

 **New Challenge Best Quality**

**OSAKA Titanium technologies Co.,Ltd.**

# **First-Half 2025 Financial Results Briefing**

**for Financial Year ending March 31, 2026**

**November 28, 2025**

**01 First-Half 2025 Financial Results**

**02 Full-Year 2025 Earnings Forecast**

**03 Medium-Term Business Challenges**

## 01. First-Half 2025 Financial Results (Business Status)

### <Corporate Overview>

- ✓ The demand for aircraft is on a growth track and the impact of the global restructuring of the supply chain for titanium is continuing, demand for sponge titanium remained steady
- ✓ In general industrial applications, inventory adjustments continued at customers and end users, reflecting the sluggish Chinese economy. Prices of raw materials and fuels will peak out, but the problem of inflation due to rising labor costs and soaring prices will also continue
- ✓ Despite a decrease in sales prices for exports and a decline in volume due to sluggish domestic demand under the above-mentioned environmental, due to steady export volume and the effect of the weak yen

**1st Half-2025 resulted in : Sales ¥ 26.9 B, Operating Profit ¥ 4 B, Net Profit ¥ 2.5 B**

### <Overview by Business Segment>

#### Titanium

- Sales of sponge titanium for **export increased by 26% year-on-year**  
Domestic sales **down 58% year-on-year**
- **Operating profit decreased by 41% year-on-year** due to reduced production accompanied by a decrease in domestic sales volume, as well as worsening costs driven by factors such as inflation

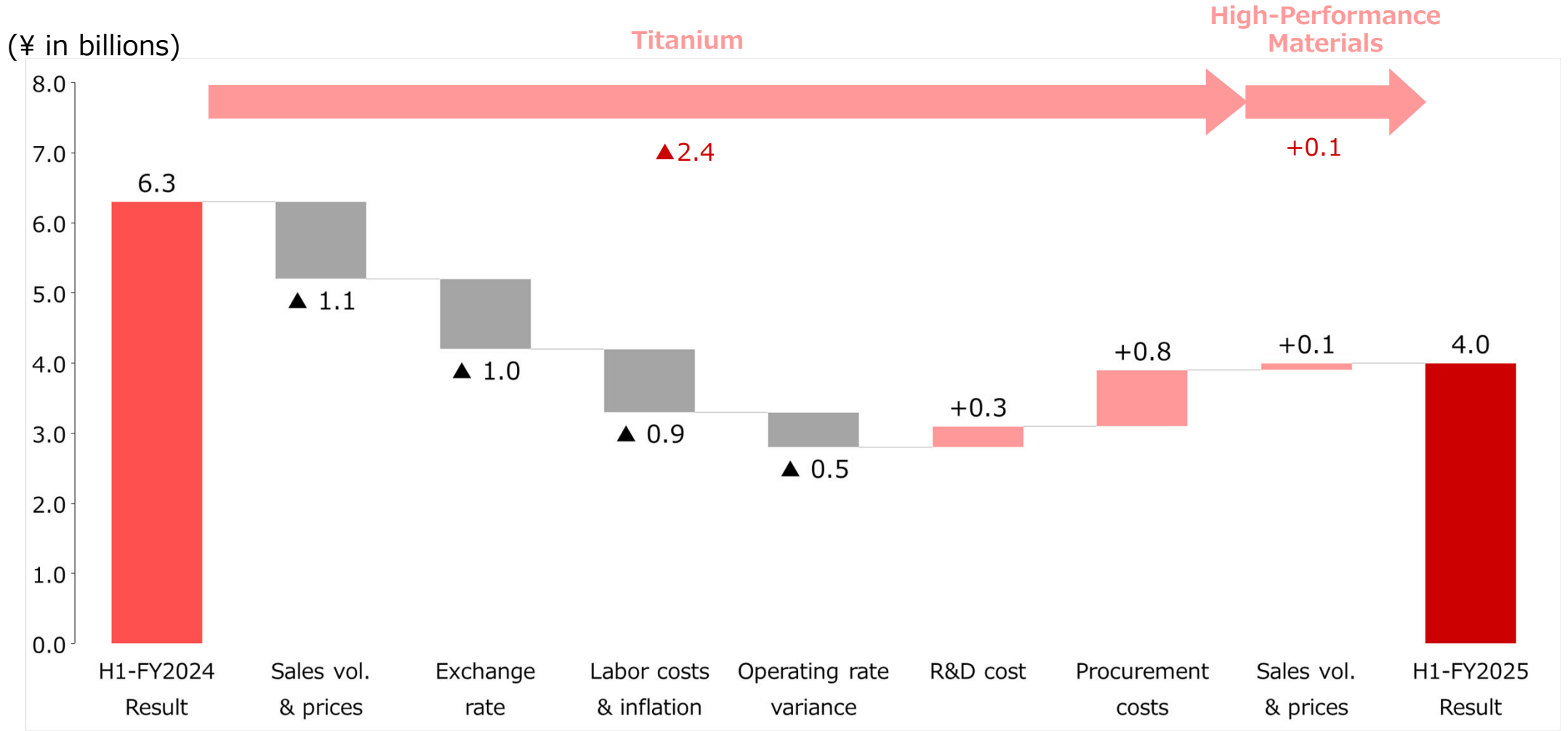
#### High-Performance Materials

- The adjustment phase in the semiconductor market is continuing, and semiconductor-related sputtering sales volume of high-purity titanium for targets declined, and sales **declined 8% year-on-year**. Operating income **rose 6% year-on-year** due to an improved mix of TILOP and other products

## 01. First-Half 2025 Financial Results (Results Overview)

(¥ in billions)	H1-FY2024 Results	H2-FY2024 Results	H1-FY2025 Results	Changes from H1-FY2024
Sales	26.2	25.7	26.9	+0.7
Operating P/L	6.3	3.8	4.0	▲2.3
Ordinary P/L	5	4.1	4.2	▲0.8
P/L Before Tax	4.8	3.1	3.6	▲12
Net Profit(Loss)	3.5	3.6	2.5	▲10
Exchange Rate(¥/U\$)	(153.9)	(151.6)	(146.2)	—
End-of-period Rate(¥/U\$)	(142.8)	(149.5)	(148.8)	—

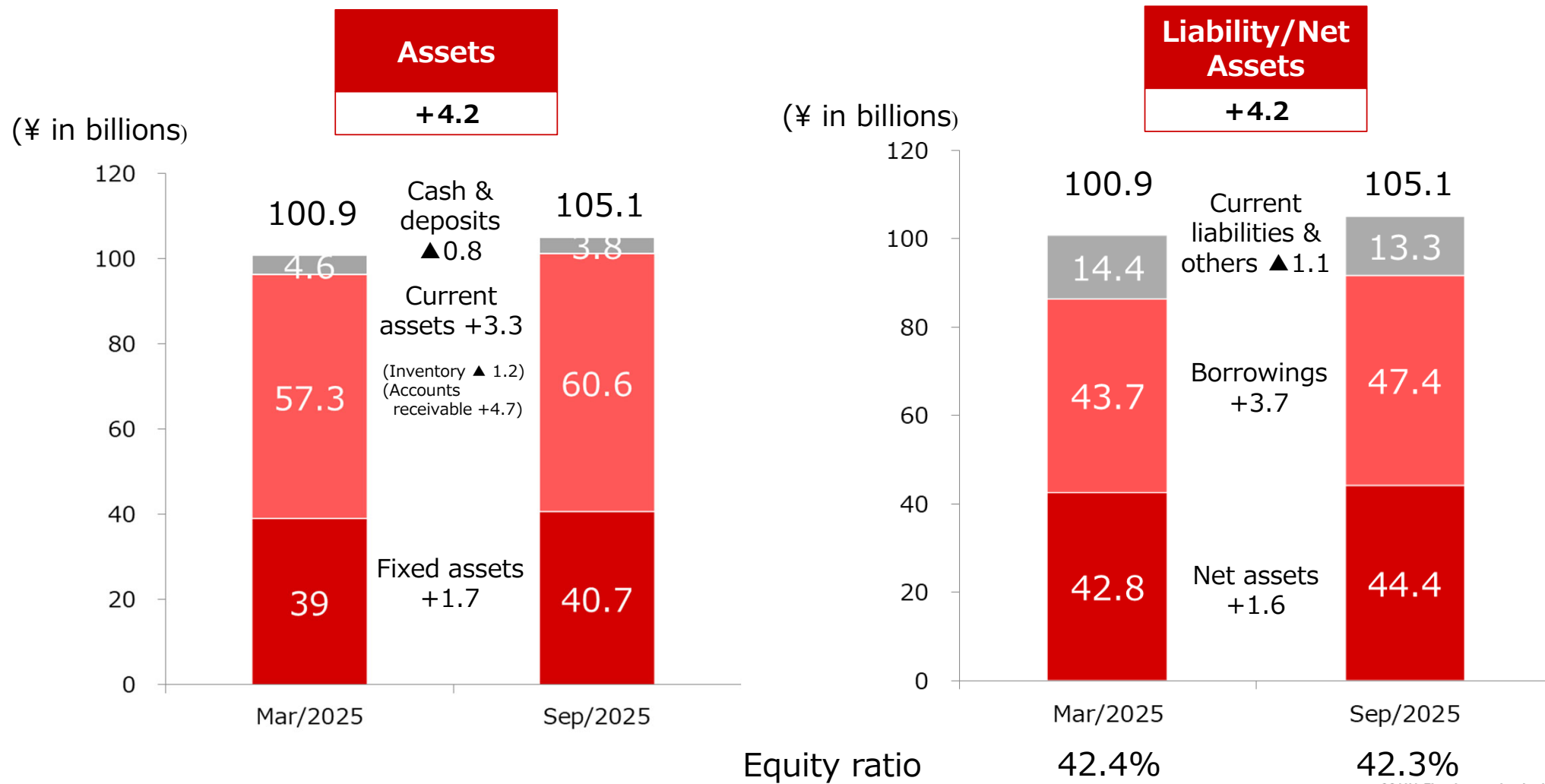
# 01. First-Half 2025 Financial Results (Changes from the Same Period Last Year)



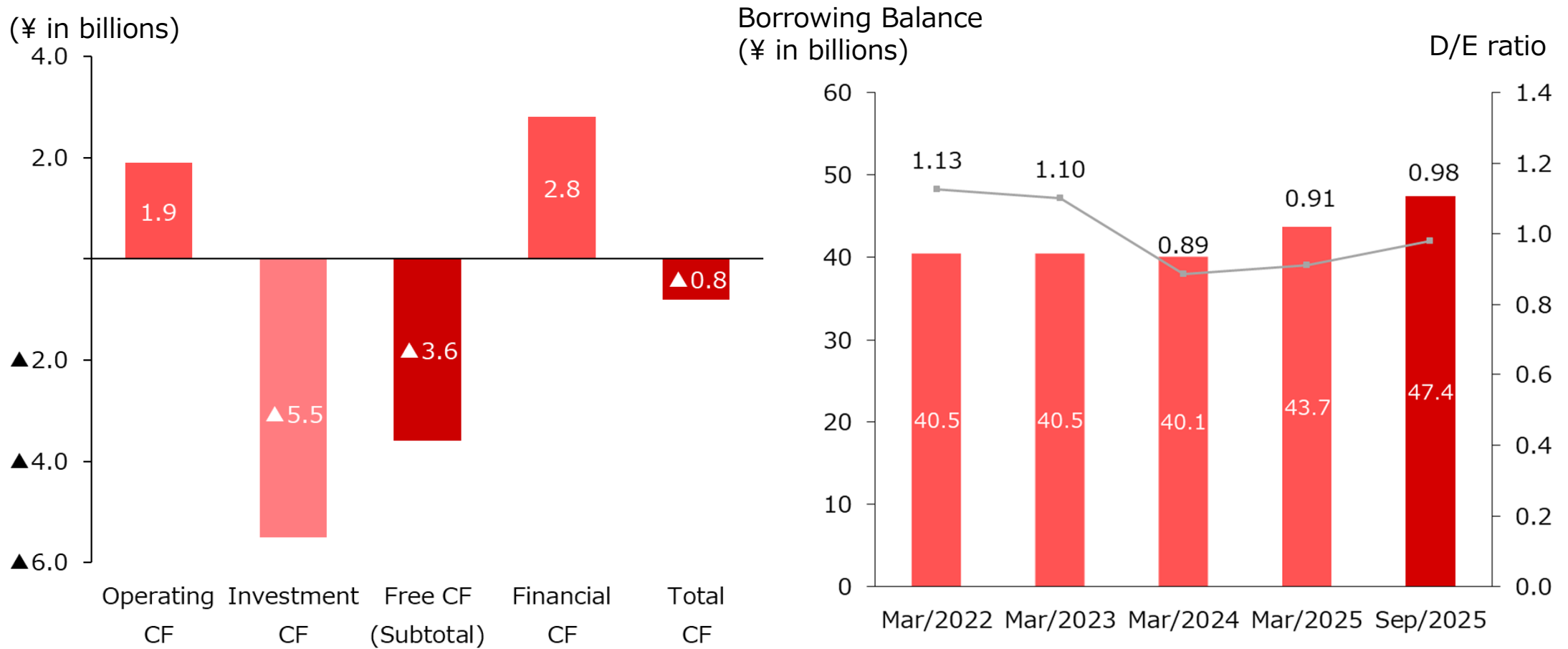
## 01. First-Half 2025 Financial Results (by Segment)

(¥ in billions)		H1-FY2024 Results		H2-FY2024 Results		H1-FY2025 Results		Changes from H1-FY2024	
		Sales	Operating Profit	Sales	Operating Profit	Sales	Operating Profit	Sales	Operating Profit
Titanium	Domestic	5.8	5.7	6.5	3.3	2.5	3.3	▲3.3	▲2.4
	Export	16.8		16.1		21.1		+4.3	
	Subtotal	22.6	5.7	22.6	3.3	23.6	3.3	+1.0	▲2.4
High-Performance Materials		3.6	0.6	3.1	0.5	3.3	0.7	▲0.3	0.1
<b>Total</b>		<b>26.2</b>	<b>6.3</b>	<b>25.7</b>	<b>3.8</b>	<b>26.9</b>	<b>4.0</b>	<b>+0.7</b>	<b>▲2.3</b>

# 01. First-Half 2025 Financial Results (B/S)



# 01. First-Half 2025 Financial Results (Cash Flows and D/E Ratio)



01 First-Half 2025 Financial Results

02 **Full-Year 2025 Earnings Forecast**

03 Medium-Term Business Challenges

## 02. Full-Year 2025 Earnings Forecast (Business Environment by Segment)

### Titanium

#### Environment

- Demand for commercial aircraft is expected to grow steadily over the medium to long term, and demand for titanium for commercial aircraft is also expected to grow sustainably, as aircraft manufacturers plan to gradually increase the number of commercial aircraft manufactured, and demand for engines is increasing in addition to new demand and MRO demand.
- Meanwhile, actual demand for titanium has temporarily slowed due to inventory adjustments within the aircraft supply chain.
- Demand for titanium for the general industry remains sluggish due to the sluggish Chinese economy and other factors.
- Although raw material and fuel prices peaked out, materials and equipment prices and personnel costs rose year by year, squeezing earnings



#### Initiatives

- The factory operating rate of titanium sponge is at a level commensurate with sales volume. (Utilization rate: 1H: Approximately 80%, the 2H plan will continue.)  
However, in preparation for the future increase in sales volume, the company will maintain its capacity to operate at full capacity immediately, including by securing personnel.
- In order to ensure profitability that can continue in business, we will strive to thoroughly reduce costs, including automating each process and improving production efficiency, while continuing to optimize sales prices.
- Steady progress in investments to increase titanium production capacity, including prior construction

## 02. Full-Year 2025 Earnings Forecast (Business Environment by Segment)

### High-Performance Materials

Environment

- Digital markets such as semiconductors and multilayer ceramic capacitors (MLCC) remain in an adjustment phase, while demand for smartphones and PC·EV related products stagnates, although some applications such as AI are expected to recover.
- While the multilayer molding market is growing in stages, mainly in Europe and the U.S., the competitive environment for titanium alloys powders is intensifying due to aggressive sales expansion by competitors and other factors in the medical field, where demand is already expanding. Additionally, there are delays in the development and expansion of the aerospace sector, which is expected to see increased demand in the future.



Initiatives

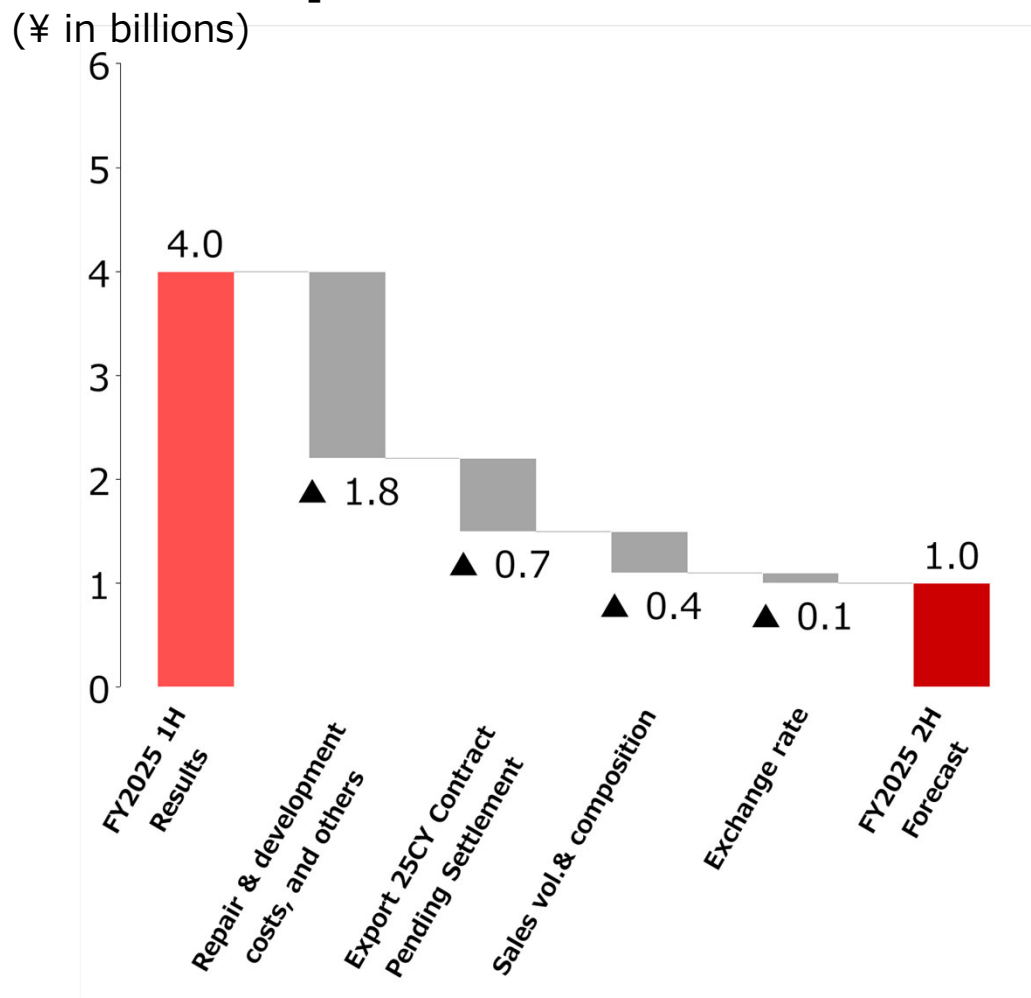
- Maintain and expand market share of high-purity titanium products with high-quality strategic products in the semiconductor field
- Expand sales of high-purity titanium-tetrachloride products by steadily capturing demand for use in multilayer ceramic capacitors (MLCC)
- Pursuing Growth in the Alloy TILOP Business Specialized in the Aerospace Field by Utilizing Know-How Cultivated in the Titanium Business
- Continue to create and seed new businesses, such as by promoting open innovation

## 02. Full-Year 2025 Earnings Forecast (Summary)

FY2024 Results	FY2025 Forecast			FY2024 →FY2025 Changes in Full-Year	Previously announced figures	Comparison to the previous time Changes in Full-Year
	H1 Results	H2 Forecast	Full-Year Forecast			
(¥ in billions)						
Sales	51.9	26.9	22.1	49.0	▲2.9	52.0 ▲3.0
Operating P/L	10.1	4.0	1.0	5.0	▲5.1	4.5 +0.5
Ordinary P/L	9.1	4.2	0.6	4.8	▲4.3	4.2 +0.6
P/L Before Tax	7.9	3.6	▲0.5	3.1	▲4.8	2.8 +0.3
Net Profit(Loss)	7.1	2.5	▲0.3	2.2	▲4.9	2.0 +0.2
Exchange Rate(¥/U\$)	(152.7)	(146.2)	(145.0)	(145.6)	—	(145.1) —
End-of-period Rate(¥/U\$)	(149.5)	(148.8)	(145.0)	(145.0)	—	(145.0) —

## 02. Full-Year 2025 Earnings Forecast (Changes from the Year Before)

[FY2025 1H Results ⇒ 2H Forecast Breakdown of Changes in Operating Profit]



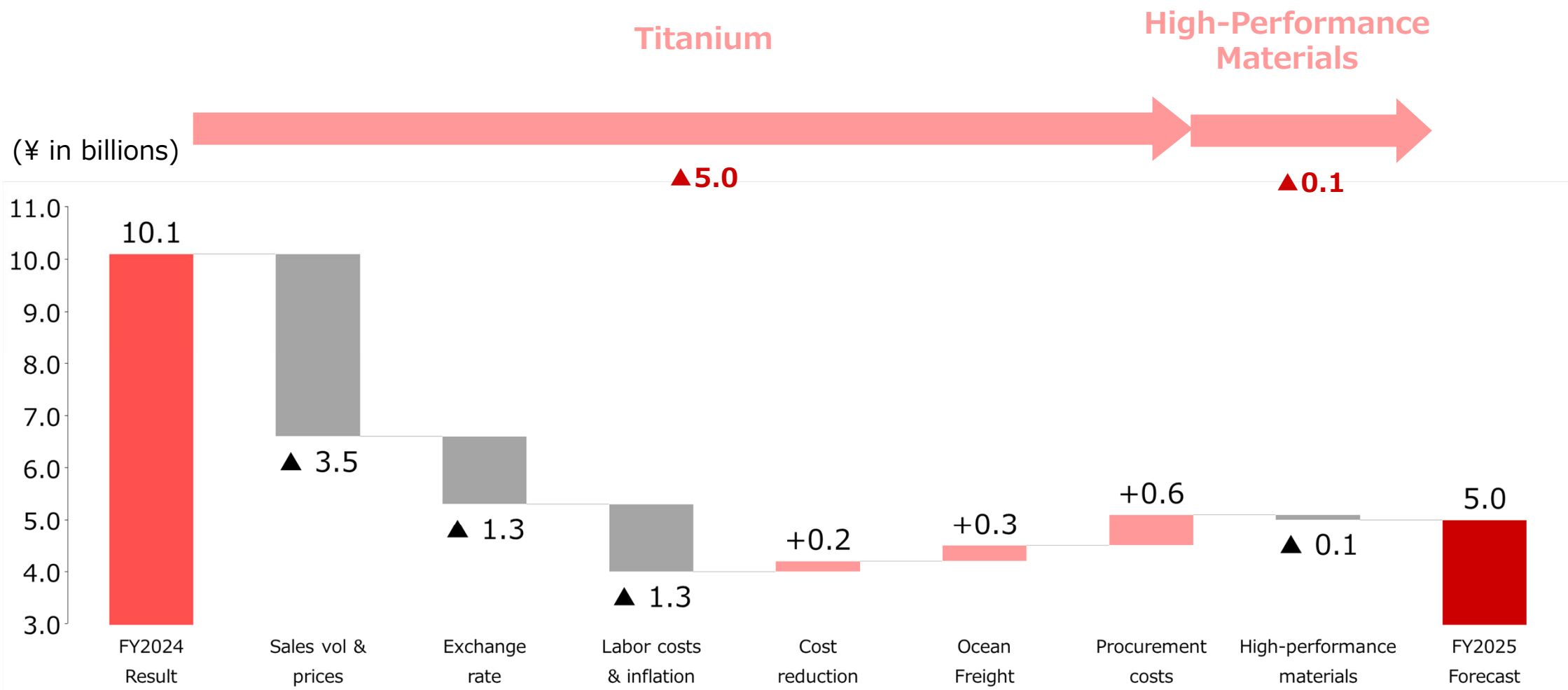
(Reference)  
 [Previous forecast announced in August  
 ⇒ Current forecast announced]

Net Sales           ▲ 3 billion yen (52→49 billion yen)  
Operating Profit +0.5 billion yen (4.5→5 billion yen)

### Breakdown of Changes in Operating Profit

Exchange rate	: + 0.2 billion yen
Sales vol.& composition	: ▲ 0.3 billion yen
Energy procurement cost	: + 0.2 billion yen
Ocean freight and others	: + 0.4 billion yen

## 02. Full-Year 2025 Earnings Forecast (Changes from the Year Before)



## 02. Full-Year 2025 Earnings Forecast (by Segment)

(¥ in billions)		FY2024 Results		FY2025 Forecast		Changes	
		Sales	Operating Profit	Sales	Operating Profit	Sales	Operating Profit
Titanium	Domestic	12.3	9.0	6.8	4.0	▲5.5	▲5.0
	Export	32.9		35.4		+2.5	
	Subtotal	45.2	9.0	42.2	4.0	▲3.0	▲5.0
High-Performance Materials		6.7	1.1	6.8	1.0	+0.1	▲0.1
<b>Total</b>		<b>51.9</b>	<b>10.1</b>	<b>49.0</b>	<b>5.0</b>	<b>▲2.9</b>	<b>▲5.1</b>

## 02. Full-Year 2025 Earnings Forecast (Dividend)

### Dividend Policy

Stable pay-out with 25-35% pay-out ratio

	FYE Mar. 2025		FYE Mar. 2026	Last announcement
Mid-Year	¥25/shr		¥5/shr	¥5/shr
Year-End	¥25/shr	※	(¥10/shr)	¥10/shr
Annual	¥50/shr		¥15/shr	¥15/shr

※The judgment is based on future performance trends.

01 First-Half 2025 Financial Results

02 Full-Year 2025 Earnings Forecast

03 **Medium-Term Business Challenges**

## 03. Medium-Term Business Challenges (Issues and Basic Policies)

### Medium-Term Management Issues and Basic Policies

#### <Titanium Business>

- 1.Sustainable growth of the titanium business by increasing production capacity and strengthening the profit structure

#### <High Performance Materials Business>

- 2.Promote business portfolio reforms by expanding the high-performance materials business, including the development of new businesses

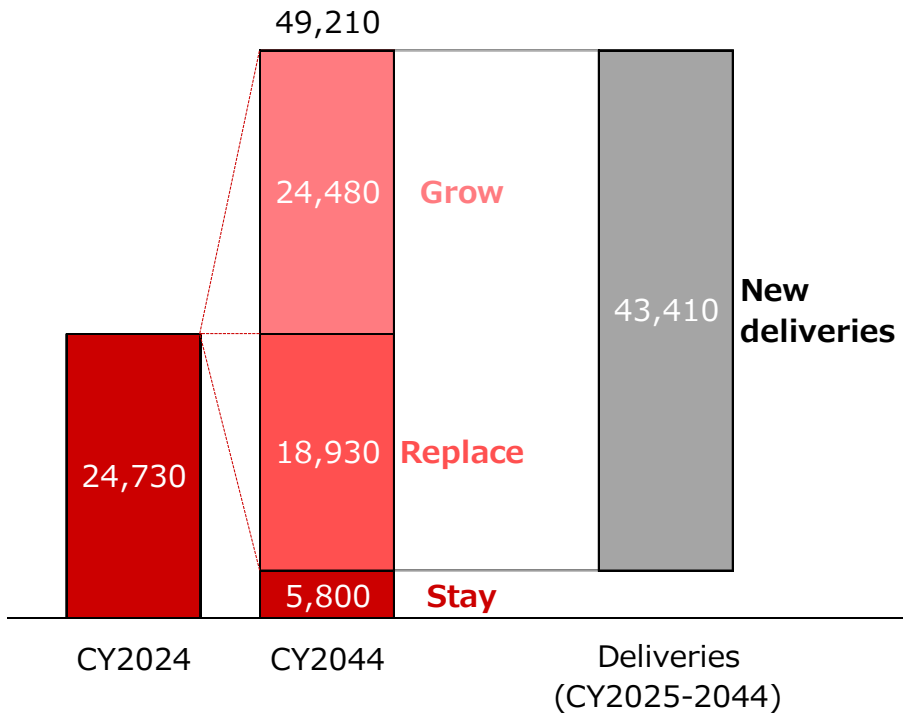
#### <Company-wide>

- 3.Improving the environment for strengthening human capital and making full use of human capital
- 4.Further promote DX through smart factories utilizing data science, etc.
- 5.Building a Foundation for Stable Growth through Soundness of Financial Position
- 6.Promotion of multi-faceted activities to reduce environmental impact, including carbon neutrality

### 03. Medium-Term Business Challenges (Trends in Commercial Aircraft)

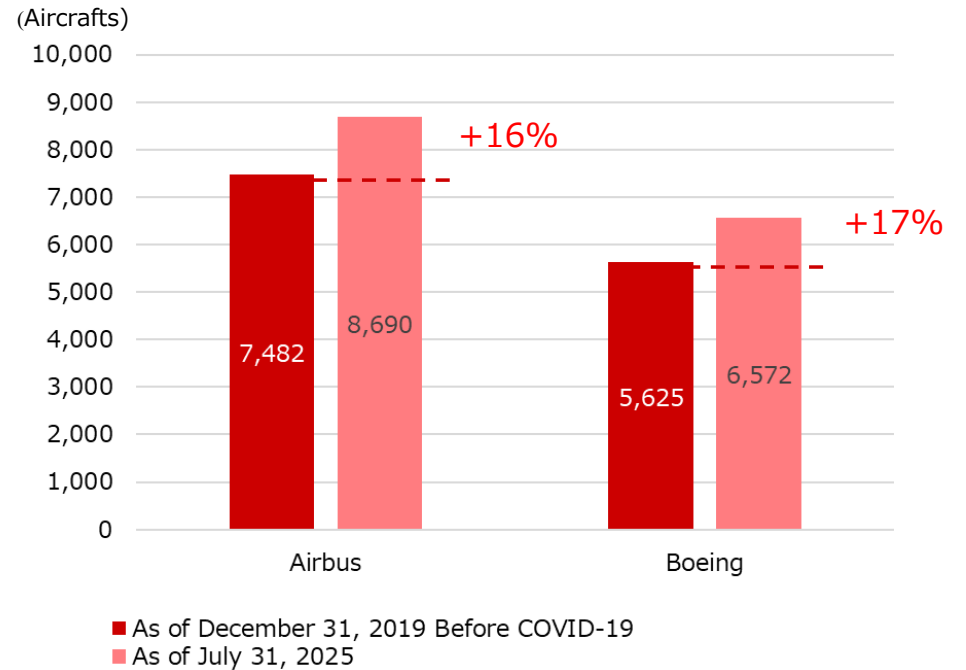
- ✓ The number of commercial aircraft in operation is expected to double between 2024 and 20 years later to 2044, of which about 43,000 aircraft will be newly needed over the 20 years from 2025 to 2044
- ✓ In addition, the order backlog for commercial aircraft increased more than before COVID-19, and demand for commercial aircraft is expected to grow further in the future.

**Forecasting Number of Commercial Aircraft in Operation**



(Our estimation based on Airbus published materials)

**Remaining Orders for Commercial Aircraft**



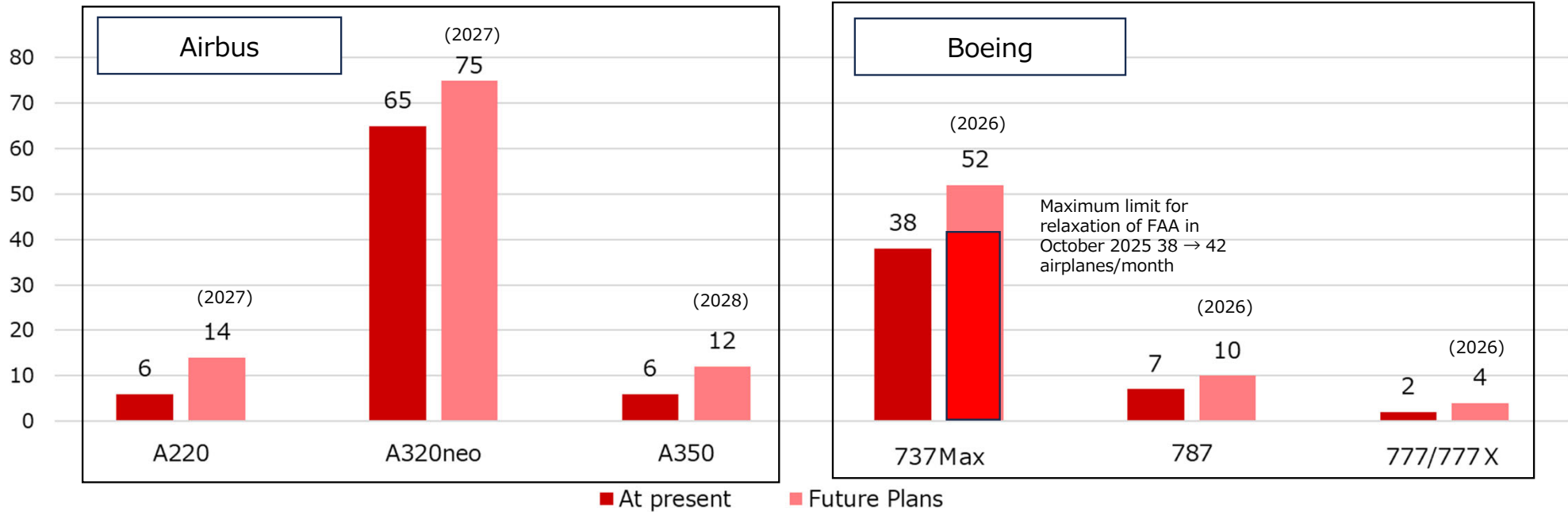
(Prepared by MHI based on published materials by major airplane manufacturers and Flight Plan)

### 03. Medium-Term Business Challenges (Trends in Commercial Aircraft)

- ✓ The production capacity of commercial aircraft is expected to increase further in the future as Airbus resolves supply chain problems such as shortages of engines, recovers from production cuts due to Boeing strikes, and lifts production capacity from the Federal Aviation Administration (FAA) due to the elimination of quality problems.

**Forecast of Number of Commercial Aircraft Production in Europe and America**

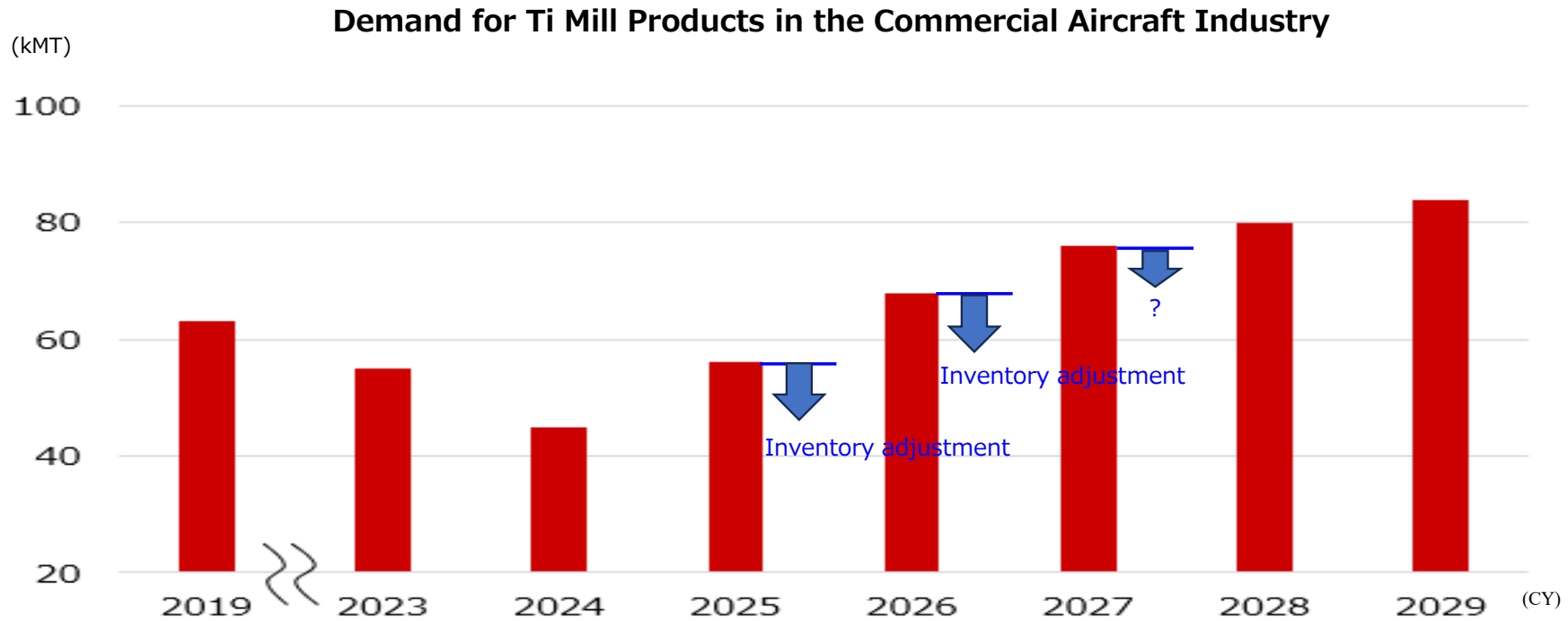
(airplanes/month)



(Our estimate based on the announcement by a major aircraft manufacturer)

### 03. Medium-Term Business Challenges (Demand for Titanium Mill Products for Commercial Aircraft)

- ✓ Demand for titanium for commercial aircraft is expected to continue growing due to increased demand for MRO for engines and steady growth in the number of commercial aircraft production.
- ✓ At the same time, Boeing has a quality-related problem, a strike, and Airbus's shortage of engines. This has led to an inventory-adjustment phase in the supply chain.



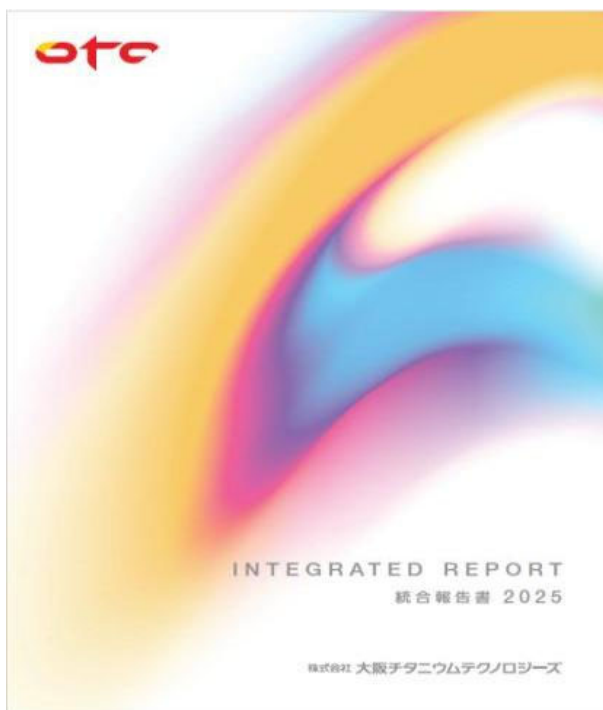
(We estimate based on the number of aircraft production by major aircraft manufacturers)



## 03. Medium-Term Business Challenges (Initiatives for IR Activities)

### ✓ Integrated Report (scheduled for release in December 2025)

The status of initiatives for medium-term management issues has been summarized, and an Integrated Report is being prepared.



### ✓ Company briefings for individual investors

We held a company briefing for individual investors on October 17, 2025.

You can watch archived images at:

<https://webcast.net-ir.ne.jp/57262510/index.html>



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