



August 7, 2025

Non-Consolidated Financial Statements for the First Quarter of Financial Year 2025 (April 1 - June 30, 2025) (Under Japanese GAAP)

Company name: OSAKA Titanium technologies Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5726
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 Scheduled date to commence dividend payments: Not Applicable
 Preparation of supplementary material on financial results: None
 Holding of Financial Results Briefing: None

(Japanese Yen amounts are rounded down to millions, unless otherwise noted.)

1. Financial Results for the First Quarter of Financial Year 2025 (April 1 - June 30, 2025)

(1) Operating Results

(Japanese Yen in millions)

	Net sales		Operating profit		Ordinary profit		Net profit	
FY 2025 Q1	12,106	(2.9)%	684	(77.9)%	444	(88.1)%	194	(92.4)%
FY 2024 Q1	12,466	(11.8)%	3,091	82.8%	3,729	51.0%	2,568	23.9%

Percentages indicate year-on-year changes.

(Japanese Yen)

	Net profit per share	Diluted net profit per share
FY 2025 Q1	5.29	—
FY 2024 Q1	69.81	—

(2) Financial Position

(Japanese Yen in millions)

	Total assets	Net assets	Capital-to-asset ratio
FY 2025 Q1	100,469	42,113	41.9%
FY 2024 Full-Year	100,925	42,838	42.4%

Reference: Equity

Three months ended June 30, 2025: JPY 42,113 million

Financial Year Ended March 31, 2025: JPY 42,838 million

2. Cash dividends

(Japanese Yen)

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
FY 2024	—	25.00	—	25.00	50.00
FY 2025	—				
FY 2025 Forecast		5.00	—	10.00	15.00

Note: Revisions to the forecast of cash dividends from the latest announcement: None

3. Earnings Forecast for the Financial Year ending March 31, 2026

(Japanese Yen in millions except per share amounts; % indicates changes from the year before)

	Net sales		Operating profit		Ordinary profit		Net profit		Net profit per share
Six months ending September 30, 2025	26,000	(0.9)%	2,500	(60.2)%	2,000	(60.2)%	1,300	(63.1)%	35.33
Full-Year	52,000	0.2 %	4,500	(55.4)%	4,200	(53.7)%	2,000	(71.8)%	54.35

Note: Revision of earnings forecast from the latest announcement: Yes

Notes

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: Yes

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimate: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

Three months ended June 30, 2025	36,800,000 shares
Financial Year ended March 31, 2025	36,800,000 shares

(ii) Number of treasury shares at the end of the period

Three months ended June 30, 2025	1,519 shares
Financial Year ended March 31, 2025	1,519 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the financial year)

Three months ended June 30, 2025	36,798,481 shares
Three months ended June 30, 2024	36,798,482 shares

* The financial statements are not subject to audit by a certified public accountant or auditing firm.

* Proper use of earnings forecast and other special matters

Forward-looking statements in this document include projections based on certain assumptions deemed appropriate and based on information currently available. Actual results may differ significantly in the future due to a number of factors. Please refer to “Explanation of Forward-Looking Statements” on page 4 for the assumptions used for earnings forecasts and precautionary statements regarding the use of earnings forecasts.

* Special matters on translation

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

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1. Qualitative Information on Financial Results for the First Quarter of Financial Year 2025

(1) Explanation of Operating Results

The Japanese economy maintained a moderate recovery trend during the three months ended June 30, 2025, due to improvements in employment and income conditions as well as steady inbound demand. On the other hand, there are concerns such as inflationary pressures due to high prices and significant fluctuations in exchange rates. Furthermore, while overseas economies show signs of a gradual recovery trend, the outlook for the global economy is becoming increasingly uncertain due to ongoing geopolitical risks in Ukraine and the Middle East, and impacts of the U.S. tariff policies.

In Titanium business, while there still remain temporary impacts of quality problems and strikes of last year at Boeing, which is a major manufacturer of aircraft, the transition to growth of the aircraft industry, coupled with ongoing restructuring of the global titanium supply chain, have led to sustained demand for titanium sponge.

In addition, the High-Performance Materials business has been continuing to experience an adjustment phase in the semiconductor and electronic material markets.

Under these circumstances, net sales for the three months ended June 30, 2025, were JPY 12,106 million (down 2.9% year-on-year), operating profit came to JPY 684 million (down 77.9% year-on-year), ordinary profit was JPY 444 million (down 88.1% year-on-year), and net profit posted JPY 194 million (down 92.4% year-on-year).

As for the U.S. reciprocal tariffs, titanium products are included in the list of exempted items, and there has been no direct impact at this time.

The business results by business segment are as follows.

Titanium Business

As for net sales of the Titanium Business for the three months ended June 30, 2025, net sales of items for export increased 15.3% year-on-year. The increase was due to solid demand for engine MRO (Maintenance, Repair and Overhaul) and Airbus-related products, despite a temporary decline in demand due to Boeing's quality problems and strikes that occurred last year in addition to low sales prices of items for export. On the other hand, domestic net sales, mainly for general industrial applications, declined significantly by 45.1% year-on-year due to sluggish demand and inventory adjustments by customers and end-users. As a result, net sales of Titanium were JPY 10,477 million (up 0.2% year-on-year).

Operating profit came to JPY 572 million (down 79.2% year-on-year) mainly due to pending contracts with some overseas customers, production cutbacks resulting from lower domestic sales volume, cost increases due to inflation, and the impact of the yen's appreciation, despite the effect of lower prices for titanium ore, the main raw material.

High-Performance Materials Business

Net sales of High-Performance Materials for the three months ended June 30, 2025, were JPY 1,628 million (down 19.1% year-on-year), as the same period of the previous year included the effect of increased one-time orders from certain customers in the sales volume for high-purity titanium used in semiconductor-related sputtering targets.

Operating profit came to JPY 112 million (down 67.6% year-on-year) due to lower sales volume of these products.

(Reference)

Net sales by business segment

(Japanese Yen in millions)

		Three months ended June 30, 2025	Three months ended June 30, 2024	Percentage change (%)
Titanium Business	Domestic	1,431	2,609	(45.1)
	Export	9,045	7,844	15.3
Total		10,477	10,453	0.2
High-Performance Materials Business		1,628	2,013	(19.1)
Total		12,106	12,466	(2.9)

Operating profit by business segment

(Japanese Yen in millions)

		Three months ended June 30, 2025	Three months ended June 30, 2024	Percentage change (%)
Titanium Business		572	2,745	(79.2)
High-Performance Materials Business		112	346	(67.6)
Total		684	3,091	(77.9)

Effective from the three months ended June 30, 2025, the Company has changed its reported business segments, etc. For details, please refer to “(3) Notes to Quarterly Financial Statements (Business segment information and other notes)” in “2. Quarterly Financial Statements and Significant Notes.” The above year-on-year comparisons have been restated to reflect the new classifications.

(2) Explanation of Financial Position

Assets, liabilities, and net assets

(i) Assets

Total assets at the end of the three months ended June 30, 2025 reached JPY 100,469 million, a decrease of JPY 456 million compared with the end of the preceding financial year. This was mainly due to decreases in trade accounts receivable and inventories, despite an increase in fixed assets.

(ii) Liabilities

Total liabilities at the end of the three months ended June 30, 2025 were JPY 58,356 million, an increase of JPY 269 million compared with the end of the preceding financial year. This was mainly due to an increase in borrowings, despite decreases in trade accounts payable and accounts payable-facilities.

(iii) Net assets

Net assets at the end of the three months ended June 30, 2025 reached JPY 42,113 million, a decrease of JPY 725 million compared with the end of the preceding financial year. This was mainly due to a decrease in retained earnings due to dividend payments, despite an increase in retained earnings due to net profit.

(3) Explanation of Forward-Looking Statements

The Company has revised the earnings forecast for the financial year ending March 31, 2026 that it disclosed in the “Non-Consolidated Financial Statements for the Financial Year Ended March 31, 2025 (Under Japanese GAAP)” on May 15, 2025 as follows.

Note that the disclosed forecast has been prepared based on information available as of the date of publication of this document, and that actual results may differ considerably in the future due to various factors.

1. Forecast Figures for the Financial Year Ending March 31, 2026

(Japanese Yen in millions)

Reported business segment		Previously-announced forecast (A)	This revised forecast (B)	Changes (B-A)
Net sales	Titanium Business	43,900	45,200	1,300
	High-Performance Materials Business	7,100	6,800	(300)
	Total	51,000	52,000	1,000
Operating profit	Titanium Business	3,000	3,500	500
	High-Performance Materials Business	1,000	1,000	0
	Total	4,000	4,500	500

2. Reason for Revision

Net sales in the Company’s earnings forecast for the full financial year are expected to increase over previous forecast figures due largely to the impact of increased sales volumes of titanium sponge both domestically and overseas.

Operating profit, ordinary profit and net profit are anticipated to increase over previous forecast figures due largely to the impact of the aforementioned increase in sales volumes of titanium sponge.

Note that the earnings forecast figures for the current six months ending September 30, 2025 remain unchanged from the previous forecast.

The exchange rate level for the second quarter of the Financial Year 2025 and beyond is based on an exchange rate of USD 1 = JPY 145.

2. Quarterly Financial Statements and Significant Notes

(1) Quarterly Balance Sheet

(Japanese Yen in millions)

	March 31, 2025	June 30, 2025
Assets		
Current assets		
Cash and deposits	4,619	4,453
Trade accounts receivable	22,596	22,119
Merchandise and finished goods	17,159	17,028
Work in process	3,497	3,486
Raw materials and supplies	13,791	13,309
Other	219	229
Allowance for doubtful accounts	(3)	(3)
Total current assets	61,880	60,624
Fixed assets		
Property, plant and equipment		
Buildings, net	8,236	8,407
Machinery and equipment, net	8,710	9,828
Land	14,823	14,823
Construction in progress	2,913	1,989
Other, net	568	1,014
Total property, plant and equipment	35,252	36,063
Intangible assets	744	727
Investments and other assets	3,048	3,054
Total fixed assets	39,045	39,845
Total assets	100,925	100,469

(Japanese Yen in millions)

	March 31, 2025	June 30, 2025
Liabilities		
Current liabilities		
Trade accounts payable	5,561	5,070
Short-term bank loans	17,200	20,900
Accounts payable - other	285	876
Income taxes payable	419	100
Accrued consumption taxes	384	262
Accounts payable - facilities	3,389	2,793
Provision for bonuses	438	110
Other	320	506
Total current liabilities	27,999	30,620
Long-term liabilities		
Long-term bank loans	26,500	24,100
Asset retirement obligations	1,567	1,573
Provision for retirement benefits	2,020	2,061
Total long-term liabilities	30,087	27,735
Total liabilities	58,087	58,356
Net assets		
Shareholders' equity		
Share capital	8,739	8,739
Capital surplus	8,943	8,943
Retained earnings	25,166	24,441
Treasury shares	(10)	(10)
Total shareholders' equity	42,838	42,113
Total net assets	42,838	42,113
Total liabilities and net assets	100,925	100,469

(2) Quarterly Profit and Loss Statement

(Japanese Yen in millions)

	Three months ended	
	June 30, 2024	June 30, 2025
Net sales	12,466	12,106
Cost of sales	7,892	9,723
Gross profit	4,573	2,383
Selling, general and administrative expenses	1,482	1,698
Operating profit	3,091	684
Non-operating income		
Interest and dividend income	0	0
Foreign exchange gains	598	—
Unnecessary thing clearance profit	112	81
Rental income	11	13
Subsidy income	—	43
Other	2	10
Total non-operating income	724	149
Non-operating expenses		
Interest expenses	73	72
Foreign exchange losses	—	317
Extra retirement payments	12	—
Other	0	0
Total non-operating expenses	86	390
Ordinary profit	3,729	444
Extraordinary losses		
Loss on retirement of fixed assets	28	165
Total extraordinary losses	28	165
Profit before income taxes	3,700	278
Income taxes	1,131	84
Profit	2,568	194

(3) Notes to Quarterly Financial Statements

The quarterly financial statements are prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and the Accounting Standards for Quarterly Financial Statements generally accepted in Japan (however, the omission of a statement as stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. is applied).

(Adoption of Accounting Treatment Specific to the Preparation of Quarterly Non-Consolidated Financial Statements)

(Tax expense)

After the effective tax rate after the application of tax effect accounting to annual net profit before income taxes is reasonably estimated, tax expense is calculated by multiplying the quarterly net profit before income taxes by such estimated effective tax rate. Moreover, in determining the recoverability of deferred tax assets, we take into account temporary differences from the preceding financial year and the impact of significant changes in the business environment, etc. if any.

(Business Segment Information and Other Notes)

[Business Segment Information]

Three months ended June 30, 2024

1. Information on Sales, Profit by Reported Segment

(Japanese Yen in millions)

	Reported Business Segments		Total
	Titanium Business	High-Performance Materials Business	
Net sales			
Sales to external customers	10,453	2,013	12,466
Inter-segment sales or transfers	-	-	-
Total	10,453	2,013	12,466
Segment profit	2,745	346	3,091

(Note) There is no difference between the total segment profit and the operating profit in the Quarterly Profit and Loss Statement.

Three months ended June 30, 2025

1. Information on Sales, Profit by Reported Segment

(Japanese Yen in millions)

	Reported Business Segments		Total
	Titanium Business	High-Performance Materials Business	
Net sales			
Sales to external customers	10,477	1,628	12,106
Inter-segment sales or transfers	-	-	-
Total	10,477	1,628	12,106
Segment profit	572	112	684

(Note) There is no difference between the total segment profit and the operating profit in the Quarterly Profit and Loss Statement.

2. Matters Related to Changes in Reported Business Segments, etc.

Titanium tetrachloride and titanium tetrachloride aqueous solution, the Company's main products previously part of the Titanium business segment, are included in the High-Performance Materials business segment from the three months ended June 30, 2025, with the aim of improving business efficiency by aligning with demand from the relevant industries.

The segment information for the three months ended June 30, 2024, is disclosed based on the reported segment classification and calculation method after the change.

(Notes on Significant Changes in Shareholders' Equity)

Not applicable.

(Note on the Assumption as a Going Concern)

Not applicable.

(Notes to Quarterly Statement of Cash Flows)

Quarterly statements of cash flows for the three months ended June 30, 2025, have not been prepared. Depreciation (including amortization related to intangible assets) for the first three months is as follows.

(Japanese Yen in millions)

	Three months ended June 30, 2024	Three months ended June 30, 2025
Depreciation	738	714

(Notes to Quarterly Balance Sheet)

Contingent liabilities

Joint and several guarantees for housing loan obligations of employees

(Japanese Yen in millions)

	Preceding financial year ended March 31, 2025	Three months ended June 30, 2025
	10	10

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