Financial Results for the 1st Quarter of the Fiscal Year Ending March 31, 2027

August 6, 2026
Listed stock exchanges: Tokyo Stock Exchange

Company name: Unitika Ltd.
Code number: 3103 URL: https://www.unitika.co.jp/e/home.htm
Representative: Minoru Fujii, President and Chief Executive Officer
Contact: Jun Kobayashi, General Manager of Accounting Department TEL: +81-6-6281-5721
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, 2027 (April 1, 2026 to June 30, 2026)

(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, 2027	24,108	(22.0)	4,162	46.4	4,322	135.7	4,056	211.3
Q1 of FY ended March 31, 2026	30,910	0.8	2,844	143.4	1,834	(31.4)	1,302	(34.1)

(Note) Comprehensive income Q1 of FY ending March 31, 2027: 3,870 million yen [185.2%]
Q1 of FY ended March 31, 2026: 1,357 million yen [-31.3%]

	Quarterly profit per share	Diluted quarterly profit per share
	Yen	Yen
Q1 of FY ending March 31, 2027	70.35	7.81
Q1 of FY ended March 31, 2026	22.60	2.51

(2) Consolidated financial situation

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
Q1 of FY ending March 31, 2027	148,775	57,652	38.6
FY ended March 31, 2026	150,704	54,044	35.7

(Reference) Shareholders' equity Q1 of FY ending March 31, 2027: 57,382 million yen
FY ended March 31, 2026: 53,784 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, 2026	—	0.00	—	0.00	0.00
FY ending March 31, 2027	—				
FY ending March 31, 2027 (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, 2027 (April 1, 2026 to March 31, 2027)
(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, 2027	84,000	(29.2)	8,000	(24.2)	6,500	(37.5)	5,000	(72.5)	80.35

(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, 2027: 57,752,343 shares
Fiscal year ended March 31, 2026: 57,752,343 shares
② Number of treasury shares at end of term
1st quarter of the fiscal year ending March 31, 2027: 98,588 shares
Fiscal year ended March 31, 2026: 98,495 shares
③ Average number of shares outstanding during the term (quarterly consolidated accumulated period)
1st quarter of the fiscal year ending March 31, 2027: 57,653,797 shares
1st quarter of the fiscal year ended March 31, 2026: 57,654,503 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 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 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 C share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2026	—	0.00	—	2.27	2.27
FY ending March 31, 2027	—				
FY ending March 31, 2027 (forecast)		0.00	—	3.18	3.18

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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, 2026 to June 30, 2026), the Japanese economy saw production activity remain firm, particularly in the manufacturing sector, supported by strong AI-related demand and corporate capital investment. Meanwhile, the business environment remained uncertain due to rising labor costs against the backdrop of labor shortages and persistently high logistics costs, as well as prolonged geopolitical risks, including heightened tensions in the Middle East, and the resulting increases in raw material and energy prices, along with fluctuations in interest rates and foreign exchange rates.

Under these circumstances, in accordance with its business restructuring plan, the UNITIKA Group continued to take the following measures to enhance profitability: expanding sales of high-value-added products targeting growth markets, revising prices, and promoting cost-reduction initiatives. Furthermore, in response to the heightened tensions in the Middle East, in addition to implementing measures to mitigate the impact on earnings, the Group also expanded its sources of raw materials to prepare for future uncertainties in procurement.

As a result, in the first quarter of the consolidated fiscal year under review, net sales decreased to 24,108 million yen (down 22.0% year on year) due to a sales decrease caused by the withdrawal from some businesses. Operating profit amounted to 4,162 million yen (up 46.4% year on year) due to an increase in sales of high-value-added products, the suspension of unprofitable sales, and implementation of price revisions and cost reduction measures. In addition to increased operating profit, the progress of yen depreciation resulted in the posting of foreign exchange valuation gains on foreign currency-denominated assets, as well as a decrease in interest expenses due to a reduction in interest-bearing debt through structural reforms. Consequently, ordinary profit increased to 4,322 million yen (up 135.7% year on year), while profit attributable to owners of the parent increased to 4,056 million yen (up 211.3% year on year).

Here is an overview of the business results by segment.

Please note that classification of reportable segments has been changed from the first quarter of the consolidated fiscal year under review. Accordingly, the year-on-year comparisons below are based on figures for the corresponding period of the previous fiscal year that have been reclassified according to the new segment classification. Details are provided in *“2. Quarterly Consolidated Financial Statements and Main Notes (3) Notes on quarterly consolidated financial statements (Notes on segment information, etc.)”*

[Polymers Segment]

In the Polymers Segment, although raw material prices rose due to the situation in the Middle East, the impact on earnings was mitigated by the effects of price revisions. In addition, sales grew due to efforts to secure materials amid concerns over raw material supplies, as well as robust demand, particularly for electronic materials and automotive-related products. In addition, profitability improved due to the efforts continued from the previous year to expand sales of high-value-added products, as well as the effects of cost-reduction measures.

In the Film business, sales in the packaging sector grew as some customers moved to secure materials due to concerns over the supply of petrochemical products. Sales of EMBLEM-HG, a high gas barrier nylon film, remained strong. In the industrial sector, sales remained solid as strong demand in the electronic materials field continued. Overseas, the packaging sector also performed steadily, driven primarily by functional products. As a result, the Film business as a whole recorded increases in both sales and profits.

In the Plastic business, overall sales of engineering plastic materials increased, driven by continued steady sales for automotive component applications and electric and electronic component applications, as well as moves by some customers to secure materials amid concerns over supply due to heightened tensions in the Middle East. Sales of functional plastics were solid, but operating profit declined due to an increase in polyester-related costs. Sales at affiliated companies remained strong mainly for office and industrial materials applications. As a result, the business as a whole recorded increases in both sales and profits.

Consequently, the Polymers Segment achieved growth in both net sales and operating profit, with net sales reaching 17,019 million yen (up 22.0% year on year) and operating profit reaching 3,075 million yen (up 31.6% year on year).

[Performance Materials Segment]

In the Performance Materials Segment, sales remained strong across a wide range of applications and fields. However, net sales decreased year on year due to the completion of the divestiture of the Non-woven Fabrics business and the Industrial Fibers business (excluding the Monofilament business) in the third quarter of the fiscal year ended March 31, 2026. On the other hand, profitability improved significantly due to the effects of continued efforts to expand sales of high-value-added products, as well as cost-reduction measures and price revisions.

In the Glass Fibers business, sales in the industrial material sector remained solid in both building materials applications and electrical and electronics applications. In the electronic materials sector, ultra-thin Low CTE Glass Fabrics and ultra-thin E Glass Fabrics continued to perform well in mobile memory applications for high-end mobile devices, where they have been adopted for many years. In addition, sales for application processors also grew steadily. Furthermore, earnings improved significantly due to the effects of price revisions. As a result, the Glass Fibers business as a whole recorded increases in both sales and profits.

In the Activated Carbon Fibers business, sales for household water purification applications, which are a mainstay of this business, remained strong, particularly for household applications. Sales of plating solution filters remained solid, driven by an increase in electronics-related demand.

In the Glass Beads business, sales for road applications increased due to an expansion in market share, despite the continued low number of road construction projects and price competition from low-priced overseas products. Sales for industrial applications were sluggish in Japan but remained solid in overseas markets. Sales for reflective materials were sluggish in overseas markets but remained solid in Japan.

In the monofilament business, as a continuing business from the former Industrial Fibers business, sales remained solid, driven primarily by fisheries and sports applications. In addition, sales of nylon hollow fiber membranes also remained strong in the semiconductor sector.

Consequently, the Performance Materials Segment recorded a decrease in net sales and an increase in operating profit, with net sales of 4,947 million yen (down 48.4% year on year) and operating profit reaching 1,067 million yen (up 136.9% year on year).

[Others]

The Others category posted an operating loss of 39 million yen (versus an operating profit of 71 million yen in the same period of the previous fiscal year) on net sales of 2,141 million yen (7,374 million yen in the same period of the previous fiscal year, including net sales from the Garments, Lifestyle Materials and Bedding business, which was withdrawn from during that period).

(2) Overview of quarterly financial position

Total assets declined by 1,929 million yen from the end of the previous consolidated fiscal year to 148,775 million yen. This was primarily due to a decrease in cash and deposits. Liabilities declined by 5,536 million yen from the end of the previous consolidated fiscal year to 91,122 million yen. This was primarily due to a decrease in income taxes payable. Net assets rose by 3,607 million yen from the end of the previous consolidated fiscal year to 57,652 million yen. This was mainly due to an increase in retained earnings caused by recording of profit attributable to owners of parent.

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

There are no changes to the full-year consolidated earnings forecast announced in the “Financial Report for Fiscal Year ended March 31, 2026” on May 14, 2026.

2. Quarterly Consolidated Financial Statements and Main Notes

(1) Quarterly consolidated balance sheets

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2026)	Q1 of current consolidated fiscal year ending March 2027 (June 30, 2026)
Assets		
Current assets		
Cash and deposits	47,700	45,197
Notes and accounts receivable-trade, and contract assets	15,949	15,549
Inventories	20,204	21,013
Other	3,151	3,175
Allowance for doubtful accounts	(18)	(16)
Total current assets	86,987	84,918
Non-current assets		
Property, plant and equipment		
Land	35,733	35,754
Other, net	23,007	23,297
Total property, plant and equipment	58,741	59,051
Intangible assets	804	727
Investments and other assets		
Other	4,226	4,133
Allowance for doubtful accounts	(55)	(57)
Total investments and other assets	4,170	4,076
Total non-current assets	63,717	63,856
Total assets	150,704	148,775

(Unit: Millions of yen)

	Previous consolidated fiscal year (March 31, 2026)	Q1 of current consolidated fiscal year ending March 2027 (June 30, 2026)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	9,279	8,725
Short-term borrowings	12,966	12,964
Current portion of long-term borrowings	28,593	28,593
Income taxes payable	4,521	465
Provision for bonuses	1,261	559
A product repair reserve fund	28	28
Provision for business restructuring	399	243
Other	6,566	6,883
Total current liabilities	63,616	58,462
Non-current liabilities		
Long-term borrowings	13,133	13,117
Provision for business restructuring	472	472
Retirement benefit liability	7,407	7,079
Other	12,028	11,990
Total non-current liabilities	33,042	32,660
Total liabilities	96,659	91,122
Net assets		
Shareholders’ equity		
Share capital	100	100
Capital surplus	31,848	31,848
Retained earnings	19,592	23,386
Treasury shares	(58)	(58)
Total shareholders’ equity	51,482	55,276
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,326	1,414
Deferred gains or losses on hedges	(0)	1
Revaluation reserve for land	2,293	2,293
Foreign currency translation adjustment	(3,589)	(4,011)
Remeasurements of defined benefit plans	2,271	2,408
Total accumulated other comprehensive income	2,302	2,106
Non-controlling interests	259	269
Total net assets	54,044	57,652
Total liabilities and net assets	150,704	148,775

(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, 2025 (April 1, 2025 to June 30, 2025)	Three-month period ended June 30, 2026 (April 1, 2026 to June 30, 2026)
Net sales	30,910	24,108
Cost of sales	23,237	16,282
Gross profit	7,673	7,826
Selling, general and administrative expenses	4,828	3,663
Operating profit	2,844	4,162
Non-operating income		
Interest income	18	54
Dividend income	77	31
Share of profit of entities accounted for using equity method	4	2
Foreign exchange gains	—	407
Other	189	99
Total non-operating income	288	595
Non-operating expenses		
Interest expenses	435	317
Foreign exchange losses	613	—
Other	250	117
Total non-operating expenses	1,298	435
Ordinary profit	1,834	4,322
Extraordinary income		
Gain on sales of investment securities	—	78
Total extraordinary income	—	78
Extraordinary losses		
Loss on disposal of non-current assets	41	33
Business restructuring expenses	32	68
Total extraordinary losses	74	102
Profit before income taxes	1,760	4,298
Income taxes-current	145	158
Income taxes-deferred	290	72
Total income taxes	435	230
Profit	1,324	4,068
Profit attributable to non-controlling interests	21	12
Profit attributable to owners of parent	1,302	4,056

(Quarterly consolidated statements of comprehensive income)

(Unit: Millions of yen)

	Three-month period ended June 30, 2025 (April 1, 2025 to June 30, 2025)	Three-month period ended June 30, 2026 (April 1, 2026 to June 30, 2026)
Profit	1,324	4,068
Other comprehensive income		
Valuation difference on available-for-sale securities	35	88
Deferred gains or losses on hedges	2	1
Foreign currency translation adjustment	21	(423)
Remeasurements of defined benefit plans, net of tax	(27)	136
Total other comprehensive income	32	(198)
Comprehensive income	1,357	3,870
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,339	3,860
Comprehensive income attributable to non-controlling interests	17	9

(3) Notes on quarterly consolidated financial statements

(Notes on segment information, etc.)

[Segment information]

I. 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	Total				
Net sales							
Net sales to outside customers	13,948	9,586	23,535	7,374	30,910	—	30,910
Inter-segment sales or transfer	1,476	504	1,980	30	2,010	(2,010)	—
Total	15,424	10,090	25,515	7,405	32,921	(2,010)	30,910
Segment income (loss)	2,337	450	2,787	71	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 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, 2026 (April 1, 2026 to June 30, 2026)

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	Total				
Net sales							
Net sales to outside customers	17,019	4,947	21,966	2,141	24,108	—	24,108
Inter-segment sales or transfer	122	110	232	1	234	(234)	—
Total	17,141	5,058	22,199	2,143	24,342	(234)	24,108
Segment income (loss)	3,075	1,067	4,142	(39)	4,103	59	4,162

(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

3. Matters concerning changes to reportable segments
As the UNITIKA Group has mostly completed its withdrawal from unprofitable businesses, including business transfers, in accordance with its business restructuring plan, the Group has changed its reportable segments from the previous three categories of “Polymers Segment,” “Performance Materials Segment,” and “Fibers and Textiles Segment” to two categories of “Polymers Segment” and “Performance Materials Segment,” starting from the first quarter of the consolidated fiscal year under review.

Please note that the segment information for the first three months of the previous consolidated fiscal year is presented based on the revised reportable segment classifications.

(Notes on significant changes in the amount of shareholders' equity)
Not applicable.

(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, 2026. Furthermore, depreciation and amortization (including the amortization of intangible assets) for the three-month period ended June 30, 2026 are as stated below.

	Three-month period ended June 30, 2025 (April 1, 2025 to June 30, 2025)	Three-month period ended June 30, 2026 (April 1, 2026 to June 30, 2026)
Depreciation and amortization	813 million yen	775 million yen