

Consolidated Financial Results for the First Six Months (Interim Period) of the Fiscal Year Ending March 31, 2026 [Japanese GAAP]

November 11, 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 submission of interim report: November 13, 2025

Expected commencement date for paying dividend: –

Preparation of supplementary explanatory documents for financial results: Yes

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

(Figures rounded down to nearest million yen.)

1. Consolidated performance for the first six months (interim period) of fiscal year ending March 31, 2026 (April 1, 2025 to September 30, 2025)

(1) Consolidated performance (accumulation)

(Percentages represent changes from interim period in previous year)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|--|-----------------|-----|------------------|-------|-----------------|-------|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Interim period of FY ending March 31, 2026 | 62,147 | 1.0 | 5,644 | 152.7 | 4,828 | 319.5 | (3,487) | — |
| Interim period of FY ended March 31, 2025 | 61,550 | 6.1 | 2,233 | — | 1,151 | — | (9,842) | — |

(Note) Comprehensive income Interim period of FY ending March 31, 2026: (4,114) million yen [—%]

Interim period of FY ended March 31, 2025: (7,639) million yen [—%]

| | Interim profit per share | Diluted interim profit per share |
|--|--------------------------|----------------------------------|
| | Yen | Yen |
| Interim period of FY ending March 31, 2026 | (60.49) | — |
| Interim period of FY ended March 31, 2025 | (170.71) | — |

(2) Consolidated financial situation

| | Total assets | Net assets | Capital adequacy ratio |
|--|-----------------|-----------------|------------------------|
| | Millions of yen | Millions of yen | % |
| Interim period of FY ending March 31, 2026 | 172,981 | 32,118 | 18.4 |
| FY ended March 31, 2025 | 149,430 | 16,233 | 10.4 |

(Reference) Shareholders' equity Interim period of FY ending March 31, 2026: 31,876 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 | — | 0.00 | — | — | — |
| FY ending March 31, 2026 (forecast) | — | — | — | 0.00 | 0.00 |

(Note) Revision of the latest dividend forecast: None

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

3. Forecast of consolidated performance for fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026)

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

| | Net sales | | Operating profit | | Ordinary profit | |
|--------------------------|-----------------|--------|------------------|------|-----------------|------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| FY ending March 31, 2026 | 110,000 | (13.0) | 7,500 | 28.2 | 6,000 | 27.8 |

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

(Note) The Company has decided to refrain from announcing forecasts of profit attributable to owners of parent and profit per share for the fiscal year ending March 31, 2026, since it is currently unable to make a reasonable estimate.

* Notes

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

New companies: — (company name)

Excluded companies: One (company name) Unitika Garment Technology Co., Ltd.

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

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

① Changes in accounting policies due to revisions of accounting standards: No

② Changes of 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):

Interim period 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:

Interim period of the fiscal year ending March 31, 2026: 98,000 shares

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

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

Interim period of the fiscal year ending March 31, 2026: 57,654,454 shares

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

* This brief report of financial statements for the first six months (interim period) of the current fiscal year ending March 31, 2026 is not subject to audit procedures by a certified public accountant or an independent auditor.

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

The forward-looking statements in this document concerning forecasting of performance etc. are based on currently available information and assumptions considered by the Company to be reasonable. Such statements are neither promises nor guarantees of future performance. The actual performance may be significantly different from forecasts due to various factors. Concerning assumptions used as the basis for forecasting business performance and precautionary statements when using forecasts of performance, please refer to “1. *Qualitative Information on Interim Results* (3) *Explanation of future forecast information including forecast of consolidated performance*” on page 3 of this brief report of interim financial statements (the attachment).

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

The Company plans to hold a conference call for institutional investors and securities analysts for interim financial results on Tuesday, November 25, 2025. It plans to post the supplementary documents for interim financial results to be used in this investor conference call on its website.

Dividend payment to the holders of class shares

The breakdown of dividends per share related to class shares, the rights of which are different from those of common stock, is as follows:

| | Annual dividends | | | | |
|-------------------------------------|------------------|-----------|-----------|----------|-------|
| | End of Q1 | End of Q2 | End of Q3 | Year end | Total |
| Class A share | Yen | Yen | Yen | Yen | Yen |
| FY ended March 31, 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 | — | 0.00 | | | |
| FY ending March 31, 2026 (forecast) | | | — | 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.

○ Table of contents for the attachment

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

1. Qualitative Information on Interim Results

(1) Explanation of operational results

During the interim period of the consolidated fiscal year under review (April 1, 2025, to September 30, 2025), the domestic economy exhibited signs of recovery. Notably, the manufacturing sector experienced a rebound, driven by increased demand for semiconductors and steady corporate capital investments. Additionally, tourism-related consumption remained robust, supported by a rise in the number of overseas visitors to Japan. However, ongoing inflationary pressures, coupled with persistently high energy and logistics costs, as well as a worsening labor shortage, have constrained domestic demand. Looking ahead, the economic outlook remains uncertain due to various factors, including concerns over a slowdown in the global economy, fluctuations in exchange rates, and geopolitical risks associated with international affairs. Consequently, the prospects for a sustained domestic economic recovery remain uncertain.

Under these circumstances, in accordance with its business restructuring plan announced in November 2024, the UNITIKA Group steadily implemented structural reforms, such as withdrawal from unprofitable businesses, including business transfer, etc. 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.

As a result, in the interim period of the consolidated fiscal year under review, net sales increased to 62,147 million yen (up 1.0% year on year). Operating profit amounted to 5,644 million yen (up 152.7% year on year) due to the suspension of unprofitable sales and implementation of price revisions and cost reduction measures. Ordinary profit grew to 4,828 million yen (up 319.5% year on year). Furthermore, in response to the conclusion of a business transfer agreement, the Company recognized an extraordinary loss of 7,631 million yen as a business restructuring cost, which is expected to be incurred in the future. As a result, the loss attributable to owners of the parent decreased to 3,487 million yen (versus loss attributable to owners of parent of 9,842 million yen in the previous year).

Here is an overview of the business results by segment.

[Polymers Segment]

The Polymers Segment recorded generally steady sales throughout the period due to a recovery in market conditions across various fields and applications. In addition, profitability improved as a result of cost-reduction measures and product price revisions.

In the Films business, sales of nylon films and polyester films grew steadily in the packaging sector, supported by strong inbound demand, although they were affected by the rise in the prices of food and other goods. In the industrial sector, sales recovered due to the continuous growth in electronic material-related demand. Especially, sales of “UNIPeel,” a silicone-free release film, grew sharply supported by an expansion of demand for server applications. In the overseas market, profitability improved due to the suspension of unprofitable sales although affected by price competition from inexpensive films made in China and other countries. As a result, the Films business saw net sales decrease and operating profit increase.

In the Plastics business, the continuous steady sales of engineering plastic materials for electric and electronic component applications offset weaker sales for industrial material applications. Sales of specialty polymers decreased slightly due to sluggish shipments of specialized materials used for semiconductor-related applications. The Plastics business achieved growth in both net sales and operating profit as its efforts to reduce costs and revise sales prices carried out since the previous year yielded positive results.

Consequently, the Polymers Segment posted an operating profit of 4,996 million yen (up 84.2% year on year) on net sales of 28,367 million yen (up 0.9% year on year).

[Performance Materials Segment]

The Performance Materials Segment saw a recovery in sales across a wide range of applications, primarily in the electronic materials field. In addition, the suspension of unprofitable sales and product price revisions contributed to improved profitability, resulting in higher net sales and operating profit.

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

In the Glass Fibers business, sales in the industrial material sector remained generally robust, chiefly driven by demand for building materials applications including tents and sheets. In addition, orders for the electric and electronic applications rebounded, leading to a substantial increase in sales. In the electronic materials sector, sales continued to be robust for ultra-thin Low CTE Glass Fabrics and ultra-thin E Glass Fabrics for mobile memory applications used for high-end mobile terminals.

In the Glass Beads business, sales volume for road applications declined due to a continued decrease in the number of road construction projects and price competition from low-priced overseas products. In contrast, sales for industrial applications remained generally steady. In addition, sales of reflective materials increased in overseas markets.

In the Non-woven Fabrics business, spunbond non-woven fabrics sold well mainly as materials for infrastructure applications. Sales of cotton spunlace grew sharply for consumer product applications, supported by the continued steady sales of antiperspirant sheets due to the hot weather.

In the Industrial Fibers business, sales of polyester fibers (staple fibers and high-strength polyester yarns) decreased.

However, their profitability improved substantially due to the favorable impact of the review of the product lineup and price revisions. The profitability of monofilament remained stable.

Consequently, the Performance Materials Segment posted an operating profit of 855 million yen (up 442.8% year on year) on net sales of 19,044 million yen (up 3.7% year on year).

[Fibers and Textiles Segment]

In the Garments, Lifestyle Materials and Bedding business, demand in the uniform sector, a mainstay of this business, remained steady, supported mainly by public-sector demand. On the other hand, sales decreased in the general clothing sector, including women's clothing, bedding, and sports clothing, due to continued sluggish demand. In the overseas business, sales declined due to a fall in orders for denim fabric. In the Industrial Materials business, sales for civil engineering applications and household products remained robust following the improvement in market conditions. As for profitability, operating loss decreased year on year due to the suspension of unprofitable sales. Consequently, the Fibers & Textiles Segment saw net sales decline and operating profit increase. The segment posted an operating loss of 179 million yen (versus an operating loss of 574 million yen in the previous year) on net sales of 14,679 million yen (down 2.5% year on year).

[Others]

The Others category posted an operating loss of 8 million yen (versus an operating loss of 35 million yen in the previous year) on net sales of 56 million yen (up 52.7% year on year).

(2) Explanation of financial position

Total assets increased by 23,551 million yen from the end of the previous consolidated fiscal year to 172,981 million yen mainly due to a rise in cash and deposits. Liabilities grew by 7,665 million yen from the end of the previous consolidated fiscal year to 140,862 million yen. This was primarily due to an increase in provision for business restructuring. Net assets rose by 15,885 million yen from the end of the previous consolidated fiscal year to 32,118 million yen. This was mainly due to an increase in capital surplus caused by the issuance of shares.

Here is a summary of the cash flow situation.

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

Net cash provided by operating activities amounted to 5,562 million yen during the interim consolidated accounting period of the current fiscal year (4,914 million yen provided in the same period of the previous consolidated fiscal year) due to cash inflows including non-cash items such as an increase in the provision for business restructuring, despite the posting of loss before income taxes.

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

Net cash provided by investing activities amounted to 971 million yen during the interim consolidated accounting period of the current fiscal year (1,940 million yen used in the same period of the previous consolidated fiscal year) due to deposit income related to sale of property, plant and equipment.

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

Net cash provided by financing activities amounted to 19,709 million yen during the interim consolidated accounting period of the current fiscal year (218 million yen used in the same period of the previous consolidated fiscal year) due to proceeds from issuance of shares.

As a result, cash and cash equivalents at the end of the interim consolidated accounting period under review increased by 25,980 million yen from the end of the previous consolidated fiscal year to 39,100 million yen.

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

Concerning the forecast of consolidated performance for the fiscal year ending March 31, 2026, please refer to the Company's notice announced on November 11, 2025, "Notice Concerning Posting of Non-Operating Expenses (Foreign Exchange Losses) and Extraordinary Loss (Business Restructuring Expenses) and Consolidated Performance Forecast for the Full Fiscal Year."

2. Interim Consolidated Financial Statements and Main Notes

(1) Interim consolidated balance sheet

| | (Unit: Millions of yen) | |
|---|--|--|
| | Previous consolidated fiscal year (March 31, 2025) | Interim period of current consolidated fiscal year ending March 2026 (September 30, 2025) |
| Assets | | |
| Current assets | | |
| Cash and deposits | 13,501 | 39,551 |
| Notes and accounts receivable-trade, and contract assets | 23,858 | 22,593 |
| Inventories | 34,196 | 33,580 |
| Other | 3,765 | 3,761 |
| Allowance for doubtful accounts | (44) | (44) |
| Total current assets | 75,277 | 99,442 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Land | 45,114 | 45,028 |
| Other, net | 22,459 | 22,001 |
| Total property, plant and equipment | 67,574 | 67,030 |
| Intangible assets | 1,194 | 1,086 |
| Investments and other assets | | |
| Other | 5,438 | 5,485 |
| Allowance for doubtful accounts | (53) | (63) |
| Total investments and other assets | 5,384 | 5,422 |
| Total non-current assets | 74,152 | 73,539 |
| Total assets | 149,430 | 172,981 |

| | (Unit: Millions of yen) | |
|---|--|--|
| | Previous consolidated fiscal year (March 31, 2025) | Interim period of current consolidated fiscal year ending March 2026 (September 30, 2025) |
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable-trade | 14,667 | 13,119 |
| Short-term borrowings | 38,319 | 38,319 |
| Current portion of long-term borrowings | 52,623 | 53,326 |
| Income taxes payable | 267 | 455 |
| Provision for bonuses | 1,437 | 1,219 |
| A product repair reserve fund | 28 | 28 |
| Provision for business restructuring | 522 | 7,866 |
| Other | 8,302 | 11,186 |
| Total current liabilities | 116,170 | 125,522 |
| Non-current liabilities | | |
| Long-term borrowings | 1,198 | 487 |
| Retirement benefit liability | 12,995 | 12,066 |
| Other | 2,832 | 2,786 |
| Total non-current liabilities | 17,026 | 15,339 |
| Total liabilities | 133,197 | 140,862 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 100 | 100 |
| Capital surplus | 11,476 | 31,848 |
| Retained earnings | 756 | (2,730) |
| Treasury shares | (57) | (57) |
| Total shareholders' equity | 12,275 | 29,159 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 1,167 | 1,253 |
| Deferred gains or losses on hedges | (0) | 3 |
| Revaluation reserve for land | 2,899 | 2,975 |
| Foreign currency translation adjustment | (2,781) | (3,468) |
| Remeasurements of defined benefit plans | 2,008 | 1,952 |
| Total accumulated other comprehensive income | 3,292 | 2,716 |
| Non-controlling interests | 664 | 242 |
| Total net assets | 16,233 | 32,118 |
| Total liabilities and net assets | 149,430 | 172,981 |

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

| | (Unit: Millions of yen) | |
|---|--|--|
| | Interim period ended September 30, 2024 (April 1, 2024 to September 30, 2024) | Interim period ended September 30, 2025 (April 1, 2025 to September 30, 2025) |
| Net sales | 61,550 | 62,147 |
| Cost of sales | 49,247 | 46,864 |
| Gross profit | 12,303 | 15,282 |
| Selling, general and administrative expenses | 10,069 | 9,638 |
| Operating profit | 2,233 | 5,644 |
| Non-operating income | | |
| Interest income | 70 | 41 |
| Dividend income | 43 | 94 |
| Share of profit of entities accounted for using equity method | 9 | 5 |
| Insurance claim income | 158 | 113 |
| Other | 550 | 282 |
| Total non-operating income | 831 | 537 |
| Non-operating expenses | | |
| Interest expenses | 641 | 867 |
| Foreign exchange losses | 926 | 94 |
| Other | 346 | 391 |
| Total non-operating expenses | 1,914 | 1,353 |
| Ordinary profit | 1,151 | 4,828 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 175 | — |
| Gain on sale of shares of subsidiaries and associates | — | 97 |
| Total extraordinary income | 175 | 97 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 215 | 161 |
| Business restructuring expenses | 10,697 | 7,825 |
| Total extraordinary losses | 10,913 | 7,987 |
| (Loss) before income taxes | (9,586) | (3,061) |
| Income taxes-current | 401 | 363 |
| Income taxes-deferred | (13) | 34 |
| Total income taxes | 387 | 398 |
| (Loss) | (9,974) | (3,459) |
| Interim profit (loss) attributable to non-controlling interests | (132) | 28 |
| (Loss) attributable to owners of parent | (9,842) | (3,487) |

Unitika Ltd. (3103) Financial Results for the First Six Months (Interim Period) of Fiscal Year Ending March 31, 2026
(Interim consolidated statements of comprehensive income)

| | (Unit: Millions of yen) | |
|--|--|--|
| | Interim period ended September 30, 2024 (April 1, 2024 to September 30, 2024) | Interim period ended September 30, 2025 (April 1, 2025 to September 30, 2025) |
| (Loss) | (9,974) | (3,459) |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (143) | 86 |
| Deferred gains or losses on hedges | (22) | 4 |
| Foreign currency translation adjustment | 2,482 | (690) |
| Remeasurements of defined benefit plans, net of tax | 19 | (55) |
| Total other comprehensive income | 2,335 | (655) |
| Comprehensive income | (7,639) | (4,114) |
| (Comprehensive income attributable to) | | |
| Comprehensive income attributable to owners of parent | (7,307) | (4,139) |
| Comprehensive income attributable to non-controlling interests | (332) | 24 |

(3) Interim consolidated statements of cash flows

| | (Unit: Millions of yen) | |
|--|--|--|
| | Interim period ended September 30, 2024 (April 1, 2024 to September 30, 2024) | Interim period ended September 30, 2025 (April 1, 2025 to September 30, 2025) |
| Cash flows from operating activities | | |
| (Loss) before income taxes | (9,586) | (3,061) |
| Depreciation | 2,738 | 1,650 |
| Business restructuring expenses | 10,697 | 10 |
| Increase (decrease) in allowance for doubtful accounts | (50) | 9 |
| Increase (decrease) in retirement benefit liability | 271 | (956) |
| Increase (decrease) in a product repair reserve fund | (4) | (0) |
| Increase (decrease) in provision for business restructuring | — | 7,344 |
| Increase (decrease) in other provisions | (11) | (212) |
| Interest expenses | 641 | 867 |
| Foreign exchange losses (gains) | 926 | 94 |
| Loss (gain) on disposal of non-current assets | 215 | 161 |
| Loss (gain) on sales of non-current assets | (175) | — |
| Decrease (increase) in trade receivables | 3,623 | 1,124 |
| Decrease (increase) in inventories | (1,011) | 360 |
| Increase (decrease) in trade payables | (1,855) | (1,310) |
| Other, net | (734) | 19 |
| Subtotal | 5,683 | 6,102 |
| Interest and dividends received | 113 | 136 |
| Interest paid | (655) | (774) |
| Income taxes paid | (226) | 97 |
| Net cash provided by (used in) operating activities | 4,914 | 5,562 |
| Cash flows from investing activities | | |
| Decrease (increase) in time deposits | 560 | (88) |
| Purchase of investment securities | (6) | (6) |
| Purchase of property, plant and equipment | (2,613) | (1,135) |
| Proceeds from sales of property, plant and equipment | 323 | — |
| Deposit income related to sale of property, plant and equipment | — | 2,272 |
| Payments for retirement of property, plant and equipment | (121) | (66) |
| Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation | — | 108 |
| Other, net | (82) | (112) |
| Net cash provided by (used in) investing activities | (1,940) | 971 |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | — | (0) |
| Proceeds from long-term borrowings | — | 1,196 |
| Repayments of long-term borrowings | (1) | (1,205) |
| Proceeds from issuance of shares | — | 19,930 |
| Other, net | (217) | (211) |
| Net cash provided by (used in) financing activities | (218) | 19,709 |
| Effect of exchange rate change on cash and cash equivalents | 250 | (263) |
| Net increase (decrease) in cash and cash equivalents | 3,006 | 25,980 |
| Cash and cash equivalents at beginning of period | 10,187 | 13,120 |
| Cash and cash equivalents at end of period | 13,193 | 39,100 |

(4) Notes on interim consolidated financial statements

(Notes on assumption of going concern)

Not applicable

(Notes on significant changes in shareholders' equity)

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 segment information, etc.)

[Segment Information]

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

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

(Unit: Millions of yen)

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

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

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

(Significant Impairment losses related to non-current assets)

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

II. Interim consolidated accounting period of the current fiscal year (from April 1, 2025 to September 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 interim consolidated statements of income (Note 3) |
|---------------------------------|--------------------|--------------------------|----------------------|--------|-------------------|--------|------------------------|--|
| | Polymers | Performance Materials | Fibers & Textiles | Total | | | | |
| Net sales | | | | | | | | |
| Net sales to outside customers | 28,367 | 19,044 | 14,679 | 62,091 | 56 | 62,147 | — | 62,147 |
| Inter-segment sales or transfer | 2,926 | 951 | 51 | 3,929 | — | 3,929 | (3,929) | — |
| Total | 31,293 | 19,995 | 14,731 | 66,020 | 56 | 66,077 | (3,929) | 62,147 |
| Segment income (loss) | 4,996 | 855 | (179) | 5,672 | (8) | 5,663 | (19) | 5,644 |

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

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

Not applicable

3. Supplementary Materials

1. Results and earnings forecast for fiscal year ending March 2026 (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) |
| | FY ending March 2026 | Interim period | 62,147 | 5,644 | 4,828 | (3,487) |
| | | Full year (forecast) | 110,000 | 7,500 | 6,000 | — |
| | Comparison with previous year | Interim period | 597 | 3,410 | 3,677 | 6,355 |
| | | Full year | (16,411) | 1,648 | 1,306 | — |

2. Segment information (consolidated)

(Millions of yen)

| | | | Polymers | Performance Materials | Fibers & Textiles | Other | Adjustment | Consolidated total |
|--|---|--|----------|-----------------------|-------------------|-------|------------|--------------------|
| Results for previous fiscal year | 1st six-month period ended September 2024 (Results) | Net sales to outside customers | 28,101 | 18,362 | 15,049 | 37 | — | 61,550 |
| | | Component ratio (%) | 45.7 | 29.8 | 24.5 | 0.1 | — | 100.0 |
| | | Operating profit | 2,712 | 157 | (574) | (35) | (26) | 2,233 |
| | | Component ratio (%) | 121.4 | 7.1 | (25.7) | (1.6) | (1.2) | 100.0 |
| Results for current fiscal year | 1st six-month period ended September 2025 (Results) | Net sales to outside customers | 28,367 | 19,044 | 14,679 | 56 | — | 62,147 |
| | | Component ratio (%) | 45.6 | 30.6 | 23.6 | 0.1 | — | 100.0 |
| | | Operating profit | 4,996 | 855 | (179) | (8) | (19) | 5,644 |
| | | Component ratio (%) | 88.5 | 15.2 | (3.2) | (0.2) | (0.3) | 100.0 |
| Comparison with the same period of the previous year | | Net sales to outside customers | 265 | 681 | (369) | 19 | — | 597 |
| | | Increase/decrease from previous year (%) | 0.9 | 3.7 | (2.5) | 52.7 | — | 1.0 |
| | | Operating profit | 2,284 | 697 | 395 | 26 | 7 | 3,410 |
| | | Increase/decrease from previous year (%) | 84.2 | 442.8 | — | — | — | 152.7 |

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

(Millions of yen, persons)

| | | Capital investment | Depreciation (Property, plant and equipment) | R&D expenditures | Interest-bearing liabilities (end of fiscal year) | Financial account balance | Number of permanent employees (persons) |
|---|----------------|--------------------|--|------------------|---|---------------------------|---|
| FY ended March 2024 | Full year | 6,813 | 5,516 | 3,602 | 92,149 | (999) | 2,907 |
| 1st six-month period ended September 2024 | Interim period | 1,794 | 2,404 | 1,628 | 92,147 | (527) | 2,769 |
| FY ended March 2025 | Full year | 2,725 | 4,582 | 3,220 | 92,143 | (1,231) | 2,663 |
| 1st six-month period ended September 2025 | Interim period | 1,332 | 1,427 | 1,618 | 92,132 | (731) | 2,463 |

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 2024 | Full year | 8,169 | (7,541) | (279) | 10,187 |
| 1st six-month period ended September 2024 | Interim period | 4,914 | (1,940) | (218) | 13,193 |
| FY ended March 2025 | Full year | 6,293 | (3,146) | (435) | 13,120 |
| 1st six-month period ended September 2025 | Interim period | 5,562 | 971 | 19,709 | 39,100 |