

Non-consolidated Financial Statements
for the First Nine Months of Financial Year 2023 (April 1 - December 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/>
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Scheduled date to file quarterly securities report: February 14, 2024
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 Nine Months of Financial Year 2023 (April 1 - December 31, 2023)

(1) Operating Results

(Japanese Yen in millions)

	Net sales		Operating profit (loss)		Ordinary profit (loss)		Net profit (loss)	
FY 2023 Q3	41,316	33.0%	6,372	139.8%	6,697	147.2%	5,632	172.8%
FY 2022 Q3	31,055	54.3%	2,657	—	2,709	—	2,064	—

Percentages indicate year-on-year changes

(Japanese Yen)

	Net profit per share	Diluted earnings per share
FY 2023 Q3	153.06	—
FY 2022 Q3	56.11	—

(2) Financial Position

(Japanese Yen in millions)

	Total assets	Net assets	Capital-to-asset ratio
FY 2023 Q3	90,353	34,451	38.1%
FY 2022 Full-Year	81,544	30,474	37.4%

Reference: Equity

As of FY 2023 Q3: JPY 34,451 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				30.00	50.00

Note: Revisions to the forecast of cash dividends from the latest announcement : Yes

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	55,000	27.7%	7,500	56.9%	8,300	75.7%	7,000	59.5%	190.23

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 December 31, 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 December 31, 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)

Nine months ended December 31, 2023	36,798,505 shares
Nine months ended December 31, 2022	36,798,600 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	December 31, 2023
Assets		
Current assets		
Cash and deposits	6,971	3,637
Trade accounts receivable	16,139	22,329
Merchandise and finished goods	11,001	11,039
Work in process	3,932	3,856
Raw materials and supplies	7,957	14,233
Other	205	201
Allowance for doubtful accounts	(3)	(3)
Total current assets	46,205	55,295
Fixed assets		
Property, plant and equipment		
Buildings, net	8,755	8,477
Machinery and equipment, net	7,795	7,669
Land	14,823	14,823
Construction in progress	1,324	1,324
Other, net	358	470
Total property, plant and equipment	33,058	32,766
Intangible assets	937	1,030
Investments and other assets	1,344	1,260
Total fixed assets	35,339	35,057
Total assets	81,544	90,353

(Japanese Yen in millions)

	March 31, 2023	December 31, 2023
Liabilities		
Current liabilities		
Trade accounts payable	4,730	6,231
Short-term bank loans	16,000	6,700
Accounts payable - other	159	2,528
Income taxes payable	714	833
Accrued consumption taxes	-	966
Accounts payable - facilities	902	663
Provision for bonuses	315	96
Other	330	525
Total current liabilities	23,152	18,545
Long-term liabilities		
Long-term bank loans	24,500	33,800
Asset retirement obligations	1,515	1,534
Provision for retirement benefits	1,833	1,953
Other	69	69
Total fixed liabilities	27,917	37,356
Total liabilities	51,070	55,902
Net assets		
Shareholders' equity		
Share capital	8,739	8,739
Capital surplus	8,943	8,943
Retained earnings	12,802	16,778
Treasury shares	(10)	(10)
Total shareholders' equity	30,474	34,451
Total net assets	30,474	34,451
Total liabilities and net assets	81,544	90,353

2. Profit and Loss Statement

(Japanese Yen in millions)

	Six months ended	
	December 31, 2022	December 31, 2023
Net sales	31,055	41,316
Cost of sales	25,222	31,156
Gross profit	5,832	10,159
Selling, general and administrative expenses	3,175	3,787
Operating profit	2,657	6,372
Non-operating income		
Interest and dividend income	15	34
Foreign exchange gains	-	305
Unnecessary thing clearance profit	140	136
Rental income	29	34
Other	75	10
Total non-operating income	261	521
Non-operating expenses		
Interest expenses	142	161
Foreign exchange losses	28	-
Depreciation of inactive fixed assets	5	0
Extra retirement payments	31	24
Other	2	9
Total non-operating expenses	210	196
Ordinary profit	2,709	6,697
Extraordinary income		
Gain on sale of investment securities	93	-
Total extraordinary income	93	-
Extraordinary losses		
Loss on retirement of fixed assets	54	39
Impairment losses	260	-
Total extraordinary losses	315	39
Profit before income taxes	2,487	6,657
Income taxes	422	1,024
Profit	2,064	5,632

3. Segment Information

(1) Nine months ended December 31, 2022

Information on Sales, Profit (Loss) by Reported Segments

(Japanese Yen in millions)

	Segments		Total
	Titanium	High-Performance Materials	
Sales			
Sales to external customers	27,967	3,087	31,055
Inter-segment Sales or transfers	—	—	—
Total	27,967	3,087	31,055
Segment profit (*1)	2,397	260	2,657

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

(*2) Information on impairment losses on fixed assets or goodwill by reportable segment:

Impairment losses of 260 million have been recorded for company-wide assets not allocated to each reportable segment.

(2) Nine months ended December 31, 2023

Information on Sales, Profit (Loss) by Reported Segments

(Japanese Yen in millions)

	Segments		Total
	Titanium	High-Performance Materials	
Sales			
Sales to external customers	39,300	2,015	41,316
Inter-segment Sales or transfers	—	—	—
Total	39,300	2,015	41,316
Segment profit (loss) (*)	6,611	(239)	6,372

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