

Non-consolidated Financial Statements
for the First Quarter of Financial Year 2022 (April 1 - June 30, 2022)
(Under Japanese GAAP)

Company name: OSAKA Titanium technologies Co., Ltd.
Listing: Tokyo Stock Exchange
Securities code: 5726
URL: <https://www.osaka-ti.co.jp/>
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Scheduled date to file quarterly securities report: August 8, 2022
Scheduled date to commence dividend payments: Not Applicable
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly 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 2022 (April 1 - June 30, 2022)

(1) Operating Results

(Japanese Yen in millions)

	Net sales		Operating profit (Loss)		Ordinary profit (Loss)		Net profit (loss)	
FY 2022 Q1	8,702	39.4%	422	—	958	—	817	—
FY 2021 Q1	6,243	(5.6)%	(574)	—	(551)	—	(559)	—

Percentages indicate year-on-year changes

(Japanese Yen)

	Net profit per share	Diluted earnings per share
FY 2022 Q1	22.21	—
FY 2021 Q1	(15.20)	—

(2) Financial Position

(Japanese Yen in millions)

	Total assets	Net assets	Capital-to-asset ratio
FY2022 Q1	77,706	27,311	35.1%
FY2021 Full-Year	76,586	26,509	34.6%

Reference: Equity

As of FY 2022 Q1: JPY 27,311 million

As of FY 2021 Full-Year : JPY 26,509 million

2. Cash dividends

(Japanese Yen)

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
FY2021	—	0.00	—	0.00	0.00
FY2022	—				
FY 2022 Forecast		5.00	—	10.00	15.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Earnings Forecast for the Financial Year ending March 31, 2023

(Japanese Yen in millions except per share amounts)

	Net sales		Operating profit		Ordinary profit		Net profit		Net profit per share
Half-Year (H1)	19,000	62.5%	800	—	1,300	—	800	—	21.74
Full-Year	41,000	43.6%	1,800	—	2,400	—	1,600	—	43.48

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

For more information, please refer to supplementary material on quarterly financial results "First Quarter Earnings Results and Full-Year Earnings Forecast for Financial Year ending March 31, 2023 " announced today.

Notes

- (1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None
- (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)

As of June 30, 2022	36,800,000shares
As of March 31, 2022	36,800,000shares

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

As of June 30, 2022	1,336shares
As of March 31, 2022	1,336shares

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

Three months ended June 30, 2022	36,798,664shares
Three months ended June 30, 2021	36,798,664shares

* 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 assumptions, outlook and plans regarding the future as at the date of publication of this document. Actual results may differ significantly in the future due to a number of factors.

Financial Statements and Segment Information

1. Balance Sheet

(Japanese Yen in millions)

	March 31, 2022	June 30, 2022
Assets		
Current assets		
Cash and deposits	10,666	9,686
Trade accounts receivable	13,507	14,167
Merchandise and finished goods	10,655	9,354
Work in process	2,091	2,697
Raw materials and supplies	4,375	6,402
Other	223	168
Allowance for doubtful accounts	(3)	(3)
Total current assets	41,515	42,472
Fixed assets		
Property, plant and equipment		
Buildings, net	9,058	9,066
Machinery and equipment, net	8,224	7,884
Land	14,823	14,823
Construction in progress	543	993
Other, net	441	426
Total property, plant and equipment	33,091	33,195
Intangible assets	822	918
Investments and other assets	1,157	1,118
Total fixed assets	35,071	35,233
Total assets	76,586	77,706

(Japanese Yen in millions)

	March 31, 2022	June 30, 2022
Liabilities		
Current liabilities		
Trade accounts payable	2,727	4,022
Short-term bank loans	9,700	14,700
Accounts payable - other	141	556
Income taxes payable	71	196
Accrued consumption taxes	1,279	185
Accounts payable - facilities	920	535
Provision for bonuses	215	56
Other	250	425
Total current liabilities	15,306	20,678
Long term liabilities		
Long-term bank loans	30,800	25,800
Asset retirement obligations	1,490	1,496
Provision for retirement benefits	1,909	1,903
Other	571	516
Total Long-term liabilities	34,770	29,716
Total liabilities	50,077	50,394
Net assets		
Shareholders' equity		
Share capital	8,739	8,739
Capital surplus	8,943	8,943
Retained earnings	8,781	9,598
Treasury shares	(10)	(10)
Total shareholders' equity	26,454	27,271
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	55	39
Total valuation and translation adjustments	55	39
Total net assets	26,509	27,311
Total liabilities and net assets	76,586	77,706

2. Profit and Loss Statement

(Japanese Yen in millions)

	Three months ended	
	June 30, 2021	June 30, 2022
Net sales	6,243	8,702
Cost of sales	5,800	7,201
Gross profit	442	1,500
Selling, general and administrative expenses	1,017	1,078
Operating profit (loss)	(574)	422
Non-operating income		
Interest and dividend income	2	6
Foreign exchange gains	5	508
Profit on sale of disused items	24	73
Rental income	9	9
Subsidies for employment adjustment	66	—
Other	5	2
Total non-operating income	114	600
Non-operating expenses		
Interest expenses	43	55
Depreciation of inactive fixed assets	23	5
Extra retirement payments	24	2
Other	0	1
Total non-operating expenses	91	64
Ordinary profit (loss)	(551)	958
Extraordinary income		
Gain on sale of investment securities	—	19
Total extraordinary income	—	19
Extraordinary losses		
Loss on retirement of fixed assets	7	11
Total extraordinary losses	7	11
Profit (loss) before income taxes	(558)	966
Income taxes	0	148
Net profit (loss)	(559)	817

3. Segment Information

(1) Three months ended June 30, 2021

Information on Sales, Profit (Loss) by Reported Segments

(Japanese Yen in millions)

	Segments			Others (*2)	Total
	Titanium	High- Performance Materials	Sub Total		
Sales					
Sales to external customers	5,268	778	6,046	196	6,243
Inter-segment Sales or transfers	—	—	—	—	—
Total	5,268	778	6,046	196	6,243
Segment profit (loss) (*1)	(695)	(10)	(705)	131	(574)

(*1) There is no difference between the total segment profit (loss) and the operating profit (loss) in the Profit and Loss Statement.

(*2) The sales and segment profit shown in the “Others” section are the result of selling out the remaining inventory from the Polycrystalline Silicon business, from which the Company withdrew in 2018.

(2) Three months ended June 30, 2022

Information on Sales, Profit (Loss) by Reported Segments

(Japanese Yen in millions)

	Segments			Others	Total
	Titanium	High- Performance Materials	Sub Total		
Sales					
Sales to external customers	7,621	1,081	8,702	—	8,702
Inter-segment Sales or transfers	—	—	—	—	—
Total	7,621	1,081	8,702	—	8,702
Segment profit(*)	271	151	422	—	422

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