



November 10, 2025

Non-consolidated Financial Statements **for the First Half of Financial Year 2025 (April 1 - September 30, 2025)** **(Under Japanese GAAP)**

Company name: OSAKA Titanium technologies Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 5726
 URL: <https://www.osaka-ti.co.jp/>
 Representative: Junji Kawafuku, Representative Director, Member of the Board & President
 Inquiries: Tsutomu Tokoro, Senior General Manager, Head of Corporate Planning and Finance
 Telephone: +81-(0)6-6413-3310
 Scheduled date to file semi-annual securities report: November 13, 2025
 Scheduled date to commence dividend payments: December 1, 2025
 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 Financial Year 2025 (April 1 - September 30, 2025)

(1) Operating Results

(Japanese Yen in millions)

	Net sales		Operating profit		Ordinary profit		Net profit	
FY 2025 H1	26,924	2.7%	4,026	(35.8)%	4,200	(16.3)%	2,515	(28.6)%
FY 2024 H1	26,224	(2.8)%	6,276	59.3 %	5,019	(6.2)%	3,523	(21.7)%

Percentages indicate year-on-year changes.

(Japanese Yen)

	Net profit per share	Diluted net profit per share
FY 2025 H1	68.35	—
FY 2024 H1	95.75	—

(2) Financial Position

(Japanese Yen in millions)

	Total assets	Net assets	Capital-to-asset ratio
FY 2025 H1	105,119	44,433	42.3 %
FY 2024 Full-Year	100,925	42,838	42.4 %

Reference: Equity

Six months ended September 30, 2025 : JPY 44,433 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	—	5.00			
FY 2025 Forecast			—	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
Full-Year	49,000	(5.6) %	5,000	(50.4) %	4,800	(47.1) %	2,200	(69.0)%	59.79

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: 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)

Six months ended September 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

Six months ended September 30, 2025	1,559 shares
Financial Year ended March 31, 2025	1,519 shares

(iii) Average number of shares outstanding during the period

Six months ended September 30, 2025	36,798,474 shares
Six months ended September 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.

The Company plans to hold a financial results briefing for securities analysts on Friday, November 28, 2025.

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 Financial Year 2025

(1) Explanation of Operating Results

The Japanese economy maintained a moderate recovery trend during the six months ended September 30, 2025, marked by improvements in employment and income conditions as well as steady inbound demand. On the other hand, the impact of inflation driven by rising prices has become evident, and concerns about exchange rate fluctuations also persist. Furthermore, while overseas economies show signs of a gradual economic recovery trend, the outlook for the global economy remains uncertain due to ongoing geopolitical risks in Ukraine and the Middle East, and the impacts of the U.S. tariff policies.

Regarding the business environment surrounding the Company, in the Titanium business, the transition to growth of the aircraft industry, coupled with ongoing restructuring of the global titanium supply chain, has led to sustained demand for titanium sponge. However, current conditions reflect not only the temporary impacts of last year's quality problems and strikes at Boeing, a major aircraft manufacturer, but also concerns regarding upcoming commercial aircraft supply chain inventory adjustments.

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 six months ended September 30, 2025, were JPY 26,924 million (up 2.7% year-on-year), operating profit came to JPY 4,026 million (down 35.8% year-on-year), ordinary profit was JPY 4,200 million (down 16.3% year-on-year), and net profit posted JPY 2,515 million (down 28.6% year-on-year).

The business results by business segment are as follows.

Titanium Business

As for net sales of the Titanium Business for the six months ended September 30, 2025, net sales of items for export increased 25.6% year-on-year. The increase was due to solid demand for engine MRO (Maintenance, Repair and Overhaul) associated with the increase in the number of operating aircraft 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 drop in sales prices of items for export. On the other hand, domestic net sales, mainly for general industrial applications, declined significantly by 57.5% year-on-year due to sluggish demand and continued inventory adjustments by customers and end-users. As a result, net sales of Titanium Business were JPY 23,582 million (up 4.4% year-on-year).

Operating profit came to JPY 3,345 million (down 40.6% year-on-year) mainly due to production cutbacks resulting from lower domestic sales volume and the impact of cost increases due to inflation, 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 six months ended September 30, 2025, were JPY 3,342 million (down 8.2% 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 was JPY 681 million (up 5.9% year-on-year), driven by the effects of sales mix improvements in other products, despite a decrease in sales volume of the aforementioned high-purity titanium product.

(Reference)

Net sales by business segment

(Japanese Yen in millions)

		Six months ended September 30, 2025	Six months ended September 30, 2024	Percentage change (%)
Titanium Business	Domestic	2,453	5,766	(57.5)
	Export	21,128	16,818	25.6
Total		23,582	22,585	4.4
High-Performance Materials Business		3,342	3,639	(8.2)
Total		26,924	26,224	2.7

Operating profit by business segment

(Japanese Yen in millions)

	Six months ended September 30, 2025	Six months ended September 30, 2024	Percentage change (%)
Titanium Business	3,345	5,633	(40.6)
High-Performance Materials Business	681	643	5.9
Total	4,026	6,276	(35.8)

Effective from the three months ended June 30, 2025, of the current financial year, the Company has changed its reported business segments, etc. For details, please refer to “(3) Notes to Interim Financial Statements (Business segment information and other notes)” in “2. Interim 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 six months ended September 30, 2025, reached JPY 105,119 million, an increase of JPY 4,193 million compared with the end of the preceding financial year. This was mainly due to increases in trade accounts receivable and fixed assets.

(ii) Liabilities

Total liabilities at the end of the six months ended September 30, 2025, were JPY 60,685 million, an increase of JPY 2,598 million compared with the end of the preceding financial year.

This was mainly due to increases in borrowings and income taxes payable, despite a decrease in accounts payable-facilities.

(iii) Net assets

Net assets at the end of the six months ended September 30, 2025, reached JPY 44,433 million, an increase of JPY 1,595 million compared with the end of the preceding financial year. This was mainly due to an increase in retained earnings resulting from 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 on August 7, 2025. For details, please refer to the “Notice Concerning Difference between Earnings Forecast Figures and Results Figures for the Second Quarter of the Financial Year Ending March 31, 2026 (Six Months Ending September 30, 2025) and Revision of Forecast for the Full Financial Year” released on November 10, 2025.

(i) Forecast Figures for the Financial Year Ending March 31, 2026 (April 1, 2025 – 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	45,200	42,200	(3,000)
	High-Performance Materials Business	6,800	6,800	-
	Total	52,000	49,000	(3,000)
Operating profit	Titanium Business	3,500	4,000	500
	High-Performance Materials Business	1,000	1,000	-
	Total	4,500	5,000	500

(ii) Reason for revision

Regarding net sales for the second quarter (interim period) of the financial year, the results were generally in line with the previous forecast.

Operating profit, ordinary profit, and interim net income exceeded the previous forecast mainly due to softened ocean freight prices, some expenses being postponed to the second half of the financial year, and the yen's depreciation trend in the foreign exchange market.

Regarding the full-year earnings forecast for the financial year ending March 2026, net sales are expected to decline compared to the previous forecast due to the incorporation of the impact of inventory adjustments within the commercial aircraft supply chain.

Operating profit, ordinary profit, and net income for the financial year are expected to increase compared to the previous forecast. This is despite the effects of the above-mentioned inventory adjustments and the postponement of some expenses from the first half to the second half of the financial year, as the performance in the first half contributed positively.

Please note that the above forecast has been prepared based on information available as of the date of this document's release, and actual results may differ from the forecast due to various factors in the future.

2. Interim Financial Statements and Significant Notes

(1) Interim Balance Sheet

(Japanese Yen in millions)

	March 31, 2025	September 30, 2025
Assets		
Current assets		
Cash and deposits	4,619	3,826
Trade accounts receivable	22,596	27,246
Merchandise and finished goods	17,159	16,707
Work in process	3,497	3,553
Raw materials and supplies	13,791	12,987
Other	219	121
Allowance for doubtful accounts	△3	△3
Total current assets	61,880	64,439
Fixed assets		
Property, plant and equipment		
Buildings, net	8,236	8,343
Machinery and equipment, net	8,710	10,374
Land	14,823	14,823
Construction in progress	2,913	2,274
Other, net	568	1,146
Total property, plant and equipment	35,252	36,963
Intangible assets	744	667
Investments and other assets	3,048	3,049
Total fixed assets	39,045	40,680
Total assets	100,925	105,119

(Japanese Yen in millions)

	March 31, 2025	September 30, 2025
Liabilities		
Current liabilities		
Trade accounts payable	5,561	5,171
Short-term bank loans	17,200	25,000
Accounts payable - other	285	159
Income taxes payable	419	1,228
Accrued consumption taxes	384	530
Accounts payable - facilities	3,389	1,594
Provision for bonuses	438	444
Other	320	460
Total current liabilities	27,999	34,590
Long-term liabilities		
Long-term bank loans	26,500	22,400
Asset retirement obligations	1,567	1,580
Provision for retirement benefits	2,020	2,114
Total Long-term liabilities	30,087	26,094
Total liabilities	58,087	60,685
Net assets		
Shareholders' equity		
Share capital	8,739	8,739
Capital surplus	8,943	8,943
Retained earnings	25,166	26,762
Treasury shares	△10	△10
Total shareholders' equity	42,838	44,433
Total net assets	42,838	44,433
Total liabilities and net assets	100,925	105,119

(2) Interim Profit and Loss Statement

(Japanese Yen in millions)

	Six months ended	
	September 30, 2024	September 30, 2025
Net sales	26,224	26,924
Cost of sales	16,902	19,837
Gross profit	9,321	7,086
Selling, general and administrative expenses	3,045	3,060
Operating profit	6,276	4,026
Non-operating income		
Interest and dividend income	39	28
Foreign exchange gains	-	61
Unnecessary thing clearance profit	246	142
Rental income	23	27
Subsidy income	-	43
Other	3	20
Total non-operating income	312	323
Non-operating expenses		
Interest expenses	135	149
Foreign exchange losses	1,403	-
Extra retirement payments	28	-
Other	1	0
Total non-operating expenses	1,569	149
Ordinary profit	5,019	4,200
Extraordinary losses		
Loss on retirement of fixed assets	166	571
Total extraordinary losses	166	571
Profit before income taxes	4,853	3,629
Income taxes	1,329	1,114
Net profit	3,523	2,515

(3) Notes to Interim Financial Statements

(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, 2024

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	22,585	3,639	26,224
Inter-segment sales or transfers	-	-	-
Total	22,585	3,639	26,224
Segment profit	5,633	643	6,276

(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, 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	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.

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 six months ended September 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.

(Notes on the Assumption as a Going Concern)

Not applicable.