

Consolidated Financial Results for the First Six Months (Interim Period) of the Fiscal Year Ending March 31, 2025 [Japanese GAAP]

November 8, 2024

Listed stock exchanges: Tokyo Stock Exchange

Company name: Unitika Ltd.

Code number: 3103

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

Representative: Shuji Ueno, President and Chief Executive Officer

Contact: Masumi Fujimoto, General Manager of Accounting Department

TEL: +81-6-6281-5721

Expected submission of interim report: November 12, 2024

Expected commencement date for paying dividend: –

Preparation of supplementary explanatory documents for financial results: Yes

Holding of an analyst meeting for financial results: Yes (for securities analysts and institutional investors)

(Figures rounded down to nearest million yen.)

1. Consolidated performance for the first six months (interim period) of fiscal year ending March 31, 2025 (April 1, 2024 to September 30, 2024)

(1) Consolidated performance (accumulation) (Percentages represent changes from interim 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	%
Interim period of FY ending March 31, 2025	61,550	6.1	2,233	—	1,151	—	(9,842)	—
Interim period of FY ended March 31, 2024	58,029	(1.8)	(1,792)	—	88	(97.7)	(409)	—

(Note) Comprehensive income Interim period of FY ending March 31, 2025: (7,639) million yen [—%]

Interim period of FY ended March 31, 2024: (769) million yen [—%]

	Interim profit per share	Diluted interim profit per share
	Yen	Yen
Interim period of FY ending March 31, 2025	(170.71)	—
Interim period of FY ended March 31, 2024	(9.55)	—

(2) Consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Interim period of FY ending March 31, 2025	176,351	30,608	16.7
FY ended March 31, 2024	186,333	38,247	19.7

(Reference) Shareholders' equity Interim period of FY ending March 31, 2025: 29,456 million yen

Fiscal year ended March 31, 2024: 36,764 million yen

2. Dividend payment

	Annual dividend per share				
	End of Q1	End of Q2	End of Q3	Year end	Total
	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2024	—	0.00	—	0.00	0.00
FY ending March 31, 2025	—	0.00	—	—	—
FY ending March 31, 2025 (forecast)	—	—	—	0.00	0.00

(Note) Revision of the latest dividend forecast: None

(Note) The above-mentioned *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, 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
FY ending March 31, 2025	120,000	1.4	3,000	—	1,400	—	(10,300)	—	(178.65)

(Note) Revision of the latest forecasts of operational results: Yes

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

* Notes

(1) Major changes in the scope of consolidation during the period: No

New companies: — (company name)

Excluded companies: — (company name)

(2) Adoption of special accounting methods for preparing interim consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

① Changes in accounting policies due to revisions of accounting standards: Yes

② Changes of accounting policies other than the above: No

③ Changes in accounting estimates: No

④ Retrospective restatement: No

(Note) For details, please refer to “2. *Interim Consolidated Financial Statements and Main Notes (4) Notes on interim consolidated financial statements (Change in accounting policies)*” on page 9 of the attachment.

(4) Number of shares outstanding (Common stock)

① Number of shares outstanding at end of term (including treasury stock):

Interim period of the fiscal year ending March 31, 2025: 57,752,343 shares

Fiscal year ended March 31, 2024: 57,752,343 shares

② Number of treasury shares at end of term:

Interim period of the fiscal year ending March 31, 2025: 97,404 shares

Fiscal year ended March 31, 2024: 96,907 shares

③ Average number of shares outstanding during the term (Interim period):

Interim period of the fiscal year ending March 31, 2025: 57,655,254 shares

Interim period of the fiscal year ended March 31, 2024: 57,655,702 shares

* This brief report of financial statements for the first six months (interim period) of the current fiscal year ending March 31, 2025 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

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 the basis for forecasting business performance and precautionary statements when using forecasts of performance, please refer to “1. *Qualitative Information on Interim Results (3) Explanation of future forecast information including forecast of consolidated performance*” on page 3 of this brief report of interim financial statements (the attachment).

(Method to obtain the supplementary documents for interim financial results)

The Company plans to hold a conference call for institutional investors and securities analysts for interim financial results on Friday, December 6, 2024. It plans to post the supplementary documents for interim financial results to be used in this investor conference call on its website.

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, 2024	—	0.00	—	0.00	0.00
FY ending March 31, 2025	—	0.00			
FY ending March 31, 2025 (forecast)			—	—	—
Class B share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2024	—	0.00	—	0.00	0.00
FY ending March 31, 2025	—	0.00			
FY ending March 31, 2025 (forecast)			—	—	—

(Note) The Company refrained from announcing the forecast of year-end dividends for the fiscal year ending March 2025.

○ Table of contents for the attachment

1. Qualitative Information on Interim Results	2
(1) Explanation of operational results.....	2
(2) Explanation of financial position	3
(3) Explanation of future forecast information including forecast of consolidated performance	3
2. Interim Consolidated Financial Statements and Main Notes.....	4
(1) Interim consolidated balance sheet	4
(2) Interim consolidated statements of income and interim consolidated statements of comprehensive income	6
Interim consolidated statements of income	6
Interim consolidated statements of comprehensive income	7
(3) Interim consolidated statements of cash flows.....	8
(4) Notes on interim consolidated financial statements	9
(Notes on assumption of going concern).....	9
(Notes on significant changes in shareholders' equity)	9
(Change in accounting policies)	9
(Notes on segment information, etc.)	10
3. Supplementary Materials	11

1. Qualitative Information on Interim Results

(1) Explanation of operational results

During the interim period of the consolidated fiscal year under review (April 1, 2024 to September 30, 2024), looking at the domestic economy, signs of recovery were seen in the manufacturing industry, including a moderate pickup in demand for semiconductors. Furthermore, the personal services industry, such as tourism, continued enjoying a robust business environment from the beginning of the period, supported by the increase in the number of visitors to Japan. However, natural disasters in summer impacted demand growth in some sectors. On the other hand, the outlook for the Japanese economy continued to remain uncertain owing to the impact of the stagnating overseas economy, the materialization of geopolitical risks, including those in the Middle East, the effects of exchange rate fluctuations and interest rate hikes, and the persistent labor shortage.

Under these circumstances, after recording very disappointing business results in the previous fiscal year, the UNITIKA Group placed getting out of the red as its highest priority and took the following measures: cost reduction efforts such as cutting expenses, price revisions, and sales promotion of higher value-added functional products to boost profitability.

In addition, as demand recovered for food packaging and electronic material applications, net sales increased to 61,550 million yen (up 6.1% year on year) in the interim period of the consolidated fiscal year under review.

Operating profit amounted to 2,233 million yen (versus an operating loss of 1,792 million yen in the previous year) due to the impact of sales volume growth, price adjustments, and cost reduction efforts. Despite posting a foreign exchange valuation loss on foreign currency-denominated assets due to yen appreciation compared with the end of the previous fiscal year, the Group realized an ordinary profit of 1,151 million yen (versus an ordinary profit of 88 million yen in the previous year). Furthermore, UNITIKA recognized an impairment loss of 10,674 million yen on non-current assets owned by P.T. EMBLEM ASIA, a consolidated subsidiary, since profitability declined due to a sharp decrease in sales in the Southeast Asia region. Consequently, loss attributable to owners of parent amounted to 9,842 million yen (versus loss attributable to owners of parent of 409 million yen in the previous year).

Here is an overview of the business results by segment.

[Polymers Segment]

In the Polymers Segment, sales recovered since market conditions improved in each sector and application. Production volume increased alongside the recovery in sales, leading to a reduction in production costs.

In the Films business, looking at packaging applications, the sales volumes of nylon films and polyester films recovered. Sales of “EMBLEM-HG,” a barrier nylon film, continued to grow steadily. For industrial applications, sales of “UNIPEEL,” a silicon-free release PET film, recovered, supported by a rebound in the semiconductor-related market. In addition, the Films business revised sales prices to cope with soaring raw material and fuel prices. In the overseas market, although profitability improved through a review of the sales strategy, the business faced difficulties as a result of continued competition from inexpensive products made in China, etc. Accordingly, the Films business saw both net sales and operating profit increase.

In the Plastics business, sales of engineering plastics gradually recovered for automobile component applications and electric and electronic component applications. Among functional plastics, sales of “ARROWBASE,” a modified polyolefin emulsion, grew robustly for water-based adhesive applications. The business revised the sales prices of each product, leading to an improvement in profitability. Accordingly, the Plastics business saw both net sales and operating profit increase.

Consequently, the Polymers Segment posted an operating profit of 2,712 million yen (versus an operating profit of 94 million yen in the previous year) on net sales of 28,101 million yen (up 8.0% year on year).

[Performance Materials Segment]

In the Performance Materials Segment, sales recovered for various applications, chiefly electronic material applications. As sales volumes picked up, production increased, leading to a reduction in manufacturing costs. Due to efforts to reduce production costs and revise sales prices, the segment saw improved profitability, with both net sales and operating profit rising. As a result, the Performance Materials Segment returned to the black.

In the Activated Carbon Fibers business, sales for mainstay water purifier applications decreased due to a fall in housing starts and other factors. Sales for plating solution filter applications rebounded since demand for electronic components recovered.

In the Glass Fibers business, sales in the industrial materials sector were robust, chiefly building materials applications, such as tents and sheets. Sales of IC cloth for electronic materials applications grew, driven primarily by high-performance glass cloth for semiconductor package substrates, used mainly in high-end memory applications.

In the Glass Beads business, the market share in road applications increased despite increasing competition from foreign imports, leading to sales growth in an environment where the number of road construction projects decreased because of an unusually hot summer and natural disasters. Sales of high-function glass beads expanded for industrial applications.

In the Non-woven Fabrics business, sales of mainstay products increased, improving profitability. As a result, the business saw the operating loss shrink significantly. Exports of spunbond non-woven fabric expanded due to the depreciation of the yen. In Japan, sales for civil engineering applications and daily product applications were robust. Sales of cotton spunlace grew steadily for skin care applications, including sweat-wiping sheets because of the prolonged hot weather.

In the Industrial Fibers business, net sales increased due to the growth in sales of staple products. In addition, the deficit was reduced due to the effects of the price revisions and other factors. Although sales of high-strength polyester yarn were sluggish, sales of polyester staple fibers were strong, mainly for filter applications. Consequently, the Performance Materials Segment posted an operating profit of 157 million yen (versus an operating loss of 1,416 million yen in the previous year) on net sales of 18,362 million yen (up 11.3% year on year).

[Fibers and Textiles Segment]

In the Garments, Lifestyle Materials and Bedding business, demand in the uniform sector, a mainstay of this business, was weak in general, despite public sector demand remaining steady and the private sector demand slightly recovering. Furthermore, in the general clothing sector, including women's clothing, and bedding and sport clothing sectors, sales decreased due to continued sluggish demand. In the overseas business, export sales of denim fabric recovered. In the Industrial Materials business, overall sales remained flat, since sales for electric and electronic applications were steady while sales for building and civil engineering applications were poor. Concerning profitability, the impact of production cost increases caused by the weaker yen exceeded the effect of the sales price revisions.

Consequently, the Fibers & Textiles Segment saw net sales decrease and operating loss increase. The segment posted an operating loss of 574 million yen (versus an operating loss of 445 million yen in the previous year) on net sales of 15,049 million yen (down 2.8% year on year).

[Others]

The Others category posted an operating loss of 35 million yen (versus an operating loss of 42 million yen in the previous year) on net sales of 37 million yen (up 37.9% year on year).

(2) Explanation of financial position

Total assets decreased by 9,981 million yen from the end of the previous consolidated fiscal year to 176,351 million yen mainly due to a decline in machinery, equipment and vehicles. Liabilities fell by 2,341 million yen from the end of the previous consolidated fiscal year to 145,743 million yen. This was primarily due to a decrease in notes and accounts payable-trade. Net assets declined by 7,639 million yen from the end of the previous consolidated fiscal year to 30,608 million yen. This was mainly due to a fall in capital surplus caused by the posting of loss attributable to owners of parent.

Here is a summary of the cash flow situation.

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

Net cash provided by operating activities amounted to 4,914 million yen during the interim consolidated accounting period of the current fiscal year (4,902 million yen provided in the same period of the previous consolidated fiscal year) due to a decrease in trade receivables.

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

Net cash used in investing activities amounted to 1,940 million yen during the interim consolidated accounting period of the current fiscal year (3,134 million yen used in the same period of the previous consolidated fiscal year) 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 218 million yen during the interim consolidated accounting period of the current fiscal year (29 million yen provided in the same period of the previous consolidated fiscal year) due to repayments of lease liabilities.

As a result, cash and cash equivalents at the end of the interim consolidated accounting period under review increased by 3,006 million yen from the end of the previous consolidated accounting year to 13,193 million yen.

(3) Explanation of future forecast information including forecast of consolidated performance

Concerning the forecast of consolidated performance for the fiscal year ending March 31, 2025, please refer to the Company's notice announced on November 8, 2024, "Notice Concerning Posting of Non-Operating Expenses (Foreign Exchange Losses) and Extraordinary Loss (Impairment Losses of Non-Current Assets), Difference between Forecast and Actual Performance for the First Six-Month Period (Interim Period) of the Fiscal Year Ending March 31, 2025, and Revision of Consolidated Performance Forecast for the Full Fiscal Year."

2. Interim Consolidated Financial Statements and Main Notes

(1) Interim consolidated balance sheet

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (March 31, 2024)	Interim period of current consolidated fiscal year ending March 2025 (September 30, 2024)
Assets		
Current assets		
Cash and deposits	11,206	13,719
Notes and accounts receivable-trade, and contract assets	24,225	20,810
Inventories	33,161	34,601
Other	4,227	4,509
Allowance for doubtful accounts	(48)	(58)
Total current assets	72,773	73,583
Non-current assets		
Property, plant and equipment		
Machinery, equipment and vehicles, net	26,159	16,450
Land	62,706	62,555
Other, net	17,645	16,895
Total property, plant and equipment	106,512	95,901
Intangible assets		
Other	1,924	1,930
Total intangible assets	1,924	1,930
Investments and other assets		
Other	5,236	4,988
Allowance for doubtful accounts	(112)	(52)
Total investments and other assets	5,123	4,936
Total non-current assets	113,559	102,768
Total assets	186,333	176,351

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2024)	Interim period of current consolidated fiscal year ending March 2025 (September 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	17,100	15,699
Short-term borrowings	3,085	3,085
Current portion of long-term borrowings	2,629	3,926
Income taxes payable	274	485
Provision for bonuses	1,372	1,362
A product repair reserve fund	35	31
Other	10,170	8,924
Total current liabilities	34,667	33,515
Non-current liabilities		
Long-term borrowings	86,434	85,135
Retirement benefit liability	13,886	14,194
Other	13,096	12,897
Total non-current liabilities	113,417	112,228
Total liabilities	148,085	145,743
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	11,476	11,476
Retained earnings	21,740	11,897
Treasury shares	(57)	(57)
Total shareholders' equity	33,259	23,416
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	929	785
Deferred gains or losses on hedges	5	(16)
Revaluation reserve for land	6,244	6,244
Foreign currency translation adjustment	(4,537)	(1,855)
Remeasurements of defined benefit plans	862	881
Total accumulated other comprehensive income	3,504	6,040
Non-controlling interests	1,483	1,151
Total net assets	38,247	30,608
Total liabilities and net assets	186,333	176,351

(2) Interim consolidated statements of income and interim consolidated statements of comprehensive income
(Interim consolidated statements of income)

	(Unit: Millions of yen)	
	Interim period ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Interim period ended September 30, 2024 (April 1, 2024 to September 30, 2024)
Net sales	58,029	61,550
Cost of sales	49,090	49,247
Gross profit	8,938	12,303
Selling, general and administrative expenses	10,731	10,069
Operating profit (loss)	(1,792)	2,233
Non-operating income		
Interest income	27	70
Dividend income	40	43
Share of profit of entities accounted for using equity method	9	9
Foreign exchange gains	2,354	—
Tax refund	—	181
Other	160	526
Total non-operating income	2,593	831
Non-operating expenses		
Interest expenses	486	641
Foreign exchange losses	—	926
Other	225	346
Total non-operating expenses	712	1,914
Ordinary profit	88	1,151
Extraordinary income		
Gain on sales of non-current assets	—	175
Gain on sales of investment securities	10	—
Total extraordinary income	10	175
Extraordinary losses		
Impairment losses	—	10,674
Loss on disposal of non-current assets	232	215
Business restructuring expenses	75	23
Total extraordinary losses	308	10,913
(Loss) before income taxes	(209)	(9,586)
Income taxes-current	336	401
Income taxes-deferred	14	(13)
Total income taxes	351	387
(Loss)	(561)	(9,974)
(Loss) attributable to non-controlling interests	(152)	(132)
(Loss) attributable to owners of parent	(409)	(9,842)

Unitika Ltd. (3103) Financial Results for the First Six Months (Interim Period) of Fiscal Year Ending March 31, 2025
(Interim consolidated statements of comprehensive income)

(Unit: Millions of yen)		
	Interim period ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Interim period ended September 30, 2024 (April 1, 2024 to September 30, 2024)
(Loss)	(561)	(9,974)
Other comprehensive income		
Valuation difference on available-for-sale securities	213	(143)
Deferred gains or losses on hedges	5	(22)
Foreign currency translation adjustment	(487)	2,482
Remeasurements of defined benefit plans, net of tax	59	19
Total other comprehensive income	(208)	2,335
Comprehensive income	(769)	(7,639)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(643)	(7,307)
Comprehensive income attributable to non-controlling interests	(125)	(332)

(3) Interim consolidated statements of cash flows

(Unit: Millions of yen)

	Interim period ended September 30, 2023 (April 1, 2023 to September 30, 2023)	Interim period ended September 30, 2024 (April 1, 2024 to September 30, 2024)
Cash flows from operating activities		
(Loss) before income taxes	(209)	(9,586)
Depreciation	2,956	2,738
Impairment losses	—	10,674
Business restructuring expenses	75	23
Increase (decrease) in allowance for doubtful accounts	10	(50)
Increase (decrease) in retirement benefit liability	196	271
Increase (decrease) in a product repair reserve fund	(0)	(4)
Increase (decrease) in other provisions	(17)	(11)
Interest expenses	486	641
Foreign exchange losses (gains)	(2,354)	926
Tax refund	—	(181)
Loss (gain) on disposal of non-current assets	232	215
Loss (gain) on sales of non-current assets	—	(175)
Loss (gain) on sales of investment securities	(10)	—
Decrease (increase) in trade receivables	(357)	3,623
Decrease (increase) in inventories	1,213	(1,011)
Increase (decrease) in trade payables	664	(1,855)
Other, net	2,291	(553)
Subtotal	5,178	5,683
Interest and dividends received	68	113
Interest paid	(511)	(655)
Income taxes paid	166	(226)
Net cash provided by (used in) operating activities	4,902	4,914
Cash flows from investing activities		
Decrease (increase) in time deposits	15	560
Purchase of investment securities	(6)	(6)
Proceeds from sales of investment securities	14	—
Purchase of property, plant and equipment	(2,706)	(2,613)
Proceeds from sales of property, plant and equipment	9	323
Payments for retirement of property, plant and equipment	(177)	(121)
Other, net	(283)	(82)
Net cash provided by (used in) investing activities	(3,134)	(1,940)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,223)	—
Proceeds from long-term borrowings	1,453	—
Repayments of long-term borrowings	(1,329)	(1)
Dividends paid	(283)	—
Proceeds from sale and leaseback transactions	1,604	—
Other, net	(191)	(217)
Net cash provided by (used in) financing activities	29	(218)
Effect of exchange rate change on cash and cash equivalents	243	250
Net increase (decrease) in cash and cash equivalents	2,040	3,006
Cash and cash equivalents at beginning of period	9,612	10,187
Cash and cash equivalents at end of period	11,652	13,193

(4) Notes on interim consolidated financial statements

(Notes on assumption of going concern)

Not applicable

(Notes on significant changes in shareholders' equity)

Not applicable

(Change in accounting policies)

(Application of Accounting Standard for Current Income Taxes, etc.)

UNITIKA LTD. has applied the "Accounting Standard for Current Income Taxes" (ASBJ Statement No. 27, October 28, 2022; hereinafter, "Revised Accounting Standard 2022"), etc. since the beginning of the interim consolidated accounting period of the current fiscal year.

With regard to the revisions concerning the classification of income taxes (taxes on other comprehensive income), the Company has followed the transitional treatment set forth in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28; October 28, 2022; hereinafter, "Revised Guidance 2022"). This change in accounting policies had no impact on the interim consolidated financial statements.

As for the revisions related to the change in the treatment in consolidated financial statements when gains or losses on sales of shares of subsidiaries, etc. between consolidated companies are deferred for tax purposes, the Company has applied the Revised Implementation Guidance 2022 since the beginning of the interim consolidated accounting period of the current fiscal year. This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the interim period and full year of the previous fiscal year have been restated accordingly. This change in accounting policies had no impact on the consolidated financial statements for the interim period and full year of the previous fiscal year.

(Notes on segment information, etc.)

[Segment Information]

I. Interim consolidated accounting period of the previous fiscal year (from April 1, 2023 to September 30, 2023)

1. Information on net sales, income or loss by reportable segment

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in interim consolidated statements of income (Note 3)
	Polymers	Performance Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	26,021	16,493	15,488	58,002	26	58,029	—	58,029
Inter-segment sales or transfer	2,561	872	58	3,492	—	3,492	(3,492)	—
Total	28,582	17,366	15,546	61,495	26	61,522	(3,492)	58,029
Segment income (loss)	94	(1,416)	(445)	(1,767)	(42)	(1,809)	16	(1,792)

(Notes) 1. The *Other* segment includes business segments that are not included in reportable segments.2. Adjustment for *Segment income (loss)* is attributable to the elimination of inter-segment transactions and the adjustment of inventories.3. *Segment income (loss)* is adjusted with operating loss in the interim consolidated statements of income.

II. Interim consolidated accounting period of the current fiscal year (from April 1, 2024 to September 30, 2024)

1. Information on net sales, income or loss by reportable segment

(Unit: Millions of yen)

	Reportable segment				Other (Note 1)	Total	Adjustment (Note 2)	Amount posted in interim consolidated statements of income (Note 3)
	Polymers	Performance Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	28,101	18,362	15,049	61,513	37	61,550	—	61,550
Inter-segment sales or transfer	2,793	1,060	36	3,889	—	3,889	(3,889)	—
Total	30,894	19,423	15,085	65,403	37	65,440	(3,889)	61,550
Segment income (loss)	2,712	157	(574)	2,295	(35)	2,260	(26)	2,233

(Notes) 1. The *Other* segment includes business segments that are not included in reportable segments.2. Adjustment for *Segment income (loss)* is attributable to the elimination of inter-segment transactions and the adjustment of inventories.3. *Segment income (loss)* is adjusted with operating profit in the interim consolidated statements of income.

2. Information on impairment loss of non-current assets or goodwill, etc. by reportable segment

(Significant Impairment losses related to non-current assets)

In the Polymers Segment, the Company recorded an impairment loss related to non-current assets of P.T.EMBLEM ASIA, a consolidated subsidiary. The total amount of the impairment loss was 10,674 million yen for the interim consolidated accounting period of the current fiscal year.

3. Supplementary Materials

1. Results and earnings forecast for fiscal year ending March 2025 (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
	FY ended March 2024	Interim period	58,029	(1,792)	88	(409)
		Full year	118,341	(2,475)	(1,014)	(5,443)
	FY ending March 2025	Interim period	61,550	2,233	1,151	(9,842)
		Full year (forecast)	120,000	3,000	1,400	(10,300)
	Comparison with previous year	Interim period	3,521	4,026	1,062	(9,433)
Full year		1,658	5,475	2,414	(4,856)	

2. Segment information (consolidated)

(Millions of yen)

			Polymers	Performance Materials	Fibers & Textiles	Other	Adjustment	Consolidated total
Results for previous fiscal year	1st six-month period ended September 2023 (Results)	Net sales to outside customers	26,021	16,493	15,488	26	—	58,029
		Component ratio (%)	44.8	28.4	26.7	0.0	—	100.0
		Operating profit	94	(1,416)	(445)	(42)	16	(1,792)
		Component ratio (%)	(5.3)	79.0	24.8	2.4	(0.9)	100.0
Results for current fiscal year	1st six-month period ended September 2024 (Results)	Net sales to outside customers	28,101	18,362	15,049	37	—	61,550
		Component ratio (%)	45.7	29.8	24.5	0.1	—	100.0
		Operating profit	2,712	157	(574)	(35)	(26)	2,233
		Component ratio (%)	121.4	7.1	(25.7)	(1.6)	(1.2)	100.0
Comparison with the same period of the previous year		Net sales to outside customers	2,080	1,869	(438)	10	—	3,521
		Increase/decrease from previous year (%)	8.0	11.3	(2.8)	37.9	—	6.1
		Operating profit	2,618	1,574	(129)	6	(43)	4,026
		Increase/decrease from previous year (%)	—	—	—	—	—	—

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

(Millions of yen, persons)

		Capital investment	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 2023	Full year	7,641	4,729	3,757	93,440	(952)	2,944
1st six-month period ended September 2023	Interim period	3,366	2,654	1,835	92,533	(418)	2,940
FY ended March 2024	Full year	6,813	5,516	3,602	92,149	(999)	2,907
1st six-month period ended September 2024	Interim period	1,794	2,404	1,628	92,147	(527)	2,769

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 2023	Full year	509	(8,092)	(1,657)	9,612
1st six-month period ended September 2023	Interim period	4,902	(3,134)	29	11,652
FY ended March 2024	Full year	8,169	(7,541)	(279)	10,187
1st six-month period ended September 2024	Interim period	4,914	(1,940)	(218)	13,193