

**Non-consolidated Financial Statements**  
**for the First Half of Financial Year 2023 (April 1 - September 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: November 14, 2023  
Scheduled date to commence dividend payments: December 1, 2023  
Preparation of supplementary material on quarterly financial results: Yes  
Holding of quarterly financial results briefing: Yes

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

**1. Financial Results for the First Half of Financial Year 2023 (April 1 - September 30, 2023)**

**(1) Operating Results**

(Japanese Yen in millions)

	Net sales		Operating profit (Loss)		Ordinary profit (Loss)		Net profit (loss)	
FY 2023 H 1	26,991	37.5%	3,939	95.3%	5,349	84.1%	4,502	105.3%
FY 2022 H 1	19,632	67.9%	2,017	—	2,906	—	2,192	—

Percentages indicate year-on-year changes

(Japanese Yen)

	Net profit per share	Diluted earnings per share
FY 2023 H 1	122.34	—
FY 2022 H 1	59.59	—

**(2) Financial Position**

(Japanese Yen in millions)

	Total assets	Net assets	Capital-to-asset ratio
FY 2023 Q 2	90,694	34,056	37.6%
FY 2022 Full-Year	81,544	30,474	37.4%

Reference: Equity

As of FY 2023 Q 2: JPY 34,056 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
FY 2022	—	10.00	—	25.00	35.00
FY 2023	—	20.00			
FY 2023 Forecast			—	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; % indicates changes from the year before)

	Net sales		Operating profit		Ordinary profit		Net profit		Net profit per share
Full-Year	54,000	25.4%	7,100	48.5%	7,400	56.7%	6,200	41.3%	168.49

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: 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 September 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 September 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)

Six months ended September 30, 2023	36,798,505 shares
Six months ended September 30, 2022	36,798,635 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 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.

## Financial Statements and Segment Information

## 1. Balance Sheet

(Japanese Yen in millions)

	March 31, 2023	September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	6,971	7,307
Trade accounts receivable	16,139	23,230
Merchandise and finished goods	11,001	11,179
Work in process	3,932	3,839
Raw materials and supplies	7,957	9,656
Other	205	229
Allowance for doubtful accounts	(3)	(3)
Total current assets	46,205	55,439
Fixed assets		
Property, plant and equipment		
Buildings, net	8,755	8,555
Machinery and equipment, net	7,795	7,710
Land	14,823	14,823
Construction in progress	1,324	1,281
Other, net	358	491
Total property, plant and equipment	33,058	32,863
Intangible assets	937	1,100
Investments and other assets	1,344	1,291
Total fixed assets	35,339	35,255
Total assets	81,544	90,694

(Japanese Yen in millions)

	March 31, 2023	September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Trade accounts payable	4,730	5,906
Short-term bank loans	16,000	11,500
Accounts payable - other	159	3,704
Income taxes payable	714	957
Accrued consumption taxes	—	475
Accounts payable - facilities	902	487
Provision for bonuses	315	369
Other	330	464
Total current liabilities	23,152	23,866
Long-term liabilities		
Long-term bank loans	24,500	29,200
Asset retirement obligations	1,515	1,527
Provision for retirement benefits	1,833	1,974
Other	69	69
Total long-term liabilities	27,917	32,772
Total liabilities	51,070	56,638
<b>Net assets</b>		
Shareholders' equity		
Share capital	8,739	8,739
Capital surplus	8,943	8,943
Retained earnings	12,802	16,384
Treasury shares	(10)	(10)
Total shareholders' equity	30,474	34,056
Total net assets	30,474	34,056
<b>Total liabilities and net assets</b>	<b>81,544</b>	<b>90,694</b>

## 2. Profit and Loss Statement

(Japanese Yen in millions)

	Six months ended	
	September 30, 2022	September 30, 2023
Net sales	19,632	26,991
Cost of sales	15,612	20,607
Gross profit	4,019	6,383
Selling, general and administrative expenses	2,002	2,444
Operating profit	2,017	3,939
Non-operating income		
Interest and dividend income	6	33
Foreign exchange gains	806	1,395
Unnecessary thing clearance profit	112	73
Rental income	19	23
Other	73	6
Total non-operating income	1,018	1,532
Non-operating expenses		
Interest expenses	97	91
Depreciation of inactive fixed assets	5	0
Extra retirement payments	24	24
Other	1	5
Total non-operating expenses	129	122
Ordinary profit	2,906	5,349
Extraordinary income		
Gain on sale of investment securities	31	-
Total extraordinary income	31	-
Extraordinary losses		
Loss on retirement of non-current assets	41	26
Impairment losses	260	-
Total extraordinary losses	301	26
Profit before income taxes	2,637	5,322
Income taxes	444	820
Profit	2,192	4,502

### 3. Segment Information

(1) Six months ended September 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	17,407	2,224	19,632
Inter-segment Sales or transfers	—	—	—
Total	17,407	2,224	19,632
Segment profit (*)	1,715	302	2,017

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

(2) Six months ended September 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	25,694	1,297	26,991
Inter-segment Sales or transfers	—	—	—
Total	25,694	1,297	26,991
Segment profit (loss) (*)	4,098	(159)	3,939

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