November 10, 2026

Non-consolidated Financial Statements for the First Half of Fiscal Year Ending March 31,2027 (April 1 - September 30, 2026) (Under Japanese GAAP)

Company name: OSAKA Titanium technologies Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 5726
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Scheduled date to file semi-annual securities report: November 13, 2026
Scheduled date to commence dividend payments: Not Applicable
Preparation of supplementary material on Financial Results: Yes
Holding of Financial Results Briefing: Yes (for institutional investors and securities analysts)

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

1. Financial Results for the First Half of Fiscal Year 2026 (April 1 - September 30, 2026)

(1) Operating Results

(Japanese Yen in millions)

	Net sales		Operating profit		Ordinary profit		Net profit	
FY 2026 H1	24,617	(8.6)%	2,585	(35.8)%	2,062	(50.9)%	917	(63.5)%
FY 2025 H1	26,924	2.7 %	4,026	(35.8)%	4,200	(16.3)%	2,515	(28.6)%

Percentages indicate year-on-year changes.

(Japanese Yen)

	Net profit per share	Diluted net profit per share
FY 2026 H1	24.38	―
FY 2025 H1	68.35	―

(2) Financial Position

(Japanese Yen in millions)

	Total assets	Net assets	Capital-to-asset ratio
FY 2026 H1	129,649	64,260	49.6 %
FY 2025 Full-Year	107,066	44,311	41.4 %

Reference: Equity
Six months ended September 30, 2026 : JPY 64,260 million
Fiscal Year ended March 31, 2026 : JPY 44,311 million

2. Cash dividends

(Japanese Yen)

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
FY 2025	―	5.00	―	13.00	18.00
FY 2026	―	0.00			
FY 2026 Forecast			―	13.00	13.00

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

3. Earnings Forecast for the Fiscal Year ending March 31, 2027

(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
Full-Year	48,300	2.9 %	4,200	(24.0) %	2,900	(54.9) %	1,700	(34.0)%	41.32

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 estimates: Yes

(ⅳ) Restatement: None

Note: For details, please refer to page 8, section (3), "Notes to Interim Financial Statements (Notes on Changes in Accounting Estimates)" in the attached document.

(3) Number of issued shares (common shares)

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

Six months ended September 30, 2026	44,654,000 shares
Fiscal Year ended March 31, 2026	36,800,000 shares

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

Six months ended September 30, 2026	1,609 shares
Fiscal Year ended March 31, 2026	1,609 shares

(ⅲ) Average number of shares outstanding during the period

Six months ended September 30, 2026	37,649,254 shares
Six months ended September 30, 2025	36,798,474 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.

The Company plans to hold a financial results briefing for securities analysts on Wednesday, November 25, 2026. The materials to be shared during this briefing session will be available on our website shortly before the event.

* Special matters on translation

This document is a partial machine translation of the Japanese original for reference purposes only.
In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

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1. Qualitative Information on Financial Results for the Interim Period of Fiscal Year 2026

(1) Explanation of Operating Results

Japan's economy maintained a moderate recovery trend during the six months ended September 30, 2026, supported by improved corporate earnings driven by strong demand for capital investment and improvements in the employment and income environment, such as wage increases. On the other hand, a decline in consumer purchasing sentiment due to rising prices and an increase in corporate cost burdens caused by inflation have become apparent, and concerns about foreign exchange rate fluctuation risks continue.

In overseas economies as well, a generally moderate recovery trend was observed overall, with the exception of certain countries and regions−such as China−where economic slowdowns persisted due to stagnation in the real estate market and declining domestic demand. However, geopolitical risks stemming from the situation in Ukraine continue, and with the situation in the Middle East tending toward prolonged tension, concerns over rising energy prices and logistics costs have added to the challenges facing business activities. Moreover, ongoing impacts related to U.S. import tariff policies and trade frictions are contributing to increased uncertainty regarding the outlook for the global economy.

Regarding the business environment surrounding the Company, in the Titanium Business, driven by the increasing demand for commercial aircraft, manufacturers such as Boeing and Airbus are promoting higher deliveries of completed aircraft, while commercial aircraft engine manufacturers are experiencing increased demand for MRO (maintenance, repair, and overhaul). As a result, the overall commercial aircraft supply chain is on a growth trajectory in the medium to long term. However, the current situation continues to be affected by temporary inventory adjustments within the supply chain, mainly by commercial aircraft manufacturers, which have been ongoing since the latter half of the previous fiscal year. Additionally, in the High-Performance Materials Business, strong demand for AI-related products and multilayer ceramic capacitors (MLCCs) continues.

Under these circumstances, net sales for the six months ended September 30, 2026, were JPY 24,617 million (down 8.6% year-on-year), operating profit came to JPY 2,585 million (down 35.8% year-on-year), ordinary profit was JPY 2,062 million (down 50.9% year-on-year), and net profit posted JPY 917 million (down 63.5% year-on-year).

The business results by business segment are as follows.

Titanium Business

Net sales in the Titanium Business for the six months ended September 30, 2026, saw strong demand for engine MRO (maintenance, repair, and overhaul) driven by the increase in the number of commercial aircraft in operation. However, export sales decreased by 15.1% year-on-year due to continued inventory adjustments in the supply chain for commercial aircraft airframes and a temporary decline in export selling prices caused by a drop in the index price of titanium ore applied to the pricing formula. On the other hand, although demand continues to be sluggish for domestic sales primarily targeted at general industrial applications, sales increased by 18.4% year-on-year due to progress in customers' inventory adjustments. As a result, net sales of Titanium Business were JPY 20,841 million (down 11.6% year-on-year).

Operating profit came to JPY 1,752 million (down 47.6% year-on-year), mainly due to a decline in export sales volume and sales prices, as well as increased labor costs and higher expenses caused by inflation, although it was affected by the weaker yen.

High-Performance Materials Business

Net sales of High-Performance Materials for the six months ended September 30, 2026, were JPY 3,776 million (up 13.0% year-on-year), reflecting increased order volumes for high-purity titanium used in semiconductor sputtering targets, particularly for certain high-end applications, as well as increased orders for titanium alloy powders used in additive manufacturing.

Operating profit was JPY 833 million (up 22.3% year-on-year), due to the impact of an increase in sales volume for the product.

(Reference)

Net sales by business segment (Japanese Yen in millions)

		Six months ended September 30, 2026	Six months ended September 30, 2025	Percentage change (%)
Titanium Business	Domestic	2,906	2,453	18.4
	Export	17,935	21,128	(15.1)
Total		20,841	23,582	(11.6)
High-Performance Materials Business		3,776	3,342	13.0
Total		24,617	26,924	(8.6)

Operating profit by business segment (Japanese Yen in millions)

	Six months ended September 30, 2026	Six months ended September 30, 2025	Percentage change (%)
Titanium Business	1,752	3,345	(47.6)
High-Performance Materials Business	833	681	22.3
Total	2,585	4,026	(35.8)

(2) Explanation of Financial Position

Assets, liabilities, and net assets

(i) Assets

Total assets at the end of the six months ending September 30, 2026, reached JPY 129,649 million, an increase of JPY 22,583 million compared with the end of the preceding fiscal year. This was mainly due to increases in cash and deposits and fixed assets.

(ii) Liabilities

Total liabilities at the end of the six months ending September 30, 2026, were JPY 65,389 million, an increase of JPY 2,634 million compared with the end of the preceding fiscal year. This was mainly due to increases in borrowing, despite a decrease in accounts payable facilities.

(iii) Net assets

Net assets at the end of the six months ending September 30, 2026, reached JPY 64,260 million, an increase of JPY 19,948 million compared with the end of the preceding fiscal year. This was mainly due to an increase in both share capital and capital surplus resulting from the issuance of new shares.

(3) Explanation of Forward-Looking Statements

The Company has revised the earnings forecast for the fiscal year ending March 31, 2027, that it disclosed on August 7, 2026. For details, please refer to the "Notice Concerning Difference between Earnings Forecast Figures and Results Figures for the Second Quarter of the Fiscal Year Ending March 31, 2027 (Six Months Ended September 30, 2026) and Revision of Forecast for the Full Fiscal Year" released on November 10, 2026.

(i) Forecast Figures for the Fiscal Year Ending March 31, 2027 (April 1, 2026 – March 31, 2027)

(Japanese Yen in millions)

Reported business segment		Previously-announced forecast (A)	This revised forecast (B)	Changes (B-A)
Net sales	Titanium Business	41,000	41,000	-
	High-Performance Materials Business	7,000	7,300	300
	Total	48,000	48,300	300
Operating profit	Titanium Business	2,600	2,800	200
	High-Performance Materials Business	1,100	1,400	300
	Total	3,700	4,200	500

(ii) Reason for revision

Net sales in the Company's current second quarter (six months ended September 30, 2026) were generally in line with the previous forecast. Although export sales decreased due to shipments being delayed to the second half of the fiscal year, the weaker yen trend in the foreign exchange market supported overall sales.

Operating profit, ordinary profit, and net profit increased compared to the previous forecast due to the weaker yen trend in the foreign exchange market.

Regarding the full-year earnings forecast, net sales and operating profit are expected to increase compared to the previous forecast, reflecting the weaker yen trend in the exchange rate during the first half of the fiscal year.

The exchange rate level from the third quarter accounting period of the fiscal year ending March 31, 2027, and beyond is based on an exchange rate of USD 1 = JPY 150.

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

2. Interim Financial Statements and Significant Notes

(1) Interim Balance Sheet

(Japanese Yen in millions)

	March 31, 2026	September 30, 2026
Assets		
Current assets		
Cash and deposits	4,145	25,462
Trade accounts receivable	23,512	23,227
Merchandise and finished goods	20,554	19,967
Work in process	3,607	3,843
Raw materials and supplies	12,742	13,015
Other	354	253
Allowance for doubtful accounts	(3)	(3)
Total current assets	64,914	85,767
Fixed assets		
Property, plant and equipment		
Buildings, net	8,673	8,522
Machinery and equipment, net	11,157	11,156
Land	14,823	14,823
Construction in progress	2,855	4,653
Other, net	1,202	1,195
Total property, plant and equipment	38,713	40,352
Intangible assets	820	805
Investments and other assets	2,617	2,631
Total fixed assets	42,151	43,789
Deferred assets		
Stock issuance expenses	-	92
Total deferred assets	-	92
Total assets	107,066	129,649

(Japanese Yen in millions)

	March 31, 2026	September 30, 2026
Liabilities		
Current liabilities		
Trade accounts payable	4,345	4,213
Short-term bank loans	23,700	24,500
Accounts payable - other	182	151
Income taxes payable	338	667
Accrued consumption taxes	338	444
Accounts payable - facilities	1,857	627
Provision for bonuses	421	430
Provision for environmental measures	343	144
Other	718	959
Total current liabilities	32,244	32,139
Long-term liabilities		
Long-term bank loans	26,100	28,700
Asset retirement obligations	2,231	2,254
Provision for retirement benefits	2,179	2,269
Provision for environmental measures	-	25
Total long-term liabilities	30,510	33,249
Total liabilities	62,754	65,389
Net assets		
Shareholders' equity		
Share capital	8,739	18,494
Capital surplus	8,943	18,697
Retained earnings	26,639	27,078
Treasury shares	(10)	(10)
Total shareholders' equity	43,311	64,260
Total net assets	44,311	64,260
Total liabilities and net assets	107,066	129,649

(2) Interim Profit and Loss Statement

(Japanese Yen in millions)

	Six months ended	
	September 30, 2025	September 30, 2026
Net sales	26,924	24,617
Cost of sales	19,837	19,048
Gross profit	7,086	5,568
Selling, general and administrative expenses	3,060	2,983
Operating profit	4,026	2,585
Non-operating income		
Interest and dividend income	28	36
Foreign exchange gains	61	-
Unnecessary thing clearance profit	142	105
Rental income	27	28
Subsidy income	43	-
Other	20	9
Total non-operating income	323	179
Non-operating expenses		
Interest expenses	149	298
Foreign exchange losses	-	400
Other	0	3
Total non-operating expenses	149	702
Ordinary profit	4,200	2,062
Extraordinary losses		
Loss on retirement of fixed assets	571	441
Environmental measures expenses	-	135
Provision for environmental measures	-	169
Total extraordinary losses	571	746
Profit before income taxes	3,629	1,315
Income taxes	1,114	397
Net profit	2,515	917

(3) Notes to Interim Financial Statements

(Notes on Changes in Accounting Estimates)

(Revision of the Provision for Environmental Measures)

During the six months ended September 30, 2026, the Company revised the estimate of the provision for environmental measures, which had been recorded as the expected cost related to environmental measures such as soil contamination countermeasures for part of the land owned by the Company, based on new information obtained regarding recent construction activities and other factors.

As a result of this revision, the provision for environmental measures increased by JPY 169 million during the current interim accounting period, and the interim profit before income taxes decreased by the same amount.

(Notes on Accounting Treatment Specific to the Preparation of Interim 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 interim 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]

Six months ended September 30, 2025

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	23,582	3,342	26,924
Inter-segment sales or transfers	-	-	-
Total	23,582	3,342	26,924
Segment profit	3,345	681	4,026

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

Six months ended September 30, 2026

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	20,841	3,776	24,617
Inter-segment sales or transfers	-	-	-
Total	20,841	3,776	24,617
Segment profit	1,752	833	2,585

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

(Notes on Significant Changes in Shareholders' Equity)

Based on the resolution of the Board of Directors held on August 25, 2026, the Company conducted a public offering of new shares (7,000,000 shares) with a payment date of September 9, 2026, and issued common shares through a third-party allotment (854,000 shares) allocated to Nomura Securities Co., Ltd. in relation to the secondary offering by way of over-allotment, with a payment date of September 29, 2026. As a result, share capital and capital surplus increased by JPY 9,754 million each during the current interim accounting period.

At the end of the current interim accounting period, share capital stood at JPY 18,494 million and capital surplus stood at JPY 18,697 respectively.

(Notes on the Assumption as a Going Concern)

Not applicable.