OSAKA Titanium technologies Co.,Ltd.

August 25, 2026

To All Shareholders,

Company name: OSAKA Titanium technologies Co., Ltd.
Representative: Junji Kawafuku, President & CEO
(Securities code: 5726, TSE Prime Market)
Inquiries: Naohisa Kitamura, General Manager, Head of General Affairs and Human Resources
(TEL: 06-6413-9911)

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

(Completion of interim review by certified public accountants or audit firm)

OSAKA Titanium technologies Co., Ltd. (hereinafter referred to as the "Company"), released the Non-Consolidated Financial Statements for the First Quarter of Fiscal Year Ending March 31, 2027 (April 1 - June 30, 2026) (Under Japanese GAAP) on August 7, 2026, and hereby announces that an interim review of the quarterly non-consolidated financial statements by certified public accountants or an audit firm has been completed. This review was conducted in connection with the issuance of new shares, and secondary offering of shares resolved by the Board of Directors today.

In addition, there are no changes to the quarterly non-consolidated financial statements announced on August 7, 2026.

****END OF DOCUMENT****

August 25, 2026

Non-Consolidated Financial Statements for the First Quarter of Fiscal Year Ending March 31, 2027 (April 1 - June 30, 2026) (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, President & CEO
Inquiries:	Tsutomu Tokoro, Senior General Manager, Head of Corporate Planning and Finance
Telephone:	+81-(0)6-6413-3310

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 Fiscal Year 2026 (April 1 - June 30, 2026)

(1) Operating Results

(Japanese Yen in millions)

	Net sales		Operating profit		Ordinary profit		Net profit	
FY 2026 Q1	12,382	2.3%	1,250	82.7%	1,405	216.5%	784	302.8%
FY 2025 Q1	12,106	(2.9)%	684	(77.9)%	444	(88.1)%	194	(92.4)%

Percentages indicate year-on-year changes.

(Japanese Yen)

	Net profit per share	Diluted net profit per share
FY 2026 Q1	21.33	－
FY 2025 Q1	5.29	－

(2) Financial Position

(Japanese Yen in millions)

	Total assets	Net assets	Capital-to-asset ratio
FY 2026 Q1	107,996	44,617	41.3%
FY 2025 Full-Year	107,066	44,311	41.4%

Reference: Equity

Three months ended June 30, 2026: JPY 44,617 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	－				
FY 2026 Forecast		0.00	－	13.00	13.00

Note: Revisions to the forecast of 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
Six months ending September 30, 2026	24,900	(7.5)%	1,600	(60.3)%	1,000	(76.2)%	300	(88.1)%	8.15
Full-Year	48,000	2.2 %	3,700	(33.0)%	2,900	(54.9)%	1,700	(34.0)%	46.20

Note: Revision of earnings forecast from the latest announcement: None

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, 2026	36,800,000 shares
Fiscal Year ended March 31, 2026	36,800,000 shares

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

Three months ended June 30, 2026	1,609 shares
Fiscal Year ended March 31, 2026	1,609 shares

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

Three months ended June 30, 2026	36,798,391 shares
Three months ended June 30, 2025	36,798,481 shares

* The financial statements are 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 Fiscal Year 2026

(1) Explanation of Operating Results

Japan's economy maintained a moderate recovery trend during the three months ended June 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, there are continuing concerns about the increase in corporate cost burdens due to inflation and a decline in consumers' willingness to buy goods and services as prices rise as well as the risk of foreign exchange rate fluctuations.

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 remaining uncertain, concerns over rising energy prices and logistics costs, as well as uncertainties in procuring oil-related materials, 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. However, the current situation continues to be affected by temporary inventory adjustments within the supply chain, mainly by commercial aircraft manufacturers. In the High-Performance Materials Business, the adjustment phase has been ongoing in the semiconductor market, excluding AI-related sectors.

Under these circumstances, net sales for the three months ended June 30, 2026, were JPY 12,382 million (up 2.3% year-on-year), operating profit came to JPY 1,250 million (up 82.7% year-on-year), ordinary profit was JPY 1,405 million (up 216.5% year-on-year), and net profit posted JPY 784 million (up 302.8% year-on-year).

The business results by business segment are as follows.

Titanium Business

Net sales in the Titanium Business for the three months ended June 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, due to inventory adjustments in the supply chain mainly centered on commercial aircraft manufacturers and a decline in the index price of titanium ore applied to the pricing formula, export sales increased by only 2.0% year-on-year.

Furthermore, despite progress in inventory adjustments, demand for domestic titanium sponge for general industrial applications has remained sluggish due to the slowdown of the Chinese economy and related factors, resulting in a 24.9% year-on-year decline in net sales. As a result, net sales in the Titanium Business amounted to JPY 10,306 million (down 1.6% year-on-year).

Regarding profit and loss, operating profit amounted to JPY 751 million (up 31.3% year-on-year), mainly due to the weaker yen, despite decreases in domestic sales volume, increased labor costs, and rising costs due to inflation.

High-Performance Materials Business

Net sales of High-Performance Materials for the three months ended June 30, 2026, were JPY 2,075 million (up 27.4% year-on-year) This result was driven by solid sales of titanium tetrachloride for multilayer ceramic capacitors (MLCCs)—supported by the expanding AI server market—as well as increased order volumes for high-purity titanium used in semiconductor sputtering targets, particularly for certain high-end applications.

Regarding profit and loss, operating profit amounted to JPY 499 million (up 345.5% 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)

		Three months ended June 30, 2026	Three months ended June 30, 2025	Percentage change (%)
Titanium Business	Domestic	1,076	1,431	(24.9)
	Export	9,230	9,045	2.0
Total		10,306	10,477	(1.6)
High-Performance Materials Business		2,075	1,628	27.4
Total		12,382	12,106	2.3

Operating profit by business segment (Japanese Yen in millions)

	Three months ended June 30, 2026	Three months ended June 30, 2025	Percentage change (%)
Titanium Business	751	572	31.3
High-Performance Materials Business	499	112	345.5
Total	1,250	684	82.7

(2) Explanation of Financial Position

Assets, liabilities, and net assets

(i) Assets

Total assets at the end of the three months ended June 30, 2026, reached JPY 107,996 million, an increase of JPY 930 million compared with the end of the preceding fiscal year. This was mainly due to increases in cash and deposits, and in fixed assets, despite a decrease in trade accounts receivable and merchandise and finished goods.

(ii) Liabilities

Total liabilities at the end of the three months ended June 30, 2026, were JPY 63,379 million, an increase of JPY 624 million compared with the end of the preceding fiscal year. This was mainly due to an increase in borrowings, despite decreases in accounts payable-facilities.

(iii) Net assets

Net assets at the end of the three months ended June 30, 2026, reached JPY 44,617 million, an increase of JPY 306 million compared with the end of the preceding fiscal year. This was mainly due to an increase in retained earnings due to net profit.

(3) Explanation of Forward-Looking Statements

The Company has revised the earnings forecast for the first half and full year of fiscal year ending March 31, 2027, that it disclosed in the "Non-Consolidated Financial Statements for the Financial Year Ended March 31, 2026 (Under Japanese GAAP)" on May 14, 2026, 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 first half of the fiscal year ended March 31, 2027 (April 1 – September 30, 2026)

(Japanese Yen in millions)

Reported business segment		Previously announced forecast (A)	This revised forecast (B)	Changes (B-A)
Net sales	Titanium Business	18,500	21,300	2,800
	High-Performance Materials Business	3,500	3,600	100
	Total	22,000	24,900	2,900
Operating profit	Titanium Business	300	1,100	800
	High-Performance Materials Business	500	500	—
	Total	800	1,600	800

2. Forecast figures for the full year of the fiscal year ended March 31, 2027 (April 1 – 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	7,000	—
	Total	48,000	48,000	—
Operating profit	Titanium Business	2,400	2,600	200
	High-Performance Materials Business	1,000	1,100	100
	Total	3,400	3,700	300

3. Reason for revision of the forecasts for the first half and full year of fiscal year ended March 31, 2027

Regarding the net sales forecast for the first half of fiscal year ended March 31, 2027, the Company anticipates an increase compared to the previous forecast, primarily because sales of titanium sponge—both domestic and export—are expected to shift from the second half of the fiscal year to the first half.

Operating profit, ordinary profit and net profit are also anticipated to increase compared to our previous forecasts, reflecting the above-mentioned anticipation of earlier sales and other factors.

The full-year net sales forecast remains unchanged from the previous forecast.

Regarding full-year operating profit, it is expected to increase compared to the previous forecast, driven by factors such as projected cost improvements and sales composition.

The exchange rate level for the first half of the fiscal year ended March 31, 2027, and beyond is based on an exchange rate of USD 1 = JPY 150.

2. Quarterly Financial Statements and Significant Notes

(1) Quarterly Balance Sheet

(Japanese Yen in millions)

	March 31, 2026	June 30, 2026
Assets		
Current assets		
Cash and deposits	4,145	5,563
Trade accounts receivable	23,512	21,968
Merchandise and finished goods	20,554	20,051
Work in process	3,607	3,820
Raw materials and supplies	12,742	12,652
Other	354	253
Allowance for doubtful accounts	(3)	(3)
Total current assets	64,914	64,305
Fixed assets		
Property, plant and equipment		
Buildings, net	8,673	8,612
Machinery and equipment, net	11,157	11,251
Land	14,823	14,823
Construction in progress	2,855	4,339
Other, net	1,202	1,211
Total property, plant and equipment	38,713	40,239
Intangible assets	820	826
Investments and other assets	2,617	2,625
Total fixed assets	42,151	43,691
Total assets	107,066	107,996

(Japanese Yen in millions)

	March 31, 2026	June 30, 2026
Liabilities		
Current liabilities		
Trade accounts payable	4,345	4,017
Short-term bank loans	23,700	22,900
Accounts payable - other	182	758
Income taxes payable	338	407
Accrued consumption taxes	338	96
Accounts payable - facilities	1,857	1,022
Provision for bonuses	421	106
Other	1,061	1,100
Total current liabilities	32,244	30,408
Long-term liabilities		
Long-term bank loans	26,100	28,500
Asset retirement obligations	2,231	2,242
Provision for retirement benefits	2,179	2,227
Total long-term liabilities	30,510	32,970
Total liabilities	62,754	63,379
Net assets		
Shareholders' equity		
Share capital	8,739	8,739
Capital surplus	8,943	8,943
Retained earnings	26,639	26,945
Treasury shares	(10)	(10)
Total shareholders' equity	44,311	44,617
Total net assets	44,311	44,617
Total liabilities and net assets	107,066	107,996

(2) Quarterly Profit and Loss Statement

(Japanese Yen in millions)

	Three months ended	
	June 30, 2025	June 30, 2026
Net sales	12,106	12,382
Cost of sales	9,723	9,629
Gross profit	2,383	2,752
Selling, general and administrative expenses	1,698	1,501
Operating profit	684	1,250
Non-operating income		
Interest and dividend income	0	4
Foreign exchange gains	—	239
Unnecessary thing clearance profit	81	33
Rental income	13	14
Subsidy income	43	—
Other	10	2
Total non-operating income	149	293
Non-operating expenses		
Interest expenses	72	138
Foreign exchange losses	317	—
Other	0	0
Total non-operating expenses	390	139
Ordinary profit	444	1,405
Extraordinary losses		
Loss on retirement of fixed assets	165	290
Total extraordinary losses	165	290
Profit before income taxes	278	1,114
Income taxes	84	329
Profit	194	784

(3) Notes to Quarterly Financial Statements

The quarterly financial statements are prepared in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of Quarterly Financial Statements established by the Tokyo Stock Exchange, and the Accounting Standards Generally Accepted in Japan for Interim Financial Reporting (with omissions permitted under Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements).

(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 fiscal 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, 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.

Three months ended June 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	10,306	2,075	12,382
Inter-segment sales or transfers	-	-	-
Total	10,306	2,075	12,382
Segment profit	751	499	1,250

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

(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, 2026, 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, 2025	Three months ended June 30, 2026
Depreciation	714	823

(Notes to Quarterly Balance Sheet)
Contingent liabilities
Joint and several guarantees for housing loan obligations of employees

(Japanese Yen in millions)

	Preceding fiscal year ended March 31, 2026	Three months ended June 30, 2026
	7	7

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