

# **First Quarter Earnings Results and Full-Year Earnings Forecast**

**for Financial Year ending March 31, 2023**

**August 4, 2022**

OSAKA Titanium technologies Co.,Ltd.

# I First Quarter 2022 Results (Business Overview)

## 【Overall】

- ✓ Once severely-decimated global economy is on the road to recovery. However, the re-emergence of coronavirus infection and the rapid depreciation of yen, as well as the global surge in energy prices together with soaring raw materials costs, make it difficult to predict the economic recovery.
- ✓ Despite higher raw material and fuel costs, **the Company returned to profit for the first time in nine quarters, with operating profit of ¥0.4 billion, ordinary profit of ¥1 billion and net profit of ¥0.8 billion.** Improved profitability in the Titanium business as a result of higher sales volumes and improved sales prices, as well as the impact of the weaker yen contributed to improvement.

## 【By Segment】

<b>Titanium</b>	<ul style="list-style-type: none"> <li>•Continued high prices for raw materials and fuel, ocean freight, etc.</li> <li>•Both export and domestic sales improved significantly as a gradual recovery in demand for aircraft and other areas has progressed.</li> </ul>
<b>High-Performance Materials</b>	<ul style="list-style-type: none"> <li>•Sales of high-purity titanium for sputtering target materials in line with growing semi-conductor market increased. Sales of spherical titanium alloy powder (product name: Alloy TILOP) also increased.</li> </ul>

## II Full-Year Earnings Forecast (Overview)

- ✓ As the global economy recovers, demand for titanium is expected to return to its pre-pandemic level by 2024. The Ukrainian crisis has accelerated to the restructuring of the global supply chain for titanium.

The supply-demand balance for titanium sponge is likely to tighten.

- ✓ Meanwhile, the Ukrainian crisis has spurred a surge in the prices of energy resources and raw materials which is expected to continue.

- ✓ Sales in the Titanium business to increase by ¥11.5 billion to ¥36.5 billion in the current financial year, and together with sales in the High-Performance Materials business, the Company expects the company-wide sales of ¥41 billion which exceeds those of FY 2019 before the pandemic.

- ✓ While the overall cost increase due to various raw materials and fuel prices still persists, the sales price increase is gaining our customer understanding. Due to a better-than-expected recovery in demand, sales and production volumes also expected to increase, with an operating profit of ¥1.8 billion and a net profit for the year of ¥1.6 billion.

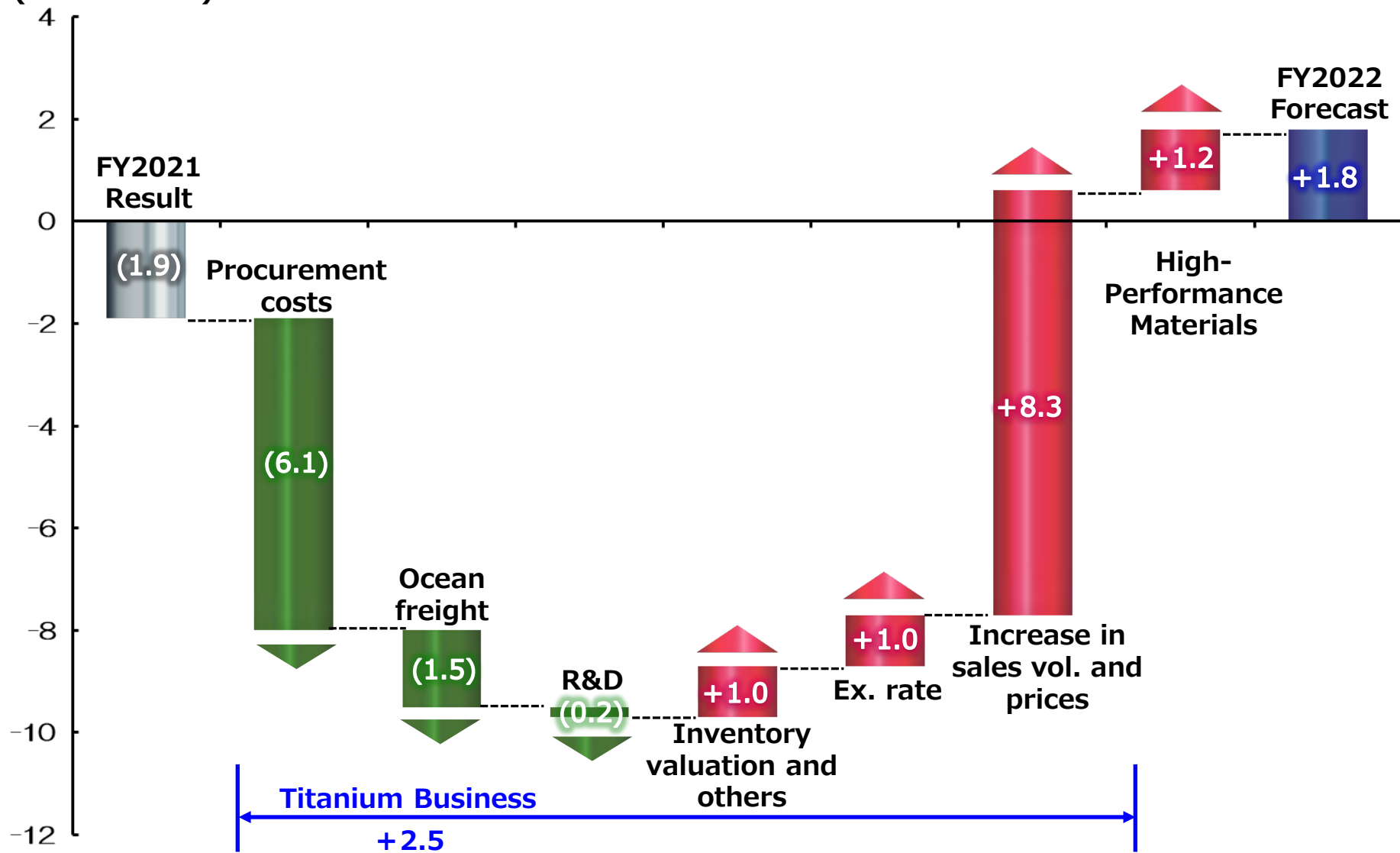
- ✓ Plans to resume the payment of mid-year and year-end dividends of ¥ 5/share and ¥10/share respectively in the current financial year.

### III Full-Year Earnings Forecast (Financial Summary)

(¥ in billions)	FY2021		FY2022				Changes in Full-Year
	Q1 result	Full-Year result	Q1 result	H1 forecast	H2 forecast	Full-Year forecast	
Exchange Rate(¥/\$)	<110>	<112>	<127>	<126>	<125>	<125>	-
Sales	6.2	28.5	8.7	19.0	22.0	41.0	+12.5
Opearating P/L	(0.6)	(1.9)	0.4	0.8	1.0	1.8	+3.7
non-operating P/L	0.0	0.2	0.6	0.5	0.1	0.6	+0.4
Ordinary P/L	(0.6)	(1.7)	1.0	1.3	1.1	2.4	+4.1
Extraordinary P/L	0.0	(0.1)	0.0	(0.3)	(0.2)	(0.5)	(0.4)
P/L Before Tax	(0.6)	(1.8)	1.0	1.0	0.9	1.9	+3.7
Corporate tax, etc	0.0	(1.3)	(0.2)	(0.2)	(0.1)	(0.3)	+1.0
Net Income(Loss)	(0.6)	(3.1)	0.8	0.8	0.8	1.6	+4.7

# IV Full-Year Earnings Forecast (Changes in Operating Profit)

(¥ in billions)



## V Full-Year Earnings Forecast (by Segment)

(¥ in billions)	FY2021 Result		FY2022 Forecast		Changes	
	Sales	Profit (Loss)	Sales	Profit (Loss)	Sales	Profit (Loss)
Titanium	25.0	(1.2)	36.5	1.5	+11.5	+2.7
High-Performance Materials	3.2	(0.9)	4.5	0.3	+1.3	+1.2
Other	0.3	0.2	0.0	0.0	▲ 0.3	▲ 0.2
TOTAL	28.5	(1.9)	41.0	1.8	+12.5	+3.7

## VI Full-Year Earnings Forecast (Dividend)

### Dividend Policy

Stable payout with 25~35% payout ratio

FY2021  
Result

FY2022  
(Forecast)

Mid-Year	¥0/shr	¥5/shr
Year-End	¥0/shr	¥10/shr
Annual	¥0/shr	¥15/shr

# Disclaimer

- With the exception of historical facts, the contents of this paper are predictive statements. These statements are based on management's assumptions and beliefs in light of the information currently available to it. The assumptions involve risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the predictive statements.
- Osaka Titanium technologies makes no guarantee concerning the realization of the contents of these predictive statements.
- Since the contents of this paper are based on the information at the time the data were prepared, the contents may differ from the actual results.
- Although Osaka Titanium technologies has taken the greatest possible care in posting information in this paper, it assumes no responsibility for problems including, but not limited to, incorrect information in this paper or for any problems resulting from using the data in this paper.