69)	732	990	1,769	33	1,803
Total changes in items during period	109	5	(69)	732	990	1,769	33	847
Balance at end of period	544	4	6,244	(3,452)	(217)	3,123	1,808	43,918

Current consolidated fiscal year (April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	100	11,476	27,467	(57)	38,986
Changes in items during period					
Dividends of surplus			(283)		(283)
(Loss) attributable to owners of parent			(5,443)		(5,443)
Purchase of treasury shares				(0)	(0)
Cancellation of treasury shares		(0)		0	0
Net changes in items other than shareholders' equity					
Total changes in items during period	—	(0)	(5,726)	(0)	(5,726)
Balance at end of period	100	11,476	21,740	(57)	33,259

	Accumulated other comprehensive income						Non-controlling 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 beginning of period	544	4	6,244	(3,452)	(217)	3,123	1,808	43,918
Changes in items during period								
Dividends of surplus								(283)
(Loss) attributable to owners of parent								(5,443)
Purchase of treasury shares								(0)
Cancellation of treasury shares								0
Net changes in items other than shareholders' equity	384	1		(1,085)	1,079	380	(324)	56
Total changes in items during period	384	1	—	(1,085)	1,079	380	(324)	(5,670)
Balance at end of period	929	5	6,244	(4,537)	862	3,504	1,483	38,247

(4) Consolidated statements of cash flow

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
Cash flows from operating activities		
Profit (loss) before income taxes	736	(5,560)
Depreciation	5,421	6,137
Impairment loss	—	3,872
Business restructuring expenses	154	79
Increase (decrease) in allowance for doubtful accounts	(27)	(3)
Increase (decrease) in retirement benefit liability	678	556
Increase (decrease) in provision for product repair	(0)	(0)
Increase (decrease) in other provisions	(191)	(182)
Interest expenses	1,051	1,112
Foreign exchange losses (gains)	(1,395)	(2,595)
Loss (gain) on disposal of non-current assets	873	606
Loss (gain) on sales of non-current assets	(299)	(1)
Loss (gain) on sales of investment securities	(395)	(10)
Decrease (increase) in trade receivables	6,648	(969)
Decrease (increase) in inventories	(6,045)	2,816
Increase (decrease) in trade payables	(1,571)	1,613
Other, net	(2,880)	1,609
Subtotal	2,756	9,080
Interest and dividends received	98	114
Interest paid	(1,055)	(1,130)
Income taxes paid	(1,290)	104
Net cash provided by (used in) operating activities	509	8,169
Cash flows from investing activities		
Decrease (increase) in time deposits	58	(41)
Purchase of investment securities	(11)	(11)
Proceeds from sales of investment securities	438	15
Purchase of property, plant and equipment	(7,958)	(6,671)
Proceeds from sales of property, plant and equipment	472	11
Payments for retirement of property, plant and equipment	(565)	(448)
Other, net	(526)	(394)
Net cash provided by (used in) investing activities	(8,092)	(7,541)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,059	(1,092)
Proceeds from long-term borrowings	89,173	2,402
Repayments of long-term borrowings	(91,682)	(2,653)
Dividends paid	(302)	(283)
Proceeds from sale and leaseback transactions	—	1,764
Purchase of treasury shares (classified shares)	(825)	—
Other, net	(79)	(416)
Net cash provided by (used in) financing activities	(1,657)	(279)
Effect of exchange rate change on cash and cash equivalents	437	226
Net increase (decrease) in cash and cash equivalents	(8,803)	575
Cash and cash equivalents at beginning of period	18,415	9,612
Cash and cash equivalents at end of period	9,612	10,187

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes in the amount of shareholders' equity)

Not applicable.

(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, Performance Materials, and Fibers & Textiles. The Polymers segment manufactures and markets films and resins. The Performance Materials segment makes and sells glass fibers, nonwoven fabrics and so on. The Fibers & Textiles segment makes and distributes various types of fibers (threads, cotton, textiles, 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 pursuant to accounting policies adopted 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

Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in Consoli- dated financial statements (Note 3)
	Polymers	Performance Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	49,993	34,420	33,460	117,874	68	117,942	—	117,942
Inter-segment sales or transfer	5,889	1,945	160	7,996	—	7,996	(7,996)	—
Total	55,883	36,365	33,621	125,870	68	125,939	(7,996)	117,942
Segment income (loss)	3,294	(535)	(1,354)	1,404	(69)	1,334	(7)	1,327
Segment assets	97,208	62,239	21,389	180,837	297	181,135	8,868	190,003
Other items								
Depreciation and amortization	3,006	1,349	186	4,542	4	4,547	874	5,421
Increase in property, plant and equipment and intangible assets	4,256	2,104	269	6,631	27	6,658	1,596	8,254

(Notes) 1. The *Other* segment includes business segments that are not included in reportable segments.

2. Adjustment details are as follows.

- (1) Adjustment of (7) million yen for *Segment income (loss)* is attributable to the elimination of inter-segment transactions and the adjustment of inventories.
- (2) Adjustment of 8,868 million yen for *Segment assets* includes 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 874 million yen for *Depreciation and amortization* is depreciation and amortization of common assets that are not allocated to each reportable segment.
- (4) Adjustment of 1,596 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 (loss)* is adjusted with operating profit in the consolidated income statement.

Current consolidated fiscal year (April 1, 2023 to March 31, 2024)

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in Consoli- dated financial statements (Note 3)
	Polymers	Performance Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	51,074	34,206	33,004	118,286	54	118,341	—	118,341
Inter-segment sales or transfer	5,305	1,731	98	7,135	—	7,135	(7,135)	—
Total	56,380	35,937	33,102	125,421	54	125,476	(7,135)	118,341
Segment income (loss)	603	(2,478)	(523)	(2,399)	(87)	(2,486)	11	(2,475)
Segment assets	94,131	58,275	25,632	178,038	257	178,296	8,036	186,333
Other items								
Depreciation and amortization	3,820	1,323	186	5,330	5	5,335	801	6,137
Increase in property, plant and equipment and intangible assets	4,266	2,121	178	6,565	11	6,577	655	7,232

(Notes) 1. The *Other* segment includes business segments that are not included in reportable segments.

2. Adjustment details are as follows.

- (1) Adjustment of 11 million yen for *Segment income (loss)* is attributable to the elimination of inter-segment transactions and the adjustment of inventories.
- (2) Adjustment of 8,036 million yen for *Segment assets* includes investment of surplus funds (cash and deposits) by the parent company, long-term investment funds (investment securities) and assets, etc. related to the Administration Division and the Research and Development Division of the parent company.
- (3) Adjustment of 801 million yen for *Depreciation and amortization* is depreciation and amortization of common assets that are not allocated to each reportable segment.
- (4) Adjustment of 655 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 (loss)* is adjusted with operating loss in consolidated income statement.

4. Items concerning a change in reportable segments, etc.

As the Unitika Group reviewed the classification of businesses in the consolidated fiscal year under review, it changed the reporting segment of some consolidated subsidiaries from “Polymers” to “Fibers & Textiles.”

Accordingly, the Group reported segment information for the previous consolidated fiscal year after retrospectively restating it based on the segment classification after the change.

(Per share information)

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
Net assets per share	332.02 yen	244.21 yen
(Loss) per share	(3.13) yen	(94.41) yen

(Notes) 1. The Company did not present profit per share after full dilution since it posted a loss per share, although there are potential common shares with dilutive effects.

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

	Previous consolidated fiscal year (March 31, 2023)	Current consolidated fiscal year (March 31, 2024)
Total net assets (millions of yen)	43,918	38,247
Amounts deducted from the total net assets (millions of yen)	24,775	24,167
[of which amounts to be paid in for classified shares (millions of yen)]	[22,684]	[22,684]
[of which preferred dividends (millions of yen)]	[283]	[—]
[of which non-controlling interests (millions of yen)]	[1,808]	[1,483]
Net assets at the end of the fiscal year attributable to common stock (millions of yen)	19,142	14,080
Number of common stock at the end of the fiscal year used for calculating net assets per share (thousand shares)	57,655	57,655

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

	Previous consolidated fiscal year (April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (April 1, 2023 to March 31, 2024)
(Loss) per share		
Profit (loss) attributable to owners of parent (millions of yen)	102	(5,443)
Amount not attributable to common stockholders (millions of yen)	283	—
[of which preferred dividends (millions of yen)]	[283]	[—]
(Loss) attributable to common stock owners of parent (millions of yen)	(180)	(5,443)
Average number of common stock during the fiscal year (thousand shares)	57,656	57,655
Outline of potential common shares that were not included in the calculation of profit per share after full dilution due to their anti-dilutive effect	—	—

(Material subsequent events)

Not applicable.

4. Supplemental Materials

(1) Results (consolidated)

(Millions of yen)

			Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Consolidated	FY ended March 2023	Full year	117,942	1,327	1,069	102
		Q2	58,029	(1,792)	88	(409)
	FY ended March 2024	Full year	118,341	(2,475)	(1,014)	(5,443)
		Q2 (Forecast)	58,000	1,100	400	200
	FY ending March 2025	Full year (Forecast)	120,000	3,000	1,400	400
		Q2 (Forecast)	(29)	2,892	311	609
Comparison with prior year	Q2 (Forecast)	(29)	2,892	311	609	
	Full year (Forecast)	1,658	5,475	2,414	5,843	

(2) Segment information (consolidated)

(Millions of yen)

			Polymers	Performance Materials	Fibers & Textiles	Other	Elimination or corporate	Consolidated total	
Results for previous fiscal year	FY ended March 2023	Net sales to outside customers	49,993	34,420	33,460	68	—	117,942	
		Component ratio (%)	42.4	29.2	28.4	0.1	—	100.0	
		Operating profit	3,294	(535)	(1,354)	(69)	(7)	1,327	
		Component ratio (%)	248.2	(40.3)	(102.1)	(5.2)	(0.6)	100.0	
Results for current fiscal year	FY ended March 2024	Net sales to outside customers	51,074	34,206	33,004	54	—	118,341	
		Component ratio (%)	43.2	28.9	27.9	0.0	—	100.0	
		Operating profit	603	(2,478)	(523)	(87)	11	(2,475)	
		Component ratio (%)	(24.4)	100.1	21.1	3.5	(0.5)	100.0	
Comparison with previous year		Net sales to outside customers	1,081	(213)	(456)	(13)	—	398	
		Increase/decrease from previous year (%)	2.2	(0.6)	(1.4)	(20.0)	—	0.3	
		Operating profit	(2,691)	(1,943)	831	(17)	18	(3,802)	
		Increase/decrease from previous year (%)	(81.7)	—	—	—	—	—	
FY ending March 2025 (Forecast)	(Forecast)	Net sales to outside customers	52,500	36,300	31,200	0	—	120,000	
		Component ratio (%)	43.8	30.3	26.0	0.0	—	100.0	
		Operating profit	4,170	(970)	(200)	0	—	3,000	
		Component ratio (%)	139.0	(32.3)	(6.7)	0.0	—	100.0	
	Comparison		Net sales to outside customers	1,425	2,093	(1,804)	(54)	—	1,658
			Increase/decrease from previous year (%)	2.8	6.1	(5.5)	(100.0)	—	1.4
			Operating profit	3,566	1,508	323	87	(11)	5,475
			Increase/decrease from previous year (%)	591.4	—	—	—	—	—

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

(Millions of yen, 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 2022	Full year	7,614	4,672	3,601	93,890	(1,002)	3,037
FY ended March 2023	Full year	7,641	4,729	3,757	93,440	(952)	2,944
FY ended March 2024	Full year	6,813	5,516	3,602	92,149	(999)	2,907

(4) Cash flow (consolidated)

(Millions of yen)

		Cash flow from operating activities	Cash flow from investing activities	Cash flow from financing activities	Cash and cash equivalents at end of fiscal year
FY ended March 2022	Full year	8,666	(8,989)	(4,212)	18,415
FY ended March 2023	Full year	509	(8,092)	(1,657)	9,612
FY ended March 2024	Full year	8,169	(7,541)	(279)	10,187