

May 12, 2023

Non-Consolidated Financial Statements for the Financial Year ended March 31, 2023 (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: Yasuaki Sugizaki, Representative Director, Member of the Board & President
 Inquiries: Tsutomu Tokoro, General Manager, Head of Corporate Planning and Finance
 Telephone: +81-(0)6-6413-3310
 Scheduled Date of Annual General Meeting of Shareholders: June 23, 2023
 Scheduled Date to Commence Dividend Payments: June 1, 2023
 Scheduled Date to File Annual Securities Report: June 26, 2023
 Preparation of Supplementary Material on Financial Results: Yes
 Holding of Financial Results Briefing: Yes (for Securities Analysts)

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

1. Financial Results for the Financial Year 2022 ended March 31, 2023

(1) Operating Results

(Japanese Yen in millions)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Net profit (loss)	
FY 2022	43,074	50.9%	4,780	—	4,723	—	4,388	—
FY 2021	28,549	67.4%	(1,914)	—	(1,719)	—	(3,112)	—

Percentages indicate year-on-year changes

(Japanese Yen)

	Net profit per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
FY 2022	119.27	—	15.4 %	6.0 %	11.1 %
FY 2021	(84.57)	—	(11.1)%	(2.2)%	(6.7)%

Reference: Equity in earnings of affiliates

Financial Year ended March 31, 2022: JPY — million

Financial Year ended March 31, 2021: JPY — million

(2) Financial Position

(Japanese Yen in millions, except per share amounts)

	Total assets	Net assets	Capital-to-asset ratio	Net assets per share
FY 2022	81,544	30,474	37.4 %	828.15
FY 2021	76,586	26,509	34.6 %	720.40

Reference: Equity

Financial Year ended March 31, 2022: JPY 30,474 million

Financial Year ended March 31, 2021: JPY 26,509 million

(3) Cash Flows

(Japanese Yen in millions)

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
FY 2022	741	(2,693)	(369)	6,971
FY 2021	6,304	(1,452)	(559)	10,666

2. Cash Dividends

(Japanese Yen in millions, except per share amounts)

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
FY 2021	—	0.00	—	0.00	0.00	—	—	—
FY 2022	—	10.00	—	25.00	35.00	1,287	29.3%	4.5%
FY 2023 (Forecast)	—	20.00	—	20.00	40.00		27.8%	

3. Earnings Forecast for the Financial Year ending March 31, 2024

(Japanese Yen in millions, except per share amounts)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Net profit (loss)		earnings per share
6 months ending September 30, 2023	26,800	36.5 %	3,100	53.7 %	3,000	3.2 %	2,600	18.6 %	70.65
12 months ending March 31, 2024	54,000	25.4 %	6,500	36.0 %	6,300	33.4 %	5,300	20.8 %	144.03

Note. Percentage figures are the change from the previous year for the 12 months and the changes from the same period of the previous year for the 6 months.

* Notes

(1) 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 reasons other than (i) above: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Total Number of Shares Issued (common shares)

(i) Total Number of Shares Issued at the End of the Financial Year (including treasury shares)

As of March 31, 2023	36,800,000 shares
As of March 31, 2022	36,800,000 shares

(ii) Number of Treasury Shares at the End of the Financial Year

As of March 31, 2023	1,495 shares
As of March 31, 2022	1,336 shares

(iii) Average Number of Outstanding Shares during the Financial Year

Year ended March 31, 2023	36,798,576 shares
Year ended March 31, 2022	36,798,664 shares

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

* Proper Use of Earnings Forecasts, and Other Special Notes

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.

* Special remark on translation

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

○Table of Contents

1. Summary of Operating Results	2
(1) Analysis of Operating Results.....	2
(2) Analysis of Financial Position.....	5
(3) Basic Policy on Profit Distribution and Dividends for the Financial Year under Review and the Following Financial Year.....	5
2. Basic Approach to the Choice of Accounting Standards.....	5
3. Financial Statements and Significant Notes	6
(1) Balance Sheet	6
(2) Profit and loss statement.....	8
(3) Statement of Changes in Shareholders' Equity	9
(4) Cash Flow Statement	11
(5) Notes to Financial Statements	12
(Notes on Going Concern)	12
(Significant Accounting Policies)	12
(Additional Information)	12
(Equity in Earnings of Affiliates)	12
(Segment Information)	13
(Earnings per Share)	15
(Significant Subsequent Events)	15

1. Summary of Operating Results

(1) Analysis of Operating Results

① Operating Results for the Year Under Review (financial year ended March 31, 2023)

During the year under review, the Japanese and overseas economies showed a gradual recovery trend, with economic activity beginning to normalise as restrictions on activities in response to new coronavirus infections were eased. However, the outlook remains uncertain due to ongoing geopolitical risks from Russia's invasion of Ukraine and the resulting surge in resource and energy prices, rising inflation on a global scale and foreign exchange trends.

In the Company's Titanium business, demand for titanium sponge is increasing rapidly due to the recovery in aerospace demand and the restructuring of the titanium supply chain as a result of Russia's invasion of Ukraine. In this business environment, sales of export titanium sponge, mainly for aerospace applications, increased by 59.9% year-on-year. Domestic demand for titanium sponge, mainly for general industrial applications, also recovered, increasing by 51.9% year-on-year. As a result, sales in the Titanium business amounted to JPY 39,273 million (up 57.0% year-on-year).

In the Company's High-Performance Materials business, the current global market for semiconductors is deteriorating rapidly and the future situation needs to be closely monitored.

However, in the year under review, sales of high-purity titanium for sputtering targets and spherical titanium alloy powder (alloy TILOP) continued to increase, and sales amounted to JPY 3,801 million (up 18.1% year on year).

As a result, sales for the Company as a whole in the year under review totaled JPY 43,074 million, an increase of 50.9% over the previous year.

As for profit and loss, despite factors such as higher prices for titanium ore and electricity, operating profit was JPY 4,780 million (compared with a loss of JPY 1,914 million in the same period of the previous year), ordinary profit was JPY 4,723 million (compared with a loss of JPY 1,719 million in the same period of the previous year) and net profit was JPY 4,388 million (compared with a loss of JPY 3,112 million in the same period of the previous year) as a result of increased sales volumes, price improvements and improved capacity utilization in the Titanium business.

(Reference) Sales by Business Segment

(Japanese Yen in millions)

		Financial Year ended		Percentage change (%)
		March 31, 2023	March 31, 2022	
	Domestic	14,061	9,255	51.9
	Export	25,211	15,765	59.9
Titanium Business		39,273	25,020	57.0
High-Performance Materials Business		3,801	3,217	18.1
Others※		—	311	—
Total		43,074	28,549	50.9

※ The sales 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 Forecast for the Following Financial Year (ending March 31, 2024)

In the Titanium business, the supply-and-demand balance for titanium sponge is tightening as demand for aerospace applications continues to grow steadily and the effects of supply chain restructuring are expected to continue for the foreseeable future.

Demand for general industrial applications is also expected to remain strong, and sales in the Titanium business are forecast to reach JPY 50,000 million in the following financial year (up 27.3% from the financial year under review).

In the High-Performance Materials business, although demand for semiconductors requires close monitoring, the business unit expects sales of JPY 4,000 million in the following financial year (up 5.2% from the financial year under review) as a result of active response to customers' high-quality needs for high-purity titanium and expanded sales of spherical titanium alloy powders (alloy TILOP) and other products in the business unit.

Under this business environment, the Company's Titanium business is responding to the upturn in demand by increasing the utilization of its titanium sponge production facilities, while at the same time continuing its company-wide efforts to reduce costs across the board through streamlining, including improvements in production parameters, and to increase productivity through efficient operations. Rising raw material prices have been a major constraint on the recovery of the Company's performance and the Company is promoting product price improvements while seeking customers understanding in order to improve the profitability of the Titanium business.

Based on the above, the results for the following financial year are expected to be: net sales of JPY 54,000 million (up 25.4% from the financial year under review), operating profit of JPY 6,500 million (up 36.0% from the financial year under review), ordinary profit of JPY 6,300 million (up 33.4% from the financial year under review) and net profit of JPY 5,300 million (up 20.8% from the financial year under review).

The current forecast for the financial year ending March 31, 2024, is based on an exchange rate of USD 1= JPY 130.

(2) Analysis of Financial Position.

① Assets, Liabilities, and Net Assets

(i) Assets

The balance of total assets at the end of the financial year under review was JPY 81,544 million, an increase of 4,957 million yen compared to the end of the preceding financial year.

This was mainly due to an increase in accounts receivable, raw materials and supplies, which was offset by a decrease in cash and deposits.

(ii) Liabilities

The balance of liabilities at the end of the financial year under review was JPY 51,070 million, an increase of JPY 992 million compared to the end of the preceding financial year.

This was mainly due to an increase in accounts payable, which was offset by a decrease in accrued consumption tax.

(iii) Net Assets

The balance of net assets at the end of the financial year under review was JPY 30,474 million, an increase of JPY 3,964 million compared to the end of the the preceding financial year.

This was mainly due to an increase in retained earnings as a result of net profit for the year.

②Cash Flows

The balance of cash and cash equivalents at the end of the year under review decreased by JPY 3,694 million to JPY 6,971 million compared with the end of the preceding year.

(i) Cash Flows from Operating Activities

Net cash provided by operating activities amounted to JPY 741 million, mainly due to profit before tax (Preceding year was JPY 6,304 million).

(ii) Cash Flows from Investing Activities

Net cash used in investing activities amounted to JPY 2,693 million, mainly due to expenditure on the acquisition of property, plant and equipment (Preceding year was JPY 1,452 million).

(iii) Cash Flows from Financing Activities

Net cash used in financing activities amounted to JPY 369 million, mainly due to dividend payments (Preceding year was JPY 559 million).

(Reference) Cash Flow-related Indicators

	FY2018	FY2019	FY2020	FY2021	FY2022
Capital to asset ratio (%)	42.4	45.6	38.2	34.6	37.4
Capital to asset ratio on market value (%)	76.6	45.0	45.4	69.1	144.0
Ratio of interest-bearing debt to cash flow (%)	161.6	1,978.6	—	642.4	5,461.3
Interest coverage ratio (times)	126.1	16.5	—	35.8	3.9

Capital to asset ratio : Owned capital / Total assets

Capital to asset ratio on market value : Stock market capitalization / Total assets

Ratio of interest-bearing debt to cash flow : interest-bearing debt / Cash flows from operating activities

Interest coverage ratio : Cash flows from operating activities / Interest expenses

(3) Basic Policy on Profit Distribution and Dividends for the Financial Year Under Review and the Following Financial Year

The Company is committed to strengthening its management base in order to increase its corporate value in the future. At the same time, the Company regards the return of profits to shareholders as a top management priority.

With regard to the distribution of profits, the Company aims to maintain a balance between dividends and internal reserves sufficient for investment in sustainable growth and for a stable financial position.

The Company's policy is to maintain a dividend pay-out ratio of 25% to 35%, while giving consideration to stability.

The year-end dividend for the financial year under review will be JPY 25 per share, making the annual dividend JPY 35 per share, together with the mid-year dividend of JPY 10 per share paid earlier.

The annual dividend forecast for the following financial year is JPY 40 per share (mid-year dividend: JPY 20, year-end dividend: JPY 20).

Note: Figures in this Business Report are rounded down to the indicated unit for amounts and numbers of shares and rounded to the nearest whole number for all other figures.

2. Basic Approach to the Choice of Accounting Standards

The Company applies Japanese GAAP for accounting standards.

3. Financial Statements and Significant Notes

(1) Balance Sheet

(Japanese Yen in millions)

	25th financial period (As of March 31, 2022)	26th financial period (As of March 31, 2023)
Assets		
Current assets		
Cash and deposits	10,666	6,971
Trade accounts receivable	13,507	16,139
Merchandise and finished products	10,655	11,001
Work in process	2,091	3,932
Raw materials and supplies	4,375	7,957
Advance payments to suppliers	45	9
Prepaid expenses	118	150
Accounts receivable - other	52	36
Other	6	9
Allowance for doubtful accounts	(3)	(3)
Total current assets	41,515	46,205
Fixed assets		
Property, plant and equipment		
Buildings, net	9,058	8,755
Structures, net	218	205
Machinery and equipment, net	8,224	7,795
Vehicles, net	18	8
Tools, furniture and fixtures, net	204	145
Land	14,823	14,823
Construction in progress	543	1,324
Total property, plant and equipment	33,091	33,058
Intangible assets	822	937
Investments and other assets		
Investment securities	155	—
Long-term prepaid expenses	0	204
Prepaid pension costs	945	1,024
Deferred tax assets	—	85
Other	55	29
Total investments and other assets	1,157	1,344
Total non-current assets	35,071	35,339
Total assets	76,586	81,544

(Millions of yen)

	25th financial period (As of March 31, 2022)	26th financial period (As of March 31, 2023)
Liabilities		
Current liabilities		
Trade Notes payable	2,727	4,730
Short-term bank loans	9,700	16,000
Accounts payable - other	141	159
Accrued expenses	215	283
Income taxes payable	71	714
Accrued consumption taxes	1,279	—
Deposits received	34	34
Accounts payable - facilities	920	902
Provision for bonuses	215	315
Other	0	12
Total current liabilities	15,306	23,152
Long term liabilities		
Long-term borrowings	30,800	24,500
Asset retirement obligations	1,490	1,515
Provision for retirement benefits	1,909	1,833
Deferred tax liabilities	454	—
Other	117	69
Total non-current liabilities	34,770	27,917
Total liabilities	50,077	51,070
Net assets		
Shareholders' equity		
Share capital	8,739	8,739
Capital surplus	8,943	8,943
Retained earnings	8,781	12,802
Treasury shares	(10)	(10)
Total shareholders' equity	26,454	30,474
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	55	—
Total valuation and translation adjustments	55	—
Total net assets	26,509	30,474
Total liabilities and net assets	76,586	81,544

(2) Profit and Loss Statement

(Japanese Yen in millions)

	25th financial period (Year ended March 31, 2022)	26th financial period (Year ended March 31, 2023)
Net sales	28,549	43,074
Cost of sales	26,229	34,099
Gross profit	2,320	8,975
Selling, general and administrative expenses	4,235	4,195
Operating profit (loss)	(1,914)	4,780
Non-operating income		
Interest income	1	21
Dividend income	4	7
Foreign exchange gains	476	—
Unnecessary thing clearance profit	122	170
Rental income	38	41
Insurance claim income	—	29
Subsidies for employment adjustment	128	—
Other	29	46
Total non-operating income	803	316
Non-operating expenses		
Interest expenses	176	192
Foreign exchange losses	—	129
Depreciation of inactive non-current assets	82	5
Extra retirement payments	44	39
Commission for syndicated loans	291	3
Other	14	2
Total non-operating expenses	608	373
Ordinary profit (loss)	(1,719)	4,723
Extraordinary income		
Gain on sale of investment securities	—	93
Total extraordinary income	—	93
Extraordinary losses		
Loss on retirement of non-current assets	88	103
Impairment losses	—	260
Total extraordinary losses	88	364
Profit (loss) before income taxes	(1,807)	4,451
Income taxes - current	11	578
Income taxes - deferred	1,292	(515)
Net profit (loss)	(3,112)	4,388

(3) Statement of Changes in Shareholders' Equity
25th Financial Period (Year ended March 31, 2022)

(Japanese Yen in millions)

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	8,739	8,943	8,943	38	11,903	11,941
Cumulative effects of changes in accounting policies					(48)	(48)
Restated balance	8,739	8,943	8,943	38	11,855	11,893
Changes during period						
Dividends of surplus						
Net profit (loss)					(3,112)	(3,112)
Purchase of treasury shares						
Net changes in items other than shareholders' equity						
Total changes during period	—	—	—	—	(3,112)	(3,112)
Balance at end of period	8,739	8,943	8,943	38	8,743	8,781

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(10)	29,614	93	93	29,708
Cumulative effects of changes in accounting policies		(48)			(48)
Restated balance	(10)	29,566	93	93	29,660
Changes during period					
Dividends of surplus					
Net profit (loss)		(3,112)			(3,112)
Purchase of treasury shares					
Net changes in items other than shareholders' equity			(38)	(38)	(38)
Total changes during period	—	(3,112)	(38)	(38)	(3,150)
Balance at end of period	(10)	26,454	55	55	26,509

26th Financial Period (Year ended March 31, 2023)

(Japanese Yen in millions)

	Shareholders' equity					
	Share capital	Capital surplus		Retained earnings		
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings Retained earnings brought forward	Total retained earnings
Balance at beginning of period	8,739	8,943	8,943	38	8,743	8,781
Cumulative effects of changes in accounting policies						
Restated balance	8,739	8,943	8,943	38	8,743	8,781
Changes during period						
Dividends of surplus					(367)	(367)
Profit					4,388	4,388
Purchase of treasury shares						
Net changes in items other than shareholders' equity						
Total changes during period	-	-	-	-	4,020	4,020
Balance at end of period	8,739	8,943	8,943	38	12,764	12,802

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	(10)	26,454	55	55	26,509
Cumulative effects of changes in accounting policies					
Restated balance	(10)	26,454	55	55	26,509
Changes during period					
剰余金の配当		(367)			(367)
Profit		4,388			4,388
Purchase of treasury shares	(0)	(0)			(0)
Net changes in items other than shareholders' equity			(55)	(55)	(55)
Total changes during period	(0)	4,020	(55)	(55)	3,964
Balance at end of period	(10)	30,474	-	-	30,474

(4) Cash Flow Statement

(Millions of yen)

	25th financial period (Year ended March 31, 2022)	26th financial period (Year ended March 31, 2023)
Cash flows from operating activities		
Profit (loss) before income taxes	(1,807)	4,451
Depreciation	2,563	2,478
Increase (decrease) in provision for bonuses	(16)	100
Increase (decrease) in provision for retirement benefits	(64)	(75)
Decrease (increase) in prepaid pension costs	(27)	(78)
Interest and dividend income	(6)	(28)
Interest expenses	176	192
Foreign exchange losses (gains)	149	1,373
Loss (gain) on sale of investment securities	—	(93)
Loss on retirement of non-current assets	43	103
Impairment losses	—	260
Decrease (increase) in trade receivables	(6,177)	(2,632)
Decrease (increase) in inventories	8,509	(5,770)
Decrease (increase) in other current assets	1,223	18
Increase (decrease) in trade payables	532	2,002
Increase (decrease) in other current liabilities	(18)	263
Increase (decrease) in accrued consumption taxes	1,279	(1,279)
Other, net	171	(234)
Subtotal	6,529	1,053
Interest and dividends received	6	28
Interest paid	(176)	(191)
Income taxes refund (paid)	(21)	(101)
Expense by fixed removal	(33)	(47)
Net cash provided by (used in) operating activities	6,304	741
Cash flows from investing activities		
Purchase of property, plant and equipment	(996)	(2,357)
Proceeds from sale of investment securities	—	168
Other, net	(456)	(504)
Net cash provided by (used in) investing activities	(1,452)	(2,693)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	—	5,200
Proceeds from long-term borrowings	500	6,000
Repayments of long-term borrowings	—	(11,200)
Purchase of treasury shares	—	(0)
Dividends paid	(0)	(368)
Accounts payable of increase	(1,058)	—
Net cash provided by (used in) financing activities	(559)	(369)
Effect of exchange rate change on cash and cash equivalents	(149)	(1,373)
Net increase (decrease) in cash and cash equivalents	4,142	(3,694)
Cash and cash equivalents at beginning of period	6,523	10,666
Cash and cash equivalents at end of period	10,666	6,971

(5) Notes to Financial Statements

(Notes on Going Concern)

Not applicable.

(Significant Accounting Policies)

1 Basis and Method of Evaluation of Inventories

Cost accounting method based on the periodic average method (the method of reducing book value when book value goes below market value).

2 Depreciation Methods for Fixed Assets

Property, plant and equipment (excluding leased assets) : straight-line method

The useful lives of major fixed assets are as follows.

Buildings (including facilities attached to buildings): 3-50 years.

Machinery and equipment: 5-14 years.

3 Policies for Recording Revenue and Expenses

Revenue Recognition Standards

The Company manufactures and sells titanium sponge and various other products made from titanium sponge. For the sale of such products, a performance obligation to deliver the product to the customer is assumed under the sales contract with the customer. The performance obligation is deemed to be satisfied when the customer acquires control over the product at the point of delivery to the customer and revenue is recognised at the point of delivery.

The consideration for these performance obligations is generally received within approximately one year after fulfilment of the performance obligation, according to payment terms determined separately. They do not contain any significant financial elements.

(Additional Information)

(Accounting Estimates of the Impact of the Spread of New Corona Virus Infection)

The impact of the spread of new coronavirus infection is considered to have largely ended with the financial year under review.

(Russia's Invasion of Ukraine)

The impact of a prolonged Russia's invasion of Ukraine is expected to be wide-ranging, including a sharp rise in resource and energy prices and restructuring of supply chains.

Accounting estimates are based on currently available information.

(Equity in Earning of Affiliates)

25th financial period (From April 01, 2021, to March 31, 2022)

Not applicable.

26th financial period (From April 01, 2022, to March 31, 2023)

Not applicable.

(Segment Information)

1 Summary of Reportable Segments

The Company's reportable segments are components of the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors for the purpose of making decisions on the allocation of management resources and evaluating performance.

The Company is composed of product and service segments based on business divisions, with "Titanium" and "High Performance Materials" as reportable segments.

Major products by each segment are as follows:

Reportable segments	Principal products
Titanium	Titanium sponge, Titanium ingot, Titanium tetrachloride, Titanium tetrachloride aqueous solution
High Performance Materials	High-purity titanium, SiO, TILOP (spherical titanium powder), Titanium powder

2 Calculation of Sales, Profit or Loss, Assets and Other Items by Reportable Segment

The accounting methods of the reported business segments are generally the same as those described in 'Significant accounting policies'.

Profit or loss for reportable segments is on an operating profit or loss basis.

3 Information on Sales, Profit or Loss, Assets and Other Items by Reportable Segment

25th financial period (From April 01, 2021, to March 31, 2022)

(Japanese Yen in millions)

	Reportable segments			Others (*3)	Adjustment (*1)	Total
	Titanium	High Performance Materials	Sub Total			
Sales						
Sales to external customers	25,020	3,217	28,238	311	—	28,549
Inter-segment Sales or transfers	—	—	—	—	—	—
Total	25,020	3,217	28,238	311	—	28,549
Segment profit (loss) (*2)	(1,196)	(939)	(2,135)	221	—	(1,914)
Segment assets	60,219	5,701	65,920	—	10,666	76,586
Other Items						
Depreciation	2,256	225	2,481	—	—	2,481
Increase in fixed assets	1,525	438	1,964	—	—	1,964

(*1) Adjustment of segment assets is corporate assets that do not belong to any reportable segment.

(*2) There is no difference between the total segment profit (loss) and the operating loss in profit and loss statement.

(*3) Sales and segment profit shown in the "Other" column are due to the sale of remaining inventories related to the polysilicon business, which is no longer in production.

26th financial period (From April 01, 2022, to March 31, 2023)

(Japanese Yen in millions)

	Reportable segments			Others	Adjustment (*1)	Total
	Titanium	High Performance Materials	Sub Total			
Sales						
Sales to external customers	39,273	3,801	43,074	—	—	43,074
Inter-segment Sales or transfers	—	—	—	—	—	—
Total	39,273	3,801	43,074	—	—	43,074
Segment profit (*2)	4,424	356	4,780	—	—	4,780
Segment assets	69,376	5,197	74,573	—	6,971	81,544
Other Items						
Depreciation	2,214	258	2,472	—	—	2,472
Increase in fixed assets	2,876	106	2,983	—	—	2,983

(*1) Adjustment of segment assets is corporate assets that do not belong to any reportable segment.

(*2) There is no difference between the total segment profit and the operating profit in profit and loss statement.

4 Information on Impairment Losses on Fixed Assets by Reported Segments

25th financial Period (Year ended March 31, 2022)

Not applicable.

26th financial Period (Year ended March 31, 2023)

Impairment losses of ¥ 260 million have been recorded for corporate assets that do not belong to any reportable segment.

(Earnings per share)

The Basis for Calculating for Net Assets Per Share and Net Profit or Loss Per Share:

	25th Financial Period (March 31, 2022)	26th Financial Period (March 31, 2023)
(1) Net assets per share	720.40 yen	828.15 yen

	25th Financial Period (Year ended March 31, 2022)	26th Financial Period (Year ended March 31, 2023)
(2) Net profit (loss) per share	(84.57) Yen	119.27 Yen
	The basis for calculating net loss per share	The basis for calculating net profit per share
	Net loss in the Profit and Loss Statement	Net profit in the Profit and Loss Statement
	(JPY 3,112 millions)	JPY 4,388 millions
	Net loss on ordinary shares	Net profit on ordinary shares
	(JPY 3,112 millions)	JPY 4,388 millions
	Key breakdown of amounts not attributable to ordinary shareholders	Key breakdown of amounts not attributable to ordinary shareholders
	Not applicable.	Not applicable.
	Average number of ordinary shares during the year	Average number of ordinary shares during the year
	36,798,664 shares	36,798,576 shares

(Note) 1. Diluted net profit per share for the 25th financial period is not stated as there was a net loss per share and there are no latent shares such as bonds with share options.

2. Diluted net profit per share for the 26th financial period is not stated because there are no latent shares such as bonds with share options.

(Significant Subsequent Events)

Not applicable.

****END OF DOCUMENT****