UNITIKA
We Realize It!

UNITIKA REPORT 2025

Integrated Report

Connecting people's lives and technology

https://www.unitika.co.jp

25-130_2025.12.S.F

Making the materials for a better future society.

Technology exists to contribute to a prosperous life and a better future. Unitika has believed this to be true since our founding in 1889. Today, we provide materials that play indispensable roles in creating a sustainable society by accurately understanding needs before they arise, and meeting them with polymer technology evolved from our foundational fiber and textiles technologies. By offering our unique Unitika technologies, we aim to be a company that will continue to be chosen by our customers and by the future.

Our Philosophy

Contributing to society by connecting people's lives and technology

Notes on the Integrated Report

In FY 2021, the Unitika Group integrated the usual Fact Book and Unitika CSR Report, and issued a Unitika Report that summarizes the financial information and non-financial information in a single book. With this report, we are aiming to further deepen the understanding of the Unitika Group by a wide range of stakeholders, including shareholders and investors. In addition, the Unitika Group announced its revitalization plan in November 2024 and is currently implementing structural reform. Withdrawing from unprofitable business areas is one of the measures under this plan. Although withdrawal is already underway, this report contains some information related to business areas and products that will be subject to withdrawal.

Organizations covered in the report: In principle, this report covers the activities of Unitika, Ltd. and the Unitika Group companies, both in Japan and overseas.

Period covered in the report: April 1, 2024 to March 31, 2025 (includes some information from April 1, 2025 onwards)

Issue: October 2025

Important notes concerning forecasts: The contents of this report are based on the information currently available to the Unitika Group, and on certain assumptions the Unitika Group determines to be reasonable; the contents are not intended to be a promise that they will be achieved. The actual results, etc., may differ considerably due to various factors.

History of the Unitika Group

1889 | 1950 | 1970 | 1980 | 1990 | 2000 | 2010 | 2020

Founded as a spinning company, we have expanded our product areas to contribute to the realization of a better society.

Amagasaki Boseki (Later, Dainippon Boseki) Head Office Plant

Nippon Rayon Nearby the Uji Plant Main Building Office

Natural fiber

□Cotton yarn

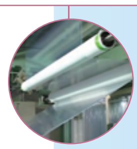
Synthetic fiber

□Vinylon fiber □Polyester fiber □Rayon fiber □Nylon fiber

Polymers Segment

□□Emblem□
"Emblem" is making a positive difference in food distribution, as a superior strength food packaging film with an oxygen gas barrier.

□□Emblem NC□
"Emblem NC" is easy-to-tear food packaging film, which can be cut off in a straight line.



Simultaneous biaxial-oriented nylon film "Emblem"

Polyarylate "U-Polymer"

Polyester film "Emblet"

Easy-to-tear film "Emblem NC"

Multi-layer film "Emblon"

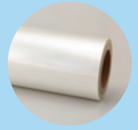
Nanocomposite

Release film "Unipeel"

Heat-resistant polyamide film "Uniamide"

Heat-resistant polyamide resin "XecoT"

High gas barrier film "Emblem HG"



Recycled nylon film "Emblem CE"

Performance Materials Segment

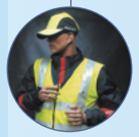
□□Sparklite□
A retro-reflective cloth using glass beads that enhances visibility at night and contributes to traffic safety.

□Solvent-resistant hollow fiber membrane
This energy-saving and low-cost product separates nanoparticles and dissolved components from other substances in organic solvents.

Spunbond nonwoven fabric

Glass fiber IC cloth

Glass beads "Unibeads"

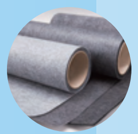


Retro-reflective cloth "Sparklite"

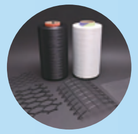
Core-sheath composite nonwoven fabric "Eleves"

□Activated carbon fibers

Spunlace "Cottoace"



Activated carbon fiber sheets

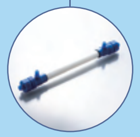


Thermal adhesive long fiber "Melset"

Smoke barrier "U-Clear Sheet"

□Low thermal expansion IC cloth

Gas-permeable waterproof sheet "Eleves Capping Sheet"



Solvent-resistant hollow fiber membrane "WINSEP NF"

Fibers & Textiles Segment

□□Hygra□
A fiber with a water-absorbing polymer placed inside absorbs and releases moisture, resulting in a smooth surface.

□Multi-layer yarn "Palpa"

□Meta-aramid fiber

Silky material "Silmie5"

Ultra permeable waterproof material "Dinkam"

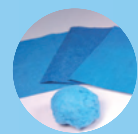
Moisture absorbing/ desorbing fiber "Hygra"

□Recycled fiber "Uniecolo"

□"Palpaeco"

Polylactic acid "Terramac"

Biomass nylon fiber "Castlon"



Cesium-adsorbing fiber "CsCATCHER"

Recycled polyester fiber "Z-10 ECO+"

Founded as a spinning company in modern Japan

The History of the Unitika Group began in 1889, when the company Amagasaki Boseki Ltd. was founded. Since 1918, we supported the development of Japan's fiber and textile industry as Dainippon Boseki Co., Ltd., which was regarded as one of the three major spinning companies. Then in 1969, we merged with Nippon Rayon Co., Ltd. to create Unitika Ltd.

We supported the shift to Western-style clothing since the Meiji era with apparel fibers. After the war, we responded to the growing demand for synthetic fibers in Japan and abroad.

Expanded business areas during the period of rapid economic growth

The way of living and economic environment in Japan changed considerably following the period of rapid economic growth and the Oil Shock. Amidst that, we forged ahead with differentiating and diversifying Unitika from our competitors, and developed our business into a wide range of areas from films, resins and nonwoven fabrics to activated carbon fibers. We expanded the areas in which Unitika products are used to go beyond just clothing, and also encompass general daily life goods, automobiles, and other applications.

We responded to new lifestyle needs such as the boom in personal cars, packaged food sold at convenience stores, etc.

Restructuring and reforming our businesses through selection and focus

After the collapse of the Bubble economy, we reviewed our businesses and set up new companies and overseas subsidiaries of our strong businesses. Unitika moved ahead with its global expansion through a process of business selection and focus. We focused on new businesses in polymers and performance materials, and strengthened development and sales to rebuild our portfolio.

With the proliferation of the Internet and mobile devices, we have expanded our contribution to the development of electronic devices.

Speeding up the development of environmentally friendly materials and high value-added products

As the global demand for sustainability continues, in many of our business areas, the Unitika Group is speeding up the new development and strengthening of businesses of high value-added products that can meet the needs of customers, and of environmentally friendly materials such as energy-saving products and products that use recycled resources and plant-derived raw materials.

We back up the sustainability required of all our products with unique, high-performance materials.

Message from the President

Minoru Fujii
Representative Director and President, Chief Executive Officer

Regaining your trust by revitalizing our business and sharing the results

Transferring businesses as we withdraw and rebuilding confidence in those remaining with full commitment

In the 38 years since I joined Unitika, I have spent 22 years, more than half of my career, in the Fibers & Textiles business. I gained experience in development and manufacturing before being put in charge of the Glass Fibers Division. For the past two years, my role has been to oversee corporate technology development and production technology. In 2009, I was responsible for leading the withdrawal from in-house manufacturing of nylon filament. After the withdrawal decision was announced, I held a series of discussions at the worksite that helped keep employee motivation high until the end. Thanks to everyone's efforts, we were able to get through the final year of manufacturing without accidents or quality issues. In truth, I should have been able to use this experience to prevent us from falling into our current predicament. Reflecting on my inability to do so has reinforced my commitment to implementing the revitalization plan.

We are keenly aware that this business revitalization plan has placed huge burdens on all our stakeholders, both inside and outside of the Company. When the plan was announced on November 28 last year, it caused a great shock within the Group. Our first response has been to address concerns and regain trust. To this end, we held a series of in-depth dialogues with our employees as we tried to rebuild our systems. For the departments we are withdrawing from, our highest priority is to transfer the businesses in good order and ensure that employment continues. To ensure that the business transfers were conducted smoothly, the cooperation of the employees was crucial to maintain and increase the business value.

It is essential to have a shared awareness of the tough business conditions. In terms of sales, we must pay close attention to profitability and identify our competitive advantages by analyzing our target markets and improving the accuracy of our competitive analysis. From the perspective of production technology, I communicated to employees that if they can manufacture high-quality products efficiently, it will result in solid sales. It is very important that manufacturing staff themselves are at the forefront of improving production technology. I also visited various business partners and clients to explain that we will continue to offer strong support as a supplier.

This is the first fiscal year of the business revitalization plan. All of us need to keep our eyes forward and stay aligned in the same direction, working hard so that, in the end, we can report results that meet or exceed the plan.

Becoming a first-mover company that leverages the unique technical capabilities and ability to identify needs that we have cultivated since our founding

Although we are withdrawing from the Fibers & Textiles business, one of our founding businesses, fibers will remain the source of the Group's core technologies. Nylon and polyester fibers are made by melting the raw material chips and then extruding the polymer to form the yarn. Similarly, glass is melted to make glass fiber yarn. For activated carbon fibers as well, the raw material is melted and extruded through a nozzle to make the fiber. The process differs according to the product, but they all involve melting and extruding raw material and forming it into a surface. This fiber technology is the DNA that we have inherited. After polymerizing or compounding resin, making the polymer into chips and producing a film is also a melting and extrusion process. These are all common elements in technologies used to make fibers.

The value of these core technologies that originate in fibers remains unchanged. We will leverage the technologies we have developed over the years to deliver products that help ensure lives that are safe and secure, convenient and comfortable, and in harmony with the environment.

Another key part of the Group's DNA is our corporate culture that integrates manufacturing, sales, and development. The combination of these three elements, along with an open environment, are things we have cultivated over many years. One example of this is the opportunities the Group provides for engineers to work together with the sales team to support customers. After listening to customer needs, we assess whether we can make a high value-added proposal that will solve their issues using our technologies. Having an engineer on the spot to make a quick judgment allows us to do this efficiently.

Over the medium- to long-term, even the core products in our continuing businesses will become commoditized as times change, and their value is sure to drop. We must strive to continuously improve our products in any way we can, no matter how small. We will focus on refining and marketing our technologies with a sense of urgency, recognizing that business revitalization will be impossible unless development and production work well together.

The Group's most profitable segment is food packaging films, and our first priority is to defend this at all costs. Rather than being satisfied by this segment alone, we aim to become a company that is always thinking about the next move by strengthening electrical and electronic materials, including the semiconductor field, and construction and civil engineering materials, whose demand is increasing due to aging infrastructure.

We have a wide variety of investment options available, but our management resources are limited, so objective judgments are necessary. We must also prepare alternative plans in case difficulties impede the main thrust of progress in the main plan. In these matters, we will receive support from a four-member management team from the Regional Economy Vitalization Corporation of Japan (REVIC), who will help us make highly accurate and timely judgments.

Concentrating capital in businesses with competitive advantages and targeting an operating profit margin of approximately 10% as the ultimate goal of the revitalization plan

Broadly speaking, there are four core technologies at the Unitika Group: plastic production technology, yarn production technology, fabric production technology, and film production technology. Products based on these core technologies are the source of the Group's earning power. In other words, they are our competitive advantages. These include unique materials that only Unitika offers. Enhancing these products will lead to the revitalization of the Group. We will take a variety of approaches at our Research & Development Center, not limited to material melting and extrusion, but including processes such as synthesis of new materials. However, as large-scale investments in research and development are not possible at the moment, we will focus on selected themes with good future potential.

For our competitive advantages in the area of human resources, let's consider the example of the glass fiber business. This field has a distinctive manufacturing process and established manufacturing technologies, so it tends to be conservative. However, we have experienced many cases where questioning a process leads to introducing something new that radically changes the worksite. A positive chain reaction occurs in which increased productivity raises equipment utilization, which in turn improves yields. Anyone who has experienced this will be motivated to effect further change. One of the Group's strengths is our ability to nurture highly perceptive employees at worksites who can make breakthroughs without being bound by past practices.

Development within the Group comes in two patterns: development by a development team within a business division, and development conducted as a corporate project by the Research & Development Center. In the case of development by a development team, the team has a deep understanding of customer needs, so they can quickly produce results in projects that are likely to be profitable. In contrast, in the case of development by the Research & Development Center, it is rare for results to be achieved in short periods of time. Their projects may span five years or more, starting from the initial theme setting before producing a sample workpiece for customer evaluation. If the project moves to the next stage, the Center will earn development expenses. Development expenses are the lifeblood of the Research & Development Center, based on a competitive principle where the Center brings in projects, implements various ideas, and makes appeals to customers. This is the strength of the Research & Development Center.

The Group is particularly proud of its intellectual property activities. Intellectual property is a strong foundation for business development and provides us with information we can use to cultivate new markets and inspire new applications. This is another of our competitive advantages. To maintain and improve these competitive advantages over the next five to ten years, we need to strengthen our earning power outside our core products to build up our revenue base. Since our core product of food packaging films is associated with the food industry, it's unlikely to experience huge fluctuations in profits. Even so, we need to develop supplementary businesses just in case.

Growth in the Japanese market is expected to be slow, so we must also look to overseas markets. In the glass fiber business, the overseas ratio for electronic materials is particularly high, but I think there is still room for growth both overseas and in Japan. "Emblem HG" is our highly profitable strategic material in the film business, and a key task is to further expand overseas markets for this product. If we can operate production facilities at full capacity, we can improve cost efficiency. In each business segment, we will identify the most appropriate investment destinations based on perspectives such as competitive advantages, market size, market growth potential, and the advantages of our technologies.

Recently, the Group is facing the issue of declining earning power. The businesses that will remain under the revitalization plan are profitable businesses, but even though they will receive various types of financial assistance such as debt forgiveness, investments, and loans, they must be more profitable than average to repay their remaining debts. Generating cash is also important. To achieve this, we need to both generate profits through sales and implement cost reductions and efficiencies. The Group has set operating profit margin as a key financial indicator in order to further improve our earning power going forward. In the fifth and final year of the revitalization plan, we are aiming for operating profit margin of approximately 10%. Other targets are net sales of 70 billion yen and operating profit of 6.5 billion yen.

Improving product competitiveness to respond to changes in the external environment

The first challenge we face in our external environment is price competition with China. This has had a huge impact on our subsidiary in Indonesia, which is involved in the film business. We no longer intend to compete on price. Rather, we will concentrate our management resources on our competitive advantages and shift to competing based on high value-added products.

The next challenge we face is the exchange rate. If the yen stayed at a fixed level, whether weak or strong, we could take certain countermeasures even if the risk of fluctuation remained. However, if exchange rates fluctuate wildly, we may miss our chance to pass on costs, resulting in drastic drops in profit margins. To address this issue, we make sure to pay close attention to exchange rate fluctuations and take appropriate measures.

Similarly, the prices of raw materials are vulnerable to volatility due to geopolitical factors. Although we do not like high prices, as long as our products remain competitive even at a high level, we should be able to minimize this problem by reflecting costs in our prices.

On the topic of environmental issues, we are closely observing trends in decarbonization and chemical substance regulations. Particularly in response to the issue of PFAS (organic fluorine compounds), we are leveraging Unitika's intellectual property information to develop new applications.

Fundamental structural reform with a new management system that includes REVIC

The Okazaki Plant is the production site for the polyester business, one of the businesses that we are withdrawing from. The size of this plant grew in step with increases in sales, but as competition with overseas products intensified, profits worsened, and narrowing down production to general-purpose products increased costs and made it difficult to continue the business.

After the structural reform in 2014, there was a period when the Fibers & Textiles business became profitable. However, when the COVID-19 pandemic worsened the situation, it was unable to recover. The trigger was price competition with China in the film business and overinvestment in facilities. When combined with low sales prices, we could not stop the decline in our cash on hand. We believe these factors led to the business revitalization plan.

Looking back at recent results, in FY 2023 (the fiscal year ended March 31, 2024), we fell into an operating loss for the first time since the start of consolidated financial statements. Even though net sales were largely unchanged from the previous fiscal year, the production amount declined and manufacturing costs increased in FY 2022. A large number of products made at our in-house plants where costs are high were carried over as inventory into FY 2023.

In FY 2024 (the fiscal year ended March 31, 2025), we optimized inventory throughout the year and sales recovered. To tackle costs, we recorded impairment of fixed assets, reduced depreciation burdens, and also brought labor costs under control. Looking at sales, the cycle of customer inventory adjustments for food packaging films was completed, and Group shipments returned to normal. Plastics sales also recovered, and price revisions improved profitability. Although the semiconductor market itself has not completely recovered, the glass fiber business saw a strong rebound in sales of highly functional glass fabrics, mainly for mobile device high-end memory. A new management system was needed to implement the revitalization plan, and this was formed by a management department that included a management team from REVIC. I am confident that this system will bring effective governance. REVIC is a public-private fund that excels in providing support that fits the situation of each company or business, and we have built a good relationship with them.

Four directors from REVIC have been appointed. There are two directors from Unitika. In addition to myself, the other director is a former banker who has been with Unitika for a long time and is responsible for operations such as general accounting, information systems, and legal compliance. The Vice President is in charge of structural reform and the nonwoven fabric and industrial fabric businesses that we are withdrawing from. Other directors will oversee the Fibers & Textiles business and the remaining businesses, as well as the administrative departments. We need to transfer businesses and sell assets, and REVIC has the expertise in handling such matters.

I am hopeful that we will avoid any problems and everything will go according to plan. Even if something should occur, REVIC managers can give valuable advice on corrective measures, which provides us with a great deal of peace of mind. In the business departments that we will retain, REVIC managers can take part in in-depth discussions on structural cost issues, so the system will be very useful there as well. For human resources at worksites, I want to appoint experts to key positions. However, I also believe it is necessary to rebuild the entire Company using methods such as DX to ensure that we are not reliant on individuals. I mentioned earlier the need to focus on developing highly perceptive employees who can make breakthroughs without being bound by past practices, who have expert skills, and who can also create strategies based on a clear vision. For these core human resources, we will ask for candidates from each department and develop them company-wide using a skill map. If we are successful, personnel with high levels of awareness will emerge. The Company will continue to focus on the steady development of human resources so that we can lead our employees to even greater excellence.

Developing strong governance for business revitalization: Stricter environmental regulations as an opportunity to expand sustainable materials

Strengthening governance is extremely important for business revitalization. We have reexamined all authorities specified at the Company and clarified the areas of responsibility of each director. Management related meetings are composed of three phases: first, the management liaison committee determines issues for discussion; these issues are discussed at a management meeting joined by the outside directors to deepen understanding; and finally, the issues are deliberated on by the Board of Directors. This environment ensures that it is easy for anyone to share their opinions, discussions are lively, and participants can candidly state their agreement or disagreement, so I don't think there are any problems in terms of governance.

A key prerequisite of a business revitalization plan is maintaining the conditions under which investments are received. To achieve this, comprehensive dialogue within the Company is vital. The outside directors who are continuing in their roles provide advice from a managerial viewpoint, taking the current progress into account and also offer psychological encouragement. Combined with careful monitoring by individuals experienced in structural reforms while working as representatives of major corporations and guidance from sustainability experts, we are receiving significant support.

In the sustainability field, we will further explore plant-based materials and the long-standing theme of recycling, while continuing to focus on initiatives such as reducing the energy used by manufacturing. The Group will take advantage of the global trend toward stricter environmental regulations as an opportunity to expand our range of sustainable materials, one of our core competencies, and we intend to invest management resources in this area. Our basic stance of promoting sustainability will continue unchanged. Sustainability from a global perspective is very important as a competitive strategy. As I mentioned earlier regarding PFAS, we should proactively communicate our actions to address this issue overseas.

To all stakeholders

I believe there is a reason why I have remained at Unitika and was appointed President. Why? Well, to answer my own question, it's because I know Unitika well. While keeping this in mind, I will first focus on

rebuilding the Unitika Group internally, working from the same point of view as REVIC and our employees. Fortunately, each department got off to a good start in the first quarter of FY 2025, creating a positive atmosphere where employees can take steps toward revitalization with confidence.

We will do our best to produce good results so that we can report to the public that the revitalization is proceeding according to plan. To achieve this, I am determined to carry out my duties as President with unwavering commitment. I hope to receive the continued understanding and support for the activities of the Unitika Group.

Representative Director and President, Chief Executive Officer

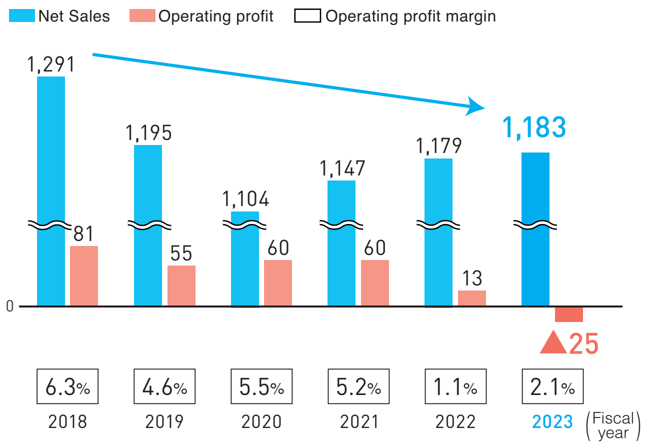
Minoru Fujii

Revitalization Plan

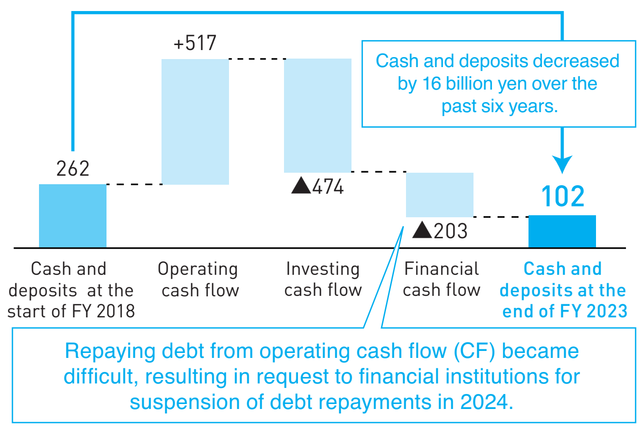
By thoroughly implementing fundamental structural reform, we will continue to be a company that contributes to future society.

The roots of the Unitika Group can be found in our predecessor company, Amagasaki Boseki, which was established in 1889. In 1918, Amagasaki Boseki became Dainippon Boseki and continued to power the spinning business, becoming a vital part of the manufacturing industry in Japan. In 1969, Dainippon Boseki merged with Nippon Rayon to form the integrated textile manufacturer, Unitika. As this unified company, we sought to diversify as a means to differentiate ourselves from competitors, entering businesses such as films, plastics, nonwoven fabrics, and activated carbon fibers. We expanded the business areas of Unitika products beyond garments to encompass lifestyle materials, automobiles, and other industrial applications. After the collapse of the bubble economy, we continued our business selection and focus, as well as globalization, but the business environment for the Fibers & Textiles business became very challenging due to changes in the economic environment and industrial structures in Japan. The structural reform implemented in 2014 resulted in a rebound in performance, and we made proactive capital investments from 2018. Unfortunately, results did not improve, and our financial structure worsened. Costs also increased due to rising prices for raw materials and fuel, which have delayed our ability to pass on costs, while low-price competition in China has led to a decline in facility operating rates. These factors have made fundamental structural reform essential and are the background to us applying for support under this business revitalization plan. By implementing this fundamental structural reform and leveraging the technologies we have cultivated over many years, we aim to continue as a company that contributes to the economy and society in Japan for many years to come.

Downward trend in net sales and operating profit (Unit: 100million yen)



Significant decrease in cash and deposits over the past six years (Unit: 100million yen)



Overview of Business Revitalization Plan

Reasons for fundamental reform to revitalize business

1 Excessive interest-bearing liabilities

2 Decline in ability to generate funds due to reduced earning power

- Cannot generate financial cash flow for debt repayments.
- Limited investment into businesses with future potential hinders prospect of business continuation and development.

Reasons for selecting the Regional Economy Vitalization Corporation of Japan (REVIC) as source of revitalization support

Solving issues 1 and 2 above is essential, so the following conditions are required:

- **Ability to invest new capital and obtain loans**
- **Ability to increase corporate value and trust through the support of experts in business revitalization**
- **Ability to reconcile interests with partner financial institutions**

REVIC satisfies all three of these conditions, so we decided to apply for their support after discussions with MUFG Bank, Ltd.

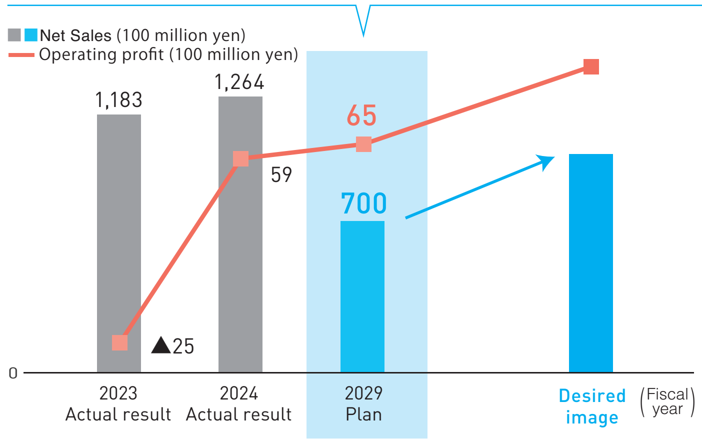
* To receive revitalization support, Unitika Ltd., Nippon Ester Co., Ltd., Unitika Sparklite Ltd., and MUFG Bank, Ltd. jointly submitted a business revitalization plan to REVIC, and it was accepted. This is only a request to partner financial institutions that covers financial assistance such as debt forgiveness, and it does not affect obligations incurred during transactions with business partners and clients. The revitalization support does not apply to any Unitika Group company other than the three mentioned above.

Overview of Revitalization Plan

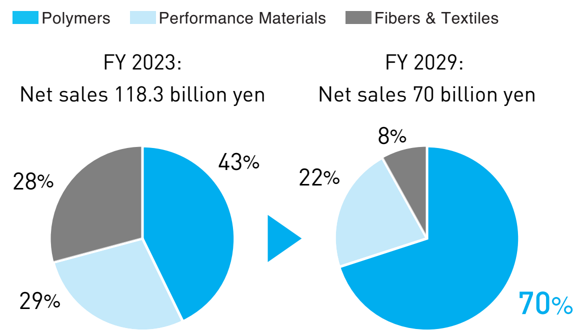
1) Basic policy

- Selection and focus to build a robust business portfolio
  → Reduce business size by about half
- Raising the required funds
- Improving financial structure
- Targets
  - Fiscal year ending March 31, 2028: Return all businesses to profitability
  - Fiscal year ending March 31, 2030: Net sales of 70 billion yen, operating profit of 6.5 billion yen

We will transform the business portfolio to focus on businesses with future potential, such as polymers, aiming for an operating profit of 6.5 billion yen in FY 2029.



Portfolio Changes Due to Structural Reform



2) Measures

Measures	Goal	Details
Withdrawal from unprofitable business areas and optimization of supply capacity	To improve group-wide profitability	• We withdraw from businesses with continuing operating losses where it will be difficult to improve profitability and ensure business viability going forward. Production at in-house plants is stopped, and businesses are transferred to other companies. Targets: Garment fiber, nonwoven fabric, and industrial fiber businesses (excluding certain areas of business)
Establishing a low-cost management system by fully implementing cost reductions	To build a low-cost management system	• Unit No. 4, the nylon film manufacturing line at our subsidiary, PT. Emblem Asia, is discontinued. (Product supply capacity is optimized, and fixed cost burden is reduced. The Unit has already been impaired in the FY 2024 second quarter financial statement.) • The polyester chips currently produced by our subsidiary, Nippon Ester Co., Ltd., are switched to external procurement to reduce costs. • Distribution routes are reviewed; shipping rules are changed; and contracts with logistics and warehousing companies are reviewed to reduce logistics costs. • Operations are reviewed; labor costs are reduced; and efficiency is improved to reduce operational costs.
Increasing sales of high value-added products	To strengthen earning power	• Polymers: We aim to expand profits by developing and increasing sales of high value-added products focused on the film and plastic businesses that form the core of our profits, and enhancing our business development capabilities by partnering with other companies and promoting initiatives that cut across all companies within the Group. • Performance materials: We invest management resources (people, things, and money) in markets with high potential for growth in the glass fiber, glass bead, and ACF business segments, where our unique strengths can be leveraged for business expansion. By promoting new applications, we aim to strengthen earning power.
Strengthening organizational management systems	To implement business revitalization plan promptly and strengthen governance system	• Directors and Audit & Supervisory Board Members dispatched from REVIC and MUFG Bank, Ltd. are accepted. • Management systems are reformed.

Fundraising and Financial Assistance to Implement the Revitalization Plan

To secure structural reform funds to implement the revitalization plan and return to healthy finances, we will raise funds from various sources and request financial assistance from our partner financial institutions.

1) Raising funds via third-party allotment of shares

In our current financial position, we cannot implement fundamental reform that involves capital impairment, so we must increase shareholders' equity to allow for implementation of the structural reform. To do this, we considered fundraising methods that would meet the following conditions: guarantee a certain level of funding; establish a sure source of funding; and give consideration to existing shareholders.

* For the fundraising methods that were considered, see the document below.

https://www.unitika.co.jp/news/io-pdf/re20241128-001.pdf

Document pp. 9–10 2. Purpose and reasons for offering, (2) Reasons for selecting third-party allotment of shares

After consideration, we decided to conduct a third-party allotment of shares by issuing class shares to REVIC.

(Overview)
[Purpose] Raising funds to implement the business revitalization plan
[Amount of funds raised] Approx. 20 billion yen
Class C shares issued via third-party allotment
· Number of Class C shares to be issued: 115,504,600
(Number of voting rights: 1,155,046)
· Issue price: 173.16 yen per share
[Use of funds] Funds to withdraw from unprofitable business areas
14 billion yen (May 2025 to March 2028)
Funds for building demolition, etc.
6 billion yen (October 2026 to March 2028)

* For matters related to voting rights after the third-party allotment of shares, see the document below.

https://www.unitika.co.jp/news/io-pdf/re20241128-001.pdf

● Status of voting rights after third-party allotment of shares
Document pp. 18–20 7. Major shareholders and shareholding ratio after third-party allotment of shares
● Dilution of voting rights due to third-party allotment of shares and opinion on violation of delisting criteria
Document pp. 5–6 2. Structure, etc., (2) Impact on existing shareholders
Document pp. 15–16 5. Reasonableness of issuance conditions, etc., (2) Basis for judgment that the number of issued shares and scale of share dilution are reasonable

2) Setting of credit lines by REVIC and MUFG Bank, Ltd.

We will raise funds according to the credit lines set by REVIC and MUFG Bank, Ltd., respectively, to implement the business revitalization plan.
[Funds raised]
Up to 15 billion yen from REVIC (credit line setting)
Up to 9 billion yen from MUFG Bank, Ltd. (credit line setting)

3) Request for debt forgiveness

We requested our partner financial institutions for debt forgiveness and received their agreement, which will improve our financial structure and establish a sound financial base.
[Debt forgiveness amount] Up to 43 billion yen
· We requested our partner financial institutions for debt forgiveness (to be implemented by the end of March 2026.)
· The debt forgiveness amount is approximately 29% of the total current debt of 148 billion yen as of March 31, 2024.

4) Acquisition of treasury stock for free from existing class shares

We acquired outstanding class shares issued in 2014 for free and canceled these class shares after acquisition.
Class A shares: 21,740 shares owned by MUFG Bank, Ltd.
Class B shares: 944 shares owned by Mitsubishi UFJ Trust and Banking Corporation

We acquired the above shares for free from the two banks and canceled the shares after acquisition (implemented on April 30, 2025.)

Core Businesses and Growth Strategies

Polymers Segment (Film Business)

Food Packaging Films

The Unitika Group was the first to successfully industrialize nylon films, and we hold a market share of 40% in Japan. We are expanding business based on our superior domestic supply capacity. By expanding sales of highly functional gas barrier films, including increasing production of our main product "Emblem HG," we aim to further enhance food safety and contribute to society.

Market trend/Keyword	Future business strategy
Food loss reduction and shelf life extension	Developing high value-added products, such as gas barrier films
Environmental issues	Proposing and expanding sales of chemical recycling products
Expansion of ready-to-eat food market and pursuit of convenience and usability	Developing differentiated products, such as those with ease-of-opening and straight-cut properties

Chemical Recycling UNITIKA ®

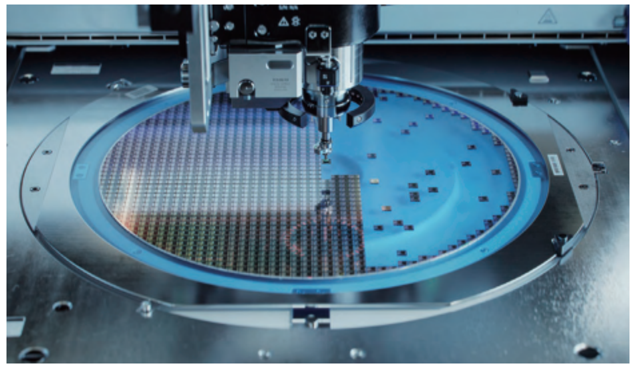
Environmentally friendly nylon film made by combining plastics obtained from chemical recycling and materials recycling, "Emblem CE"

Nylon film "Emblem NC" and polyester film "Emblet PC," developed for improved openability of packaging materials through their straight-cut properties

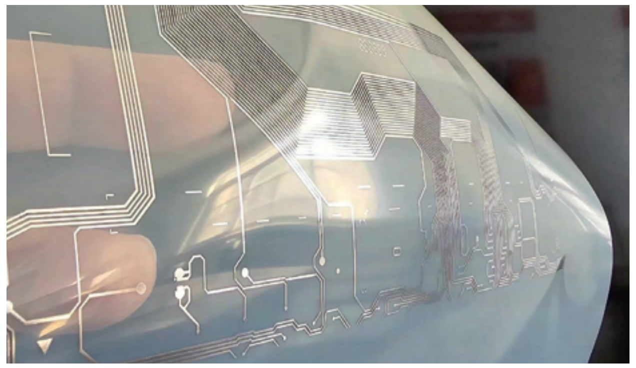
Industrial Films

We manufacture films used in manufacturing processes of semiconductor products and films used in electronic components. Our strategy is to develop a niche presence by leveraging our unique technologies. We will expand sales of highly functional products focused on electrical and electronic applications, such as "Unipeel," a core silicon-free release film, and "Uniamide," a film which has excellent transparency and heat resistance.

Market trend/Keyword	Future business strategy
Growth of generative AI market	Developing and launching special films for the latest semiconductor manufacturing processes
Slimmer and smaller electronic devices, such as smartphones	Increasing adoption of films with excellent transparency and heat resistance



Silicon-free release film "Unipeel"
[Target application example] Release film used in semiconductor manufacturing processes



Highly heat-resistant polyamide film "Uniamide"
[Target application example] Transparent, flexible substrate

Performance Materials Segment (Glass Fiber Business)

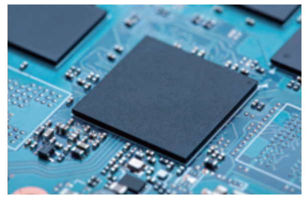
Glass Fibers

We contribute to safe, secure, and convenient lives across a wide range of fields and applications through our glass fibers with excellent properties such as high strength, incombustibility, corrosion resistance, electrical insulation, and heat resistance. Conventional glass panels used as flame-resistant hanging partitions to prevent the spread of smoke during a fire pose a risk of falling and shattering in the event of an earthquake, which can cause injuries. The Unitika Group's "U-Clear Sheet" is a lightweight, transparent, and non-combustible sheet that addresses this issue and is seeing increasing use. We have achieved the top market share of over 50% in Japan and are working to expand this product's applications, as well as looking to overseas markets.

Glass Fibers (Electronic Materials)

Glass fibers are used in the semiconductor field due to their excellent electrical insulation and heat resistance. We manufacture and sell ultrathin glass fabrics used for thin substrates on which semiconductor components are mounted. Our strength is the ability to produce the full range of products, from fine fibers to thin fabrics, needed to support the miniaturization of semiconductor components used in smartphones and other mobile devices.

Glass yarn



Insulating materials for printed circuit boards

Transparent non-combustible sheet "U-Clear Sheet"

Tent

Bag filters

Message from Director in Charge of Structural Reform

Withdrawing from businesses is not the end of structural reform

Revitalizing the business by leveraging Unitika's valuable management resources

The departments subject to structural reform have been operating under great pressure since it was announced on November 28 last year. Colleagues have left, and customers are worried. Even under these difficulties, staff at these departments are staying positive and conducting their work calmly. I cannot express how grateful I am for this. As a result, we have made steady progress toward transferring the businesses.

In the continuing business departments, it is important to understand this pain and think about how to use the experience to build a better future. One of the causes of the Group's current predicament was the failure of large-scale capital investment in the continuing business departments. As such, reform is particularly important for the businesses we will continue to operate. Generating new sales, improving unit costs, and implementing low-cost operations, such as reduced logistics costs, are all included in the scope of this business revitalization plan.

As we change to new work methods, it is only natural that internal disruption and customer opposition will arise, and reform may have more of a negative effect on results than a positive one in the short term. As we face these barriers to reform, it is important that we take action proactively rather than being indecisive.

Since coming to Unitika and visiting key worksites, I have discovered for myself the Company's unique and valuable management resources, some of which I have seen for the first time. For example, the techniques cultivated at manufacturing plants through trial and error, the relationships of trust with customers built through years of business partnerships, the many R&D projects with high future potential, the group of high-quality materials made with technologies such as polymerization, which cannot be easily replaced by competitors, and many more. These resources may not be visible at a glance, but they are the source of the Group's competitiveness and valuable assets that will determine our future.

Strongly cooperating with President Fujii to prioritize the establishment of a medium- to long-term business base

During the five-year period of the business revitalization plan, the Board of Directors should hold discussions not only on structural reform, but also medium- to long-term strategies based on appropriate risk taking. Research, technology, development, and intellectual property are all important parts of ensuring stable profits over the medium to long term and supporting sustainable growth. In this regard, maintaining close cooperation with President Fujii is essential.

It is also the role of management to outline a clear vision for the future of the business to boost workplace morale. Particularly at this time of structural reform, it's important to be enthusiastic and speak positively of the future. This is not my strong point, so it will be crucial for me to work in partnership with President Fujii in this area.

Currently, directors dispatched from the management shareholders make up the majority of the Board of Directors. Although this is inevitable when driving forward structural reform, hearing neutral opinions from the outside will also be important to maintain the effectiveness of the Board of Directors. This is the important role of the outside directors, so their cooperation is vital.

For the future of Unitika, we do not shy away from disagreements

This process does not end just by drawing up the business revitalization plan. The plan must be implemented and achieved. By achieving the plan, we will be able to make repayments to banks, increase capital investment, and distribute profits to employees as well. Even if it causes disagreements at internal meetings, it is our duty as directors to firmly state our opinions from the perspective of economic rationality. I hope that we can have constructive discussions with a shared understanding that our goal is to make the company better.

I have been dispatched here temporarily from a management shareholder, so I am aware of my position as an outsider no matter how much we work together. However, I share with you all the same concerns for the future of Unitika as we work on this structural reform.

Following a significant improvement in financial base, we will transform business structure and achieve sustainable growth

By utilizing the business revitalization support program of REVIC, Unitika will receive up to 43 billion yen of loan forgiveness (* not implemented yet) and 20 billion yen of capital investment, which will make significant progress toward structural reform in the financial area. The prospect of returning to sound finances is visible on the horizon.

In terms of profit and loss, net income will become negative due to extraordinary losses incurred as a result of structural reform, but this is a one-time loss. The operating profit level that indicates the profits of our main business is showing signs of gradual improvement. By establishing a sound financial base, we have made it possible to steadily transform our business structure to build toward future growth.

As we push forward to see the structural reform through to completion and work toward the sustained improvement of corporate value, we sincerely ask for your continued support.

Senior Executive Vice President
Hisami Kashiwagi

Value Creation Process

Aiming to be a company that is continuously chosen, and contributing to the creation of a sustainable society.

INPUT

Financial

Total Assets: 149.4 billion yen
Free CF: 3.15 billion yen
Cash flow from financing activities: △440 million yen
(As of March 31, 2025)

Manufactured

Production bases: 14
(Domestic: 11/Overseas: 3)
(As of March 31, 2025)
Capital investment: 2.7 billion yen

Intellectual

R&D expenses: 3.22 billion yen
Number of patents held: 1,721
(Domestic: 1,142/Overseas: 579)
(As of Mar. 31, 2025)
Technology development department directly linked to business units
Technology handed down over the years

Human

Number of Employees: 2,663 (consolidated)/ 1,218 (Non-consolidated)
(As of Mar. 31, 2025)
Research and Development Department: 200 (As of Mar. 31, 2025)
Core Personnel: Management personnel, Production executive personnel, Digital transformation (DX) personnel

Social and Relationship

Long-term close customer relationships
Over 130 years of corporate activity

Natural

Plant-derived raw materials of environmentally friendly products
Total water intake: 22,142 thousand m^3
(River water and groundwater)

Our Philosophy

Contributing to society by connecting people's lives and technology

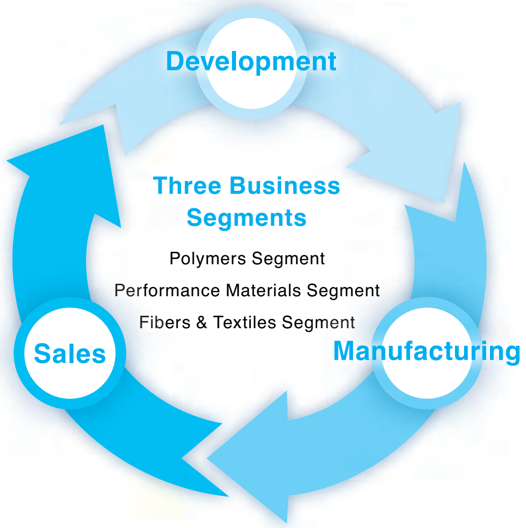
Strategy

"The three Gs"

- **Growth** Rebuild the business portfolio
- **Global** Promote global business development
- **Governance** Prepare a business base

Business Model

Business Activities



Strengths

Responsiveness to diverse needs	Global niche technologies and products	Domestic and global top share products

Core Technologies: Polymerization technology, Compound and alloy technology, Spinning technology, Drawing and yarn processing technology, Inorganic fiber technology, Weaving and knitting technology, Post processing technology, Nonwoven fabric technology, Film forming and stretching technology, Spheroidizing technology, Emulsifying and coating material formation technology

Priority Issue

"The three Ps" Prosperity, Planet, People

Basic matters underlying the priority issues

- Adhere to compliance standards
- Strengthen governance
- Ensure product safety and quality
- Promote digital transformation

Social Demand and Trend

OUTPUT

Products used in our products and those of our customers

1. Construction and civil engineering materials, Industrial materials, Food packaging materials, Sanitation materials
2. Electrical and electronic materials, Industrial materials, Filter materials
3. Biodegradable materials, Various recycled materials

FY2024
Net sales: 126.4 billion yen

- Employee satisfaction
- Strengthening partnerships with business partners
- New corporate value
- Amount of industrial waste disposed: 5,071t
- Rate of recycling: 91.7%

OUTCOME

Social value provided through our products

1. **Safe and secure living**
We provide products that can protect people from or minimize various risks in their daily lives (disasters, accidents, crimes, damage to health, etc.).
2. **Convenient and comfortable living**
In response to globalization, digitalization, changing lifestyles, progressive aging, and other changes in society, we provide products that are compatible with diverse lifestyles and lessen the burdens of daily life.
3. **Living in coexistence with the environment**
We provide products that contribute to the improvement of living standards around the world, mitigation of climate change, reduction of the environmental impact, and saving resources and energy.

Desired image: A company that is continuously chosen by customers

- A company that contributes to society through manufacturing, and is trusted throughout the world
- A company that creates new value with unique technology, and continues to grow sustainably
- A company that increases corporate value and is evaluated highly by a wide range of stakeholders

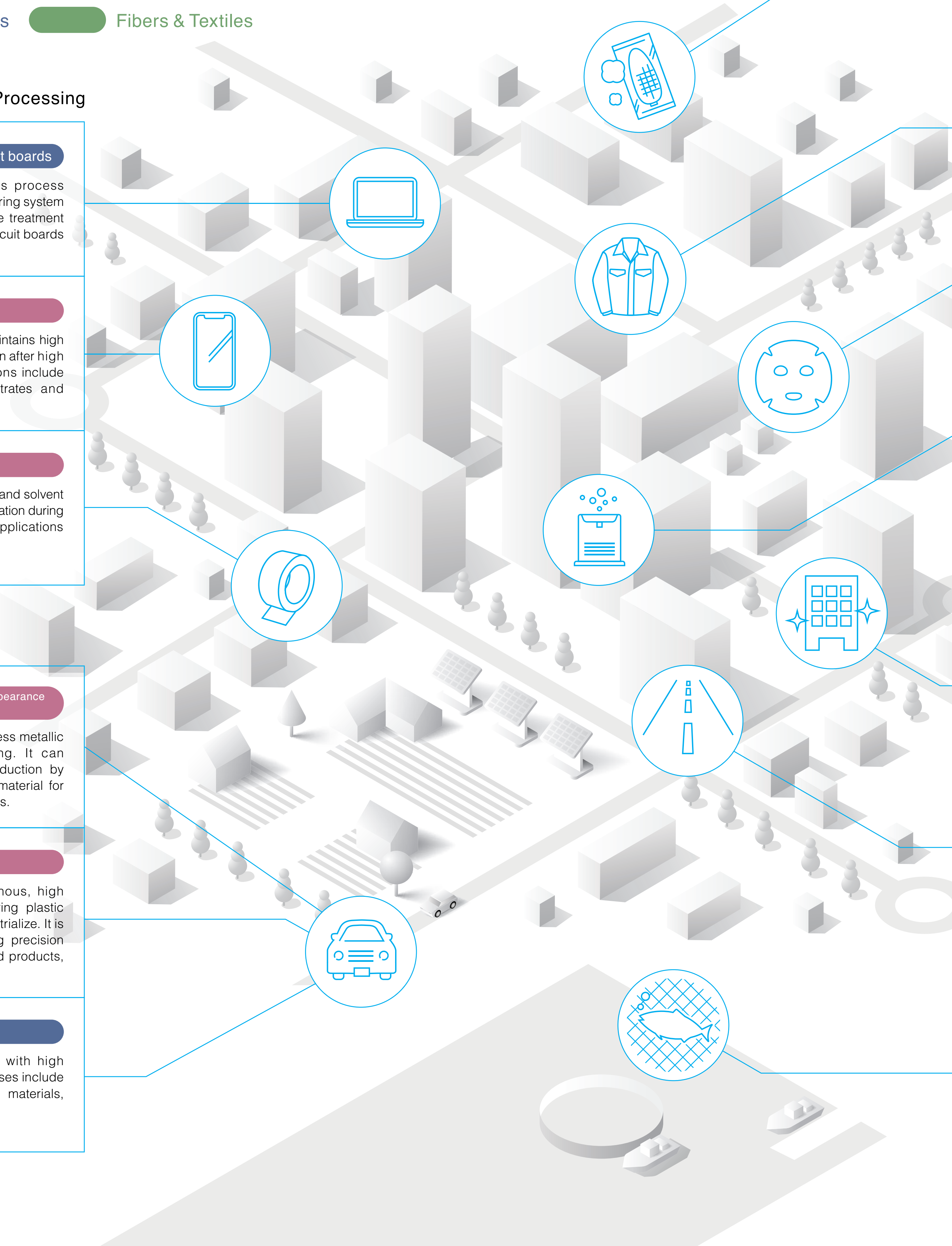
Targets to be achieved by FY2029

Net sales	70 billion yen
Operating profit	6.5 billion yen

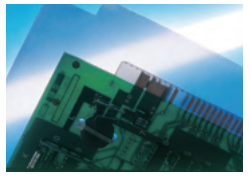
Scenes in which Unitika's Products Used

The Unitika Group's products are used in a wide range of situations,
from automobiles, food packaging, and digital equipment to building materials.
We support the various aspects of daily life, the environment, and the development of diverse industries.

Polymers | Performance Materials | Fibers & Textiles

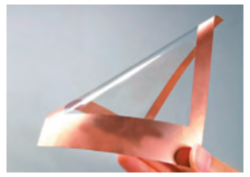


Telecommunication, Electronics and Semiconductor Processing



Finished glass fabrics for printed circuit boards

Glass fiber fabrics that combine various process technologies within an integrated manufacturing system from the raw fibers to weaving and surface treatment processing. Used as a material in printed circuit boards for many digital devices.



"Uniamide"

A high heat-resistant polyamide film that maintains high transmittance of both UV and visible light even after high heat treatment such as reflow. Applications include transparent heat-resistant laminated substrates and heat-resistant carrier tapes.

"Unipeel"

A silicon-free release polyester film with heat and solvent resistance. There is no risk of silicon contamination during processing. Used in various mold release applications such as in the electronics field.

Automobiles and Mobility

High-gross pre-colored plastic with metallic appearance resin Unitika nano-composite nylon 6

Nylon resin that can achieve a high-brightness metallic appearance simply by injection molding. It can contribute to energy saving and VOC reduction by eliminating the coating process. An ideal material for metallic interior and exterior automobile parts.

"U-Polymer"

A polyarylate resin, which is an amorphous, high heat-resistant, transparent super engineering plastic that Unitika was the first in the world to industrialize. It is used in a range of applications, including precision equipment, cars, machinery, medicine, food products, and everyday goods, etc.

"Marix"

A polyester spunbond nonwoven fabric with high strength and high dimensional stability. Its uses include civil engineering materials, construction materials, automobile parts, and carpet backing.

Living and Safety

"Emblem HG"

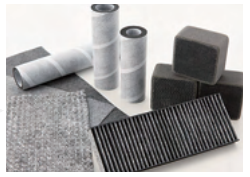
A high gas barrier nylon film for use in boiling and retorting applications. Its barrier properties do not change when subjected to physical stresses such as bending and tension. It enables the long-term preservation of food products.

"Palpa"

Double-layered yarn consisting of a core (polyester) and a sheath (cotton). It combines the feel of cotton with the wrinkle resistance and dimensional stability of polyester.

"Cottoace"

A nonwoven fabric made of 100% cotton fibers strongly intertwined with each other using only jet water flow. It is used in products that come into contact with the skin, such as cosmetic goods. It is also certified as marine biodegradable (OK biodegradable MARINE).



Activated carbon filters

Filters that use Unitika's activated carbon fibers, which have excellent adsorption speed of minute amounts of harmful substances. Used in water purifiers and air purifiers that contribute to water and air purification and pollution prevention.

Civil Engineering, Infrastructure, and Construction

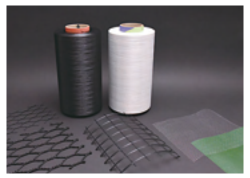
"Aqua Pack"

A sheet that is a nonwoven fabric pre-impregnated with curing agent and can be easily applied to concrete by simply watering the nonwoven fabric. It is registered with NETIS.

"Unibeads"

True spherical glass beads ranging in size from a few micrometers to a few millimeters. Used for a range of road sign applications, including white lines and pedestrian crossings. Their retroreflective properties increase visibility at night, playing an important role in road safety.

Primary Industry



"Melset"

A high-strength and core-sheath composite multifilament, composed of high-viscosity polyester resin at the core and low-melting polyester resin at the sheath. It is a binder fiber that can be molded into various shapes by heat treatment.

Polymers Segment

Focusing on differentiated products that meet the environmental, digital, and other needs of our time

Films Division

Senior Executive Officer,
General Manager of Films Division
Masahiro Morita

Unitika was the first company in the world to manufacture nylon films. Over the years, these films have supported food culture in Japan as packaging materials that help protect food and make transportation and storage more efficient.

Our packaging films are compliant with the Food Sanitation Act in Japan, and when made into packaging materials and used to wrap food in the clean environments of our customers' facilities, they help ensure food safety for all. In recent years, our barrier films “Emblem HG” and “Emblem DCR,” which are suitable for long-term storage, have earned high praise for reducing food loss.

Our industrial films are widely used as industrial product materials, process materials, and secondary materials. Recently, our polyester films with excellent dimensional stability have supported the market growth of many electronic devices. Thanks to their widespread use in semiconductor manufacturing processes and their role in further advancing digital communication networks, these films have helped make everyday lives more convenient and comfortable around the world.

In recent years, there is increasing demand for recycled plastics to help address the risks of climate change. In response, we leveraged our chemical recycling polymerization technologies within the Group and combined them with materials recycling to manufacture “Emblem CE” and “Emblet CE,” products with an environmentally friendly appeal. We have established manufacturing and sales systems in our nylon film business that use recycled materials as sustainable raw materials and allocate them based on a mass balance approach. As a result, we have obtained ISCC PLUS certification as proof of how our manufacturing environment and products help society coexist in harmony with the environment.

In FY 2025, we expect to see solid results in both the packaging and industrial fields due to higher demand generated from Expo 2025 in Osaka and inbound tourism, as well as higher semiconductor demand due to the proliferation of AI. In the industrial field, we believe that growth in the semiconductor market will help us expand our products to more electronic devices as we aim to turn the new development themes that we have been pursuing tirelessly into core businesses. In the packaging field, although we are concerned about the rising prices of food, we have strengthened our position as a film manufacturer by continuing to offer products that meet the diverse needs of customers, including convenience, long-term storage, and environmental protection.

One of our primary expectations for future growth fields is increasing demand for communication electronics and semiconductor/electronic substrates. We are working together with the Research & Development Center to expand sales of “Uniamide,” a film made of highly heat-resistant plastic, which is expected to be even more suitable for these applications than our silicon-free release film “Unipeel” or polyester. The Research & Development Center is also currently developing a new type of flexible, heat-resistant film that is softer than other types, intended for applications where the performance of conventional films is inadequate.

Our synthetic resin products offer outstanding value and help customers reduce their environmental impact

Plastics Division

Executive Officer,
General Manager of Plastics Division
Kouji Murakami

The Plastics Division manufactures and sells highly functional synthetic resin products, centered on nylon and polyester. These products are used in parts and products across diverse fields, including automobiles, electronic devices, and packaging materials. Our core technologies include recipe development and corresponding production technologies for organic synthesis, polymer modification, copolymerization, compositing, and water-based formulations. Based on these technologies, we have developed and launched highly functional resin products, such as “U-Polymer” and “Arrowbase,” which have found homes in products around the world. We will continue to provide products with outstanding value that bring safety, security, convenience, and comfort to our customers, offering powerful support for market innovation.

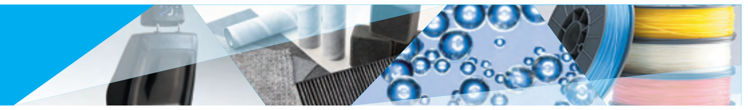
My division also aims to expand its range of products that address the themes of biomass, recycling, and reduction, responding to recent demand for environmental friendliness and helping to create a sustainable society.

Our biomass materials include “XecoT,” “Terramac,” and “Caracle,” an eggshell composite material manufactured and sold by group company Terabo Co., Ltd. In terms of recycled materials, we provide nylon made from chemical recycling, and Terabo provides PCR materials (recycled plastics from post-consumer waste). We have obtained ISCC PLUS certification—proof of our promise to provide safe and secure recycled products. On the theme of reduction, Unitika nanocomposite nylon 6 with metallic appearance has eliminated the need to coat many parts, and reduced part weight. We developed “Arrowbase” using dispersed polyolefin resins based on our unique water-based formulation technology, which helps customers cut down on substances that impact the environment by reducing VOC and eliminating the use of chlorine. Our transparent, high solder-heat-resistant material, New “U-Polymer,” can simplify manufacturing processes for electronic devices.

Unfortunately, the unstable geopolitical situation means that we do not expect a large increase in demand either domestically or internationally in the short term. We will closely observe changes in market demand trends and build an efficient production system that is capable of delivering our products to market in a timely manner. Currently, there is strong demand for the development of technologies and products related to electric vehicles, self-driving, higher data transmission speeds for electronic devices, higher functionality for packaging materials, and reduced environmental impact. Our synthetic resin products support customers as they drive forward such developments.

We share our core technologies of recipe development and production technologies with the Research & Development Center, and we work in partnership to develop new products. The Research & Development Center is also promoting Materials Informatics (MI) and Process Informatics (PI) that leverage machine learning and generative AI, and this is already bearing fruit by improving material development and production technologies in my division. In our manufacturing efforts, we are strengthening external alliances to add to our in-house production facilities, and will deliver better products by making optimal use of production infrastructure both inside and outside the company.

Performance Materials Segment (Glass Fiber Business)



Rapidly responding to global demand for PFAS reduction with high-performance and safe products

ACF Division

General Manager of ACF Division
Shigeaki Sawada

The ACF in the name of my division stands for Activated Carbon Fibers. We design and sell filter products that are primarily made of activated carbon fibers. These products are used for water purification, air purification, and industrial applications to remove substances that are harmful to humans from tap water, such as trihalomethane and PFAS (organic fluorine compounds), as well as impurities from liquids, and particles such as formaldehyde from the air. In this way, we help to create safe and secure living.

Our target markets are fields that require high performance for harmful substance removal. These target fields prioritize performance and require compact designs. Water purification applications are mainly household products, while industrial applications typically involve cartridge filters installed at the end of processes. To achieve both compact size and high performance, we leverage the advantages of activated carbon fibers and our extensive experience of success to rapidly provide designs and prototypes. This is the strength of my division.

PFAS have recently been detected in domestic water purification plants and groundwater, and their toxicity is of concern. Overseas, PFAS regulations are becoming stricter, and Japan's water quality standards for tap water will also be raised from April 1, 2026. Many more types of PFAS are also expected to be added to the list of controlled substances. To respond to demand from the market and society for PFAS reductions going forward, we will strive to be the first to launch safe, high-performance products into the market.

My division's development departments are located at the site of the Research & Development Center, creating an environment that facilitates consultation with researchers from different fields. Instead of just focusing on the analysis of trace components as is usual in product evaluation, I hope that the Research & Development Center will allow us to leverage its know-how in data analysis to speed up development and find prompt solutions in the event of any product issues.

Contributing to the advancement of edge devices with the world's thinnest glass fabrics

Glass Fibers Division

Executive Officer,
General Manager of Glass Fibers Division,
Representative Director and President of Unitika Glass Fiber Co., Ltd.
Hiromasa Itakura

The Glass Fibers Division has expanded into both the industrial materials field and the electronic materials field. Our products in the industrial materials field help create safe and secure living. "U-Clear Sheet" is a composite sheet composed of special resin and ultrathin glass fabric that is non-combustible, transparent, and lightweight. This product complies with the non-combustible material regulations of the Ministry of Land, Infrastructure, Transport and Tourism in Japan. It is used for smoke barriers, partitions, and sheet shutters. When commercializing products, in addition to the technologies we have accumulated in my division, we also take advantage of the talents of many outside partner processing plants. Our strengths are product planning skills, processing plant networks, and established supply chains.

We provide products across a wide range of applications, including construction and civil engineering, environment and energy solutions, and the electric and electronic fields. Although each project may be small, collectively they result in steady profit increases. Going forward, we anticipate growth in fields such as thermal insulation materials for raw material and fuel carriers and materials for solar power generation.

Glass fabrics in the electronic materials field will mainly be used for semiconductor printed circuit boards for the mobile DRAM and NAND flash memory in smartphones and other devices. We beat our competitors to developing the world's thinnest glass fabrics, supporting edge devices such as high-performance smartphones, and contributing to convenient and comfortable living. Our strengths are our development capabilities that allowed us to develop the world's thinnest glass fibers, and the weaving, surface processing, and quality control technologies that we use to mass-produce them.

Currently, we are also proceeding with developments to enter the AI semiconductor package substrate market, which is experiencing rapid growth in demand. We plan to establish mass-production technologies during FY 2025 and start full-scale sales from FY 2026.

Many outstanding materials are available within the Unitika Group. By combining these materials with my division's technologies and those of our outside partner processing plants, we aim to develop products that will shape the markets of the future.

Contributing to traffic safety with our unique retroreflective technology, while targeting the European market

Glass Beads Business

Representative Director and President of Unitika Glass Beads Co., Ltd., and Representative Director and President of Unitika Sparklite Co., Ltd.
Hideaki Yamada

Unitika Glass Beads Co., Ltd. (UGB) and Unitika Sparklite Co., Ltd. (USPL) are responsible for the Group's glass beads business.

UGB uses glass waste material as its raw material. While maintaining the properties of glass, we add our spheroidizing and classification technologies to discover myriad new possibilities in glass that has reached the end of its life. This is the foundation of our manufacturing. UGB's most widely used application for glass beads is in road marking paint for lane lines, pedestrian crossings, stop lines, and other traffic markings. Thanks to their retroreflective properties, glass beads help increase the visibility of road markings at night, and they ill continue to play a useful role in road safety.

We have started to receive orders for the spheroidization of the distinctive glass of glass manufacturers using UGB's proprietary spheroidizing technology, and we will seek to increase these orders going forward. We are also leveraging our high-precision classification technology to strengthen our product lineup in fields that require distribution of glass beads with highly precise levels of granularity. One promising market is for spacers in gap control of precision parts, such as optical or electronic components.

The reflective products manufactured at USPL are typically used for applications such as reflective sheets on workwear.

Using a combination of UGB's high-refractive-index glass beads and USPL's original fine dispersion technology, we manufacture reflective products with enhanced visibility that contribute to safety. We expect market demand related to the theme of safety to continue to grow, including clothing and equipment used in many fields such as transportation, security, crime prevention, firefighting, lifesaving, disaster prevention, and sports. We also plan to increase our presence in the European market, where there is demand for highly functional reflective materials. Going forward, both UGB and USPL will focus on products that improve visibility using retroreflective properties as core products in the glass beads business.

Technology and R&D

Technology Development Policy

Based on the Unitika Group's philosophy, we aim to conduct development that is highly compatible with our existing businesses while expanding our core businesses at the same time, and also developing highly profitable materials in growth areas within the area of the three types of living to which our technologies should contribute: safe and secure living, convenient and comfortable living, and living in coexistence with the environment.

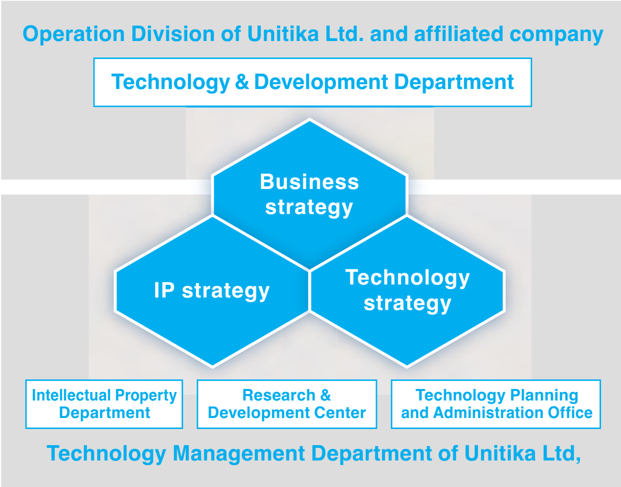
Technology Development Structure

Within the Unitika Group, technological development is handled by the technology and development departments of each Unitika division and their affiliate companies, as well as by the Research & Development Center, which belongs to Unitika's Technology Management Division.

The technology and development departments of each division and affiliated company are working to develop technologies that can respond quickly to the requirements and needs of customers.

The Research & Development Center is engaged in the development of technologies that span across the Group and new materials and technologies that will support the next generation of the Unitika Group.

The Unitika's Technology Management Division, to which the Research & Development Center belongs, also includes the Technology Planning & Administration Office, which formulates company-wide technology strategies, and the Intellectual Property Department, which manages intellectual property and formulates intellectual strategies, so that the three strategies of business, technology, and intellectual property are integrated to strongly promote technology development throughout the Unitika Group.



Direction of Technology Development

The Unitika Group's core technologies are based on the technologies for melting substances and forming them into fibrous, planar, and spherical forms that originate in our foundational Fibers & Textiles business. We have long utilized these core technologies to provide performance materials to the lifestyle and industrial fields.We will continue to advance our core technologies by integrating new peripheral technologies based on our existing core technologies and strengthen the foundations for new product development. In addition, as a medium- to long-term development guideline, we will identify development targets in markets and fields that we expect to grow in the future, and adopt the posture described on the right in order to promote development in these areas and demonstrate our presence as "a company that is continuously chosen" and lead to future business growth.

□ We aim to develop one-of-a-kind products with an awareness of B-to-B niche and growth areas.

□ We will provide materials and technologies that solve problems based on a deep understanding of our customers□manufacturing processes.

□ We will create new technological value by focusing on the □high-speed and large-capacity network communications society,□□low-carbon society,□and □society responding to declining birthrates and aging□as the future society.

Intellectual Property Strategy and Activity Policy

The Unitika Group will add intellectual property strategies to its technological and business strategies and promote them in a three-pronged manner in order to build a network of strong proprietary product rights and secure the superiority of its businesses and products. By enhancing the effectiveness of our intellectual property strategy, we will continue to increase the business contribution of our intellectual property activities, including the value of our own patents, the degree to which our patents are utilized in our business, and the effect of patent clearances from other companies.

We are also engaged in so-called intellectual property landscape activities, in which we analyze a wide range of intellectual property and non-intellectual property information and utilize the information to develop new customers and search for new development themes in order to contribute to our medium-to long-term business strategies.

Details on Direction of Technology Development

Growth markets and fields that Unitika should target

Category	Direction and issues to address
Telecommunication, Electronics and Semiconductor Processing	Evolution of AI, high-speed and low-latency communications / Self-driving vehicles, IoT, virtual reality, and smart cities
Civil Engineering, Infrastructure, and Construction	Safe, secure, and comfortable living environment and build environment / Aging of civil engineering infrastructure / Increasing threat of earthquakes and other natural disasters / Decreasing number of maintenance and management employees (increasing need for labor saving)
Energy (new energy, energy saving, energy storage)	Increasing energy demand (AI servers, etc.) / Proliferation and increasing efficiency of renewable energy / Proliferation of energy storage systems / Promotion of energy saving
Resource saving, environmental measures, and recycling	Climate change measures / Realization of a circular society
Food and food products	Increasing food demand / Growth of global supply chains / Food loss issue
Water purification and treatment	Ensuring tasty and safe water / Water shortages / Measures to prevent environmental pollution from wastewater (Measures to prevent soil and groundwater contamination)
Automobiles and Mobility	Proliferation of xEVs*1 and FCVs*2 / Shift to SDVs / Proliferation of drones and practical application of flying cars

*1 A generic term for electric vehicles, including hybrid electric vehicles (HEVs) and fuel cell electric vehicles (FCEVs)
"*2 Software Defined Vehicles:vehicles whose performance and functions can be upgraded by updating their built-in software via external communications"

In promising growth markets, we will deepen our understanding of customers' bottlenecks to be the first to propose materials to address them.

Speeding up development

□Investing resources in key themes
□Actively utilizing simulation technologies, statistical analysis, and machine learning
□Actively cocreating with other companies and research institutions
□Strengthening development marketing

The Unitika Group's Core Technologies

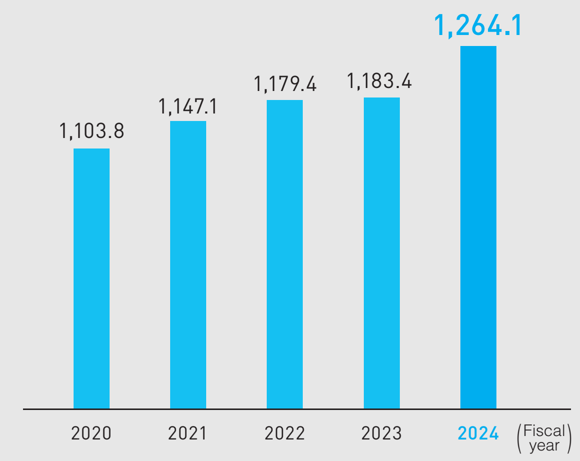
- Plastic production technology
- Yarn production technology
- Fabric production technology
- Film production technology
- Other technologies

Founded in 1889 as a textile manufacturer, the Unitika Group's core technologies are based on the polymer and fiber-related technologies owned by Dainippon Boseki as well as Nippon Rayon, the other predecessor of the Company. The core technologies we have developed over the years consist mainly of "plastic production technology," "yarn production technology," "fabric production technology," "film production technology," and "other technologies."

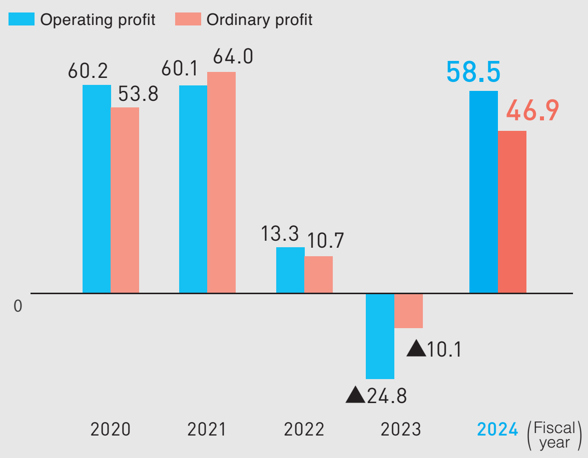
Financial and Non-Financial Highlights

Financial Highlights (Consolidated basis)

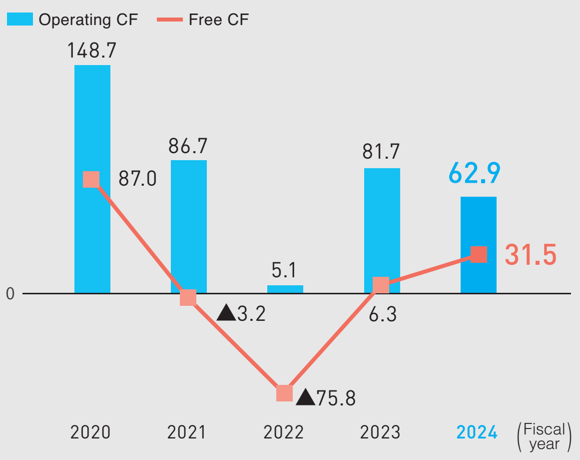
Net Sales (100 million yen)



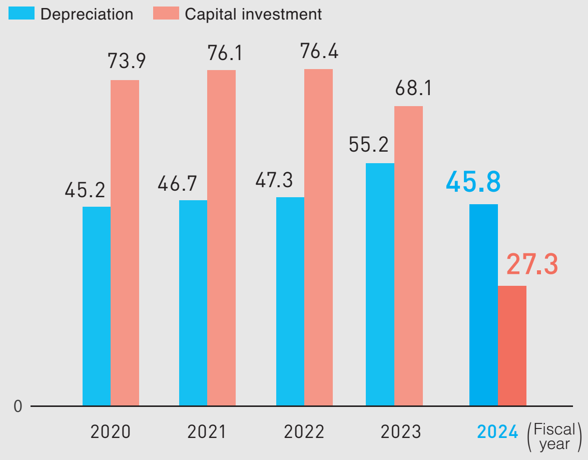
Operating profit / Ordinary profit (100 million yen)



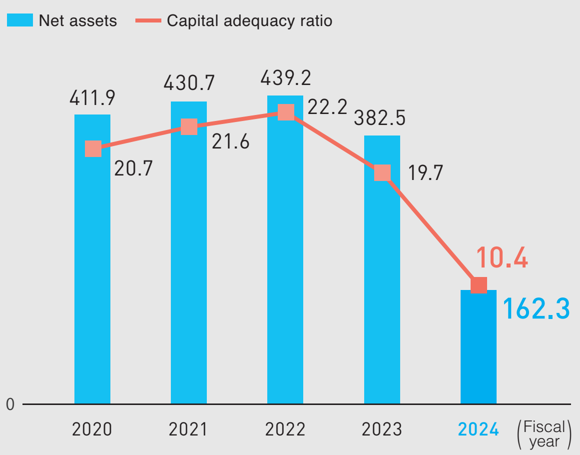
Cash Flow (CF) (100 million yen)



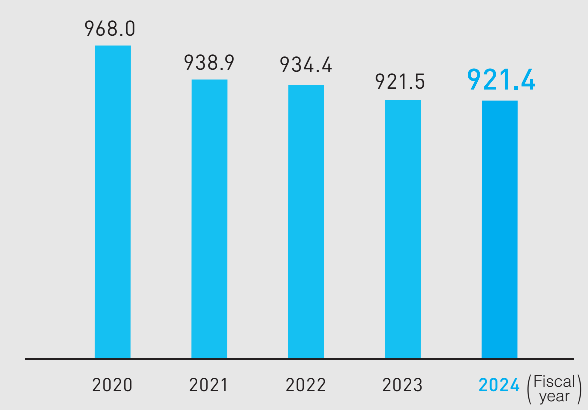
Depreciation / Capital investment (Property, plant and equipment) (100 million yen)



Net Assets (100 million yen) / Capital adequacy ratio (%)



Interest-bearing liabilities (100 million yen)



Non-Financial Highlights (As of Mar. 31, 2025)

Human Resources

Implementation rate of annual review of the pools of core human resources (Unitika Ltd.)
100%

Implementation rate of human rights education (Entire Group, including overseas companies)
76%

Retention rate of new graduates (Career-track employees) (Retention rate after 3 years of employment) (Unitika Ltd.)
77.8%

Ratio of female new recruits (Career position) working at the head office (Unitika Ltd.)
40% [Year on year +5%]

Ratio of women in managerial positions (Entire Group, including overseas companies)
5.1% [Year on year ▲0.4%]

Way of Working

Average overtime hours (Per month)
8.6 hours*1

Ratio of men taking paternity leave (All domestic Group companies)
90.0% [Year on year +18.1%]

Return to work rate for childcare leave (All domestic Group companies)
100%

Governance

Ratio of outside directors (Unitika Ltd.)
41.7%

Ratio of female directors (Unitika Ltd.)
22.2%

Environment

Energy consumption volume (Crude oil equivalent) (All domestic Group companies)
130 ML [Year on year +4 ML]

CO_2 emissions (Scope 1 & 2) (All domestic Group companies)
234 kt-CO_2e [Year on year +3 kt-CO_2e]

CO_2 emissions (Scope 3)
910 kt-CO_2e*2

Amount of industrial waste disposed of outside the plants (All domestic Group companies)
5,071 t [Year on year ▲893t]

Rate of internal recycling (All domestic Group companies)
91.7% [Year on year +6.3%]

*1 Aggregation range: Unitika Ltd. union members and those assigned to Group companies in Japan and overseas
*2 Calculation range: Unitika Ltd. ; Nippon Ester Co., Ltd.; Unitika Trading Co., Ltd.; Terabo Co., Ltd.; Unitika Glass Fiber Co., Ltd.; Unitika Glass Beads Co., Ltd.; Ad'all Co., Ltd.

Promotion of Sustainability

Our Policy for Sustainability and Priority Issues

In April 2022, the Unitika Group formulated a policy for sustainability at the Sustainability Committee. The policy specifies our philosophy and Group mission from a sustainability perspective. See pp. Figure❶ for details.▶

We have been working to resolve the eight priority issues (materiality) under this sustainability policy. The three priority issues related to business, which we have set as priority issues associated with our products' values, are precisely the Group mission that the Unitika Group seeks to achieve in society through its business. We are striving to resolve these issues by providing products that protect people from disasters and accidents, crime, damage to health and other incidents, products that are compatible with digitalization and diversifying lifestyle habits, and products that help reduce CO_2 emissions, conserve resources, and prevent environmental pollution.

The five priority issues related to corporate activities are various issues that we should consider when carrying out our business activities. Specifically, the issues we are working on are carrying out environmentally-friendly corporate activities, respecting the human rights of all stakeholders, ensuring our employees can live a healthy life, preparing a work environment that is motivating and satisfying for a diversity of personnel, and detecting and avoiding risks in the supply chain. See pp. 31–32 for details.▶

Process for Formulation of Priority Issues

In specifying the priority issues, first we listed the initiatives the Unitika Group is already working on to achieve a sustainable society. Then we referred to the SDGs and the GRI Standards, and listed the initiatives to tackle going forward.

After grouping these initiatives, we identified as issues those initiatives we should achieve by the SDGs target year of 2030.

We then verified the risks and opportunities of each of these issues and their positioning on the value chain, and narrowed down the important items. Finally, we organized these items on a matrix along two axes, one for their importance to stakeholders and the other for their importance to the Unitika Group, and then specified the Priority Issues (Materiality). We also set four items as basic matters underlying the Priority Issues. These items have been approved at a management meeting. See Figures❷and❸for details.▶

❶The Sustainability Policy of the Unitika Group

Our Philosophy

Contributing to Society by Connecting People's Lives and Technology

Group Mission

Contributing to the SDGs with the "Three Types of Living" Approach

Desired Image

We Are Aiming to Be a "Company that Is Continuously Chosen by Customers."

Specify

Sustainability Policy

The Unitika Group will contribute to the realization of a sustainable society by connecting people's lives and technology through its business activities.

Priority Issues (Materiality)

❷Priority Issue Specification Process

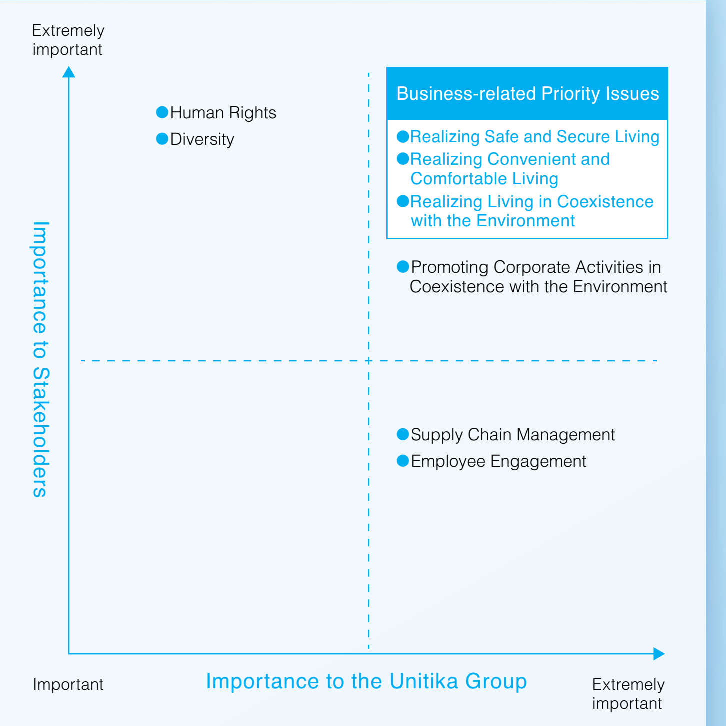
Creation of a Candidate Item List
Create a list referring to materials including SDGs, GRI standards, and other international guidelines.

Identification of Important Items
Identify by verifying the risks and opportunities, and the positioning on the value chain.

Assigning Order of Priority and Organizing
Organize these items along two axes, one for their importance to stakeholders and the other for their importance to the Unitika Group.

Approval at a Management Meeting

❸Priority Issue Matrix



Basic matters underlying the priority issues	
	●Adhere to compliance standards
	●Ensure product safety and quality
	●Strengthen governance
	●Promote digital transformation

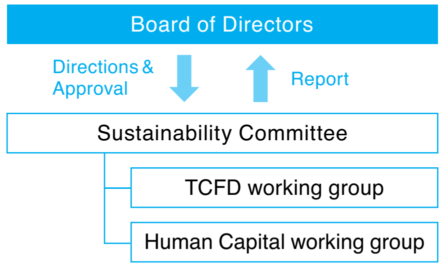
Governance

In December 2021, we established the Sustainability Committee as an organization for overseeing our actions going forward in order to achieve the Unitika Group's priority issues and the corresponding indexes (KPIs) and target values. In order to promote company-wide initiatives, a total of seven members, consisting of four directors (Representative Director and President, CEO Minoru Fujii (chair of the committee), Shuichi Misu, Shinji Fujimoto, and Yamato Oku, two executive officers, and the general manager of the Global Business Promotion Division, attend as the head of their respective segment or department to conduct discussions, evaluate the appropriateness of measures aimed at realizing the priority issues, targets, indicators, and target values of the Unitika Group, and formulate promotion measures to achieve the targets against the indicators.The committee members not only oversee the entire structure, but are also responsible for KPIs and supervise their progress.

The committee meets at least once a year and its discussions are reported to the Board of Directors for directions and approval.

Also, a TCFD working group, which promotes disclosure based on the TCFD Recommendations, and a Human Capital working group, whose purpose is to achieve the targets of the KPIs related to human capital, have been established under the Sustainability Committee to strengthen its structure.

Governance organizational chart



Risk Management

One of the priority issues of the Unitika Group is to "promote corporate activities in coexistence with the environment," which also includes climate change risks.

The Sustainability Committee evaluates the reasonableness of these risks as required, and reports to the Board of Directors on newly identified risks, including those related to climate, if they are determined to be important.

Sustainable Plan (Prioriy Issues and KPI)

In July 2021, we formulated the KPIs for our priority issues. At the Sustainability Committee held in May every year, we check the progress of our initiatives, review the measures being implemented, and take additional action as required.
We identified the priority issues from the perspectives of Prosperity, Planet, and People in May 2023.

		Prioriy issue	Resposible person	KPIs	Actual result of FY 2024	Target of FY 2025	Target of FY 2030	Relevant products and measures	Relevant SDGs	Renewal Date
Prosperity	Three priority issues about businesses	Realizing safe and secure living	**Shinji Fujimoto** Director, Managing Executive Officer In charge of the Polymer Segment and Glass Fiber Division, ACF Division and Glass Beads Division	Net sales of materials that contribute to the "three types of living"	1.3 times relative to FY 2019 level	1.6 times relative to FY 2019 level	2.6 times relative to FY 2019 level	• Overseas development of food packaging barrier films • Marketing of materials for natural disaster prevention/response • Expanding sales of water purification filters	2, 3, 6, 11, 12	Revised in July 2022
		Realizing convenient and comfortable living	**Naohiko Ashida** Senior Executive Officer In charge of Government Supplies Department and CEO, Representative Director of Unitika Trading Co., Ltd.					• Entering the market for digital related materials • Expanding sales of materials related to semiconductors	9, 12	
		Realizing living in coexistence with the environment	**Norio Yamamoto** Executive Officer General Manager of Technology Management Division					• Applying on-site recycling and a mass balance approach • Developing the market for environmentally friendly food packaging films	7, 12, 13, 14	
Planet		Promoting corporate activities in coexistence with the environment	**Norio Yamamoto** Executive Officer General Manager of Technology Management Division	CO$_2$ emissions (All domestic Group companies)	34% reduction relative to FY 2013 level	24% reduction relative to FY 2013 level	46% reduction relative to FY 2013 level	• Installing energy-saving equipment and examining the implementation of carbon credits	7, 12, 13, 14, 15	Revised in July 2022
				Amount of industrial waste disposed of outside the plants (All domestic Group companies)	31% reduction relative to FY 2019 leve	8% reduction relative to FY 2019 level	10% reduction relative to FY 2019 level	• Introducing equipment for reducing industrial waste and further promoting the recycling of industrial waste		Revised in July 2022
People	Five priority issues about corporate activities	Human rights	**Yamato Oku** Director, Senior Executive Officer In Charge of the Human Resources and General Affairs Division	Implementation rate of human rights education (Entire Group, including overseas companies)	76%	75%	100% (Percentage of employees received human rights education at least once a year from 2026 to 2030)	• Unitika Human Rights Policy	8	Revised in November 2023
		Employee engagement	**Norio Yamamoto** Executive Officer General Manager of Technology Management Division	Lost time injury frequency rate*1 (Entire Group, including overseas companies)	1.05	0.35	0.25	• Intensifying the intrinsic safety of manufacturing equipment • Reviewing utilities	3, 5, 6, 8, 12	Revised in May 2024
			Yamato Oku Director, Senior Executive Officer In Charge of the Human Resources and General Affairs Division	Certified Health & Productivity Management Outstanding Organization (Unitika Ltd. and some Group companies*2)	Certified	Certified	Certified as White 500	• Unitika Health Management Declaration		Revised in July 2022
		Diversity	**Yamato Oku** Director, Senior Executive Officer In Charge of the Human Resources and General Affairs Division	Ratio of women in managerial positions (Entire Group, including overseas companies)	5.1%	8%	20%	• Unitika Diversity Management Policy	5, 8, 10	Revised in July 2022
				Ratio of female new recruits (Career position) working at the head office (Unitika Ltd.)	40%	Postponing hiring	30%			Established in July 2022
				Ratio of men taking paternity leave (All domestic Group companies)	90%	85%	85%			Revised in May 2025
				Implementation rate of annual review of the pools of core human resources (Unitika Ltd.)	100%	100%	100%			Established in January 2023
		Supply chain management	**Shinji Fujimoto** Director, Managing Executive Officer In charge of the Procurement and Logistics Division	Response rate of the CSR procurement survey (Main business partners and clients)	95%	80%	80%	• Purchasing Policy • CSR procurement survey	6, 9, 12, 14, 15	Revised in July 2022

*1 The number of lost time injuries occurring in a workplace per 1 million hours worked
*2 Nippon Ester Co., Ltd.; Unitika Trading Co., Ltd.; Unitika Textiles Co., Ltd.; Unitika Glass Fiber Co., Ltd.; Unitika Garment Technology Co., Ltd.

Environment

Environmental Activities

Basic Environmental Policy

The Unitika Group named 1993 as an Environmental First Year, when we enacted the Unitika Global Environment Charter compiled from our pledge, basic philosophy, and action guidelines. Since then, we have complied with this Charter to ensure that our corporate management methods are environmentally aware, working on a range of environmental activities.

Unitika Global Environment Charter

https://www.unitika.co.jp/e/sustainability/environment/policies/

Management System

Pollution problem was a major issue in Japan in 1973. That year, the Unitika Group enacted the Environmental Preservation Regulations and governed ourselves rather than following external regulations or standards. In 1991, we created a companywide organization called the Environmental Preservation Committee. In 1993, we enacted the Unitika Global Environment Charter, and the following year in 1994, we began yearly environmental auditing, establishing the basic direction for our environmentally-aware management style that has continued to this day.

The Environmental Committee consists of 16 members, chaired by the executive officer who is the general manager of the Technology Management Division, and including four directors, five executive officers, the general manager of the Global Business Promotion Division, the general manager of the Polymerization Division, the general manager of the ACF Division, and the general managers of the Uji, Okazaki, and Tarui Plants. The committee verifies the basic plans for environmentally friendly management and its progress, reports on the results of environmental audits conducted by the committee secretariat at each business location and Group company, and deliberates on other important environmental matters.

Medium-Term Environmental Plan

In FY 2024, the middle year of the Tenth Medium-Term Environmental Plan, both energy consumption and CO_2 emissions started to increase as production activities increased across the Group. Although specific energy consumption improved compared with the previous fiscal year, the environmental target was not achieved.

"Meanwhile, the Okazaki Plant started converting nonwoven fabric scraps into RPF and other sites reused scraps within their processes and recovered valuable resources from them. Through such activities, we greatly reduced the amount of off-site disposal of industrial waste and significantly improved in-process recycling rate across the entire Group.

As a result, we achieved four of our five environmental targets."

KPIs of Priority Issues (Materiality)

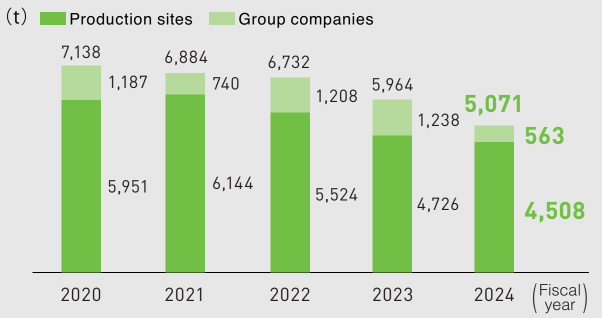
Amount of industrial waste disposed of outside the plants (All domestic Group companies)

FY 2030 target	6,621t (10% reduction relative to the FY 2019 level)
FY 2024 actual results	5,071t (31% reduction relative to the FY 2019 level)

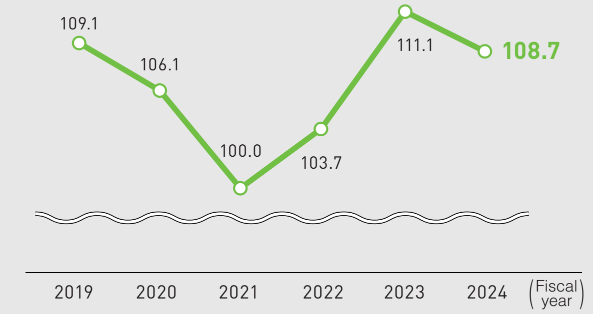
▽The Tenth Medium-Term Environmental Plan

Issues	Reference FY	Baseline Values	Target Values	Improvement Targets for Each Reference FY	FY 2024 Actual Results	Evaluation Results
Reduction of the Amount of Industrial Waste Disposed of Outside the Plants	FY 2019	7,357t	6,773t	Reduced by 8%	5,071t	Achieved
Improvement of Recycling Rate	FY 2021	85.9%	87.0%	Improved by 1.1points	91.7%	Achieved
Reduction of Energy Consumption Volume	FY 2021	143ML	137ML	Reduced by 4%	130ML	Achieved
Improvement of Specific Energy Consumption (SEC)	FY 2021	0.722L/kg	0.683L/kg	Improved by 5%	0.785L/kg	Not Achieved
CO_2 Emissions Reductions*	FY 2013	357kt/year	271kt/year	Reduced by 24%	234kt/year	Achieved

▽Volume of processed industrial waste products

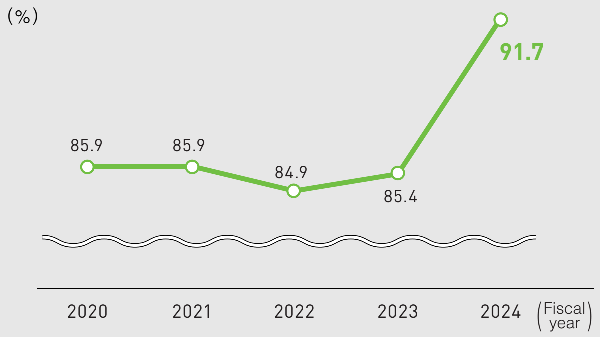


▽Specific energy consumption (SEC) (with FY 2021 as 100)

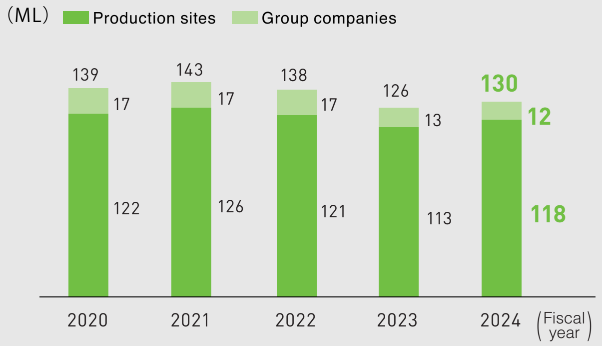


(Note) The base year has been changed to FY 2021 because the Mid-term Environmental Plan has moved to the 10th period.

▽Rate of recycling



▽Energy consumption volume (crude oil equivalent)



Water Resources

The water used in the Unitika Group's manufacturing processes is mainly river water and groundwater. After use, the water is purified at an on-site treatment facility and returned to the environment as clean water. The groundwater used at the Tarui Plant is circulated within the site many times to save on new groundwater withdrawals. Water consumption by the Unitika Group has been decreasing annually, and in FY 2024 waste water decreased by 6% compared to the previous year.

https://www.unitika.co.jp/e/sustainability/environment/reduction/#water

CO_2 Emissions Reductions

Basic Concept

The Unitika Group is aiming to realize a sustainable society through its business and corporate activities, and has long been working to address global climate change and environmental issues.

In the Unitika Group's priority issues formulated in 2021, we set the reduction of greenhouse gas emissions as a priority issue, and have set the CO_2 emissions reduction target for FY 2030 at 46% below the FY 2013 level, based on a conversion of greenhouse gases into CO_2.

In our business activities, we believe it is important to first of all proactively do what we can ourselves, such as installing equipment that is effective in reducing CO_2 emissions.

We believe that increasing the transparency of our activities will enhance our credibility as a company by systematically working to reduce CO_2 emissions and announcing the results both internally and externally, as well as announcing our Scope 1, 2, and 3 emissions annually. We believe that pursuing optimal solutions for both corporate growth and the global environment will enhance corporate value and benefit all stakeholders.

Reduction of CO_2 Emissions Related to Business Activities (Scope 1 & 2)

Every year, the Unitika Group calculates and reports on the following CO_2 emissions at Unitika production sites and offices of our group in Japan : Scope 1, which are direct CO_2 emissions from the use of gas and other energy sources; Scope 2, which are indirect CO_2 emissions from the use of electricity, heat, and steam supplied from other companies.

In FY 2022 we expanded the types of greenhouse gases for calculation to include non-energy-derived greenhouse gases (so called "6.5 Gases") in Scope 1. We also recalculated all data since FY 2013 to include non-energy-derived greenhouse gases, and we amended the actual standard value and target value of the KPI of CO_2 emissions to values that include non-energy-derived greenhouse gases. We have kept in place the FY 2030 target of a 46% reduction in CO_2 emissions (Scope 1 & 2) from all domestic production sites relative to the FY 2013 level.

The CO_2 emissions of all group companies in Japan in FY 2024 was 234 kt-CO_2e in total for Scope 1 and Scope 2. The reduction rate with FY 2013 as the standard year, which is the same as the current government target, is 34%. We are moving ahead with various measures, including updating energy-saving equipment, as we work toward achieving the 46% reduction target.

The CO_2 emissions of all overseas group companies in FY 2024 was 58 kt-CO_2e in total for Scope 1 and Scope 2. Compared to FY 2018 as the base year, it increased by 16%.

KPIs of Priority Issues (Materiality)

CO_2 emissions* (All domestic Group companies)

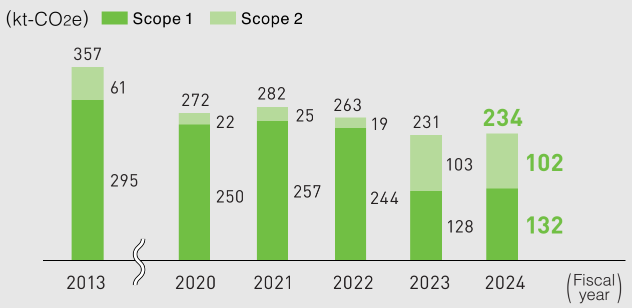
FY 2030 target	193 kt-CO_2e (46% reduction relative to the FY 2013 level)
FY 2024 actual results	234 kt-CO_2e (34% reduction relative to the FY 2013 level)

* Includes non-energy-derived greenhouse gases.

環境

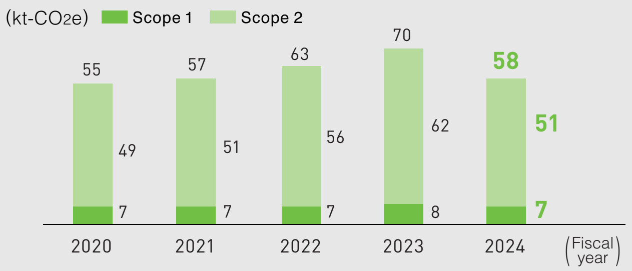
Environmental Activities / Climate Change

▽CO_2 Emissions from all group companies in Japan (Scope 1 & 2)



(Note) In FY 2023, due to the revision of the calculation method of energy emissions from cogeneration systems, Scope 1 decreased and Scope 2 of domestic business sites increased compared to the previous year.

▽CO_2 Emissions from all overseas group companies (Scope 1 & 2)



▽CO_2 Emissions (Scope 3) from the supply chain (excluding Unitika)*1

In FY 2022, we started calculating the Scope 3 emissions of Unitika Ltd. From FY 2023, the scope of calculation was expanded to Group companies and in FY 2024, emissions were calculated for six Group companies*2 in addition to Unitika Ltd. Of the 15 categories, three do not apply to Unitika activities. The results of the calculations, which were focused on categories positioned on the upstream side, showed emissions of 910 kt-CO_2e in FY 2024.

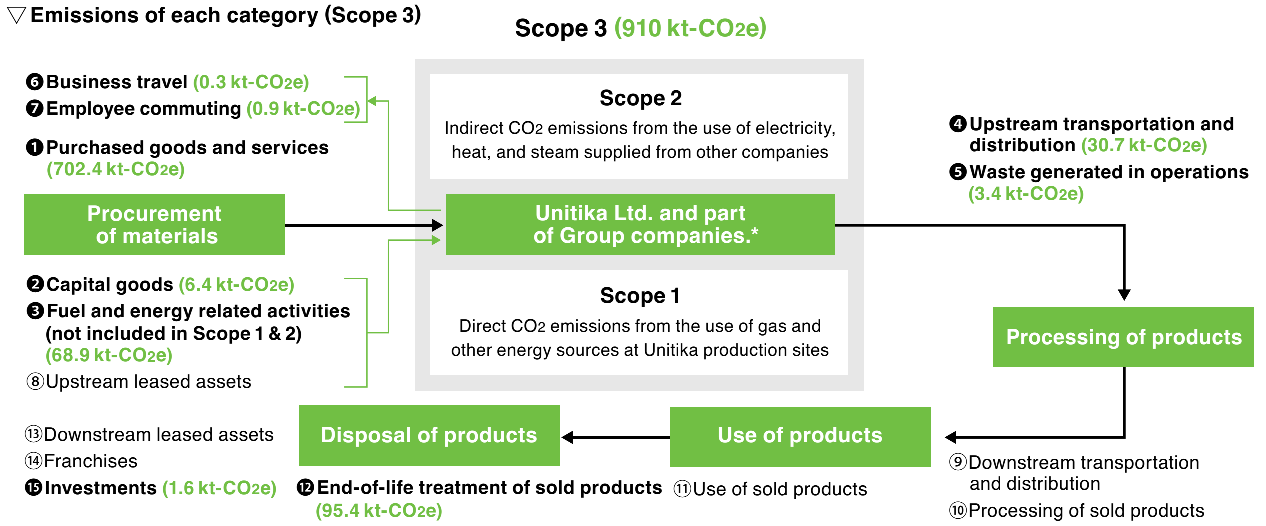
*1 This is the total of CO_2 generated from the supply chain (from the procurement of raw materials to the disposal of final products) related to Unitika's businesses, excluding Scope 1 and Scope 2..

*2 Nippon Ester Co., Ltd.; Unitika Trading Co., Ltd.; Terabo Co., Ltd.; Unitika Glass Fiber Co., Ltd.; Unitika Glass Beads Co., Ltd.; Ad'All Co., Ltd.;

▽Reduction of CO_2 Emissions in Logistics

The Unitika Group undertake a variety of efforts to reduce the environmental impact associated with the delivery and emission of raw materials, products, waste, and other materials. These include promoting the shift of cargo transportation modes to more environmentally-friendly methods (modal shifts), and streamlining transportation to improve efficiency. As a specified consignor, the Unitika Group reported 42,963 kt-km of freight and 16.8 kt of CO_2 emissions (37% reduction relative to the FY 2013 level) to the government in FY 2024. The Unitika Group will strive for eco-friendly logistics within the whole group by implementing a variety of practices. These include but are not limited to: expanding the use of trains, promoting idle stops, and the use of ecological tires.

▽Emissions of each category (Scope 3)



Note) ⑨⑩⑪ are excluded from calculations, and ⑧⑬⑭ do not have any applicable activities.
*Nippon Ester Co., Ltd.; Unitika Trading Co., Ltd.; Terabo Co., Ltd.; Unitika Glass Fiber Co., Ltd.; Unitika Glass Beads Co., Ltd.; Ad'All Co., Ltd.

Disclosure Based on the TCFD Recommendations

Governance

At least once a year, the Unitika Board of Directors receives a report from the Sustainability Committee on sustainability-related matters including actions for climate change. The Board of Directors also monitors the progress status of the KPIs of Unitika Group's priority issues.

The Sustainability Committee is chaired by the President and Chief Executive Officer. The Board of Directors directs and approves efforts to address issues related to climate-related challenges as reported by the Sustainability Committee. In addition, the Sustainability Committee has established a TCFD Subcommittee to promote disclosure based on TCFD recommendations and to enhance disclosure.

▽Risks & Opportunities/Financial Impact/Main Action Category

Category		Cause	Businesses impact	Financial impact	Main action	*1 Time axis	*2 All	*3 Lifestyle	*4 Mobility
Transition risks	Regulation	Strengthening of GHG emissions regulations	Rise in the prices of energy and raw materials of plastics due to the introduction of carbon pricing	Increase in operating costs Increase in procurement costs	◆Reduce total greenhouse gas emissions ○ Make the manufacturing process more efficient ○ Consider the use of renewable energy	Medium term - Long term	●		
Transition risks	Regulation	Strengthening of plastic regulations	Decrease in the demand for laminated products combining multiple materials that include Unitika films	Decrease in sales	◆ Develop environmentally-friendly films ○ Utilize recycled raw materials and biomass raw materials ◆ Set up a processing system for laminated product recycling	Medium term - Long term		●	
Transition risks	Market	Development of a circular economy and decarbonized society	Decrease in the demand for Unitika products due to the switch to a low-carbon consumption style (returnable containers, etc.) and a fall in the demand for materials with a substantial environmental impact	Decrease in sales	◆ Develop businesses and new products for environmentally-friendly products ○ Utilize recycled raw materials and biomass raw materials for Unitika's nylon resins and polyester resins, which are used as raw materials in products such as single-use plastics ○ Disclose carbon footprint calculations for Unitika environmentally-friendly products with high transparency	Medium term - Long term		●	
Transition risks	Technologies	Development of a circular economy and decarbonized society	Increase in the burden to develop environmentally-responsive (circular economy) technologies	Increase in research and development costs	◆ Make the operations to develop technologies more efficient (shorten development times) ○ Review development processes ○ Utilize AI and machine learning, such as Materials Informatics	Medium term - Long term	●		
Transition risks	Reputation	Changes in evaluation in the market	Decline in brand image due to insufficient information disclosure and inadequate action on environmental issues, resulting in exclusion from investment targets	Increase in capital costs	◆Enhance information disclosure ◆ Formulate a long-term environmental roadmap	Long term	●		
Physical risks	Acute	Increase in climate-related disasters (floods and droughts, etc.)	Disaster-related damage to the Unitika Group's plants	Increase in recovery and restoration costs	◆Carry out risk management and a planned response ◆Implement disaster readiness training	Short term	●		
Physical risks	Acute	Increase in climate-related disasters (floods and droughts, etc.)	Suspension in the delivery of raw materials and parts, etc. due to disaster-related damage to the plants of business partners	Decrease in sales	◆Carry out risk management and a planned response ◆Implement disaster readiness training	Short term	●		
Physical risks	Chronic	Increase in climate-related disasters	Rise in insurance costs due to a global increase in insurable events and related claims	Increase in insurance costs	◆Carry out risk management and a planned response ◆Implement disaster readiness training	Long term	●		
Opportunities	Products and services	Development of a circular economy and decarbonized society	Increase in demand for biomass-derived materials and recycled materials	Increase in sales	◆ Develop new products ◆ Strengthen measures to expand sales ○ Strengthen products such as "Emblem CE/KCN" and "Emblem CE" that use recycled materials ○ Utilize recycled materials with higher reliability based on mass balance certification for Nylon 6 products ○ Strengthen products such as "Terramac" and "XecoT" that use biomass-derived materials	Medium term - Long term		●	
Opportunities	Products and services	Development of a circular economy and decarbonized society	Increase in demand for products that contribute to a reduction in food loss and waste (gas barrier films, etc.) Increase in sales	Increase in sales	◆ Develop new products ○ Develop gas barrier films with even higher functionality ◆ Strengthen measures to expand sales ○ Launch "Emblem HG" in overseas markets	Medium term - Long term		●	
Opportunities	Products and services	Development of a circular economy and decarbonized society	Increase in vehicle weight reduction and related products for batteries due to the shift to EVs	Increase in sales	◆ Develop new products ◆ Strengthen measures to expand sales ○ Plastics that contribute to vehicle weight reduction: Nylon 6 RUN series aimed at replacing metal ○ Battery-related products: LIB films	Medium term - Long term			●
Opportunities	Products and services	Development of a circular economy and decarbonized society	Strengthening of subsidized businesses associated with the development and implementation of environmentally-responsive materials	Decrease in capital costs	Utilize various subsidized businesses	Medium term	●		

*1 Time axis (period until the risks and opportunities manifest) Short term: Around 2027, Medium term: Around 2030, Long term: Around 2050
*2 All (common risks and opportunities in all segments)
*3 Lifestyle (risks and opportunities unique to the lifestyle and safety areas that are the main applications of products in the Film segment and Plastic segment.)
*4 Mobility (risks and opportunities unique to the automotive and mobility areas that are the main applications of products in the Film segment, Plastic segment.)

Environment

Environmentally Friendly Materials

Strategies

The Unitika Group recognizes the table on the previous page as important risks and opportunities related to climate change. We will conduct even more in-depth scenario analyses, while selecting the target businesses and application areas in Unitika Group. Furthermore, we will review the risks and opportunities as required, as we gradually expand the range of information for disclosure.

(1) Identifying Risks and Opportunities

We have identified the main short-, medium- and long-term risks and opportunities in the Unitika Group that are related to climate change, and organized them in the table on the previous page. Note that the "Main action" field for the risks and opportunities in the table was updated to the latest actions for this fiscal year, and the time axes were also revised.

(2) Implementation of Scenario Analysis

We analyze the set scenarios of (a rise in the global average temperature of) below "Below 2°C scenario and 1.5°C scenario" and 4°C on themes in the list of climate-related risks and opportunities that are evaluated as being of high importance for the Unitika Group, taking into consideration the impact on businesses, relevance to business strategies, and interest level of stakeholders, etc. Listed below are the results of a scenario analysis review. We also recognize the physical risks of a 4°C scenario as mainly being floods and droughts, etc. We will continue to verify and evaluate these risks. In addition, we recognize that the physical risks in the "4°C scenario" are mainly floods and droughts, and we will continue to verify and evaluate these risks in the future.

▽**Scenarios Used**

	Set scenarios (of a rise in the global average temperature)
Below 2□ (1.5□)	□IEA, WEO 2022, APS, NZE □Various materials, such as SSP 1-2.6 and RCP 2.6
4°C	□IEA, WEO 2022, STEPS □Various materials, such as SSP 5-8.5 and RCP 8.5

IEA : International Energy Agency
WEO : World Energy Outlook
NZE : Net Zero Emissions by 2050 Scenario
APS : Announced Pledges Scenario
STEPS : Stated Policies Scenario
SSP : Shared Socio-economic Pathways
RCP : Representative Concentration Pathways

【Scenario Analysis】

https://www.unitika.co.jp/e/sustainability/environment/tcfd/#scenario-analysis

Risk Management

In 2020, the Unitika Group launched the Sustainable Business Promotion Project, which comprises all members of top management in the departments, including officers in charge of each segment. These members evaluate issues along two axes on a matrix, one for their importance to stakeholders and the other for their importance to the Unitika Group. They then identify the priority issues, and categorize them into risks and opportunities. One of these priority issues is to "promote corporate activities in coexistence with the environment," which also includes climate change-related risks. The Sustainability Committee evaluates the reasonableness of these risks as required, and reports to the Board of Directors on newly identified risks, including those related to climate, if they are determined to be important.

Indexes and Targets

In 2021, the Unitika Group established indexes and targets for priority issues. The Unitika Group recognizes greenhouse gas emissions as a climate change-related risk, and we are using the CO_2 emissions from the entire domestic Group (Scope 1 and Scope 2) as an index for this risk. We are working to further reduce our CO_2 emissions, with the aim for carbon neutrality by FY 2050, and a target of a 46% reduction (relative to the FY 2013 level) in CO_2 emissions by FY 2030

【Environmental data】

https://www.unitika.co.jp/e/sustainability/basic-info/esg-data/

Biomass Materials

"Terramac"

"Terramac" is a biomass material made using polylactic acid (PLA), which is made from plant-derived sugars. It has a wide range of applications including in tea bags, etc. PLA is a biodegradable plastic that decomposes into water and carbon dioxide when placed in an environment with appropriate moisture and temperature, such as compost or soil.

Yamaha Corporation also uses this material to produce recorders made from biomass-derived plastic, which helps reduce CO_2 emissions while producing a mellow yet solid tone similar to that of wooden recorders.


Biomass-derived plastic recorders

"XecoT"

"XecoT" is made from castor oil. It has the highest level of heat resistance among polyamide resins, and so it can also be used in the engine compartment of automobiles. "XecoT" has potential applications as a next-generation engineering resin. "XecoT" has a wide range of properties, including coming in various grades when combined with other resins using our original compounding technology.

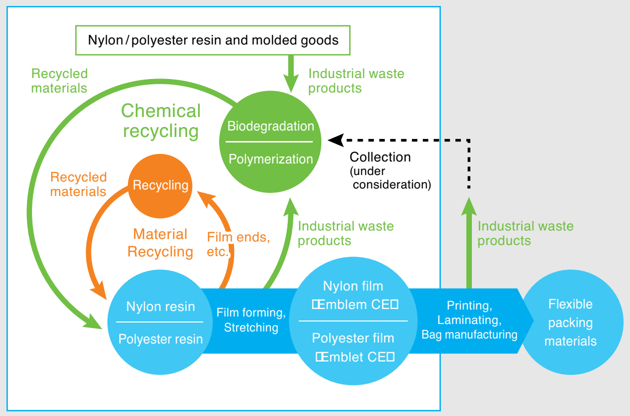

Impeller made using "XecoT"

Recycled Materials

"Emblem CE" / "Emblet CE"

The packaging films "Emblem CE" and "Emblet CE" are made using recycled materials obtained from chemical recycling and materials recycling methods. These films have the same printability and mechanical properties as 100% petroleum-derived plastic films. Also, as we strictly manage the recycled materials used, these films are suitable for food packaging applications. Using the Life Cycle Assessment method, we calculated the greenhouse gas emissions volume associated with their production. A comparison (done by Unitika) with production not using recycled materials shows a reduction in greenhouse gases of around 40% for "Emblem CE" and about 30% for "Emblet CE."

Manufacturing flow of environmentally-friendly food packaging films, and chemical recycling

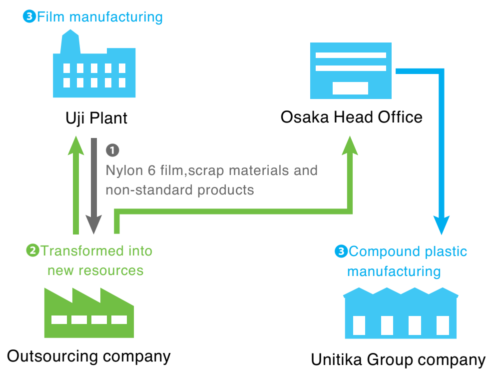


Developing products with ISCC PLUS certification and recycled raw materials allocated based on a mass balance approach

Three Unitika Group company sites, including the Osaka Head Office and Uji Plant, obtained ISCC PLUS certification (International Sustainability and Carbon Certification).

The Unitika Group pledges and declares to comply with the ISCC PLUS requirements in accordance with the latest ISCC regulations, and to never double-count our environmental contributions.

* A method that tracks the amount of recycled materials and renewable resources across the entire value chain and allocates the corresponding ratio to products. This method enables the use of existing production facilities while promoting sustainable use of resources.



Society

Commitment to Quality

Establishment of Quality Assurance System

Unitika Group Quality Policies

- With our value of "prioritizing quality over cost and speedy delivery," the Unitika Group provides products that our customers can use safely and with peace of mind.
- We comply with the laws and regulations concerning products and services, and adhere to the agreements we have with our customers.
- To meet quality requirements, we build quality into our products through repeated verifying and testing during design, development, and manufacturing.
- We continually maintain our quality assurance system, and work to improve quality.

Guidelines for Quality Assurance (Except)

< Basic Action >

- Ensure all quality assurance workers comply with laws and regulations related to products and services, and that they are thoroughly aware and strongly motivated to "never do, or let others do, dishonest and falsifying actions."
- Enter into agreements with customers that can be complied with, and successively check the compliance status.
- Share information related to quality assurance within business departments and among Unitika Group companies and departments with jurisdiction.

Governance Structure

The Quality Assurance Committee of the Unitika Group is chaired by the Representative Director and President, Chief Executive Officer, Minoru Fujii, and is composed of 11 members, including the seven executive officers in charge of the business sectors that have products under their control and the management sector, the general managers of the Polymerization business Department, and the ACF Division, and the president of the Group company Unitika Glass Beads Co., Ltd. The committee meets regularly to strengthen governance, make decisions on quality assurance policies and other important matters, deliberate and share information on quality assurance-related problems, and summarize the results of quality assurance audits.

In our management systems, we are strengthening the structure of the quality assurance departments within the Group, and continuously implementing quality audits as a part of our efforts to build and reorganize the quality assurance system. We are also using audits to ensure the reliability of data, make sure we are keeping our promise to customers, and check for any defects and irregularities in the quality assurance system. In these ways, we are striving to prevent inappropriate incidents and to monitor and improve the state of our quality management. Also, in addition to thoroughly familiarizing all quality assurance workers with the Guidelines for Quality Assurance, which were established in 2019, we held group training (classroom session and group work) with external instructors mainly for employees in charge of quality assurance operations as part of our quality assurance education in FY 2024. The training consisted of two parts. The first part was a classroom session focusing on quality compliance, which was also distributed via the internet to our production sites. The second part, group work, was held only for employees in charge of quality assurance operations. Participants discussed the theme of manufacturing quality assurance issues at their own department and their desired image, with the aim of sharing awareness across department and deepening understanding of initiatives that were not present at their own department.

Ensuring Product Safety

Unitika Group has established the Product Safety Management Regulations designed to ensure that we always offer safe products to our customers. These safety management regulations contain detailed provisions on areas such as basic policy, responsibility areas, implementation systems, and bylaws on the implementation and application of manual procedures. Unitika and Unitika Group companies work to ensure that product manufacturing and sales are carried out safely and in compliance with these regulations.

When a new product is launched on the market, we hold a Product Liability Review Board to review the products safety, labelling, and other features from various perspectives. We have set up the Central Committee on Product Liability as a company-wide organization. The Committee meets once a year to carry out a general review of the Product Liability Review Board's product safety review results, and also to implement various initiatives such as raising awareness about product safety.

Information on the claims which may bring about an accident is shared by the Quality Assurance Committee and the Central Committee on Product Liability, and such information is used to prevent the recurrence of repeated claims, etc.

Training in 2024

Society

Human Rights

Respect for Human Rights

Unitika Human Rights Policy

In July 2022, the Unitika Group established the Unitika Human Rights Policy. As a member of the Corporate Report Association of Human Rights Issue, Unitika has been working extensively on human rights issues in a variety of ways, such as by gathering educational information on raising awareness of human rights. We are aware that the world is becoming increasingly conscious of human rights, and we have reflected this in our human rights policy by moving forward with our business activities while protecting the human rights of all stakeholders connected with our businesses in accordance with the United Nations Guiding Principles on Business and Human Rights.

https://www.unitika.co.jp/e/sustainability/society/humanrights/

In September 2023, Unitika Group understands the gist of the Guidelines for Responsible Business Conduct in the Textile and Apparel Industry created by the Japan Textile Federation and the Guidelines on Respecting Human Rights in Responsible Supply Chains created by the Japanese government. In accordance with these Guidelines, the Unitika Group declares to carry out responsible business conduct and respect the human rights of rights holders including foreign technical intern trainees, with the cooperation of all relevant business partners and clients in the supply chain.

【Declaration of Responsible Business Conduct】

https://www.unitika.co.jp/sustainability/pdf/unitika-kigyoukoudou.pdf

Implementation of Human Rights Education

Under the idea that "UNITIKA shall manage itself in such a way that the human rights of all people are respected," as specified in the Unitika Group Charter of Corporate Behavior, the Unitika Group set up a human rights awareness promotion organization and conducted human rights training for our employees via e-learning and as a part of training for promoted employees. We have set up support desks at our production sites and Group companies for consultations on sexual harassment, power harassment, maternity harassment in areas such as pregnancy, childbirth, and child-rearing, and harassment related to nursing care, and we have also provided education such as e-learning, with the aim of raising the level of awareness and recognition of our employees. We will carry out human rights education as appropriate, and familiarize Unitika employees in Japan and overseas with the Unitika Human Rights Policy so that they will have a deeper understanding of respecting the human rights of all stakeholders.

▽**Number of Human Rights Training Participants (FY 2024 a ctual result: Entire Group, including overseas companies)**

	Number of people
Number of Human Rights Training Participants	2,059

KPIs of Priority Issues (Materiality)

Implementation rate of human rights education (entire Group, including overseas companies)

FY 2030 target	100%	(Percentage of employees received human rights education at least once a year from 2026 to 2030)
FY 2024 actual result	76%	

Human Rights Due Diligence

Regarding "Human Rights Due Diligence," Unitika Trading Co., Ltd., which is a core company in the Fibers & Textiles segment, carried out evaluations using check lists and made the supply chain more visible in 2022 based on the Guidelines for Responsible Business Conduct in the Textile and Apparel Industry. Although we have an understanding of the positioning of the primary supply chain in the commercial distribution channels, we recognize once again the difficulty in understanding the peripheral commercial distribution channels. We will continue to take action to prevent and reduce the risks we have identified, and to correct and lessen their impacts.

Elimination of Forced Labor and Child Labor

Unitika Group companies and overseas affiliates have continually made declarations of their refusal to take part in any form of forced labor or child labor in violation of international agreements, such as the International Covenants on Human Rights or the Convention on the Rights of the Child. We will continue with our activities to eliminate forced labor and child labor, in accordance with the Unitika Human Rights Policy we have formulated and the various international norms we refer to.

Respect for Workers' Rights

The Unitika Group is committed to establishing democratic and fair labor-management relations through mutual respect for management rights and basic labor rights in accordance with the collective bargaining agreements signed with labor unions. We also hold labor-management dialogues between companies and labor unions from time to time.

Society

Human Capital

Promote Diversity

Unitika Diversity Management Policy

In July 2022, the Unitika Group enacted the Unitika Diversity Management Policy. We are promoting diversity management and utilizing a variety of personnel to create new value.

https://www.unitika.co.jp/e/sustainability/society/diversity-inclusion/

Promotion of Women's Participation

・Training, and Reforming the Way of Thinking

In order to promote diversity, and particularly women's participation in the workplace, we feel it is critical to reform the corporate culture. Based on this mindset, in addition to training sessions for management (including officers), we are holding selective career development training for women. Furthermore, by deepening dialogue between superiors and management candidates through meetings, we share with them a vision of the type of managers they should become in the future, while raising motivation and supporting their career development. Through these continuous efforts, we will move forward with reforming the way of thinking and raising the ratio of women in managerial positions.

・Recruitment, Assignment, and Training and Education

For the employment of new graduates, we have set a numerical target for the ratio of female new recruits (career position) working at the head office, and we are implementing fair recruitment activities in compliance with the Employment Selection Guidelines issued by The Ministry of Health.

▽Number and ratio of women in managerial positions (March 31, 2025 entire Group, including overseas companies)

	Number of people	Ratio (%)
Women in managerial positions	24	5.1

▽Number of new employees (FY 2024 Unitika Ltd.)

	Number of people			Ratio of females (%)
	Female	Male	Total	
Number of new employees	7	24	31	23
Head office employees	6	9	15	40
Production site employees	1	12	13	8
Mid-career recruits	0	3	3	0

KPIs of Priority Issues (Materiality)

Ratio of women in managerial positions
(entire Group, including overseas companies)
FY 2030 target 20% FY 2024 actual result 5.1%

Ratio of female new recruits (career position) working at the head office (Unitika Ltd.)
FY 2030 target 30% FY 2024 actual result 40%

▽Wage differential between men and women (%) (FY 2024, Unitika Ltd.)

All workers	Permanent workers	Non-fulltime worker
77.7*	80.3*	64.5*

* Average wage of women when average wage of men is 100

(Note) Calculations were made in accordance with the provisions of the Act on the Promotion of Women's Active Engagement in Professional Life (Law No. 64, 2015). Since there is no difference in wages between men and women in the same job category or grade, the difference in wages between men and women is due to the difference in the composition of the number of employees.

Utilization of Diverse Human Resources

In the training we conduct at the time new recruits join the company and in level-specific education, we are fostering an understanding of how using diversity in Unitika can enhance the Unitika Group's power, by accepting and recognizing the individual differences among employees, including employees who are currently child rearing or caregiving, or who are recovering from an illness, have disabilities, are from overseas, identify as LGBTQ+, or are young or elderly. On top of that, we actively utilize a diverse workforce and a recruit on a career basis (mid-career and return-to-work programs).

・Employment of People with Disabilities

We are also actively accepting graduates from special-needs schools in the local communities and students from training schools as a part of our efforts to promote the employment of people with disabilities.

By providing a place of employment, we are not only contributing to local communities, but also creating an environment where each individual with disabilities can demonstrate their abilities as a part of our organization and also giving employees the chance to develop an understanding of diversity.

▽Ratio of employees with disabilities (As of Mar. 31. 2025, entire Group, including overseas companies)

	Ratio (%)
employees with disabilities	2.57

https://www.unitika.co.jp/e/sustainability/society/diversity-inclusion/#human-resources

Promoting a Variety of Work Styles

In order to promote the balance between employees' work and private lives, we have implemented half-day paid leave (14 times/year, 7 days), "no-overtime days" and introduced child-rearing leave, postnatal maternity leave, time off for sick/injured childcare, and time off for caregivers, all exceeding the legal requirements. In some divisions we are preparing a flex-time system for some departments, as well as promoting remote work (working from home) and promoting decent work.

Employees may also take volunteer leave to expand their knowledge.

・Childcare Support System

The Unitika Group has established systems related to childrearing to help employees balance work and family life, including a system for employees with a child between the ages of three and the end of the third grade of elementary school to shorten their working hours by one hour and a flexible working hours system. Return to work rate for childcare leave was 100% in FY 2024, and all employees who requested to return to work did so. We also encourage male employees to take paternity leave.

(Return to work rate for childcare leave (%) = Number of employees who actually returned to work on childcare leave in FY 2024 (persons)/Persons who took childcare leave who wished to return to work in FY 2024 (persons) x 100

▽Ratio of taking leave for child rearing (child-rearing leave, etc.)*

	Male		Female	
	Number of people	Ratio taking leave (%)	Number of people	Ratio taking leave (%)
FY 2020	3	8.1	5	100.0
FY 2021	15	36.6	10	111.1
FY 2022	19	52.8	8	66.7
FY 2023	23	71.9	14	127.3
FY 2024	26	89.7	5	71.4

* Tally of leave taken on a FY base
Ratio of women taking maternity leave (%) =
(Number of female employees who have taken child-rearing leave ÷ Number of female employees who have given birth) x 100
Ratio of men taking paternity leave (%) =
(Number of male employees who have taken child-rearing leave ÷ Number of male employees whose spouse has given birth) x 100

(Note) FY 2019 to FY 2022; 6 companies/Unitika Ltd.; Nippon Ester Co., Ltd.; Unitika Trading Co., Ltd.; Unitika Textiles Co., Ltd.; Unitika Glass Fiber Co., Ltd.; Unitika Garment Technology Co., Ltd. From and Including FY 2023 actual result/FY 2030 target: All domestic Group companies

KPIs of Priority Issues (Materiality)

Ratio of men taking paternity leave
(All domestic Group companies)
FY 2030 target 85% FY 2024 actual result 89.7%

・Caregiver support system

Although two employees took caregiver leave in FY 2024, there are many employees who are responding to caregiving in ways that suit their individual needs, such as the time off for caregivers, paid leave, flex-time system, and remote working.

・Volunteer Leave System

We have a "volunteer leave system" for participation in the Japan Overseas Cooperation Volunteers program for the purpose of social contribution activities. A leave of absence of up to two years and four months is possible for those participants who intend to resume working after their period of participation.

Human Resource Development and Creating a Pool of Core Human Resources

・Approach to Personnel Training & Education

The Unitika Group regards personnel as "human assets" and is focused on their development. Unitika's personnel system is designed to encourage employees to develop their careers and improve their abilities. It offers several different educational programs to enable employees to work on their personal growth, with a high degree of motivation and an ambitious mindset.

These programs are offered systematically and continuously to enable organizational growth and boost corporate competitiveness. It is important that the three elements that make up personnel development, namely "assignment and transfers," "evaluation and treatment," and "education and training," function well and work together. At the center of these three elements is "work," and we believe that work is the greatest opportunity for development.

・Setting Up an Education System

Underpinning Unitika's education system is the concept that raising the skills standards of all our employees leads to strengthening the organization's foundations. We consider on-the-job training (OJT), based on the career paths of employees, as the core of human resource development. Accordingly, we have established a system that more efficiently provides follow-ups for early-career employees, as well as education and support for managers. In the off-the-job training (OFF-JT) that complements OJT, we are enhancing level-specific education, function-specific education, and the Global Human Resources Education enhancing level-specific education, function-specific education, and the Global Human Resources Education Program.

https://www.unitika.co.jp/e/sustainability/society/training-health/

社会

Human Capital / Safety Initiatives

▽**Education and Training-related Results (FY 2024)**

Education investment/person*	23,923 yen
Education time/person	6.2 hours
Total number of participants	5,519 people
Total training time	13,100 hours

*Education investment/person = Total education investment / (Employees at all domestic Group companies + Employees posted overseas)

・Personnel Training & Education and Creating a Pool of Core Human Resources

We are working on creating a pool of core human resources who will become next-generation leaders that will raise Unitika's corporate value. This includes establishing, training and educating a pool of human resources in specific levels and areas, conducting regular evaluations, formulating individual training and education plans, and aiming for a 100% implementation of annual reviews of assignments. We will set up three pools of human resources: management personnel as candidates for future management, production executive personnel as candidates for middle-ranking executives at production sites, and digital transformation (DX) personnel to promote reforms and innovations using digital technologies. We will then select personnel with the potential required in each of these pools of human resources, and train and educate them so we can create a pool of highly-engaged personnel.

The management personnel pool will include the top management from domestic and overseas sites. We will select personnel based on their competence corresponding to their job responsibilities, and not be constrained by seniority and past evaluations. We will also provide opportunities for employees to attend external business schools to acquire practical business skills, and report regularly to the Representative Director and President, Chief Executive Officer on the status of appointments, transfers, and training etc. to share annual review information. We will also link the management personnel pool to the succession plan for future CEOs.

For the production executives personnel pool, we will select top-performing production site employees who have completed the on-site training for young technicians that is implemented over three years after joining the company, and also outstanding candidates for the training and education we have carried out so far to improve technical skills. In addition to OFF-JT and OJT that emphasize the technologies to solve on-site issues using QC methods and technical proficiency, we will implement programs that focus on the "people" skills required by leaders who will eventually become production executives.

The DX personnel pool is intended to train and educate personnel who will help us to achieve sophisticated digital transformation, as well as expand the base of IT personnel. We aim to develop personnel using an online learning platform that has learning content set at four skill levels (Level 0: "Knowledge Input," Level 1: "From Knowing to Using," Level 2: "From Using to Business Improvement," and Level 3: "From Business Improvement to Transformation"). We promote employees' autonomous reskilling and upskilling through one-year courses of ongoing lessons. In addition, skill level indicators (learning paths and assessments) are prepared and disclosed to employees. They are used as a roadmap and measurement tool to achieve higher skill levels and the pooling of highly skilled personnel.

KPIs of Priority Issues (Materiality)

Implementation rate of annual review of the pools of core human resources (Unitika Ltd.)

FY 2030 target 100%　FY 2024 actual results 100%

■ Create and Maintain an Organizational Culture & Environment

・Revitalize the Organization Using CFT

In order to expand the base in IT education and cultivate a culture where diverse personnel respect each other and grow together, we are promoting the activities of cross-functional teams (CFTs). One of the objectives of these CFT activities is to break down the vertical organization structure, and they can also help provide employees with a workplace that can clearly and extensively view company-wide issues. In FY 2024, "Raising work efficiency using generative AI" was identified as a theme and many personnel from the business, R&D, and administrative departments participated in addressing it. Additionally, we are actively selecting women as team members and appointing them as leaders, thereby creating opportunities to cultivate female leaders within our organization.

・Personnel Evaluation System and Rotation

We have developed a range of training and education programs to enable employees to work on their personal growth while developing their careers and improving their abilities, with a high degree of motivation and an ambitious mindset. By systematically and continuously implementing these programs, we are aiming to enhance our corporate competitiveness.

Unitika's personnel evaluation system is designed to provide a more accurate understanding of the roles employees expect to fulfill and clarify the targets for developing skills and capabilities, and to provide more impartial evaluations of the individuals producing the results needed to fill those roles. Employees are given yearly performance evaluations that rate them based on their competency, ability, role improvement, attainment of results, and job execution processes. They are also given twice-yearly performance evaluations in accordance with the Company's target management system. These evaluations are linked to pay raises, promotions and bonuses. We will use reliable feedback from superiors about the evaluation results to help employees develop their skills and capabilities going forward.

We are also implementing a personnel rotation system to enable the career development of each employee, to create synergy among organizations, and to lead to better business opportunities and corporate performance. We are working to make the system more effective while also taking into consideration various factors such as the allocation preferences they have personally applied for.

Employee Engagement

■ Unitika Health Management Declaration

In July 2022 we established the Unitika Health Management Declaration, and we are implementing Health and productivity management®*1 under the direction of the Representative Director and President, Chief Executive Officer.

https://www.unitika.co.jp/e/sustainability/society/training-health/#policy

■ Promotion of Employee Health

・Certified as a Health & Productivity Management Outstanding Organization

In recognition of Unitika Group's ongoing efforts to promote measures for mental health and lifestyle-related diseases, part*2 of the Unitika Group received certification as Health & Productivity Management Outstanding Organization for three consecutive years from March 2023 to March 2025. We will continue to work with companies, industrial doctors, health management staff, health insurance societies and other organizations to further enhance the health management of employees, including raising the rate of participation in the specific health guidance program and lowering the rate of smoking. We are working to acquire White 500 certification by 2030, which lists the top 500 companies based on the results of health management surveys among the certified companies in the large-scale company division of the Certified Health & Productivity Management Outstanding Organizations Recognition Program.

2025 健康経営優良法人 KENKO Investment for Health 大規模法人部門

*1 Health Management® is a registered trademark of the NPO Kenkokeiei.
*2 Unitika Ltd.; Nippon Ester Co., Ltd.; Unitika Trading Co., Ltd.; Unitika Textiles Co., Ltd.; Unitika Glass Fiber Co., Ltd.; Unitika Garment Technology Co., Ltd.

KPIs of Priority Issues (Materiality)

Certification as Health & Productivity Management Outstanding Organization (Unitika Ltd. and some Group companies*)

FY 2030 target　Acquire certification for White 500

FY 2024 actual result　Acquired certification

*Nippon Ester Co., Ltd.; Unitika Trading Co., Ltd.; Unitika Textiles Co., Ltd.; Unitika Glass Fiber Co., Ltd.; Unitika Garment Technology Co., Ltd.

・Mental Health Initiatives

Based on the Ministry of Health, Labour and Welfare's "Guidelines for Maintaining and Improving Workers' Mental Health," we conduct mental health training both at the time new recruits join the company and when employees are promoted. We are actively working to promote the mental health of our employees. We are also conducting stress checks every year, and implementing stress relief measures for those with a check result of high stress levels, as a primary preventive measure for mental health care.

▽**Stress check examination rate**

FY 2024	96.4%

(Note) We conducted stress checks at these companies below.
Unitika Ltd.; Nippon Ester Co., Ltd.; Unitika Trading Co., Ltd.; Unitika Textiles Ltd.; Unitika Glass Fiber Co., Ltd.; Unitika Garment Technology Co., Ltd.

Safety and Health Initiatives

At the Unitika Group, the Central Safety and Sanitation Committee is implementing health and safety activities aimed at eliminating accidents that require time off from work at all production sites and group companies. We hold safety and sanitation managers meetings three times a year for those Group employees in charge of safety and sanitation. At these meetings, the participants share information such as the analysis of and measures for industrial accidents, initiatives to address companywide issues, and movements for revising laws and regulations. In FY 2024, we conducted a survey on safety measures for large roller equipment where serious accidents can occur, and we revised the inspection status and work procedures for safety devices and provided safety education.

■ Dialogue with Employees

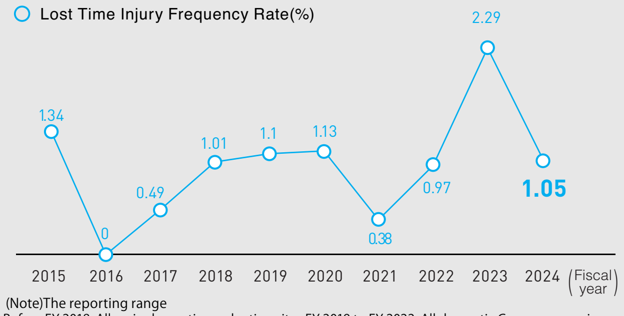
Each business site holds monthly meetings of Health and Safety Subcommittees at the department level and the Health and Safety Committee at the site level, where dialogue is conducted between employees and the top management of the site or department. The Committees share information on occupational accidents that have occurred within the Group, and report on matters identified during on-site patrols, the status of improvements, near-misses, and other matters. The Uji and Okazaki Plants also have "Hazard Simulation Training

Society

Safety Initiatives

Facilities," where new employees can simulate being entangled in or crushed by machinery and learn the importance of protective equipment.

▽Results of industrial safety and health activities over the last 10 years



(Note)The reporting range
Before FY 2018: All main domestic production sites FY 2019 to FY 2022: All domestic Group companies
From and Including FY 2023 actual result: entire Group, including overseas companies

KPIs of Priority Issues (Materiality)

Lost Time Injury Frequency Rate
(entire Group, including overseas companies)

FY 2030 target	0.25
FY 2024 actual results	1.05

Central Disaster Readiness Committee

The Central Disaster Readiness Committee is chaired by Yamato Oku, Director and Senior Executive Officer, and consists of 13 members, including Executive Officers Tatsuhiro Ozaki, Norio Yamamoto, and Atsushi Iwatou; the general managers of the Legal & Compliance, Information Systems, and Procurement & Logistics Departments; the general manager of the Business Planning & Administration Department of the Group company Unitika Trading Co., Ltd., the office managers of the Osaka and Tokyo Head Offices, and the general managers of the Uji, Okazaki, and Tarui Plants. The committee is responsible for confirming the current status of disaster prevention organizations and activities, as well as for formulating and promoting the implementation of advance measures and providing guidance, in order to minimize damage to employees and facilities caused by disasters such as major earthquakes.

Strengthening of Disaster Prevention and Readiness Measures

To prepare for major disasters like the earthquake and tsunami that devastated Tohoku in March 2011, disaster readiness measures are crucial both to fulfill the basic mission of protecting the lives of employees, as well as to uphold the responsibility to stakeholders of continuing business activities. In July 2021, we revised the Unitika disaster prevention and readiness measures outline, and prepared a disaster prevention and readiness system and disaster control measures. Also in October 2023, the Central Disaster Readiness Committee held its FY 2023 Disaster Prevention Committee meeting to make the entire company aware of the importance of disaster prevention and readiness.

Additionally, as internal standards for managing safety at production facilities, Unitika has established a set of "pre-evaluation policies" on safety sanitation and environmental effects at new facilities. As a disaster readiness measure when creating or renovating facilities, a total of two rigorous inspections (during design and upon completion) are carried out in compliance with these standards.

Disaster Readiness Training

Unitika is actively carrying out accident and natural disaster training, as well as doing drills at production sites in the spring and autumn seasons of fire prevention activities. At 13:00 on Tuesday, October 22, 2024, the Tarui Plant conducted an emergency response and evacuation drill based on a simulated alert of a massive earthquake from the Early Earthquake Warning System. All 171 personnel on site, including contractors, participated in the drill. In addition to employees, on-site contractors were present and also participated in the evacuation drill. Based on a scenario where a fire started in the kitchen of the dining hall, selected members carried out initial firefighting during the drill. At the Okazaki Plant, about 400 employees participated in integrated fire prevention and disaster prevention drills on November 18, 2024. In addition to evacuation drills in preparation for an earthquake, we partnered with the head office squad and district squads to carry out drills in preparation for a variety of crises including emergency rescue, the outflow of chemicals, fire breakouts, and the confinement of employees. In addition, on September 9, 2024, a whole-site training was conducted for one of the three shifts (36 employees), and training was conducted by each department and group for the other shifts. At the Uji Plant, 544 employees participated in a whole-site disaster prevention and readiness drill on March 12, 2025. Shakeout drills were conducted in each department, followed by evacuation drills to primary and tertiary evacuation sites, as well as a safety confirmation drill.


FY 2024 disaster prevention and readiness drill (Tarui Plant)


FY 2024 disaster prevention and readiness drill (Okazaki Plant)

Preparation for Large-Scale Disasters

Unitika has established the Protocol for Returning Home, which encourages employees to stay at their workplaces if trains and other public transportation stop running due to large-scale disasters. This is to prevent employees form having difficulties in returning home, and to prevent them from obstructing the operations of police officers and fire fighters. We are also making other preparations such as storing disaster equipment, supplies, drinking water and preserved food. We have also established a system that allows us to handle requests for support from local residents in surrounding neighborhoods and for cooperation form local governments.

Society

Supply Chain Management/ Contributions to Society

Supply Chain Management

Purchasing Policy

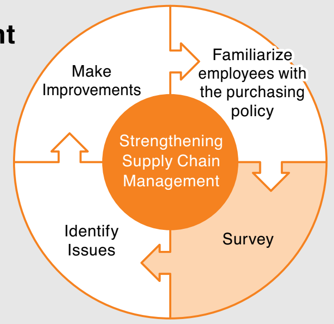
The Unitika Group has set strengthening supply chain management as a priority issue.

In FY 2024, we conducted the second CSR procurement survey to strengthen supply chain management through communicating our purchasing policy in the supply chain and conducting improvement activities.

https://www.unitika.co.jp/e/sustainability/society/supply/

CSR Procurement Survey

PDCA cycle of Supply Chain Management



• Survey targets

63 companies (Main business partners and clients in the Unitika Group's Polymers segment, including Group companies in Japan, and main business partners and clients related to energy at production sites)

• Number of respondents

60 companies (95.2% response rate)

• Survey contents

1. Legal compliance 2. Harmony with the environment
3. Improving working environments and human rights
4. Product safety and quality assurance
5. Setting relevant questions from chemicals management categories

• Plans going forward

We will analyze the survey results, identify supply chain-related issues, and make improvements to the supply chain. Going forward, we will regularly conduct surveys to check for improvements. This is how we will continuously run the PDCA cycle, and link it to our purchasing policy in the supply chain.

KPIs of Priority Issues (Materiality)

Response rate of the CSR procurement survey
(Main business partners and clients)

FY 2030 target	80%	FY 2024 actual results	95.2%

Contributions to Society

Unitika no Mori ("Forest of Unitika") Project

Unitika's labor union, Unitika Union, established a volunteer fund in FY 1992 to develop a variety of domestic and international support activities. As a project that commemorates its 30th anniversary in FY 2003, Unitika Union started the Midori no Plan ('Green Plan') with the purpose of social contribution and environmental protection in Japan. For the Midori no Plan that spans more than 20 years, we planted Japanese chestnut oaks, konara oaks and Japanese cypresses in a 2-hectare area (approximately 2.5 acres) of mountain forest that has been named Unitika no Mori, located in Hidakagawa Town, Wakayama Prefecture. Several times a year, Unitika Group employees visit the site to maintain the forest by clearing underbrush and pruning branches. These activities have been officially recognized by Wakayama Prefecture as "an effort that contributes to CO_2 absorption through forestation." It is expected to result in about 800 metric tons of CO_2 absorption in 100 years.

Unitika no Mori was the first "corporate forest" in Wakayama, which was a pioneer nationwide in the establishment of such corporate forests. Unitika no Mori has contributed to revitalizing the local region by such activities as continuous interaction with the local people and woodland preservation activities. In FY 2018, Unitika no Mori was awarded the Wakayama Prefecture Greening Achievement Award as high recognition of its contributions.

The "Midori no Plan Season 2" was launched in FY 2022, and in February 2025, 20 employees of Unitika Group carried out replanting work to replace seedlings that had withered due to damage caused by wild animals at the "2nd Unitika no Mori." The total number of participants in this project to date is 605 people. We will continue this project in the future to promote biodiversity conservation and raising employees' awareness of environmental conservation.


A group photo in 2024
(Unitika no Mori Season 2)

Governance

Corporate Governance

Corporate Governance

Basic Policies

At Unitika Group, we carry out business activities as we strive to be a company that is continuously chosen by customers, under our philosophy of contributing to society by connecting people's lives and technology. We have worked to achieve stakeholder-focused management by pursuing stakeholder strategies that include the enhancement of legal compliance and risk management, the timely and appropriate disclosure of information, and the implementation of rapid decision making. We believe this will enable Unitika to maximize corporate value in an increasingly global environment, and continue to grow.

Structural Overview

Under the Companies Act, Unitika has adopted the system of a company with auditors, and put in place Accounting Auditor. We have also introduced a voluntary executive officer system. We divide the decision making and management supervisory (governance) functions of the Board of Directors and the business execution functions of the executive officers. In order to enhance the mobility and effectiveness of the management, we promote cooperation between the directors and the executive officers, while most of the directors also serve as the executive officers with some exceptions.

We believe that our governance system is functioning as expected by means of the establishment of a voluntary committee, an executive officer system, outside directors, and Audit & Supervisory Board System.

(Hereafter, A & SB in the text is an abbreviation for Audit & Supervisory Board.)

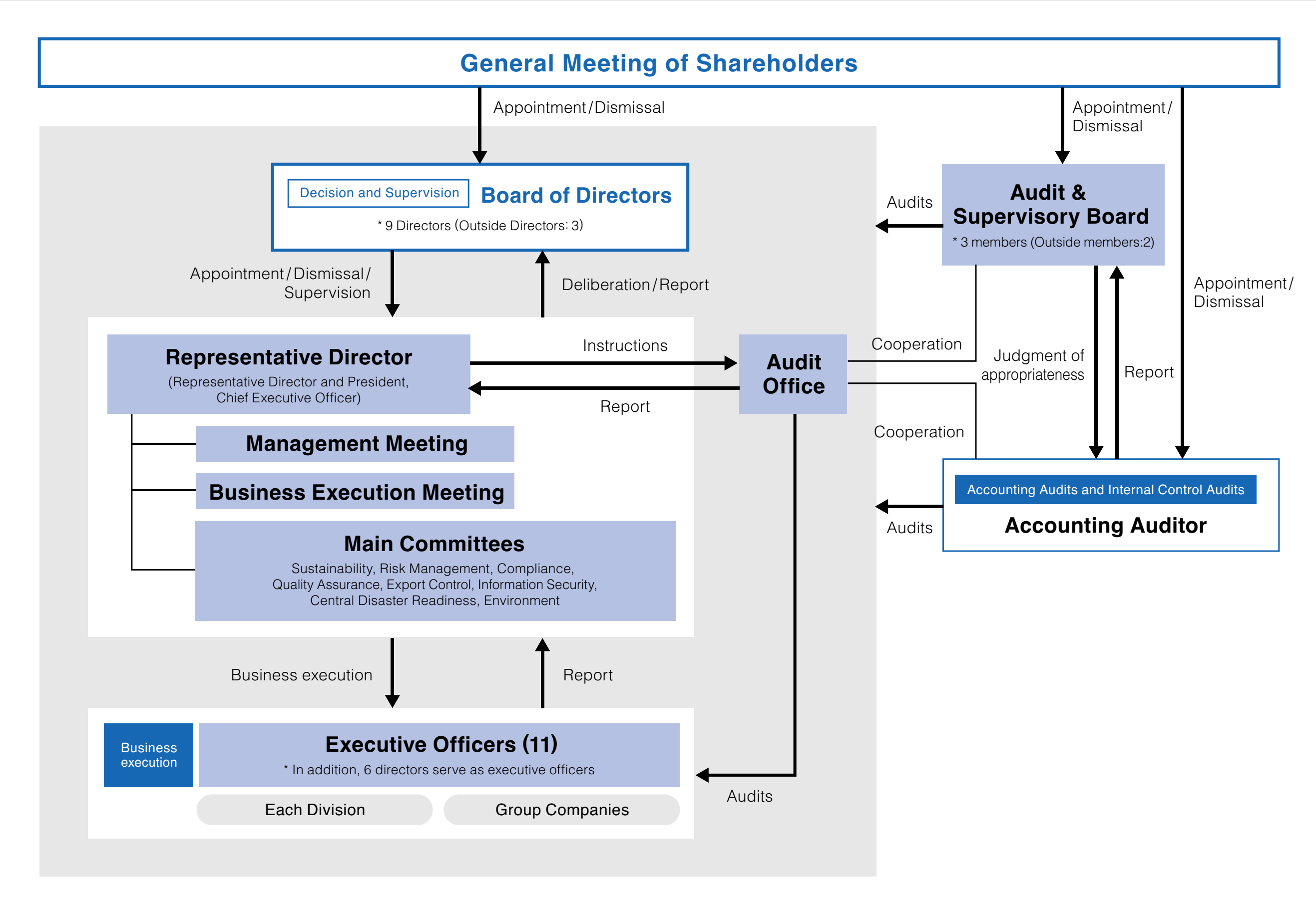
Board of Directors

The Unitika Board of Directors is composed of nine directors: Representative Director and President Minoru Fujii (chairman), Hisami Kashiwagi, Shuichi Misu, Eiji Kobayashi, Shinji Fujimoto, Yamato Oku, Minoru Furukawa (outside director), Noriko Ishikawa (outside director), Keiko Horino (outside director).

The outside directors apply their respective extensive experience and broad knowledge to provide objective recommendations; this enhances the transparency and integrity of management.

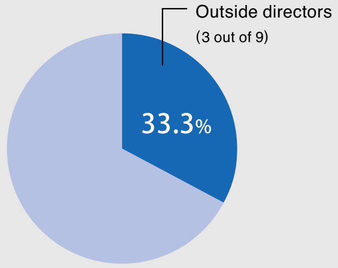
Audit & Supervisory Board Member (Shinsuke Nakano, Makoto Sano (outside A & SB Member), Kenichi Murase (outside A & SB Member)) attend the Board of Directors meetings so that they can speak up and check the decision-making process of management. The Board of Directors meetings are held once a month, and also on an ad-hoc basis as required.

▽Governance organizational chart

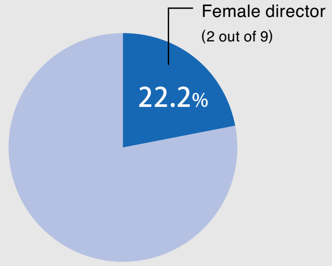


▽Board of Directors

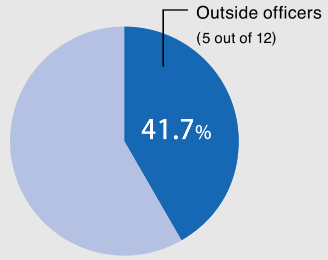
【Ratio of outside directors】



【Ratio of female directors】



【Ratio of outside officers】



Audit & Supervisory Board

The Unitika Audit & Supervisory Board is composed of three auditors: Shinsuke Nakano (chairman), Makoto Sano (outside A & SB Member), and Kenichi Murase (outside A & SB Member). These members audit and monitor management, such as the management policies, execution of business operations, and preservation of property in accordance with standards including the relevant laws and regulations, the Unitika Articles of Incorporation, and provisions, etc.

Management Meeting

Unitika's management meeting was established for the purpose of deepening the directors' discussions on basic policies and issues related to overall management, as well as for the early identification of management issues, streamlining and speeding up decision-making on policies related to the formulation of measures, and ensuring timely execution. The meetings are chaired by the Representative

▽Main meetings and their members

◎Chairman/ ○Committee Chairman/ ●Member/ ▲Observer

Name	Job Title	Board of Directors	Board of Auditors	Management Meeting	Business Execution Meeting	Sustainability Committee	Risk Management Committee	Compliance Committee	Quality Assurance Committee	Export Management Committee	Central Disaster Readiness Committee	Environment Committee
Minoru Fujii	Representative Director and President, Chief Executive Officer	◎		◎	◎	○			○			
Hisami Kashiwagi	Representative Director and Vice President, Executive Officer	●		●	●		●	●				●
Shuichi Misu	Director, Managing Executive Officer	●		●	●	●	○	○		○		
Eiji Kobayashi	Director, Managing Executive Officer	●		●	●		●	●				●
Shinji Fujimoto	Director, Senior Executive Officer	●		●	●	●	●	●				●
Yamato Oku	Director, Managing Executive Officer	●		●	●	●	●	●			○	●
Minoru Furukawa	Director (non-executive)	●		●								
Noriko Ishikawa	Director (non-executive)	●		●								
Keiko Horino	Director (non-executive)	●		●								
Shinsuke Nakano	Full time Audit & Supervisory Board Member	●	◎	▲	▲		▲	▲				
Makoto Sano	Outside Audit & Supervisory Board Member	●	●	▲								
Kenichi Murase	Outside Audit & Supervisory Board Member	●	●	▲								
	Number of other Members				10 others	3 others	4 others	3 others	10 others	4 others	12 others	12 others

Director and President, Chief Executive Officer, Minoru Fujii, and constituted by all of the directors, namely Hisami Kashiwagi, Shuichi Misu, Eiji Kobayashi, Shinji Fujimoto, Yamato Oku, Minoru Furukawa (outside director), Noriko Ishikawa (outside director) and Keiko Horino (outside director). Important matters are discussed and deliberated in advance at the management meeting before being submitted to the Board of Directors. In principle, management meetings are held monthly, and all of Audit & Supervisory Board Member (Shinsuke Nakano, Makoto Sano (outside A & SB Member), and Kenichi Murase (outside A & SB Member) attend as observers to ensure an opportunity to check management's decision-making
.

Business Execution Meeting

Unitika's business execution meeting was established to enable the directors and the managers of each business sector and administrative sector to share information on the status of business execution in their respective divisions, as well as to ensure thorough implementation of instructions related to management policy and to discuss and deliberate on issues related to business execution. The meeting consists of 16 members, including the six internal directors, namely the Representative Director and President, Chief Executive Officer, Minoru Fujii (chairman), Hisami Kashiwagi, Shuichi Misu, Eiji Kobayashi, Shinji Fujimoto, and Yamato Oku and executive officers in charge of the business and administrative sectors, Tetsuya Yoshimura, Hiroyuki Okuma, Masahiro Morita, Naohiko Ashida, Koji Murakami, Atsushi Iwatou, Norio Yamamoto, Hiromasa Itakura, and Hideaki Kaminokado, and General Manager of ACF Division. Audit & Supervisory Board Member Shinsuke Nakano attends as an observer, and the meeting is held monthly in principle.

Policy and Process for the Appointment and Dismissal of Directors

When the Board of Directors nominates candidates for director or Audit & Supervisory Board Member, and when it appoints or dismisses a core member of management, it makes thorough explanations at the appropriate time to the independent outside directors and independent outside Audit & Supervisory Board Members from the perspective of whether the candidate has a wealth of experience, a sense of balance, high levels of insight and ethics, and diverse expertise that will contribute to effective corporate governance, Unitika's sustainable growth, and the enhancement of corporate value over the medium to long term. The Board of Directors receives the appropriate involvement and advice from the outside directors and A & SB Members to ensure the independence and objectivity of the Board of Directors' functions. Candidates for A & SB Member are nominated with the prior consent of Audit & Supervisory Board.

Evaluating the Effectiveness of the Board of Directors

Unitika conducts self-evaluation and analysis of the effectiveness of the Board of Directors with the aim of improving the functioning of the Board of Directors and thereby enhancing corporate value.

For self-assessment and analysis, the following methods were used with the advice of external organizations.

In March 2025, Unitika conducted a survey on all directors and Audit & Supervisory Board Members comprising the Board of Directors. We were able to ensure the anonymity of the respondents by having them submit their answers directly to the external institutions. At the regular Board of Directors meeting held in June 2025, we analyzed, discussed and evaluated the Board of Directors, taking into consideration the tallied results from the external institutions.

The results were generally a positive evaluation of the support system, composition, operation, management, supervision, and other functions of the Board of Directors. Subsequently, we have evaluated the Board of Directors to be effective overall.

In the previous evaluation of effectiveness, there was a shared recognition of issues such as a shift to making the meetings a forum for lively discussions and strengthening the monitoring function of management. Since then, we have seen steady progress in efforts to address these issues, such as initiatives for strengthening the periodic monitoring of problematic businesses as a management issue.

There were views expressed on the ongoing strengthening of monitoring function of management and a shift to making the meetings a forum for lively discussions on management issues of the Board of Directors. Opinions were also shared on issues concerning the further enhancement of the Board of Directors' functions.

Remuneration of Executive Officers

All Unitika executive officers are remunerated in cash payments. Excluding outside directors and Audit & Supervisory Board Members, these payments to executive officers are comprised of position-specific fixed remuneration that is paid monthly and performance-linked remuneration as an incentive.

Outside directors and A & SB Members only receive fixed remuneration.

The ratio of performance-linked remuneration has been roughly set at around 10% of the position-specific fixed remuneration. The performance-linked remuneration is determined by the Board of Directors.

Unitika aims to strengthen the independence, objectivity, and accountability of the Board of Directors' functions with regard to executive officer remuneration by determining remuneration after making thorough explanations at the appropriate time to our independent outside directors and independent Audit & Supervisory Board Members and receiving their appropriate involvement and advice. Then, the remuneration of directors is determined by the Board of Directors, and the remuneration of A & SB Members is determined by the Board of Auditors.

▽Details of Remuneration of Executive Officers

Category of executive officers	Total (million yen)	Class-specific total (million yen)	
		Fixed remuneration	Performance-linked remuneration
Directors (excluding outside directors): 5	70	70	-
Audit & Supervisory Board Member (excluding outside A & SB Members): 2	21	21	-
Outside officers: 4	31	31	-

(Note) The above figures include one directors who retired upon the conclusion of the 214th Annual General Meeting of Shareholders held on June 27, 2024.

Internal Control System

・Basic Policies

Under the Companies Act, Ordinance for Enforcement of the Companies Act and Financial Instruments and Exchange Act, Unitika has created a system that ensures the adequate operation of our company and group, as well as the trustworthiness of our financial reports, as follows.

・Structural Overview

The Internal Control System stipulates the Unitika' s Basic Policy for Internal Control based on Companies Act and the Financial Instruments and Exchange Act. Internal controls for financial reporting are dealt with mainly at the Audit Office, while internal controls regarding offices are set up at our key business branches in order to establish the corporate framework for internal controls. Also, in addition to collecting information within the company and the Group, which is mainly done by the Risk Management Office, we also have systems in place to enable a timely response to matters, including setting up a Compliance Committee and whistleblower contact points within and outside the company.

【Unitika's Basic Policy for Internal Control (Item Headings)】

https://www.unitika.co.jp/e/sustainability/governance/corporate/

Record of main meetings held and attendance

▽Record of main meetings held and attendance of Board of Directors

	Job title	Name	Attendance record
Chairman	Representative Director and President, Chief Executive Officer	Shuji Ueno	100% (20/20 times)
Member	Director	Eiji Sumi	100% (4/4 times)
Member	Director	Masakazu Kitano	100% (20/20 times)
Member	Director	Katsuthide Kyunai	100% (16/16 times)
Member	Director	Tsunetoshi Matsuda	100% (20/20 times)
Member	Outside Director	Minoru Furukawa	100% (20/20 times)
Member	Outside Director	Noriko Ishikawa	90% (18/20 times)
Member	Audit & Supervisory Board Member	Shigeru Sugisawa	100% (20/20 times)
Member	Audit & Supervisory Board Member	Akio Toyoda	100% (20/20 times)
Member	Outside Audit & Supervisory Board Member	Tetsuaki Fukuhara	100% (20/20 times)
Member	Outside Audit & Supervisory Board Member	Makoto Sano	100% (20/20 times)

(Note) The attendance of Director Eiji Sumi covers the Board of Directors meetings held prior to their retirement on June 27, 2024 (four meetings).The attendance of Director Katsuhide Kyunai covers the Board of Directors meetings held after his appointment on June 27, 2024 (sixteen meetings.)

▽Record of main meetings held and attendance of the Nominating Committee (FY 2024)

	Job title	Name	Attendance record
Committee chairman	Outside Director	Minoru Furukawa	100% (3/3 times)
Member	Representative Director and President, Chief Executive Officer	Shuji Ueno	100% (3/3 times)
Member	Outside Director	Noriko Ishikawa	100% (3/3 times)

▽Record of main meetings held and attendance of the Remuneration Committee (FY 2024)

	Job title	Name	Attendance record
Committee chairman	Outside Director	Minoru Furukawa	100% (2/2 times)
Member	Representative Director and President, Chief Executive Officer	Shuji Ueno	100% (2/2 times)
Member	Outside Director	Noriko Ishikawa	100% (2/2 times)

▽Record of main meetings held and attendance of Audit & Supervisory Board

Job title	Name	Attendance record
Audit & Supervisory Board Member (executive)	Shigeru Sugisawa	100% (13/13 times)
Audit & Supervisory Board Member (non-executive)	Akio Toyoda	100% (13/13 times)
Audit & Supervisory Board Member (outside, non-executive)	Tetsuaki Fukuhara	100% (13/13 times)
Audit & Supervisory Board Member (outside, non-executive)	Makoto Sano	100% (13/13 times)

Governance

Compliance Structure

Compliance

Approach to Compliance

The Unitika Group recognizes that the implementation of compliance is the most important issue for management and business, and we will actively work on compliance with laws, regulations, social norms, the Unitika Group Charter of Corporate Behavior, the Unitika Group Code of Conduct, and internal regulations. In addition to fulfilling our social responsibilities, we will strive to maintain and improve the credibility of the Unitika Group.

Unitika Group Charter of Corporate Behavior/ Unitika Group Code of Conduct

In 1998, the Unitika Group created the Unitika Charter of Corporate Behavior, a document that sets forth the basic action policy needed to fulfill our mission in society, and in 2001 we issued the first edition of the Unitika Action Standards. On April 1, 2020, we revised each document as the Unitika Group Charter of Corporate Behavior and the Unitika Group Code of Conduct. The Unitika Group Code of Conduct includes specific action standards that employees should follow as a company, in accordance with the Unitika Group Charter of Corporate Behavior. We are promoting compliance with the Unitika Group Code of Conduct, such as by distributing the Unitika Group Code of Conduct booklet to all executive officers and employees in the Unitika Group, along with a card-sized portable version that can be referred to at all times.

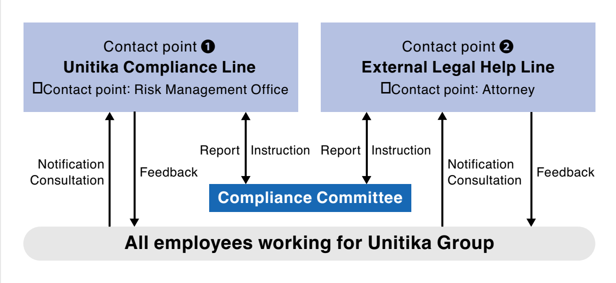
https://www.unitika.co.jp/e/sustainability/governance/compliance/

Compliance Committee

The Compliance Committee is chaired by Director and Managing Executive Officer Shuichi Misu (Chief Compliance Officer), and consists of eight members, namely Directors Hisami Kashiwagi, Eiji Kobayashi, Shinji Fujimoto, and Yamato Oku and Executive Officer Norio Yamamoto, who are in charge of business and administrative sectors, and Attorneys Seiji Morinobu and Takeo Segawa, to whom the whistleblower service is entrusted. Full-Time Audit & Supervisory Board Member Shinsuke Nakano attends the meeting as an observer. The committee oversees and promotes the Unitika Group's compliance system in a cross-cutting manner, including management of the Unitika Group Charter of Corporate Behavior and the Unitika Group Code of Conduct, implementation of educational and awareness-raising activities, establishment and execution of the compliance system, and monitoring of the operation of the whistleblower system.

Whistleblower Contact Points

Unitika has enacted the Whistleblower Protection Regulations, which specify provisions to protect whistleblower privacy and prohibit prejudicial treatment of them for making a report. We have set up two reporting contact points (one inside and one outside the Company) to enable employees to immediately report (even anonymously) any dishonest or conduct they become aware of it. We respond in a timely and appropriate manner to any consultations or notifications of such conduct. The number of whistle-blowing cases in FY 2024 was 57. (including the number of cases received by the Harassment Consultation Desk)



Harassment Consultation Services

We have set up a help desk at each office and Group companies regarding harassment at work, such as sexual harassment, power harassment, harassment in relation to pregnancy, childbirth, parenting and nursing care including maternity harassment, in order to detect and resolve harassment at an early stage. The Guidelines Regarding the Prevention of Human Rights Violation such as Harassment at Unitika Group was established in 2012, and was revised in December 2016. As we broadly strive toward the prevention of harassment and the establishment of a workplace where all our employees can work comfortably, we have added the statements that sexual harassment cannot be allowed regardless of the victim's sexual orientation and gender identity, and that it is considered as sexual harassment if there is any nonconsensual sexual statements or action, even if it is between people of the same sex.

Export Control

In the Unitika Group, export control managers appointed at our business sectors and Group companies carry out the management of daily export operations under the Export Control Committee, based on the Export Control Regulations. The Export Control Committee is chaired by Director and Managing Executive Officer Shuichi Misu (Executive Officer in Charge of Legal and Compliance Department), and consists of five members, namely Executive Officer Norio Yamamoto, Atsushi Iwatou, general manager of the Accounting Department, and general manager of the Global Business Promotion Division. The committee is in charge of security export control based on the Foreign Exchange and Foreign Trade Act, other relevant laws and regulations, and inernational treaties with which Japan is required to comply, as well as the establishment of a regular control system, monitoring its operation, and providing education and awareness. The committee secretariat checks operations at our business departments and Group companies through export control audits and other means. An export control manager conference is held every six months to share information among the export control managers regarding trends for the revision of the Foreign Exchange and Foreign Trade Act, as well as the management status within the Group.

Governance

Compliance Structure / Risk Management

Risk Management

Approach to Risk Management

The Unitika Group recognizes the possibility that risks may occur, and strives to avoid such risks, minimize their impact, and take other proactive measures, or to deal with them after the fact if they do occur.

Risk Management System

We have set up a risk management system in the Unitika Group under the Risk Management Committee and in accordance with the Risk Management Regulations. With this system, we are ensuring the continuity of the Unitika Group by preventing the occurrence of risks and minimizing the loss and damage incurred when risks occur.

The Risk Management Committee is chaired by Director and Managing Executive Officer Shuici Misu (Chief Risk Management Officer) and consists of nine members: Directors Hisami Kashiwagi, Eiji Kobayashi, Shinji Fujimoto, and Yamato Oku, and Executive Officers Norio Yamamoto, Atsushi Iwatou, Tatsuhiro Ozaki and the general manager of the Accounting department, who are responsible for business and administrative divisions. Shinsuke Nakano, full-time Audit & Supervisory Board Member, attends as an observer. The Risk Management Committee inspects the progress of countermeasures against major risks that threaten the Unitika Group, and deliberates how to build and operate a risk management system that can identify the causes of such risks and prevent their recurrence.

Business and Other Risks

Risks that may affect the Unitika Group's operating results, financial position, etc. include the following.

(1) Risks related to compliance with laws and regulations, etc.
(2) Risks related to financial reporting
(3) Risks related to product safety and quality assurance
(4) Risks related to information systems
(5) Risks related to disasters, accidents, etc.
(6) Other risks related to the conduct of the Unitika Group's business
(i) Risks related to fluctuations in the price of raw materials and fuel
(ii) Risks related to fluctuations in foreign exchange and interest rates
(iii) Risks related to overseas business
(iv) Risks related to bad debts
(v) Risks related to the impairment of fixed assets
(vi) Other risks related to major variable factors

Information Security Management

In accordance with the Unitika Group's Information Security Declaration, we have established a Basic Policy on Information Security and the internal rules for operating the policy. Unitika has established a management and operation system centered around the governing body of the Information Systems Department. This system was set up to prepare and implement measures to prevent and respond to information security incidents, as well as protect the Unitika Group's information assets through education about and raising awareness of information security. Regarding the protection of personal information, Unitika handles this in accordance with the laws and regulations, such as periodically inspecting the information held and how it is handled, and taking comprehensive measures for security management.

Also, to respond to the rising risks and threats of cyber-attacks, we continuously conduct vulnerability diagnostic services provided by specialist institutions, implement ransomware measures (protection from data falsification and deletion, etc.), and carry out training and e-learning to prepare for targeted attacks. Through these measures, Unitika is striving to prevent accidents in business operations across the entire Group, including domestic and overseas production sites, employees, and supply chains.

【Information Security Statement】

https://www.unitika.co.jp/e/privacy/security/

Prohibition of Bribery

The nitika Group has established the prohibition of bribery and other corrupt behavior as a commitment to be fulfilled in the actions of each individual employee in the Unitika Group Code of Conduct, which outlines specific actions to be observed in business activities, and ensures that all officers and employees are fully aware of this commitment. We will never give or receive improper money or other benefits in any form for the purpose of influencing business decisions in our business activities. We will not engage in any activities that interfere with fair trade, such as the offering of bribes, cartels, bid rigging, or any other activities that may be suspected of constituting illegal behavior. In order to build and maintain sound relationships not only with all of our customers, but also with political and administrative bodies and other organizations, we will maintain high ethical standards, strive for honest and transparent communication, conduct fair transactions, and engage in moderate and sensible activities.

Governance

Directors and Audit & Supervisory Board Members

Directors

Minoru Fujii
Representative Director and President,
Chief Executive Officer,
In charge of Audit Office and
Technology Management Department

Apr. 1987 Joined the Company
Mar. 2008 Manager of Nylon Fibers Production Department, Production Development Division, Unitika Fiber Co., Ltd.
Oct. 2009 Manager of Production Department, Tarui Plant, Unitika Glass Fiber Co., Ltd.
Jul. 2012 Plant Manager of Tarui Plant, Unitika Glass Fiber Co., Ltd. and General Manager of Tarui Plant of the Company
Sep. 2017 General Manager of Functional Materials Sector, Glass Fibers Division, Glass Fibers Office of the Company
Apr. 2019 Executive Officer, General Manager of Glass Fibers Division
Apr. 2020 Executive Officer, General Manager of Glass Fibers Division, and Representative Director and President of Unitika Glass Fiber Co., Ltd.
Apr. 2022 Senior Executive Officer, General Manager of Glass Fibers Division, and Representative Director and President of Unitika Glass Fiber Co., Ltd.
Oct. 2023 Senior Executive Officer, General Manager of Technology Management Division
Apr. 2025 Representative Director and President, Chief Executive Officer (present)

Eiji Kobayashi
Director, Managing Executive Officer,
In charge of Corporate Planning Department,
Fibers & Textiles Segment, and Investor Relations and
Corporate Communications Office

Apr. 2004 Joined The Shoko Chukin Bank, Ltd.
May 2007 Joined RISA Partners, Inc.
Jan. 2010 Joined Gordon Brothers Japan Co.,Ltd.
Apr. 2013 Joined Deloitte Tohmatsu Financial Advisory LLC
Sep. 2014 Joined the Regional Economy Vitalization Corporation of Japan (REVIC)
Oct. 2018 Joined IDERA Capital Management Ltd.
May 2019 Joined The Shoko Chukin Bank, Ltd.
Oct. 2020 Joined the Regional Economy Vitalization Corporation of Japan (REVIC)
Apr. 2020 Director of the Regional Economy Vitalization Corporation of Japan (REVIC)
Apr. 2025 Director, Managing Executive Officer of the Company (present)
June 2025 Senior Director of the Regional Economy Vitalization Corporation of Japan (REVIC) (present)

Minoru Furukawa
Director (non-executive)

Apr. 1966 Joined Hitachi Zosen Corporation (now Kanadevia Corporation)
Apr. 2005 Representative Director, President of Hitachi Zosen Corporation
June2010 Representative Director, Chairman and President of Hitachi Zosen Corporation
Apr. 2013 Representative Director, Chairman and Chief Executive Officer of Hitachi Zosen Corporation
Apr. 2016 Representative Director, Chairman of Hitachi Zosen Corporation
June2016 Outside Director of the Senshu Ikeda Bank, Ltd.
Apr. 2017 Director, Advisor of Hitachi Zosen Corporation (now Kanadevia Corporation)
June2017 Outside Director of Senshu Ikeda Holdings, Inc.
June2017 Non-Executive Director of the Senshu Ikeda Bank, Ltd.
Director of the Company (present)

Hisami Kashiwagi
Representative Director and Vice President,
Executive Officer,
In charge of Structural Reform Promotion Office,
Industrial Fiber Business, and Nonwoven Fabric Business

Apr. 2000 Joined Daiwa Securities Co. Ltd.
Feb. 2010 Joined the Enterprise Turnaround Initiative Corporation of Japan (ETIC)
Aug. 2011 Executive Officer, General Manager of Production Logistics Division, Yamagiwa Corporation
Oct. 2015 Director, General Manager of Corporate Control Division, Kabenoana Co., Ltd.
Jan. 2018 Managing Director of the Regional Economy Vitalization Corporation of Japan (REVIC)
Mar. 2019 Outside Director of SENSHUKAI CO.,LTD.
Sep. 2021 Outside Director of Iwai Co., Ltd.
Dec. 2021 Executive Officer and Managing Director of the Regional Economy Vitalization Corporation of Japan (REVIC) (present)
Apr. 2025 Representative Director and Vice President, Executive Officer of the Company (present)

Shinji Fujimoto
Director, Managing Executive Officer,
In charge of Polymers Segment, Glass Fiber Business,
ACF Business, Glass Beads Business,
and Procurement & Logistics Department

Apr. 2007 Joined Arthur D. Little Japan
Jul. 2011 Joined Fuji Xerox Co., Ltd.
Mar. 2016 Joined PwC Advisory LLC
Apr. 2019 Joined Japan Investment Adviser Co., Ltd.
Sep. 2020 Joined the Regional Economy Vitalization Corporation of Japan (REVIC)
June 2024 Senior Director of the Regional Economy Vitalization Corporation of Japan (REVIC) (present)
Apr. 2025 Director, Managing Executive Officer of the Company (present)

Noriko Ishikawa
Director (non-executive)

Apr. 2004 Lecturer at the Research Institute for Economics and Business Administration, Kobe University
Apr. 2005 COE researcher at the Department of Natural Science of Graduate School of Engineering, Kobe University
Apr. 2007 Specially-appointed lecturer at the Faculty of Economics, Kindai University
Apr. 2009 Lecturer at the Faculty of Economics, Kindai University
Apr. 2010 Associate Professor at the Department of Economics, Faculty of Economics, Konan University
Apr. 2016 Professor at the Department of Economics, Faculty of Economics, Konan University (present)
June2021 Director of the Company (present)
Apr. 2023 Dean of the Faculty of Economics, Konan University

Shuichi Misu
Director, Managing Executive Officer,
In charge of Accounting Department,
Legal & Compliance Department, and
Information Systems Department

Apr. 1991 Joined The Sanwa Bank, Limited
May 2019 General Manager of Credit Management Division, Mitsubishi UFJ NICOS Co., Ltd.
Apr. 2020 Deputy General Manager of Corporate Planning Division, Mitsubishi UFJ NICOS Co., Ltd.
June 2021 Executive Officer, Deputy General Manager of Corporate Planning Division, Mitsubishi UFJ NICOS Co., Ltd.
Jul. 2023 Executive Officer, Deputy General Manager of Corporate Planning Division, in charge of Corporate Credit Screening Department, and General Manager of Corporate Credit Screening Department, Mitsubishi UFJ NICOS Co., Ltd.
Apr. 2024 Joined the Company, Executive Officer, in charge of Accounting Department and Information Systems Department
Apr. 2025 Director, Managing Executive Officer of the Company (present)

Yamato Oku
Director, Senior Executive Officer,
In charge of Personnel & General Affairs Department,
second in charge of Accounting Department

Apr. 2011 Joined the Nippon Life Insurance Company
Feb. 2014 Joined KPMG AZSA LLC
Mar. 2017 Joined Wakaba Management Accounting, Co., Ltd.
Dec. 2023 Joined the Regional Economy Vitalization Corporation of Japan (REVIC)
Mar. 2024 Outside Director of Iwai Co., Ltd.
June 2024 Senior Manager of the Regional Economy Vitalization Corporation of Japan (REVIC) (present)
Apr. 2025 Director, Senior Executive Officer of the Company (present)

Keiko Horino
Director (non-executive)

Oct. 2005 Registration as an Attorney, Joined Kitahama Partners
Jan. 2013 Foreign Law Joint Venture Partner, Kitahama Partners (present)
May 2021 Outside Director of Medical Ikkou Group Co., LTD. (present)
Jan. 2023 Outside Director of O.B.System Inc. (present)
Apr. 2025 Director of the Company (present)

Audit & Supervisory Board Members

Shinsuke Nakano
Audit & Supervisory Board Member (executive)

Apr. 2009 Joined Resona Bank, Limited
Apr. 2012 Joined Deloitte Touche Tohmatsu LLC
May 2016 Registration as a Certified Public Accountant
Oct. 2017 Assigned to Deloitte Tohmatsu Financial Advisory LLC
Jan. 2021 Joined the Regional Economy Vitalization Corporation of Japan (REVIC)
June 2023 Senior Manager of the Regional Economy Vitalization Corporation of Japan (REVIC) (present)
Apr. 2025 Audit & Supervisory Board Memberr of the Company (present)

Makoto Sano
Audit & Supervisory Board Member (non-executive)

July 2013 District Director of Fukuchiyama Tax Office
July 2014 Office Manager of Public Relations, Management and Co-ordination Department, Osaka Regional Taxation Bureau
July 2015 Section Chief of Second Personnel Division, Management and Co-ordination Department, Osaka Regional Taxation Bureau
July 2016 Section Chief of First Personnel Division, Management and Co-ordination Department, Osaka Regional Taxation Bureau
July 2018 Deputy Manager, First Department of Investigation, Osaka Regional Taxation Bureau
July 2019 Manager, Taxation Division 2, Osaka Regional Taxation Bureau
Aug. 2020 Registration as a Certified Tax Accountant
Feb. 2022 Outside Audit & Supervisory Board Member of Hikarishinsei Company, Limited (present)
June 2023 Audit & Supervisory Board Member of the Company (present)
Mar. 2024 Outside Audit & Supervisory Board Member of Unicafe Inc. (presemt)
Oct. 2024 Co-representative partner of Tokiwa Tax Account corporation (present)

Kenichi Murase
Audit & Supervisory Board Member (non-executive)

Apr. 1996 Registration as an Attorney, Joined Yamaguchi Law & Accounting Office
Apr. 2002 Opened Ikeda First Law Office, Office Manager (present)
Apr. 2021 Vice Chairman of Osaka Bar Association
Apr. 2023 Law School Special Professor, Kyoto University (present)
June 2025 Audit & Supervisory Board Member of the Company (present)

Skills Matrix

Name	Position in the Company	Type	Gender	Skills and experience						
				Corporate management Management planning	Sales Marketing	Finance Accounting	Legal affairs Risk management	R&D Manufacturing	Global	Sustainability Human resources and personnel development
Minoru Fujii	Representative Director and President, Chief Executive Officer		Male	●	●			●		●
Hisami Kashiwagi	Representative Director and Vice President, Executive Officer,		Male	●		●				
Shuichi Misu	Director, Managing Executive Officer		Male			●	●		●	
Eiji Kobayashi	Director, Managing Executive Officer		Male	●		●				
Shinji Fujimoto	Director, Managing Executive Officer		Male	●	●				●	
Yamato Oku	Director, Senior Executive Officer		Male			●				
Minoru Furukawa	Director	Outside, Independent	Male	●		●			●	
Noriko Ishikawa	Director	Outside, Independent	Female							●
Keiko Horino	Director	Outside, Independent	Female				●			

A & SB in the text is an abbreviation for Audit & Supervisory Board.

Financial Data (11-year, consolidated)

Operating Results

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Net Sales (100 million yen)	1,591.3	1,464.7	1,262.2	1,283.9	1,291.0	1,195.4	1,103.8	1,147.1	1,179.4	1,183.4	**1,264.1**
Operating Profit (100 million yen)	89.2	104.5	125.4	116.6	81.4	54.7	60.2	60.1	13.3	△24.8	**58.5**
Operating Profit Margin (%)	5.6	7.1	9.9	9.1	6.3	4.6	5.5	5.2	1.1	△2.1	**4.6**
Ordinary Profit (100 million yen)	76.8	68.2	104.8	99.7	70.9	31.5	53.8	64.0	10.7	△10.1	**46.9**
Profit Attributable to Owners of Parent (100 million yen)	△ 270.3	69.3	73.9	80.8	52.3	△ 21.6	38.6	22.2	1.0	△54.4	**△ 242.8**
EBITDA (100 million yen)	136.3	150.1	168.3	161.1	126.3	102.3	105.4	106.8	60.6	30.4	**104.3**

Financial Condition

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total Assets (100 million yen)	2,358.8	2,199.6	2,118.7	2,014.5	1,990.9	1,937.3	1,904.0	1,914.0	1,900.0	1,863.3	**1,494.3**
Net Assets (100 million yen)	315.9	379.4	452.6	407.3	413.5	389.3	411.9	430.7	439.2	382.5	**162.3**
Shareholders' Equity (100 million yen)	283.5	346.0	418.4	371.7	378.7	354.8	394.8	413.0	421.1	367.6	**155.7**
Capital Adequacy Ratio (%)	12.0	15.7	19.7	18.4	19.0	18.3	20.7	21.6	22.2	19.7	**10.4**
D/E Ratio (times)	4.7	3.7	2.6	2.8	2.7	2.8	2.5	2.3	2.2	2.5	**5.9**
Interest-bearing Liabilities (100 million yen)	1,339.0	1,263.3	1,093.3	1,052.5	1,026.0	996.0	968.0	938.9	934.4	921.5	**921.4**

Cash Flow, Investing, Others

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Cash Flow from Operating Activities (100 million yen)	60.8	116.6	181.1	97.4	89.9	98.0	148.7	86.7	5.1	81.7	**62.9**
Cash Flow from Investing Activities (100 million yen)	△ 1.5	41.2	△ 41.6	△ 32.3	△ 64.4	△ 101.9	△ 61.7	△ 89.9	△ 80.9	△ 75.4	**△ 31.5**
Free Cash Flow (100 million yen)	59.4	157.9	139.5	65.1	25.4	△ 4.0	87.0	△ 3.2	△ 75.8	6.3	**31.5**
Cash Flow from Financing Activities (100 million yen)	58.7	△ 50.1	△ 190.9	△ 172.1	△ 65.2	△ 34.8	△ 41.4	△ 42.1	△ 16.6	△ 2.8	**△4.4**
Capital Investment* (100 million yen)	48.1	59.7	48.3	41.3	60.7	93.2	73.9	76.1	76.4	68.1	**27.3**
Depreciation* (100 million yen)	47.2	45.6	42.9	44.5	44.8	47.7	45.2	46.7	47.3	55.2	**45.8**
R&D Expenditure (100 million yen)	39.4	32.0	31.4	32.7	34.7	36.2	36.4	36.0	37.6	36.0	**32.2**

*Capital Investment and Depreciation do not include in tangible assets.

Per Share Indices, Other Indices

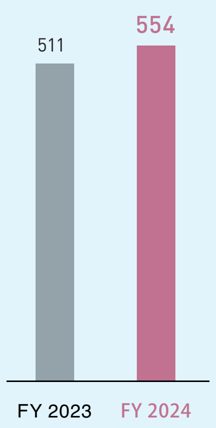
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Net Income per Share (yen)	△ 468.7	102.9	110.8	133.3	85.2	△ 43.0	61.4	33.3	△ 3.1	△ 94.4	**△421.2**
Net Assets per Share (yen)	△ 170.1	△ 67.6	58.0	160.8	229.9	188.4	257.7	303.6	332.0	244.2	**△123.4**
Operating ROA (%)	3.8	4.8	5.9	5.8	4.1	2.8	3.2	3.1	0.7	△1.3	**3.9**
Number of Employees	4,458	3,906	3,671	3,677	3,497	3,438	3,007	3,037	2,944	2,907	**2,663**

(Note) A reverse split (10:1) was implemented on October 1, 2017. "Net Income per Share" and "Net Assets per Share" are calculated based on the assumption of said reverse split at the start of the period for FY 2013.

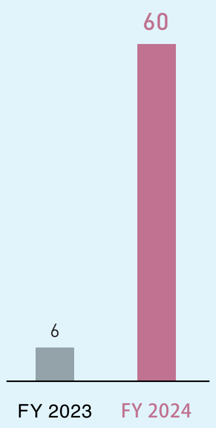
Business Overview

Polymers Segment

Net Sales (100 million yen)



Operating Profit (100 million yen)



The Polymers segment experienced a rebound in sales volume, resulting in improved plant operating rates. While raw material and fuel prices remained high, enhanced operating efficiency and cost-reduction measures helped lower manufacturing costs. Together with price adjustments across our product lineup, these factors strengthened profitability.

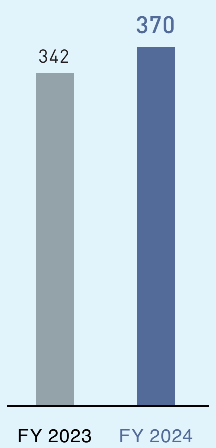
In the film business, market conditions recovered throughout the period for our core food packaging applications, leading to a recovery in sales volume for both nylon and polyester films. For industrial applications, certain semiconductor uses stayed strong, while sales of other industrial films were sluggish, resulting in overall flat performance. Meanwhile, cost-reduction measures contributed to increased operating profit. Overseas, profitability improved through the review of unprofitable sales, while price competition from low-priced products continued. As a result, both net sales and operating profit increased for the business overall.

In the plastics business, the sales volume of engineering plastics declined due to weak sales for automotive part applications throughout the period and slow recovery in demand for electrical and electronic parts. Although net sales increased only slightly, operating profit improved significantly due to the effects of price revisions. Regarding specialty polymers, sales of highly functional products for adhesive and coating applications grew, leading to a substantial increase in profits. As a result, both net sales and operating profit increased for the business overall.

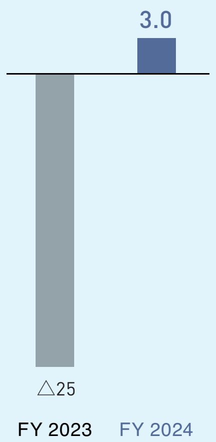
As a result of the above, the Polymer segment recorded increases in both net sales and operating profit. Net sales were 55,393 million yen (year-on-year +8.5%), and operating profit was 6,000 million yen (compared with operating profit of 603 million yen in the previous fiscal year).

Performance Materials Segment

Net Sales (100 million yen)



Operating Profit (100 million yen)



The Performance Materials segment saw a significant increase in production due to a strong rebound in sales volume, particularly in the electronic materials field, which had been weak in the previous fiscal year. This led to lower manufacturing costs. In addition, price revisions across the product lineup supported a recovery in profitability, turning the operating loss of the previous fiscal year into an operating profit.

In the Activated Carbon Fibers business, sales for water purification applications, a mainstay of this business, remained strong. However, sales of VOC removal sheets for air purification applications were sluggish, resulting in a slight decline in overall sales.

In the glass fiber business, the industrial materials sector saw strong demand in the market for construction material applications, resulting in higher sales of products such as non-combustible tents and sheets. The electronic materials sector grew in sales of highly functional glass fabric products for semiconductor package substrates, mainly for mobile device high-end memory, even though the overall semiconductor market did not fully recover, with recovery largely confined to specific data center applications related to generative AI.

In the glass beads business, the road application sector expanded its market share and achieved a slight increase in net sales, due to our competitive advantages over overseas products, despite a continued decline in the number of road construction projects. Regarding the industrial application sector, sales of high-precision glass beads and other highly functional products increased.

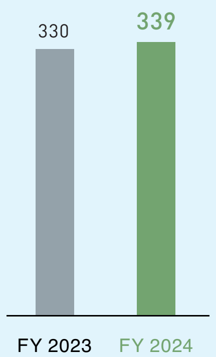
In the nonwoven fabric business, sales of both polyester spunbond and cotton spunlace recovered, mainly for filter and skincare applications. As a result of both higher sales and improved profitability through price revisions, the operating loss was reduced.

In the industrial fiber business, sales of both polyester staple fibers and ultra-high-strength polyester filament yarns started strong but declined in the latter half of the fiscal year. Nevertheless, net sales increased and the operating loss was reduced as a result of price revisions implemented in response to rising raw material and other costs.

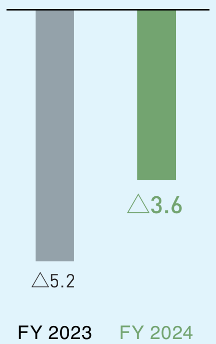
As a result of the above, the Performance Materials segment recorded increases in both net sales and operating profit. Net sales totaled 37,037 million yen (year-on-year +8.3%), and operating profit was 298 million yen (compared with a loss of 2,478 million yen in the previous fiscal year).

Fibers & Textiles Segment

Net Sales (100 million yen)



Operating Profit (100 million yen)

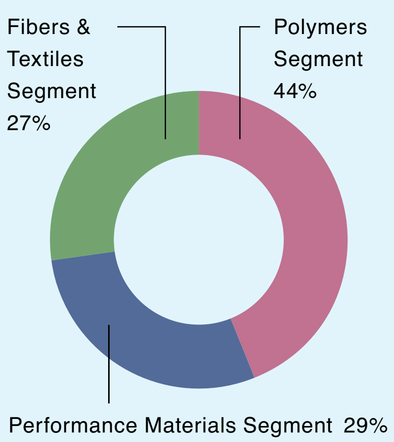


In the clothing textile business, sales in the uniform sector, a mainstay of this business, remained strong, supported primarily by public-sector demand, while private-sector demand was also generally steady. In contrast, sales in general garments, bedding, and sportswear struggled throughout the period due to continued sluggish demand.

In the global business, export sales of denim fabrics recovered. In the industrial material business, lifestyle-related applications strengthened and sales for electrical and electronic applications were strong.

As a result of the above, the Fibers & Textiles segment recorded increases in both net sales and operating profit. Net sales totaled 33,923 million yen (year-on-year +2.8%), and the operating loss was 357 million yen (compared with a loss of 523 million yen in the previous fiscal year).

Sales Ratio by Segment



Company Profile

As of March 31, 2025

Unitika LTD. https://www.unitika.co.jp/e/

Founded	June 19, 1889
Capital Stock	100,450,000 yen
Outline of Main Businesses	**Polymers Segment** Films (nylon, polyester), Plastics (nylon, polyester, polyarylate), Biodegradable materials **Performance Materials Segment** Nonwoven fabrics (polyester spunbond, cotton spunlace), Activated carbon fibers, Glass fibers, Glass beads, Industrial fibers **Fibers & Textiles Segment** Fibers and textiles (polyester)

Head Office


Osaka Head Office


Tokyo Head Office

[Osaka Head Office]
Osaka Center Bldg., 4-1-3 Kyutaro-machi, Chuo-ku, Osaka 541-8566 Japan
Tel.: +81-6-6281-5695

[Tokyo Head Office]
Nihonbashi-Nichigin Dori Bldg., 4-6-7 Nihonbashi-Hongoku-cho, Chuo-ku, Tokyo 103-8321 Japan
Tel.: +81-3-3246-7540

Research Laboratory and Production Sites

Research & Development Center	23 Uji-Kozakura, Uji-shi, Kyoto, 611-0021, Japan Tel.: +81-774-25-2214
Uji Plant	5 Uji-Tonouchi, Uji-shi, Kyoto, 611-8555, Japan Tel.: +81-774-25-2029
Okazaki Plant	4-1 Hinakita-machi, Okazaki-shi, Aichi, 444-8511, Japan Tel.: +81-564-23-2311
Tarui Plant	2210 Tarui-cho, Fuwa-gun, Gifu, 503-2121, Japan Tel.: +81-584-22-1201
Sakoshi Plant	846 Kono, Ako-shi, Hyogo, 678-0171, Japan Tel.: +81-791-48-8185

Overseas Offices and Satellite Offices

U.S. Office	1135 N Arlington Heights Rd., Unit 420, Itasca, IL 60143, U.S.A.

Main Companies in the Unitika Group

• Trading Companies (Manufacturer-type trading companies)

Unitika Trading Co., Ltd.
Metlife Hommachi Square, 2-5-7 Hommachi, Chuo-ku, Osaka, 541-0053, Japan
Tel.: +81-6-4705-9011

• Polymers Segment

Nippon Ester Co., Ltd.
Osaka Center Bldg., 4-1-3 Kyutaro-machi, Chuo-ku, Osaka, 541-0056, Japan
Tel.: +81-6-6281-5520

Terabo Co., Ltd.
28-55 TsudaMinami-cho, Kaizuka-shi, Osaka, 597-8511, Japan
Tel.: +81-72-431-2424

Unitika Technos Co., Ltd.
19 Uji-Yaochi, Uji-shi, Kyoto, 611-0021, Japan
Tel.: +81-774-23-8088

U.C.S Co., Ltd.
120-1 Minami-Ouchi, Mori, Kumiyama-cho, Kuse-gun, Kyoto, 613-0024, Japan
Tel.: +81-75-632-5020

• Performance Materials Segment

Unitika Glass Fiber Co., Ltd.
45-2 Uji-Kozakura, Uji-shi, Kyoto, 611-0021, Japan
Tel.: +81-774-25-2361

Unitika Glass Beads Co., Ltd.
10-1 Ohmine-Minamimachi, Hirakata-shi, Osaka, 573-0145, Japan
Tel.: +81-72-858-1353

Unitika Sparklite Co., Ltd.
13-8 Ikagahera, Goma, Hiyoshi-cho, Nantan-shi, Kyoto, 629-0311, Japan
Tel.: +81-771-74-1075

Ad'All Co., Ltd.
5 Uji-Tonouchi, Uji-shi, Kyoto, 611-8555, Japan
Tel.: +81-774-25-2274

• Fibers & Textiles Segment

Osaka Dyeing Co., Ltd.
2-1-1 Yamazaki, Shimamoto-cho, Mishima-gun, Osaka, 618-0001, Japan
Tel.: +81-75-961-1221

Unitika Spinning Co., Ltd.
1701 Ikenarimen, Shisa-cho, Matsuura-shi, Nagasaki, 859-4518, Japan
Tel.: +81-956-72-2101

Unitika Mate Co., Ltd.
3-1-4 Motomachi, Naniwa-ku, Osaka, 556-0016, Japan
Tel.: +81-6-4705-9141

Kamijo Seiki Co., Ltd.
26 Ichibanwari, Gokasho, Uji-shi, Kyoto, 611-0011, Japan
Tel.: +81-774-32-8352

Unitika Garment Technology Co., Ltd.
28-55 TsudaMinami-cho, Kaizuka-shi, Osaka, 597-0014, Japan
Tel.: +81-72-437-0055

Unitika Textiles Co., Ltd.
88 Nakabara, Soja-shi, Okayama, 719-1195, Japan
Tel.: +81-866-93-1251

Overseas Affiliate Companies

• Polymers Segment

【Films】

PT. Emblem Asia (Indonesia)
Business: Manufacture and sales of nylon films

【Plastics】

Unitika (Hong Kong) Ltd. (Hong Kong)
Business: Import, export, domestic and overseas sales of functional polymers

Unitika Advance (Thailand) Co., Ltd. (Thailand)
Business: Import, export, domestic and overseas sales of functional polymers

• Performance Materials Segment

【Nonwovens】

Thai Unitika Spunbond Co., Ltd. (Thailand)
Business: Manufacture and sales of polyester spunbond

• Fibers & Textiles Segment

PT. Unitex (Indonesia)
Business: Cotton and cotton-polyester blends spinning

Unitika (Beijing) Trading Co., Ltd. (China)
Business: Manufacturing oriented trading company in China

Unitika Trading Vietnam Co., Ltd. (Vietnam)
Business: Import, export, domestic and overseas sales, consulting

PT. Unitika Trading Indonesia (Indonesia)
Business: Import, export, domestic and overseas sales

• Trading Companies

Unitika America Corporation (U.S.A.)
Business: Import and export

Unitika Europe GmbH (Germany)
Business: Import and export

Unitika (Shanghai) Ltd. (China)
Business: Import and export

Unitika (Shanghai) Ltd. Guangzhou Branch (China)
Business: Import and export

• Other

Brazcot Ltda. (Brazil)
Business: Agriculture and forestry (natural rubber)

Unitika do Brasil Industria Textil Ltda. (Brazil)
Business: Cotton spinning

Unitika Europe GmbH
Germany

Thai Unitika Spunbond Co., Ltd.
Thailand

PT. Emblem Asia
Indonesia

PT. Unitex
Indonesia

Unitika (Hong Kong) Ltd.
China

Unitika (Shanghai) Ltd.
China

Unitika do Brasil Industria Textil Ltda.
Brazil

Share Status (as of March 31, 2025)

1. Total number of shares issued

Common shares:	57,752,343(shares)
Class A shares:	21,740(shares)
Class B shares:	944(shares)

2. Number of shareholders

Common shares:	38,401(people)
Class A shares:	1(people)
Class B shares:	1(people)

3. Major Shareholders

Name	Number of Shares (1,000 shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	5,931	10.28
MUFG Bank, Ltd.	2,356	4.08
Employee stock ownership plan of Unitika Group	1,695	2.93
BNY GCM CLIENT ACCOUNT JPRD AC ISG (FE-AC) (Permanent representatives: MUFG Bank, Ltd.)	890	1.54
BNYM SA/NV FOR BNYM FOR BNY GCM CLIENT ACCOUNTS M LSCB RD (Permanent representatives: MUFG Bank, Ltd.)	885	1.53
TAKAO HAYASHI	820	1.42
DAIDO LIFE INSURANCE COMPANY	800	1.38
J.P. Morgan Securities plc (Permanent representatives: JPMorgan Securities Japan Co., Ltd.)"	746	1.29
Unitika Kyouei-Kai	717	1.24
Custody Bank of Japan, Ltd. (trust account)	631	1.09

(Note 1) The shareholding ratio is rounded down to two decimal places.
(Note 2) The shareholding ratio is calculated excluding treasury stock (97,826 shares).

The revised large volume holding report, which was released for public inspection on July 23, 2024, stated that Mitsubishi UFJ Trust and Banking Corporation and Mitsubishi UFJ Asset Management Co., Ltd., which are the joint shareholders of MUFG Bank, Ltd., held 1,309,000 shares and 402,000 shares respectively, as of July 16, 2024. However, since Unitika has not been able to confirm the actual number of shares held as of March 31, 2025, they are not included in the share status of major shareholders above.
On April 30, 2025, all Class A and Class B shares were canceled, and Class C shares (115,504,600 shares) were issued.

Distribution of Shares by Shareholder (as of March 31, 2025) Common Shares (100 shares per unit)

Percentage of shares held

	Number of shareholders (people)	Number of shares held (unit)	Percentage of shares held (%)
Financial Institutions	22	113,460	19.70
Financial Instruments Business Operator	40	22,368	3.88
Domestic Corporations	251	17,972	3.12
Foreign Investors (Non-Individuals)	56	49,907	8.66
Foreign Investors (Individuals)	61	562	0.10
Individuals and Other	31,872	371,767	64.54

(Note 1) 97,826 shares of treasury stock are included in 978 units in “Individuals / Others” and 26 shares in “Number of shares less than one unit.”
(Note 2) 20 units of shares in the name of Japan Securities Depository Center, Inc. are included in “Other corporations” above.