

**Non-Consolidated Financial Statements**  
**for the First Quarter of Financial Year 2023 (April 1 - June 30, 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/>  
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Scheduled date to file quarterly securities report: August 10, 2023  
Scheduled date to commence dividend payments: Not Applicable  
Preparation of supplementary material on quarterly financial results: None  
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 2023 (April 1 - June 30, 2023)**

**(1) Operating Results**

(Japanese Yen in millions)

	Net sales		Operating profit (Loss)		Ordinary profit (Loss)		Net profit (loss)	
FY 2023 Q1	14,130	62.4%	1,691	300.5%	2,469	157.7%	2,073	153.6%
FY 2022 Q1	8,702	39.4%	422	—	958	—	817	—

Percentages indicate year-on-year changes

(Japanese Yen)

	Net profit per share	Diluted earnings per share
FY 2023 Q1	56.34	—
FY 2022 Q1	22.21	—

**(2) Financial Position**

(Japanese Yen in millions)

	Total assets	Net assets	Capital-to-asset ratio
FY2023 Q1	89,232	31,627	35.4%
FY2022 Full-Year	81,544	30,474	37.4%

Reference: Equity

As of FY 2023 Q1: JPY 31,627 million

As of FY 2022 Full-Year : JPY 30,474 million

**2. Cash dividends**

(Japanese Yen)

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
FY2022	—	10.00	—	25.00	35.00
FY2023	—				
FY 2023 Forecast		20.00	—	20.00	40.00

Note: Revisions to the forecast of cash dividends most recently announced: None

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

(Japanese Yen in millions except per share amounts)

	Net sales		Operating profit		Ordinary profit		Net profit		Net profit per share
Half-Year (H1)	26,800	36.5%	3,100	53.7%	3,000	3.2%	2,600	18.6	70.65
Full-Year	54,000	25.4%	6,500	36.0%	6,300	33.4%	5,300	20.8	144.03

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 estimates: Yes
  - (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, 2023	36,800,000 shares
As of March 31, 2023	36,800,000 shares

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

As of June 30, 2023	1,495 shares
As of March 31, 2023	1,495 shares

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

Three months ended June 30, 2023	36,798,505 shares
Three months ended June 30, 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 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.
- \* 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.

Financial Statements and Segment Information

1. Balance Sheet

(Japanese Yen in millions)

	March 31, 2023	June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,971	5,851
Trade accounts receivable	16,139	21,819
Merchandise and finished goods	11,001	10,204
Work in process	3,932	3,779
Raw materials and supplies	7,957	11,780
Other	205	377
Allowance for doubtful accounts	(3)	(3)
Total current assets	46,205	53,808
Fixed assets		
Property, plant and equipment		
Buildings, net	8,755	8,578
Machinery and equipment, net	7,795	7,762
Land	14,823	14,823
Construction in progress	1,324	1,416
Other, net	358	473
Total property, plant and equipment	33,058	33,054
Intangible assets	937	1,050
Investments and other assets	1,344	1,317
Total fixed assets	35,339	35,423
Total assets	81,544	89,232

(Japanese Yen in millions)

	March 31, 2023	June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Trade accounts payable	4,730	6,277
Short-term bank loans	16,000	17,500
Accounts payable - other	159	2,519
Income taxes payable	714	455
Accrued consumption taxes	—	484
Accounts payable - facilities	902	570
Provision for bonuses	315	80
Other	330	617
Total current liabilities	23,152	28,505
Long term liabilities		
Long-term bank loans	24,500	25,500
Asset retirement obligations	1,515	1,521
Provision for retirement benefits	1,833	2,007
Other	69	69
Total Long-term liabilities	27,917	29,098
Total liabilities	51,070	57,604
Net assets		
Shareholders' equity		
Share capital	8,739	8,739
Capital surplus	8,943	8,943
Retained earnings	12,802	13,955
Treasury shares	(10)	(10)
Total shareholders' equity	30,474	31,627
Total net assets	30,474	31,627
Total liabilities and net assets	81,544	89,232

## 2. Profit and Loss Statement

(Japanese Yen in millions)

	Three months ended	
	June 30, 2022	June 30, 2023
Net sales	8,702	14,130
Cost of sales	7,201	11,169
Gross profit	1,500	2,960
Selling, general and administrative expenses	1,078	1,269
Operating profit	422	1,691
Non-operating income		
Interest and dividend income	6	11
Foreign exchange gains	508	761
Unnecessary thing clearance profit	73	47
Rental income	9	11
Other	2	1
Total non-operating income	600	834
Non-operating expenses		
Interest expenses	55	46
Depreciation of inactive fixed assets	5	0
Extra retirement payments	2	7
Other	1	2
Total non-operating expenses	64	56
Ordinary profit	958	2,469
Extraordinary income		
Gain on sale of investment securities	19	—
Total extraordinary income	19	—
Extraordinary losses		
Loss on retirement of non-current assets	11	8
Total extraordinary losses	11	8
Profit before income taxes	966	2,460
Income taxes	148	387
Profit	817	2,073

### 3. Segment Information

#### (1) Three months ended June 30, 2022

##### Information on Sales, Profit (Loss) by Reported Segments

(Japanese Yen in millions)

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

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

#### (2) Three months ended June 30, 2023

##### Information on Sales, Profit (Loss) by Reported Segments

(Japanese Yen in millions)

	Segments		Total
	Titanium	High-Performance Materials	
Sales			
Sales to external customers	13,407	723	14,130
Inter-segment Sales or transfers	—	—	—
Total	13,407	723	14,130
Segment profit (loss) (*)	1,740	(49)	1,691

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