

Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2026

August 6, 2025

Listed stock exchanges: Tokyo Stock Exchange

Company name: Unitika Ltd.

Code number: 3103

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

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Expected commencement date for paying dividend: –

Preparation of supplementary explanatory documents for financial results: Yes

Holding of an analyst meeting for financial results: None

(Figures rounded down to nearest million yen.)

1. Consolidated performance for 1st quarter of fiscal year ending March 31, 2026 (April 1, 2025 to June 30, 2025)

(1) Consolidated performance (accumulation)

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

	Net sales		Operating profit		Ordinary profit		Quarterly profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Q1 of FY ending March 31, 2026	30,910	0.8	2,844	143.4	1,834	(31.4)	1,302	(34.1)
Q1 of FY ended March 31, 2025	30,658	9.7	1,168	—	2,674	250.5	1,976	731.5

(Note) Comprehensive income Q1 of FY ending March 31, 2026: 1,357 million yen [-31.3%]
 Q1 of FY ended March 31, 2025: 1,974 million yen [—%]

	Quarterly profit per share	Diluted quarterly profit per share
	Yen	Yen
Q1 of FY ending March 31, 2026	22.60	2.51
Q1 of FY ended March 31, 2025	34.28	16.14

(2) Consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q1 of FY ending March 31, 2026	169,399	37,590	22.1
FY ended March 31, 2025	149,430	16,233	10.4

(Reference) Shareholders' equity 1st quarter of fiscal year ending March 31, 2026: 37,355 million yen
 Fiscal year ended March 31, 2025: 15,568 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, 2025	—	0.00	—	0.00	0.00
FY ending March 31, 2026	—				
FY ending March 31, 2026 (forecast)		0.00	—	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, 2026 (April 1, 2025 to March 31, 2026)

The Company has decided to refrain from announcing a forecast of consolidated performance for the fiscal year ending March 31, 2026, since it is currently unable to make a reasonable estimate.

The reasons are provided in “1. Overview of Business Performance, etc. (3) Explanation of future forecast information including forecast of consolidated performance” on page 3 of the attachment.

(Note) Revision of the latest forecasts of operational results: None

* 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 quarterly 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: No

② Changes in accounting policies other than the above: No

③ Changes in accounting estimates: No

④ Retrospective restatement: No

(4) Number of shares outstanding (Common stock)

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

1st quarter of the fiscal year ending March 31, 2026: 57,752,343 shares

Fiscal year ended March 31, 2025: 57,752,343 shares

② Number of treasury shares at end of term

1st quarter of the fiscal year ending March 31, 2026: 97,860 shares

Fiscal year ended March 31, 2025: 97,826 shares

③ Average number of shares outstanding during the term (quarterly consolidated accumulated period)

1st quarter of the fiscal year ending March 31, 2026: 57,654,503 shares

1st quarter of the fiscal year ended March 31, 2025: 57,655,414 shares

* Review of the attached quarterly consolidated financial statements by a certified public accountant or an independent auditor: No

* 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 business performance and precautionary statements when using the forecast of performance, please refer to “1. Overview of Business Performance, etc. (3) Explanation of future forecast information including forecast of consolidated performance” on page 3 of the brief report of quarterly financial statements (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, 2025	—	0.00	—	0.00	0.00
FY ending March 31, 2026	—				
FY ending March 31, 2026 (forecast)		—	—	—	—
Class B share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2025	—	0.00	—	0.00	0.00
FY ending March 31, 2026	—				
FY ending March 31, 2026 (forecast)		—	—	—	—
Class C share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2025	—	—	—	—	—
FY ending March 31, 2026	—				
FY ending March 31, 2026 (forecast)		0.00	—	2.27	2.27

(Note) As of April 30, 2025, the Company acquired and cancelled all outstanding Class A and Class B shares.
In addition, it issued Class C shares via a third-party allotment.

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1. Overview of Business Performance, etc.

(1) Overview of quarterly business performance

During the first quarter of the consolidated fiscal year under review (April 1, 2025 to June 30, 2025), the domestic economy remained challenging, particularly in the manufacturing sector, due to persistently high energy and logistics costs, foreign currency volatility, and a continued labor shortage, despite steady inbound demand and a recovery in capital investment. The outlook for the overseas economy remained uncertain, reflecting unclear trade policies, including the Trump administration's imposition of wide-ranging tariffs, and ongoing geopolitical risks.

Under these circumstances, in accordance with its business restructuring plan announced in November 2024, the UNITIKA Group steadily implemented structural reforms, including withdrawal from unprofitable businesses. Furthermore, the Group continued to take the following measures to enhance profitability: promoting cost-reduction initiatives such as expense cuts, price revisions, and expanding sales of high value-added functional products.

Consequently, in first quarter of the consolidated fiscal year under review, the Unitika Group reported net sales of 30,910 million yen (up 0.8% year on year) and an operating profit of 2,844 million yen (up 143.4% year on year). With the progress of yen appreciation, the Group posted foreign exchange valuation losses on foreign currency-denominated assets of 613 million yen, resulting in an ordinary profit of 1,834 million yen (down 31.4% year on year). Furthermore, profit attributable to owners of parent was 1,302 million yen (down 34.1% year on year).

Here is an overview of the business results by segment.

[Polymers Segment]

In the Polymers Segment, the sales volume of mainstay packaging films increased supported by the continuous growth in inbound demand. In addition, profitability improved as a result of cost-reduction measures.

In the Films business, the sales volume of nylon films and polyester films grew steadily as market conditions recovered. Furthermore, sales of "EMBLEM-HG," a barrier nylon film remained strong. In the industrial sector, sales of "UNIQUEEL," a silicon-free release PET film, continued to be robust, buoyed by a recovery in the semiconductor-related market. In the overseas market, profitability improved substantially due to the suspension of unprofitable sales although still affected by price competition from foreign goods. As a result, the Films business saw net sales decrease and operating profit increase.

In the Plastics business, sales of engineering plastic materials, such as nylon resins and U polymers, rose, driven by a moderate recovery in demand in the automotive sector. Sales of functional resin materials were slightly sluggish as demand for electric and electronic components was still weak. The Plastics business achieved growth in both net sales and operating profit as its efforts to reduce costs and optimize sales prices carried out since the previous year yielded positive results.

Consequently, in the Polymers Segment, net sales declined and operating profit grew. The segment posted an operating profit of 2,337 million yen (up 60.9% year on year) on net sales of 13,948 million yen (down 1.3% year on year).

[Performance Materials Segment]

In the Performance Materials Segment, sales rebounded across a wide range of applications, including daily products and building and civil engineering applications. Profitability improved as a result of cost reduction efforts and successful price revisions, leading to increases in both net sales and operating profit.

In the Activated Carbon Fibers business, sales of VOC removal sheets were sluggish for air purification applications. However, sales for mainstay water purifier applications remained strong. As a result, the business saw its overall sales increase.

In the Glass Fibers business, sales in the industrial material sector remained robust, chiefly driven by demand for building materials applications including tents and sheets. Demand was also strong in the environmental energy sector as well as the electrical and electronics sectors. In the electronic material sector, orders recovered for high value-added special glass cloths and ultra-thin glass cloths, reflecting a pickup in semiconductor market conditions.

In the Glass Beads business, sales volume declined since demand for road material applications decreased due to a fall in the number of road construction projects. Among industrial applications, overseas sales grew significantly for reflective material applications, despite weak sales in the automotive sector.

In the Non-woven Fabrics business, spunbond non-woven fabrics sold well mainly as materials for infrastructure applications. Sales of cotton spunlace recovered strongly for daily product applications, such as skin care applications. Furthermore, profitability improved as a result of successful price revisions.

In the Industrial Fibers business, sales of polyester staple fibers and high-strength polyester yarn decreased for some applications. However, their profitability improved substantially due to the favorable impact of the product mix. The profitability of monofilament remained stable.

Consequently, the Performance Materials Segment saw net sales and operating profit increase. The segment posted an operating profit of 450 million yen (versus an operating loss of 14 million yen in the previous year) on net sales of 9,586 million yen (up 3.4% year on year).

[Fibers and Textiles Segment]

In the Garments, Lifestyle Materials and Bedding business, demand remained strong in the uniform sector, a mainstay of this business, mainly from the public sector. However, sales in the general clothing, bedding and sport clothing sectors struggled due to weak demand. In the Industrial Materials business, sales for electrical and electronics applications were steady. In addition, profitability recovered due to the discontinuation of loss-making sales.

Consequently, the Fibers & Textiles Segment saw net sales and operating profit increase. The segment posted an operating profit of 73 million yen (versus an operating loss of 231 million yen in the previous consolidated fiscal year) on net sales of 7,348 million yen (up 1.5% year on year).

[Others]

The Others category posted an operating loss of 2 million yen (versus an operating loss of 23 million yen in the previous consolidated fiscal year) on net sales of 26 million yen (up 67.3% year on year).

(2) Overview of quarterly financial position

Total assets increased by 19,969 million yen from the end of the previous consolidated fiscal year to 169,399 million yen mainly due to a rise in cash and deposits. Liabilities decreased by 1,388 million yen from the end of the previous consolidated fiscal year to 131,808 million yen. This was primarily due to a decline in notes and accounts payable-trade. Net assets grew by 21,357 million yen from the end of the previous consolidated fiscal year to 37,590 million yen. This was mainly due to an increase in capital surplus.

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

The UNITIKA Group refrains from announcing a forecast for the full-year consolidated performance since it is currently unable to make a reasonable estimate because the execution of business divestments in segments subject to structural reform is not fixed yet. The Group will immediately announce a forecast of consolidated performance for the fiscal year ending March 31, 2026 once a reasonable estimate becomes possible.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly consolidated balance sheets

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2025)	Q1 of current consolidated fiscal year ending March 2026 (June 30, 2025)
Assets		
Current assets		
Cash and deposits	13,501	35,160
Notes and accounts receivable-trade, and contract assets	23,858	22,038
Inventories	34,196	34,500
Other	3,765	3,756
Allowance for doubtful accounts	(44)	(48)
Total current assets	75,277	95,406
Non-current assets		
Property, plant and equipment		
Land	45,114	45,057
Other, net	22,459	22,366
Total property, plant and equipment	67,574	67,424
Intangible assets	1,194	1,151
Investments and other assets		
Other	5,438	5,476
Allowance for doubtful accounts	(53)	(58)
Total investments and other assets	5,384	5,417
Total non-current assets	74,152	73,992
Total assets	149,430	169,399

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2025)	Q1 of current consolidated fiscal year ending March 2026 (June 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	14,667	13,669
Short-term borrowings	38,319	38,319
Current portion of long-term borrowings	52,623	53,304
Income taxes payable	267	262
Provision for bonuses	1,437	661
A product repair reserve fund	28	28
Provision for business restructuring	522	419
Other	8,302	8,885
Total current liabilities	116,170	115,552
Non-current liabilities		
Long-term borrowings	1,198	514
Retirement benefit liability	12,995	12,638
Other	2,832	3,103
Total non-current liabilities	17,026	16,256
Total liabilities	133,197	131,808
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	11,476	31,848
Retained earnings	756	2,059
Treasury shares	(57)	(57)
Total shareholders' equity	12,275	33,950
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,167	1,203
Deferred gains or losses on hedges	(0)	2
Revaluation reserve for land	2,899	2,975
Foreign currency translation adjustment	(2,781)	(2,756)
Remeasurements of defined benefit plans	2,008	1,980
Total accumulated other comprehensive income	3,292	3,405
Non-controlling interests	664	234
Total net assets	16,233	37,590
Total liabilities and net assets	149,430	169,399

(2) Quarterly consolidated statements of income and quarterly consolidated statements of comprehensive income
(Quarterly consolidated statements of income)

(Unit: Millions of yen)

	Three-month period ended June 30, 2024 (April 1, 2024 to June 30, 2024)	Three-month period ended June 30, 2025 (April 1, 2025 to June 30, 2025)
Net sales	30,658	30,910
Cost of sales	24,596	23,237
Gross profit	6,061	7,673
Selling, general and administrative expenses	4,893	4,828
Operating profit	1,168	2,844
Non-operating income		
Interest income	56	18
Dividend income	29	77
Share of profit of entities accounted for using equity method	3	4
Foreign exchange gains	1,476	—
Other	463	189
Total non-operating income	2,028	288
Non-operating expenses		
Interest expenses	308	435
Foreign exchange losses	—	613
Other	214	250
Total non-operating expenses	523	1,298
Ordinary profit	2,674	1,834
Extraordinary income		
Gain on sales of non-current assets	175	—
Total extraordinary income	175	—
Extraordinary losses		
Loss on disposal of non-current assets	118	41
Business restructuring expenses	9	32
Total extraordinary losses	128	74
Profit before income taxes	2,720	1,760
Income taxes-current	389	145
Income taxes-deferred	404	290
Total income taxes	794	435
Profit	1,926	1,324
Profit (loss) attributable to non-controlling interests	(50)	21
Profit attributable to owners of parent	1,976	1,302

(Quarterly consolidated statements of comprehensive income)

(Unit: Millions of yen)

	Three-month period ended June 30, 2024 (April 1, 2024 to June 30, 2024)	Three-month period ended June 30, 2025 (April 1, 2025 to June 30, 2025)
Profit	1,926	1,324
Other comprehensive income		
Valuation difference on available-for-sale securities	129	35
Deferred gains or losses on hedges	2	2
Foreign currency translation adjustment	(196)	21
Remeasurements of defined benefit plans, net of tax	112	(27)
Total other comprehensive income	48	32
Comprehensive income	1,974	1,357
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	2,000	1,339
Comprehensive income attributable to non-controlling interests	(26)	17

(3) Notes on quarterly consolidated financial statements

(Notes on segment information, etc.)

[Segment information]

I. Three-month period ended June 30, 2024 (April 1, 2024 to June 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 Quarterly consolidated statements of income (Note 3)
	Polymers	Performance Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	14,126	9,274	7,241	30,642	16	30,658	—	30,658
Inter-segment sales or transfer	1,418	569	19	2,006	—	2,006	(2,006)	—
Total	15,544	9,843	7,260	32,649	16	32,665	(2,006)	30,658
Segment income (loss)	1,452	(14)	(231)	1,206	(23)	1,183	(14)	1,168

(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 consolidated income statement.

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

Not applicable

II. Three-month period ended June 30, 2025 (April 1, 2025 to June 30, 2025)

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 Quarterly consolidated statements of income (Note 3)
	Polymers	Performance Materials	Fibers & Textiles	Total				
Net sales								
Net sales to outside customers	13,948	9,586	7,348	30,883	26	30,910	—	30,910
Inter-segment sales or transfer	1,476	504	30	2,010	—	2,010	(2,010)	—
Total	15,424	10,090	7,378	32,894	26	32,921	(2,010)	30,910
Segment income (loss)	2,337	450	73	2,860	(2)	2,858	(14)	2,844

(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 consolidated income statement.

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

Not applicable

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

At the Board of Directors meeting held on November 28, 2024, UNITIKA LTD. resolved to approve the following items 1 and 2. These proposals were also approved by resolution at the Extraordinary General Meeting of Shareholders held on February 7, 2025.

Pursuant to these resolutions, the subscription payment for the issuance of class shares through a third-party allotment was completed and the capital reduction became effective on April 30, 2025.

1. Issuance of Class C shares through a third-party allotment

- (1) Date of payment: April 30, 2025
- (2) Number of new shares issued: 115,504,600 shares
- (3) Issuance price per share: 173.16 yen
- (4) Total subscription amount: 20,000,776,536 yen
- (5) Amount of increase in share capital: 10,000,388,268 yen
Amount of increase in legal capital surplus: 10,000,388,268 yen
- (6) Method of subscription or allotment: Third-party allotment
(Planned allottee) Regional Economy Vitalization Corporation of Japan: 115,504,600 shares
- (7) Use of proceeds
Proceeds to be used for business restructuring (withdrawal from unprofitable businesses: 14,000 million yen, demolition of buildings and other related work: 6,000 million yen)

2. Decrease of share capital and legal capital surplus

Considering its current business structure and financial performance, the Company seeks to ensure financial soundness through the appropriate application of tax and institutional measures. In addition, it will conduct a reduction in share capital and legal capital surplus to prepare for future capital policies that support more agile and efficient operations.

(1) Amount of share capital to be reduced

The company will reduce 10,000,838,268 yen from 10,100,838,268 yen, the amount of share capital after a capital increase through a third-party allotment (which consists of the total of share capital at the end of the previous consolidated fiscal year of 100,450,000 yen and the share capital increased through a third-party allotment of 10,000,388,268 yen), bringing the total share capital to 100,000,000 yen.

(2) Amount of legal capital surplus to be reduced

The company will reduce 10,025,500,768 yen from 10,025,500,768 yen, the amount of legal capital surplus after a capital increase through a third-party allotment (which consists of the total of legal capital surplus at the end of the previous consolidated fiscal year of 25,112,500 yen and the legal capital surplus increased through a third-party allotment of 10,000,388,268 yen), bringing the total legal capital surplus to 0 yen.

(3) Method to reduce the amount of share capital and legal capital surplus

Pursuant to Article 447, paragraph 1 and Article 448, paragraph 1 of the Companies Act, the Company will reduce share capital and legal capital surplus as described above and will transfer the full amounts reduced to other capital surplus.

(4) Effective date of the share capital and legal capital surplus reduction

April 30, 2025

(Notes on going concern assumption)

Not applicable

(Notes on quarterly consolidated statements of cash flow)

The Company did not prepare consolidated statements of cash flow for the three-month period ended June 30, 2025. Furthermore, depreciation and amortization (including the amortization of intangible assets) for the three-month period ended June 30, 2025 are as stated below.

	Three-month period ended June 30, 2024 (April 1, 2024 to June 30, 2024)	Three-month period ended June 30, 2025 (April 1, 2025 to June 30, 2025)
Depreciation and amortization	1,341 million yen	813 million yen