



February 5, 2025

Non-Consolidated Financial Statements for the First Nine Months of Financial Year 2024 (April 1 – December 31, 2024) (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: Junji Kawafuku, Representative Director, Member of the Board & President
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 Scheduled date to commence dividend payments: Not Applicable
 Preparation of supplementary material on financial results: None
 Holding of 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 2024 (April 1 - December 31, 2024)

(1) Operating Results

(Japanese Yen in millions)

	Net sales		Operating profit		Ordinary profit		Net profit	
FY 2024 Q3	40,910	(1.0)%	8,524	33.8%	7,951	18.7%	5,508	(2.2)%
FY 2023 Q3	41,316	33.0%	6,372	139.8%	6,697	147.2%	5,632	172.8%

Percentages indicate year-on-year changes.

(Japanese yen)

	Net profit per share	Diluted net profit per share
FY 2024 Q3	149.68	—
FY 2023 Q3	153.06	—

(2) Financial Position

(Japanese Yen in millions)

	Total assets	Net assets	Capital-to-asset ratio
FY 2024 Q3	99,896	41,255	41.3%
FY 2023 Full-Year	92,986	38,507	41.4%

Reference: Equity

Nine months ended December 31, 2024: JPY 41,255 million
 Financial Year Ended March 31, 2024: JPY 38,507 million

2. Cash dividends

(Japanese Yen)

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
FY2023	—	20.00	—	50.00	70.00
FY 2024	—	25.00	—		
FY 2024 Forecast				20.00	45.00

Note: Revisions to the forecast of cash dividends from the latest announcement: None

3. Earnings Forecast for the Financial Year ending March 31, 2025

(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	53,500	(3.3)%	10,400	25.5%	9,400	0.4%	6,100	(37.0)%	165.77

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 estimate: 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)

Nine months ended December 31, 2024	36,800,000 shares
Financial Year ended March 31, 2024	36,800,000 shares

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

Nine months ended December 31, 2024	1,519 shares
Financial Year ended March 31, 2024	1,518 shares

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

Nine months ended December 31, 2024	36,798,481 shares
Nine months ended December 31, 2023	36,798,505 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 certain assumptions deemed appropriate and based on information currently available. Actual results may differ significantly in the future due to a number of factors.

* Special matters on translation

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

2. Financial Statements and Significant Notes

(1) Balance Sheet

(Japanese Yen in millions)

	March 31, 2024	December 31, 2024
Assets		
Current assets		
Cash and deposits	5,975	3,083
Trade accounts receivable	21,829	25,118
Merchandise and finished goods	10,744	15,151
Work in process	3,859	2,900
Raw materials and supplies	12,983	15,630
Other	238	216
Allowance for doubtful accounts	(3)	(3)
Total current assets	55,629	62,097
Fixed assets		
Property, plant and equipment		
Buildings, net	8,404	8,627
Machinery and equipment, net	8,584	8,834
Land	14,823	14,823
Construction in progress	1,126	1,275
Other, net	556	578
Total property, plant and equipment	33,496	34,140
Intangible assets	969	782
Investments and other assets	2,891	2,877
Total fixed assets	37,357	37,799
Total assets	92,986	99,896

(Japanese Yen in millions)

	March 31, 2024	December 31, 2024
Liabilities		
Current liabilities		
Trade accounts payable	5,317	7,106
Short-term bank loans	5,800	8,400
Accounts payable - other	*2 1,708	222
Income taxes payable	1,012	1,620
Accrued consumption taxes	715	515
Accounts payable - facilities	1,161	1,491
Provision for bonuses	401	113
Other	429	523
Total current liabilities	16,547	19,995
Long-term liabilities		
Long-term bank loans	34,300	35,000
Asset retirement obligations	1,540	1,560
Provision for retirement benefits	2,020	2,015
Other	69	69
Total long-term liabilities	37,930	38,645
Total liabilities	54,478	58,640
Net assets		
Shareholders' equity		
Share capital	8,739	8,739
Capital surplus	8,943	8,943
Retained earnings	20,835	23,583
Treasury shares	(10)	(10)
Total shareholders' equity	38,507	41,255
Total net assets	38,507	41,255
Total liabilities and net assets	92,986	99,896

(2) Profit and Loss Statement

(Japanese Yen in millions)

	Nine months ended	
	December 31, 2023	December 31, 2024
Net sales	41,316	40,910
Cost of sales	31,156	27,855
Gross profit	10,159	13,054
Selling, general and administrative expenses	3,787	4,530
Operating profit	6,372	8,524
Non-operating income		
Interest and dividend income	34	48
Foreign exchange gains	305	-
Unnecessary thing clearance profit	136	290
Rental income	34	35
Other	10	5
Total non-operating income	521	379
Non-operating expenses		
Interest expenses	161	205
Foreign exchange losses	-	714
Depreciation of inactive fixed assets	0	0
Extra retirement payments	24	28
Other	9	3
Total non-operating expenses	196	952
Ordinary profit	6,697	7,951
Extraordinary losses		
Loss on retirement of fixed assets	39	357
Total extraordinary losses	39	357
Profit before income taxes	6,657	7,594
Income taxes	1,024	2,086
Net profit	5,632	5,508

(3) Notes to Financial Statements

The quarterly financial statements are prepared in accordance with Article 4, Paragraph 1 of the Standards for Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. and accounting standards for quarterly financial statements generally accepted in Japan (however, the omission of a statement as stipulated in Article 4, Paragraph 2 of the Standards for Preparation of Quarterly Financial Statements, etc. is applied).

(Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements)

(Tax expense)

The Company's quarterly income tax expense is determined by applying an estimated annual effective tax rate to the profit before income taxes for that quarter. This effective tax rate is calculated based on the annual profit before income taxes, adjusted for the effects of deferred taxes. In assessing the recoverability of deferred tax assets, the Company take into account any material changes in temporary differences or the business environment compared with the previous fiscal year.

(Business segment information and other notes)

[Business Segment Information]

Nine months ended December 31, 2023

Information on Sales, Profit (Loss) by Reported Segment

(Japanese Yen in millions)

	Segments		Total
	Titanium	High-Performance Materials	
Net 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

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

Nine months ended December 31, 2024

Information on Sales, Profit by Reported Segment

(Japanese Yen in millions)

	Segments		Total
	Titanium	High-Performance Materials	
Net sales			
Sales to external customers	37,792	3,118	40,910
Inter-segment sales or transfers	—	—	—
Total	37,792	3,118	40,910
Segment profit	8,380	144	8,524

Note: There is no difference between the total segment profit and the operating profit in the Profit and Loss Statement.

(Notes on significant changes in shareholders' equity)

Not applicable

(Note on the assumption as a going concern)

Not applicable

(Notes to Cash Flow Statement)

Cash Flow Statement for the nine months ended December 31, 2024, are not available.

Depreciation expense, including amortization of intangible assets, for the nine months ended December 31, 2024, is presented below.

	(Japanese Yen in millions)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	2,084	2,219

(Notes to balance sheets)

1 Contingent liabilities

Guarantee Obligations for Employees' Housing Loans

	(Japanese Yen in millions)	
	Financial year ended March 31, 2024	Nine months ended December 31, 2024
	23	11

*2 Debt assumption agreement

The amounts represent accounts payable - other whose payment terms have been extended under debt assumption agreements.

	(Japanese Yen in millions)	
	Financial year ended March 31, 2024	Nine months ended December 31, 2024
Accounts payable - other	1,536	—

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