

Financial Report for Fiscal Year ended March 31, 2025 [Japanese GAAP] (Consolidated)

May 14, 2025

Company name: Unitika Ltd.

Listed stock exchange: Tokyo Stock Exchange

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

Representative: Minoru Fujii, President and Chief Executive Officer

Contact: Masumi Fujimoto, General Manager of Accounting Department

TEL: +81-6-6281-5721

Expected date for holding a regular shareholders meeting: June 27, 2025

Expected date for submitting securities report: June 27, 2025

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, 2025 (April 1, 2024 to March 31, 2025)

(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, 2025	126,411	6.8	5,851	—	4,693	—	(24,283)	—
FY ended March 31, 2024	118,341	0.3	(2,475)	—	(1,014)	—	(5,443)	—

(Note) Comprehensive income FY ended March 31, 2025: (22,014) million yen (—%)

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

	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, 2025	(421.18)	—	(92.8)	2.8	4.6
FY ended March 31, 2024	(94.41)	—	(13.8)	(0.5)	(2.1)

(Reference) Equity in earnings/losses of affiliates FY ended March 31, 2025: 8 million yen

FY ended March 31, 2024: 6 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, 2025	149,430	16,233	10.4	(123.42)
FY ended March 31, 2024	186,333	38,247	19.7	244.21

(Reference) Shareholders' equity: FY ended March 31, 2025: 15,568 million yen

FY ended March 31, 2024: 36,764 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, 2025	6,293	(3,146)	(435)	13,120
FY ended March 31, 2024	8,169	(7,541)	(279)	10,187

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, 2024	—	0.00	—	0.00	0.00	—	—	—
FY ended March 31, 2025	—	0.00	—	0.00	0.00	—	—	—
FY ending March 31, 2026 (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, 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 (4) Future forecast* on page 3 of the attachment.

* Notes

(1) Significant changes in the scope of consolidation during the period: 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: Yes

(ii) Changes of accounting policies other than the above: No

(iii) Changes in accounting estimates: No

(iv) Retrospective restatement: No

(Note) For details, please refer to 3. Consolidated Financial Statements and Major Notes to Consolidated Financial Statements (5) Notes on consolidated financial statements (Notes on change in accounting policies) on page 12 of the attachment.

(3) Number of shares outstanding (Common stock)

(i) Number of shares outstanding at end of term (including treasury share):

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

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

(ii) Number of treasury shares at end of term:

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

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

(iii) Average number of shares outstanding during the term:

Fiscal year ended March 31, 2025: 57,655,001 shares

Fiscal year ended March 31, 2024: 57,655,615 shares

(Reference) Summary of non-consolidated performance

Non-consolidated performance for fiscal year ended March 31, 2025 (April 1, 2024 to March 31, 2025)

(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, 2025	84,810	10.2	5,510	—	4,874	177.8	(28,927)	—
FY ended March 31, 2024	76,996	(1.4)	(928)	—	1,754	(43.3)	(2,586)	—

	Profit per share		Diluted profit per share	
	Yen		Yen	
FY ended March 31, 2025	(501.74)		—	
FY ended March 31, 2024	(44.86)		—	

(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, 2025	132,965	10,004	7.5	(219.93)
FY ended March 31, 2024	173,697	38,734	22.3	278.39

(Reference) Shareholders' equity: FY ended March 31, 2025: 10,004 million yen

FY ended March 31, 2024: 38,734 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 27, 2025. 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, 2024	—	0.00	—	0.00	0.00
FY ended March 31, 2025	—	0.00	—	0.00	0.00
FY ending March 31, 2026 (forecast)	—	—	—	—	—
Class B share	Yen	Yen	Yen	Yen	Yen
FY ended March 31, 2024	—	0.00	—	0.00	0.00
FY ended March 31, 2025	—	0.00	—	0.00	0.00
FY ending March 31, 2026 (forecast)	—	—	—	—	—

(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 2025, considering its business performance in the consolidated fiscal year under review and financial situation at the end of the fiscal year.

In addition, as of April 30, 2025, the Company acquired and cancelled all outstanding Class A and Class B shares.

As a result, no dividends will be paid on Class A and Class B shares from the fiscal year ending March 31, 2026.

○ Table of contents for the attachment

1. Overview of Business Performance	2
(1) Overview of business performance of the year	2
(2) Overview of financial position	3
(3) Overview of cash flow	3
(4) Future forecast	3
(5) Basic policy for profit distribution and dividends for the fiscal year ended March 31, 2025 and the fiscal year ending March 31, 2026	4
2. Basic Approach to the Selection of Accounting Standards	4
3. Consolidated Financial Statements and Major Notes to Consolidated Financial Statements	5
(1) Consolidated balance sheets	5
(2) Consolidated income statement and consolidated comprehensive income statement	7
(Consolidated income statement)	7
(Consolidated comprehensive income statement)	8
(3) Consolidated statements of changes in net assets	9
(4) Consolidated statements of cash flow	11
(5) Notes on consolidated financial statements	12
(Notes on going concern assumption)	12
(Notes on change in accounting policies)	12
(Notes on segment information, etc.)	13
(Per share information)	15
(Important subsequent event)	16
4. Supplemental Materials	17

1. Overview of Business Performance

(1) Overview of business performance of the year

During the consolidated fiscal year under review (April 1, 2024 to March 31, 2025), the domestic economy showed signs of a mild recovery against the backdrop of improvements in corporate earnings and the employment and income environment. Inbound demand expanded due to an increase in the number of visitors to Japan, while wage hikes supported consumer spending. In addition, capital investment became more active as companies sought to enhance their competitiveness. On the other hand, as the labor shortage worsened, the rise in personnel and logistics costs affected corporate earnings structures. Furthermore, the prolonged geopolitical risks and fluctuations in interest and foreign exchange rates, developments in U.S. monetary and trade policies and concerns over a slowdown in the Chinese economy continued to cloud the outlook for the Japanese economy.

Under these circumstances, on November 28, 2024, the UNITIKA Group announced its business restructuring plan with support from Regional Economy Vitalization Corporation of Japan (“REVIC”). At the Extraordinary General Meeting of Shareholders held on February 7, 2025, the Group received approval for the related resolution and decided to implement the business restructuring plan centered on withdrawal from unprofitable businesses. Furthermore, in response to the challenging business results in the previous fiscal year, the Group made overcoming the deficit its highest priority. The Group focused on efforts such as cost reductions, including expense cuts, improving profitability through price revisions, and strengthening profitability by promoting the sales of higher value-added functional products. Incidentally, the business restructuring plan is based on financial support, including debt forgiveness of up to 43,000 million yen, from the Company’s financial institutions, and their consent has been obtained.

Consequently, in the consolidated fiscal year under review, the Unitika Group reported net sales of 126,411 million yen (up 6.8% year on year) and an operating profit of 5,851 million yen (versus an operating loss of 2,475 million yen in the previous consolidated fiscal year). With the progress of yen appreciation, the Group posted foreign exchange valuation losses on foreign currency-denominated assets of 155 million yen, resulting in an ordinary profit of 4,693 million yen (versus an ordinary loss of 1,014 million yen in the previous consolidated fiscal year). Additionally, in accordance with the business revitalization plan, UNITIKA reviewed the recoverability of non-current assets held by the Company and its subsidiaries, leading to the posting of business restructuring expenses (an impairment loss on non-current assets) of 37,932 million yen. As a result, the loss attributable to owners of parent amounted to 24,283 million yen (versus a loss of 5,443 million yen in the previous consolidated fiscal year).

Here is an overview of the business results by segment.

[Polymers Segment]

In the Polymers Segment, although raw material and fuel prices remained at a high level, the recovery in sales volume led to improved factory capacity utilization, and together with the effects of cost-reduction measures, manufacturing costs decreased. In addition, the price revisions across various products contributed to a rise in profitability.

In the Films business, looking at mainstay food packaging applications, the sales volumes of nylon films and polyester films recovered as market conditions improved over the period. In the industrial sector, sales were robust for some semiconductor-related applications, but sales of other industrial films were sluggish. As a result, sales volume in the sector as a whole remained unchanged. Furthermore, operating profit increased due to the effects of cost-reduction measures.

In the overseas market, profitability improved due to the suspension of unprofitable sales. However, the business continued to face competition from low-cost products. As a result, the Films business achieved growth in both net sales and operating profit.

In the Plastics business, the sales volume of engineering plastics declined due to sluggish sales in the automotive sector during the period and a delayed recovery in demand for electric and electronic components. Although sales increased only marginally, operating profit increased substantially due to the effects of price revisions. Sales of functional plastics, particularly high-performance products for adhesive and coating applications, grew, contributing to a significant improvement in profitability. As a result, the Plastics business achieved growth in both net sales and operating profit.

Consequently, the Polymers Segment saw both net sales and operating profit grow. The segment posted an operating profit of 6,000 million yen (versus an operating profit of 603 million yen in the previous consolidated fiscal year) on net sales of 55,393 million yen (up 8.5% year on year).

[Performance Materials Segment]

In the Performance Materials Segment, sales volume, chiefly in the electronic material sector that fell in the previous period, recovered strongly, leading to a rise in production volume. Subsequently, manufacturing costs decreased. Thanks to the price revisions across various products, profitability improved. As a result, the segment returned to operating profitability after posting an operating loss in the previous year.

In the Activated Carbon Fibers business, sales for mainstay water purifier applications were solid. However, sales for VOC removal sheets were sluggish for air purification applications. The business saw its overall sales slightly decrease.

In the Glass Fibers business, sales in the industrial material sector remained robust for building material applications. Particularly, incombustible tents and sheets sold well. In the electronic materials sector, sales for specific areas, such as generative AI and related data centers, continued to be steady. On the other hand, sales of high-performance glass cloth for semiconductor package substrates, especially high-end memories for handheld devices, grew strongly, although the market conditions of general-purpose semiconductors did not show a solid recovery.

In the Glass Beads business, although the number of road construction projects continued to decline, sales for road applications slightly increased following an increase in our market share since our products’ advantage over competing overseas products gained recognition.

In industrial applications, sales of high-function products, including high precision glass beads, grew steadily.

In the Non-woven Fabrics business, sales of polyester spunbond and cotton spunlace recovered, mainly for filters and skin care products. Profitability improved thanks to the effects of price revisions. As a result, the deficit was reduced.

In the Industrial Fibers business, sales of polyester staple fibers were solid in the first half of the period but weakened in the latter part. Sales of high-strength polyester yarn also decreased. In response to rising costs, particularly raw material prices, the Business revised prices, resulting in higher sales and a reduced operating loss.

Consequently, the Performance Materials Segment saw both net sales and operating profit increase. The segment posted an operating profit of 298 million yen (versus an operating loss of 2,478 million yen in the previous consolidated fiscal year) on net sales of 37,037 million yen (up 8.3% year on year).

[Fibers and Textiles Segment]

In the Garments, Lifestyle Materials and Bedding business, looking at the mainstay uniform sector, public sector demand remained strong and private sector demand was generally steady. Sales in the general clothing, bedding and sport clothing sectors struggled due to weak demand during the period. In the overseas business, export sales of denim fabric recovered. In the Industrial Materials business, sales for household products and applications remained robust and sales for electric and electronic applications were steady.

Consequently, the Fibers & Textiles Segment saw net sales grow and operating loss decrease. The segment posted an operating loss of 357 million yen (versus an operating loss of 523 million yen in the previous consolidated fiscal year) on net sales of 33,923 million yen (up 2.8% year on year).

[Others]

The Others category posted an operating loss of 82 million yen (versus an operating loss of 87 million yen in the previous consolidated fiscal year) on net sales of 57 million yen (up 4.2% year on year).

(2) Overview of financial position

Total assets decreased by 36,902 million yen from the end of the previous consolidated fiscal year to 149,430 million yen mainly due to a decline in property, plant and equipment. Liabilities fell by 14,888 million yen from the end of the previous consolidated fiscal year to 133,197 million yen. This was primarily due to a decrease in deferred tax liabilities. Net assets declined by 22,014 million yen from the end of the previous consolidated fiscal year to 16,233 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, 2025 increased by 2,933 million yen from the end of the previous consolidated fiscal year to 13,120 million yen.

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

Net cash provided by operating activities amounted to 6,293 million yen during the consolidated fiscal year under review (versus 8,169 million yen in the previous consolidated fiscal year) mainly due to cash flows resulting from adjustments for non-cash items, such as business restructuring expenses 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 3,146 million yen during the consolidated fiscal year under review (versus 7,541 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 435 million yen during the consolidated fiscal year under review (versus 279 million yen used in the previous consolidated fiscal year) mainly due to repayment of lease liabilities.

(4) Future forecast

On November 28, 2024, UNITIKA LTD. formulated a new business restructuring plan and decided to pursue a business turnaround with the backing of REVIC and the Company’s financial institutions. In addition, the implementation of a capital increase effected by allotting new shares to REVIC and a new management structure were approved at the Extraordinary General Meeting of Shareholders held on February 7, 2025. Incidentally, the business restructuring plan is based on financial support, including debt forgiveness of up to 43,000 million yen, from the Company’s financial institutions, and their consent has been obtained.

The Company’s top priority is to execute its business restructuring plan with certainty. The plan is built on the following four pillars: (1) withdrawal from unprofitable businesses and rationalization of supply capacity through structural reforms, (2) establishment of a cost-efficient management system through comprehensive cost reductions, (3) expansion of sales of high value-added products, and (4) strengthening of the organizational management system. The management team aims to transform its business portfolio by focusing on promising businesses, such as polymers, with a target of 70,000 million yen in net sales and 6,500 million yen in operating profit for the fiscal year ending March 31, 2030, the final year of the business restructuring plan.

In the fiscal year ending March 31, 2026, the first year of the business restructuring plan, UNITIKA will pursue business divestments and production transfers to other entities in segments subject to structural reform, with the aim of reaching an agreement by August 2025. Furthermore, the Company will expand sales of high value-added products and explore new applications to improve profitability in the polymers and inorganic material businesses. Alongside structural reforms, the management team will also work on logistics improvements, such as reviewing delivery routes, and cost-reductions initiatives, including enhancing operational efficiency.

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.

(5) Basic policy for profit distribution and dividends for the fiscal year ended March 31, 2025 and the fiscal year ending March 31, 2026

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, 2025, 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.

Incidentally, 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 through a capital increase by third-party allotment of new shares.

As a result, no dividends will be paid on Class A and Class B shares from the fiscal year ending March 31, 2026. Regarding dividend payments on Class C shares, the Company plans to pay 2.26 yen per share in accordance with the terms and conditions for issuance of class shares as stipulated at the time of issuance.

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, 2024)	Current consolidated fiscal year (March 31, 2025)
Assets		
Current assets		
Cash and deposits	11,206	13,501
Notes receivable-trade	2,945	3,498
Accounts receivable-trade	21,280	20,360
Inventories	33,161	34,196
Other	4,227	3,765
Allowance for doubtful accounts	(48)	(44)
Total current assets	72,773	75,277
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,178	7,719
Machinery and equipment (net)	26,159	12,106
Tools, furniture and fixtures, net	881	553
Land	62,706	45,114
Leased assets, net	76	66
Construction in progress	4,509	2,014
Total property, plant and equipment	106,512	67,574
Intangible assets	1,924	1,194
Investments and other assets		
Investment securities	3,169	2,974
Investments in capital	8	8
Long-term loans receivable	59	13
Retirement benefit asset	22	22
Deferred tax assets	387	1,293
Other	1,587	1,126
Allowance for doubtful accounts	(112)	(53)
Total investments and other assets	5,123	5,384
Total non-current assets	113,559	74,152
Total assets	186,333	149,430

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (March 31, 2024)	Current consolidated fiscal year (March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	17,100	14,667
Short-term borrowings	3,085	38,319
Current portion of long-term borrowings	2,629	52,623
Lease liabilities	417	426
Income taxes payable	274	267
Contract liabilities	855	895
Provision for bonuses	1,372	1,437
Provision for product repair	35	28
Provision for business restructuring	—	522
Other	8,897	6,981
Total current liabilities	34,667	116,170
Non-current liabilities		
Long-term borrowings	86,434	1,198
Lease liabilities	1,368	959
Deferred tax liabilities	8,461	174
Deferred tax liabilities for land revaluation	3,139	1,543
Retirement benefit liability	13,886	12,995
Other	127	155
Total non-current liabilities	113,417	17,026
Total liabilities	148,085	133,197
Net assets		
Shareholders' equity		
Share capital	100	100
Capital surplus	11,476	11,476
Retained earnings	21,740	756
Treasury shares	(57)	(57)
Total shareholders' equity	33,259	12,275
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	929	1,167
Deferred gains or losses on hedges	5	(0)
Revaluation reserve for land	6,244	2,899
Foreign currency translation adjustment	(4,537)	(2,781)
Remeasurements of defined benefit plans	862	2,008
Total accumulated other comprehensive income	3,504	3,292
Non-controlling interests	1,483	664
Total net assets	38,247	16,233
Total liabilities and net assets	186,333	149,430

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

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Net sales	118,341	126,411
Cost of sales	99,458	100,714
Gross profit	18,882	25,696
Selling, general and administrative expenses	21,358	19,845
Operating profit (loss)	(2,475)	5,851
Non-operating income		
Interest income	48	102
Dividend income	65	68
Share of profit of entities accounted for using equity method	6	8
Foreign exchange gains	2,595	—
Insurance claim income	—	158
Penalty income	—	151
Tax refund	—	170
Other	381	365
Total non-operating income	3,097	1,024
Non-operating expenses		
Interest expenses	1,112	1,402
Foreign exchange losses	—	155
Other	523	625
Total non-operating expenses	1,636	2,183
Ordinary profit (loss)	(1,014)	4,693
Extraordinary income		
Gain on sales of non-current assets	1	164
Gain on sales of investment securities	10	—
Total extraordinary income	11	164
Extraordinary losses		
Impairment loss	3,872	—
Loss on disposal of non-current assets	606	350
Business restructuring expenses	79	39,320
Total extraordinary losses	4,558	39,671
(Loss) before income taxes	(5,560)	(34,813)
Income taxes-current	465	497
Income taxes-deferred	(290)	(10,405)
Total income taxes	175	(9,908)
(Loss)	(5,736)	(24,905)
(Loss) attributable to non-controlling interests	(292)	(622)
(Loss) attributable to owners of parent	(5,443)	(24,283)

(Consolidated comprehensive income statement)

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
(Loss)	(5,736)	(24,905)
Other comprehensive income		
Valuation difference on available-for-sale securities	384	237
Deferred gains or losses on hedges	1	(6)
Revaluation reserve for land	—	(46)
Foreign currency translation adjustment	(1,117)	1,559
Remeasurements of defined benefit plans, net of tax	1,079	1,146
Total other comprehensive income	348	2,890
Comprehensive income	(5,387)	(22,014)
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(5,062)	(21,195)
Comprehensive income attributable to non-controlling interests	(324)	(818)

(3) Consolidated statements of changes in net assets

Previous 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)
Disposal 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)
Disposal 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

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(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	21,740	(57)	33,259
Changes in items during period					
(Loss) attributable to owners of parent			(24,283)		(24,283)
Purchase of treasury shares				(0)	(0)
Reversal of revaluation reserve for land			3,299		3,299
Net changes in items other than shareholders' equity					
Total changes in items during period	—	—	(20,983)	(0)	(20,983)
Balance at end of period	100	11,476	756	(57)	12,275

	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	929	5	6,244	(4,537)	862	3,504	1,483	38,247
Changes in items during period								
(Loss) attributable to owners of parent								(24,283)
Purchase of treasury shares								(0)
Reversal of revaluation reserve for land								3,299
Net changes in items other than shareholders' equity	237	(6)	(3,345)	1,755	1,146	(212)	(818)	(1,031)
Total changes in items during period	237	(6)	(3,345)	1,755	1,146	(212)	(818)	(22,014)
Balance at end of period	1,167	(0)	2,899	(2,781)	2,008	3,292	664	16,233

(4) Consolidated statements of cash flow

	(Unit: Millions of yen)	
	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Cash flows from operating activities		
(Loss) before income taxes	(5,560)	(34,813)
Depreciation	6,137	5,240
Impairment loss	3,872	—
Business restructuring expenses	79	38,100
Increase (decrease) in allowance for doubtful accounts	(3)	(62)
Increase (decrease) in retirement benefit liability	556	207
Increase (decrease) in provision for product repair	(0)	(6)
Increase (decrease) in provision for business restructuring	—	522
Increase (decrease) in other provisions	(182)	64
Interest expenses	1,112	1,402
Foreign exchange losses (gains)	(2,595)	155
Insurance claim income	—	(158)
Penalty income	—	(151)
Tax refund	—	(170)
Loss (gain) on disposal of non-current assets	606	350
Loss (gain) on sales of non-current assets	(1)	(164)
Loss (gain) on sales of investment securities	(10)	—
Decrease (increase) in trade receivables	(969)	559
Decrease (increase) in inventories	2,816	(647)
Increase (decrease) in trade payables	1,613	(2,795)
Other, net	1,609	557
Subtotal	9,080	8,189
Interest and dividends received	114	171
Interest paid	(1,130)	(1,349)
Income taxes paid	104	(718)
Net cash provided by (used in) operating activities	8,169	6,293
Cash flows from investing activities		
Decrease (increase) in time deposits	(41)	702
Purchase of investment securities	(11)	(11)
Proceeds from sales of investment securities	15	21
Purchase of property, plant and equipment	(6,671)	(3,887)
Proceeds from sales of property, plant and equipment	11	303
Payments for retirement of property, plant and equipment	(448)	(171)
Other, net	(394)	(103)
Net cash provided by (used in) investing activities	(7,541)	(3,146)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(1,092)	35,234
Proceeds from long-term borrowings	2,402	48,098
Repayments of long-term borrowings	(2,653)	(83,339)
Dividends paid	(283)	—
Proceeds from sale and leaseback transactions	1,764	—
Other, net	(416)	(429)
Net cash provided by (used in) financing activities	(279)	(435)
Effect of exchange rate change on cash and cash equivalents	226	221
Net increase (decrease) in cash and cash equivalents	575	2,933
Cash and cash equivalents at beginning of period	9,612	10,187
Cash and cash equivalents at end of period	10,187	13,120

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on 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 consolidated fiscal year ended March 31, 2025.

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 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 Guidance 2022 since the beginning of the consolidated fiscal year ended March 31, 2025. This change in accounting policies has been applied retrospectively, and the consolidated financial statements for the full year of the previous fiscal year ended March 31, 2024 have been restated accordingly. This change in accounting policies had no impact on the consolidated financial statements for the full year of the previous fiscal year ended March 31, 2024.

(Notes on 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, 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 profit in the consolidated income statement.

Current consolidated fiscal year (April 1, 2024 to March 31, 2025)

(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	55,393	37,037	33,923	126,354	57	126,411	—	126,411
Inter-segment sales or transfer	5,712	2,157	63	7,932	—	7,932	(7,932)	—
Total	61,105	39,194	33,987	134,287	57	134,344	(7,932)	126,411
Segment income (loss)	6,000	298	(357)	5,941	(82)	5,859	(7)	5,851
Segment assets	78,577	41,589	21,468	141,634	529	142,164	7,266	149,430
Other items								
Depreciation and amortization	3,204	1,135	173	4,513	5	4,519	720	5,240
Increase in property, plant and equipment and intangible assets	1,471	919	104	2,495	20	2,515	379	2,894

(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 7,266 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 720 million yen for *Depreciation and amortization* is depreciation and amortization of common assets that are not allocated to each reportable segment.
- (4) Adjustment of 379 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.

(Per share information)

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
Net assets per share	244.21 yen	(123.42) yen
(Loss) per share	(94.41) yen	(421.18) 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, 2024)	Current consolidated fiscal year (March 31, 2025)
Total net assets (millions of yen)	38,247	16,233
Amounts deducted from the total net assets (millions of yen)	24,167	23,348
[of which amounts to be paid in for classified shares (millions of yen)]	[22,684]	[22,684]
[of which preferred dividends (millions of yen)]	[—]	[—]
[of which non-controlling interests (millions of yen)]	[1,483]	[664]
Net assets at the end of the fiscal year attributable to common stock (millions of yen)	14,080	(7,115)
Number of common stock at the end of the fiscal year used for calculating net assets per share (thousand shares)	57,655	57,654

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

	Previous consolidated fiscal year (April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (April 1, 2024 to March 31, 2025)
(Loss) per share		
Profit (loss) attributable to owners of parent (millions of yen)	(5,443)	(24,283)
Amount not attributable to common stockholders (millions of yen)	—	—
[of which preferred dividends (millions of yen)]	[—]	[—]
(Loss) attributable to common stock owners of parent (millions of yen)	(5,443)	(24,283)
Average number of common stock during the fiscal year (thousand shares)	57,655	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	—	—

(Important subsequent event)

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 current share capital 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 current legal capital surplus 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

4. Supplemental Materials

(1) Results for fiscal year ended March 31, 2024 and fiscal year ended March 31, 2025 (Consolidated)

(Millions of yen)

			Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent
Consolidated	FY ended March 2024	Full year	118,341	(2,475)	(1,014)	(5,443)
	FY ended March 2025	Interim period	61,550	2,233	1,151	(9,842)
		Full year	126,411	5,851	4,693	(24,283)

(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 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
Results for current fiscal year	FY ended March 2025	Net sales to outside customers	55,393	37,037	33,923	57	—	126,411
		Component ratio (%)	43.8	29.3	26.8	0.0	—	100.0
		Operating profit	6,000	298	(357)	(82)	(7)	5,851
		Component ratio (%)	102.5	5.1	(6.1)	(1.4)	(0.1)	100.0
Comparison with previous year		Net sales to outside customers	4,318	2,830	919	2	—	8,070
		Increase/decrease from previous year (%)	8.5	8.3	2.8	4.2	—	6.8
		Operating profit	5,397	2,777	165	4	(18)	8,326
		Increase/decrease from previous year (%)	895.0	—	—	—	—	—

(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 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
FY ended March 2025	Full year	2,725	4,582	3,220	92,143	(1,231)	2,663

(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
FY ended March 2024	Full year	8,169	(7,541)	(279)	10,187
FY ended March 2025	Full year	6,293	(3,146)	(435)	13,120