



May 14, 2026

To All Shareholders,

Company name: OSAKA Titanium technologies Co., Ltd.
Representative: Junji Kawafuku, Representative Director,
Member of the Board & President
(Securities code: 5726, TSE Prime Market)
Inquiries: Naohisa Kitamura, General Manager, Head of
General Affairs and Human Resources
(TEL: 06-6413-9911)

Notice Regarding the Formulation of the Medium-Term Management Plan “OTC 2030”

OSAKA Titanium technologies Co., Ltd. (hereinafter referred to as the “Company”) hereby announces that the Company resolved the Medium-Term Management Plan “OTC 2030”, covering the period from fiscal year 2026 through fiscal year 2030 at today’s Board of Directors meeting.

For detail of the Medium-Term Management Plan “OTC 2030”, please refer to the attached documents.

****END OF DOCUMENT****



Medium-Term Management Plan

OTC 2030

FY2026–FY2030

OSAKA Titanium technologies Co., Ltd.

Junji Kawafuku,

Representative Director, Member of the Board & President

**Creating an Exciting Future with
Advanced Materials and Technologies**

Overview of the Current Medium-Term Management Plan



Overall policy

- Increase supply capacity and grow the titanium business
- Expand the High-Performance Materials business and fully scale up new businesses into transformation of the business portfolio
- Establish a value creation process and achieve net sales of ¥100 billion, an ROS of 20%, and an ROE of 20%
⇒ As a result, we hope to achieve a market capitalization of ¥150 billion*

*This figure does not guarantee the stock price

Challenges to be addressed

Three strategic cycles

Targets (KPI)

We formulated three strategies to address the management challenges
We aim to achieve sustainable growth through a cyclical approach across strategies

- Titanium supply capacity has reached its upper limit
- Dependence on the aircraft industry

- Growing environmental awareness
- Declining labor force

- Increased demand for funds
- Implement management that is conscious of Cost of Capital and Stock Price

Business strategy

Shift to a high value-added, high-profit model

Sustainability strategy

ESG management that transforms social value into competitive advantage

Financial strategy

Growth investments that prioritize capital efficiency

As of 2030

Net sales

¥100 billion
¥46.9 billion in 2025

ROS

20%
12% in 2025

ROE

20%
6% at the end of FY2025

1 Purpose and Vision



PURPOSE

Creating an Exciting Future with Advanced Materials and Technologies

With titanium at its core, we provide materials to high-value-added fields such as electronic materials and new energy, contributing to both the Company's growth and society

VISION

As the Company achieves sustainable growth, in order to increase the well-being of **all our stakeholders** (shareholders, investors, business partners, local communities, and employees), **we aim to become a company with net sales of ¥100 billion and a return on sales (ROS) of 20%**

Achieve business growth and improve stakeholder engagement
Leverage improved engagement as a driving force in the value creation process to achieve sustainable growth



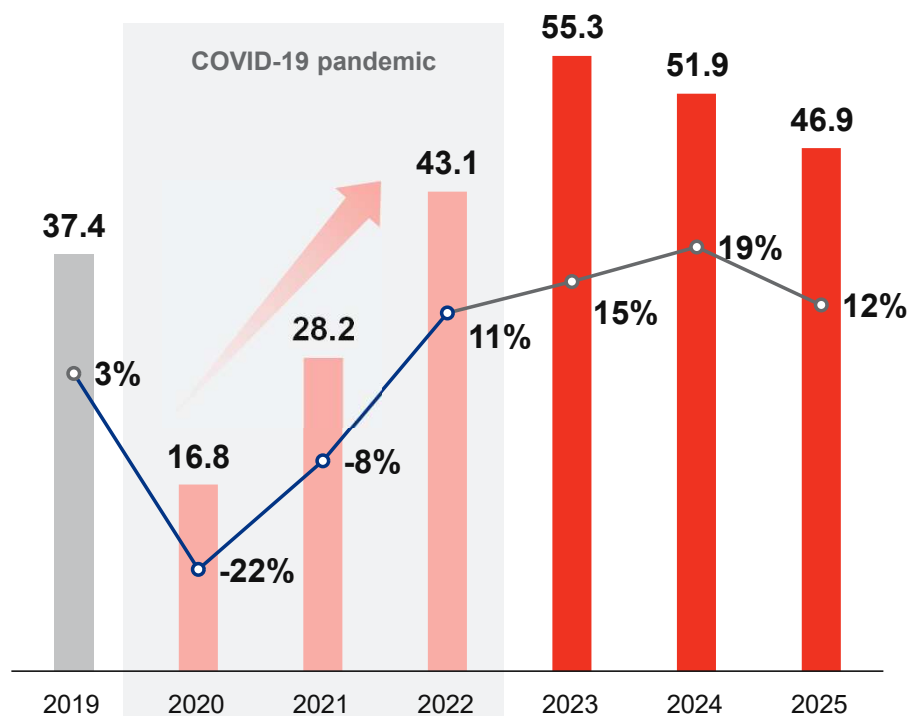
2 Company-Wide Strategy: Recent Performance



- We corrected the selling price of titanium sponge and expanded sales of High-Performance Materials. As a result, our performance recovered sharply, and we achieved profitability exceeding pre-COVID levels
- Due to the sharp increase in working capital, improving capital efficiency in preparation for the new titanium sponge plant is an important management challenge

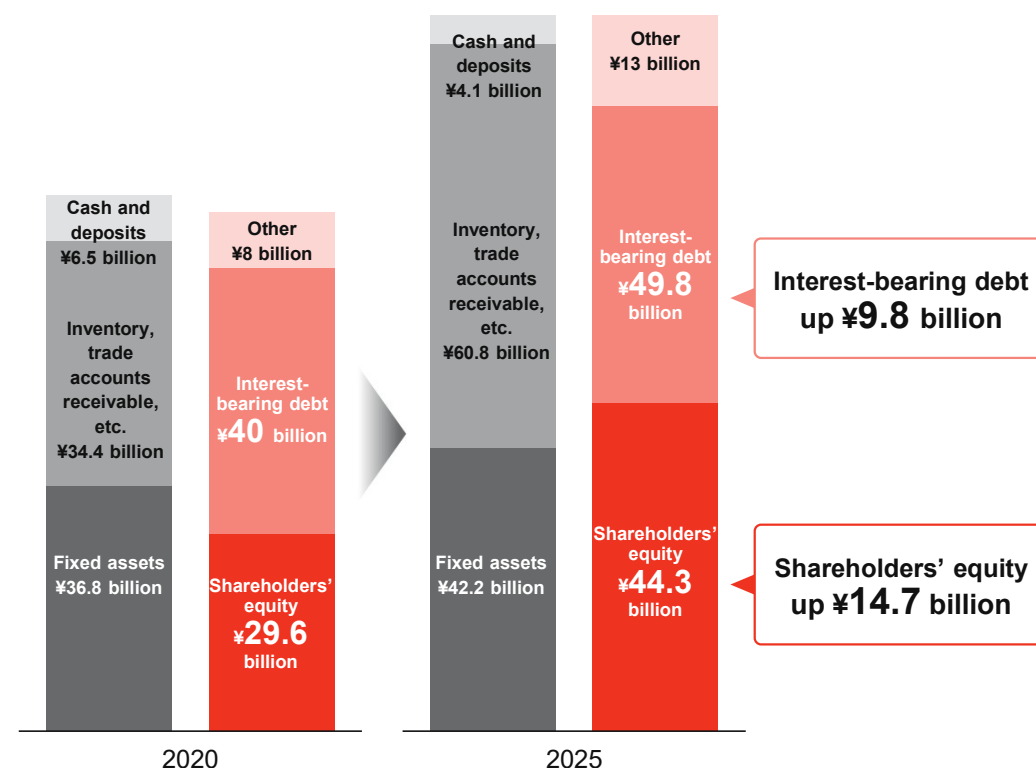
Trends in Net Sales and Return on sales*

(billion yen) ■ Net sales —○— Return on sales



* Excluding the polysilicon business from which the Company withdrew

Comparison of Balance Sheets (end of FY2020 vs end of FY2025)



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2 Company-Wide Strategy: The Environment Surrounding the Company and Management Challenges



- While the recovery in aircraft demand and the weaker yen have helped enhance our performance, Increase in geopolitical risks and rising raw material and fuel prices continue to make the business environment uncertain
- We formulated business, sustainability, and financial strategies in order to address the management challenges

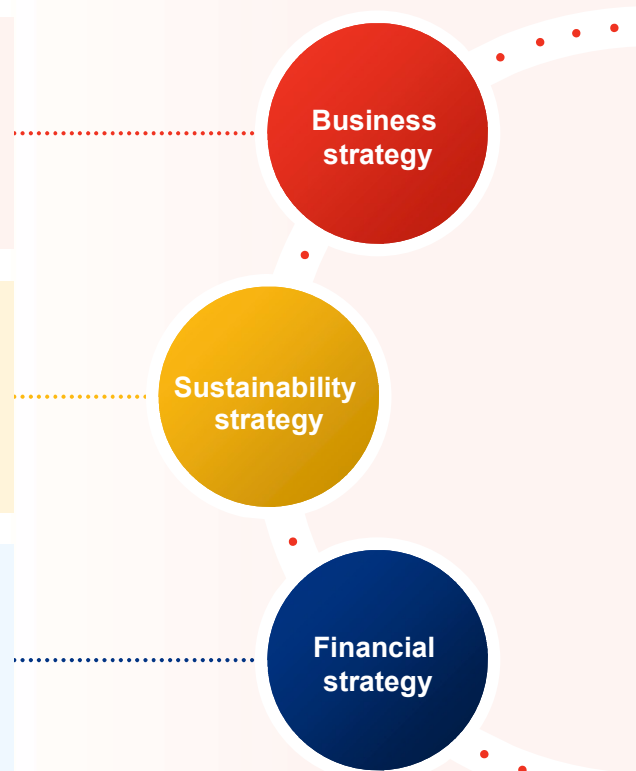
External environment

Macroeconomy	• Emphasis on capital efficiency through interest rate normalization • Export tailwind from the historic depreciation of the yen • Persistent high inflation
Society	• Rising costs for decarbonization and environmental compliance • Labor shortages and the growing risk of skills transfer disruption • Progress in labor-saving through AI and automation
Market	• Recovery and growth of the aircraft industry • Increase in geopolitical risks and supply chain realignment • Intensifying price competition with China (Titanium sponge for general industries)

Challenges to be addressed

■ Titanium sponge supply capacity has reached its upper limit ■ Dependence on the aircraft industry
■ Heightened environmental awareness ■ Declining labor force and skills transfer
■ Securing funds necessary for large-scale investments ■ Implement management that is conscious of Cost of Capital and Stock Price

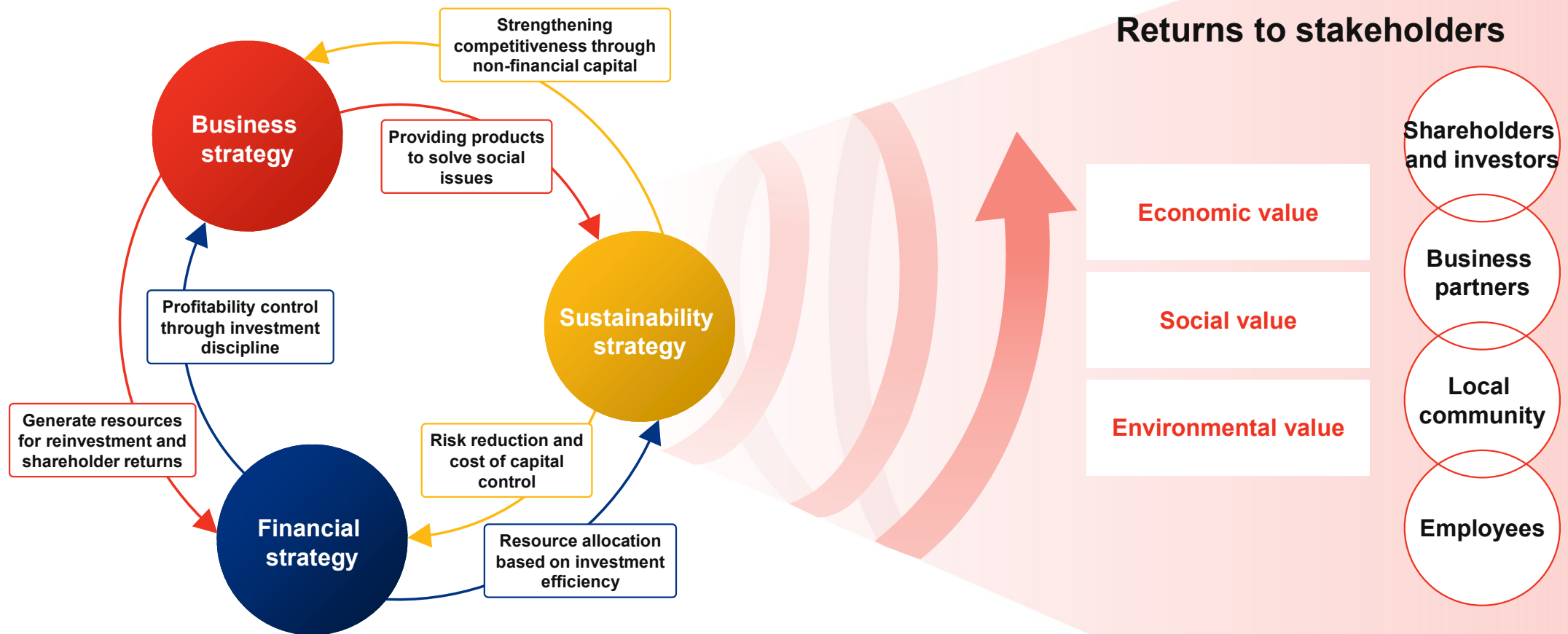
Formulated **three strategies** to address the challenges



2 Company-Wide Strategy: Value Creation Process for Sustainable Growth



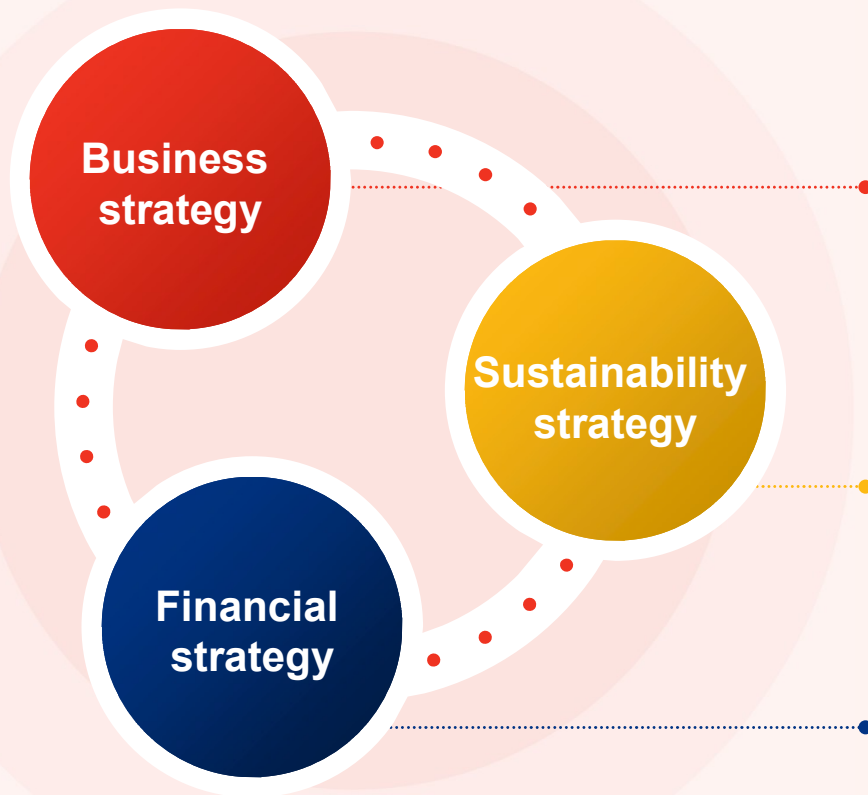
- We aim to maximize the value we deliver to stakeholders and achieve sustainable growth through a cyclical approach to three strategies (value creation process)



2 Company-Wide Strategy: Six Basic Policies for the Value Creation Process



- We established six basic policies for the three strategies to integrate the value creation process into the Company's action plan



Six Basic Policies

1 Sustainable growth of the titanium business

2 Transforming the business portfolio

3 Promotion of green transformation (GX)

4 Promotion of human capital management

5 Promotion of digital transformation (DX)

6 Financial strategy

E (Environment)

S (Social)

G (Governance)

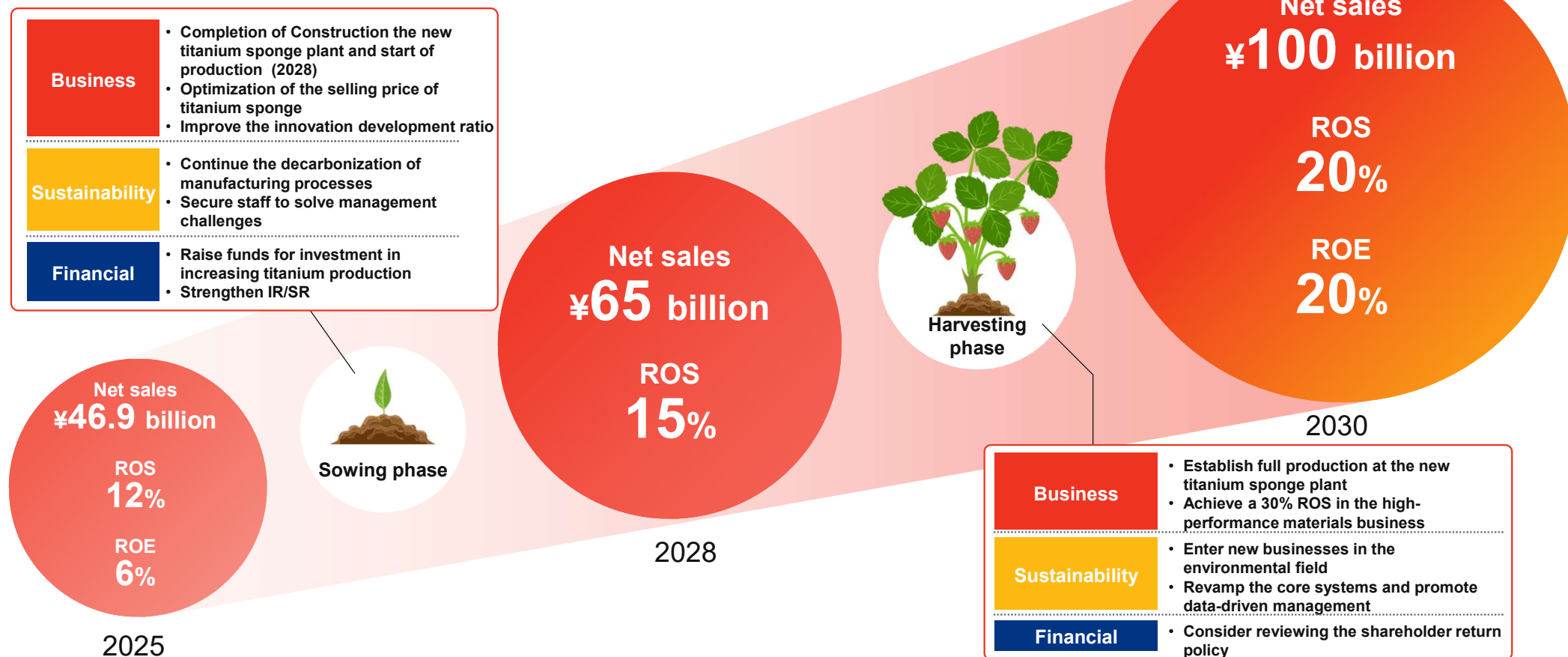
2 Company-Wide Strategy: Roadmap for Medium-Term Management Plan



- Based on three strategic pillars, we aim to achieve net sales of ¥100 billion, a return on sales of 20%, and an ROE of 20% toward 2030

⇒ As a result, we hope to reach a market capitalization of ¥150 billion* (As of March 31, 2026, the market cap is ¥91.4 billion)

* This figure does not guarantee the stock price

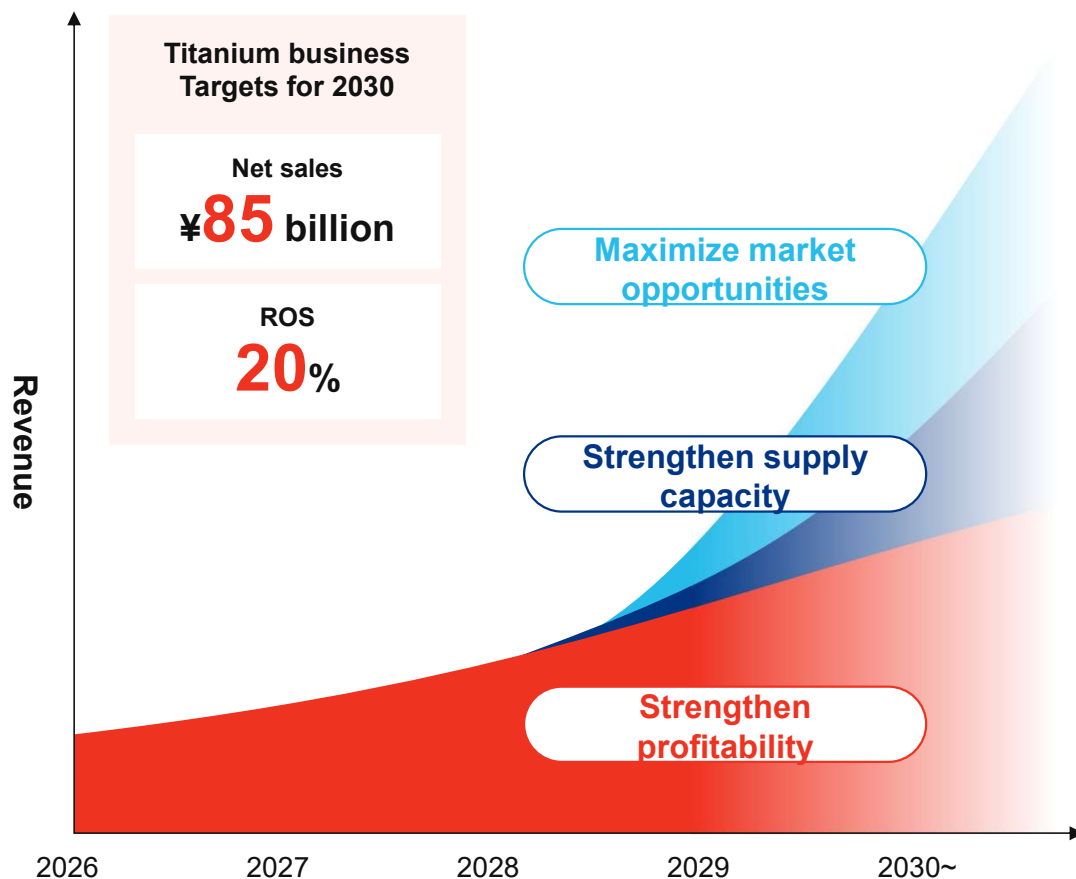


3 Business Strategy: Sustainable Growth of Titanium Business [Growth Strategy]



- As a holder of aircraft-grade certification and one of the world's largest suppliers of titanium sponge*, we are a key player supporting the growth of the aircraft industry and making international contributions. With the expansion of global aircraft demand, we are expected to further increase our supply capacity

* A raw material used to produce titanium, an essential material in aircraft manufacturing. It has been designated by the Ministry of Economy, Trade and Industry as a specified critical product under the Economic Security Promotion Act.



▶ Stable supply to support long-term growth of the aircraft industry

Achieving medium- to long-term growth as a key player in the aircraft industry, where demand continues to grow

▶ Expanding market share of titanium sponge

Solidify our position as the leading manufacturer of titanium sponge in the aircraft market and strengthening our presence

▶ Launching a new plant

Building a supply system to meet expanding demand (40,000 t/Y to 50,000 t/Y)

▶ Stable procurement

Strategically procuring raw materials and supplies, and supporting stable supply capacity and cost competitiveness in the medium to long term

▶ Optimizing manufacturing and sales (streamlining costs, setting fair prices, and improving specifications)

Maximizing profit margins by thoroughly pursuing manufacturing efficiency and passing on price increases that are commensurate with the value provided

▶ Shortening the cash conversion cycle (CCQ) and improving the balance sheet

Improving capital efficiency and creating resources for future growth investments and financial improvements

3 Business Strategy: Sustainable Growth of Titanium Business [Sources of Growth]



- We establish a highly profitable base against the backdrop of rising demand and achieve medium- to long-term growth through expanded supply capacity
- We will solidify our position as a global leader in titanium sponge and as a key player in the aircraft industry, we will achieve greater contributions to international community

Market opportunity

Sources of growth (supply capacity and profitability)

Solid growth with increased production of commercial aircraft



CAGR 6%UP
(See Exhibit: Titanium Sponge Supply and Demand Forecast)

The increasing use of titanium to reduce aircraft weight

Strong demand from the space and defense industries

Titanium sponge for aircraft is designated as a “specified critical product” by the Japanese government

Leading position

Strict accreditation process and quality assurance create barriers to new entry

4 companies worldwide
Two companies in Japan, and one each in Russia and Kazakhstan
[Certified for aircraft engine titanium sponge]

The Company has established strong relationships of trust with its customers through its long track record of supplying products

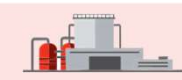
Producing titanium sponge requires massive investment, making it difficult to achieve profitability through greenfield capacity

New entry Unprofitable

Our investment efficiency* About 2 to 3 times

Stable supply capacity

Expansion of long-term stable business relationship based on world-class supply capacity following the start-up of the new plant



per year
40,000 tons → 50,000 tons

The Company leverages its credibility as a Japanese company to reliably capture alternative demand amid geopolitical risks

Stable supply system in the medium to long term through strategic procurement

The Company is making pioneering investments in capacity expansion, and its future market share for titanium sponge for aircraft is expected to increase

Our market share in titanium for aircraft
40% → 50%
(Estimated for 2025) (The Company's estimate)

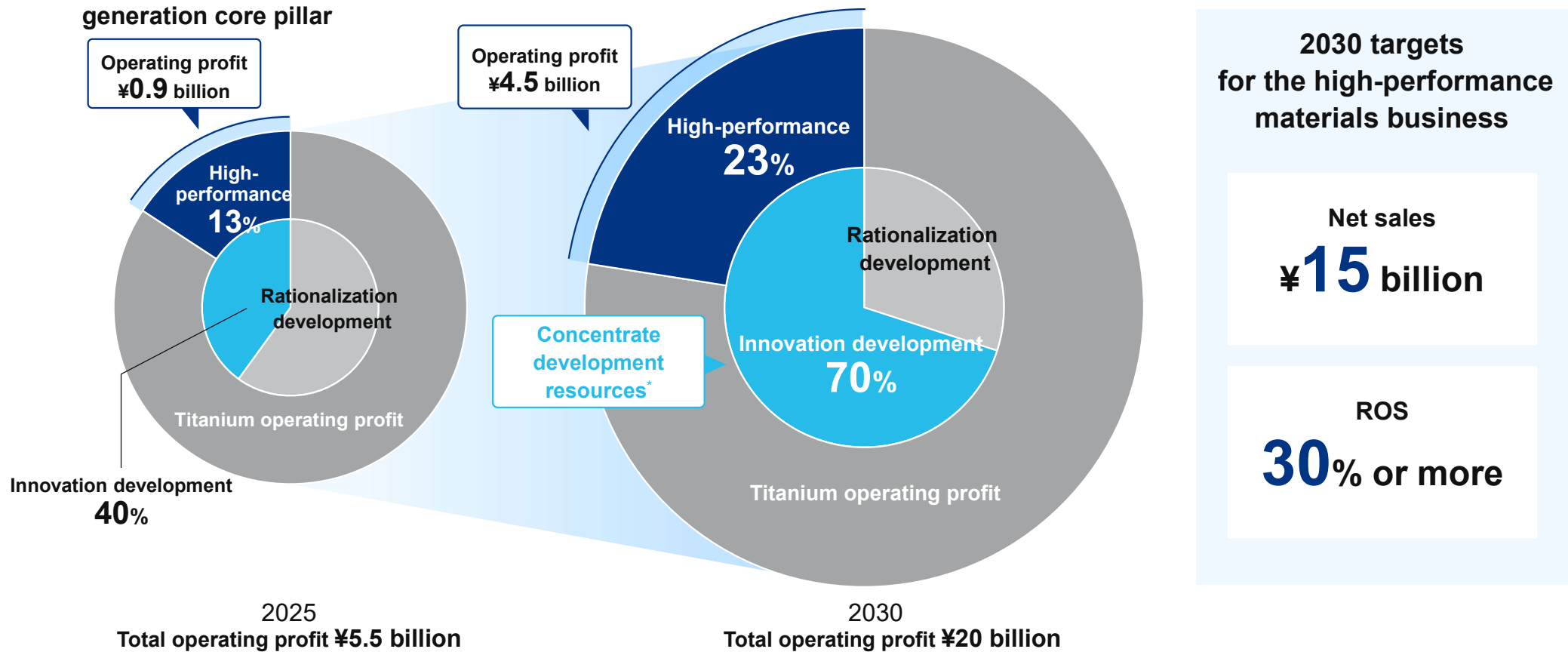
※Our new plant is a brownfield facility that utilizes existing equipment. The figures here are compared to our previous evaluations

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3 Business Strategy: Transforming the Business Portfolio [Company-Wide Portfolio]



- We concentrate development resources across the Company and expand our high-performance materials business, thereby mitigating our dependence on the aircraft industry
- Transform the Company-wide portfolio by developing the highly profitable high-performance materials business into a next-generation core pillar

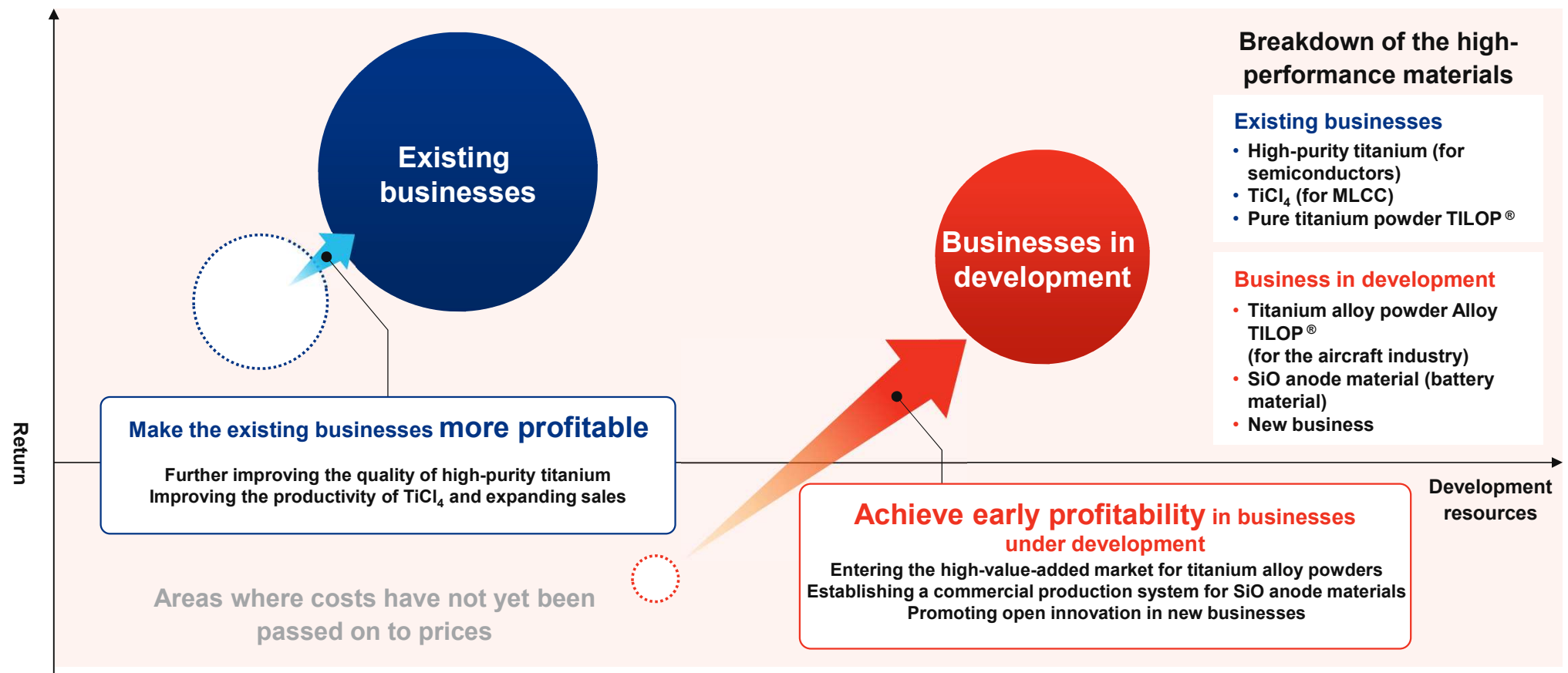


※For details, see Exhibit: Development and Intellectual Property Strategy

3 Business Strategy: Transforming the Business Portfolio [Growth Strategy for the High-Performance Materials Business]



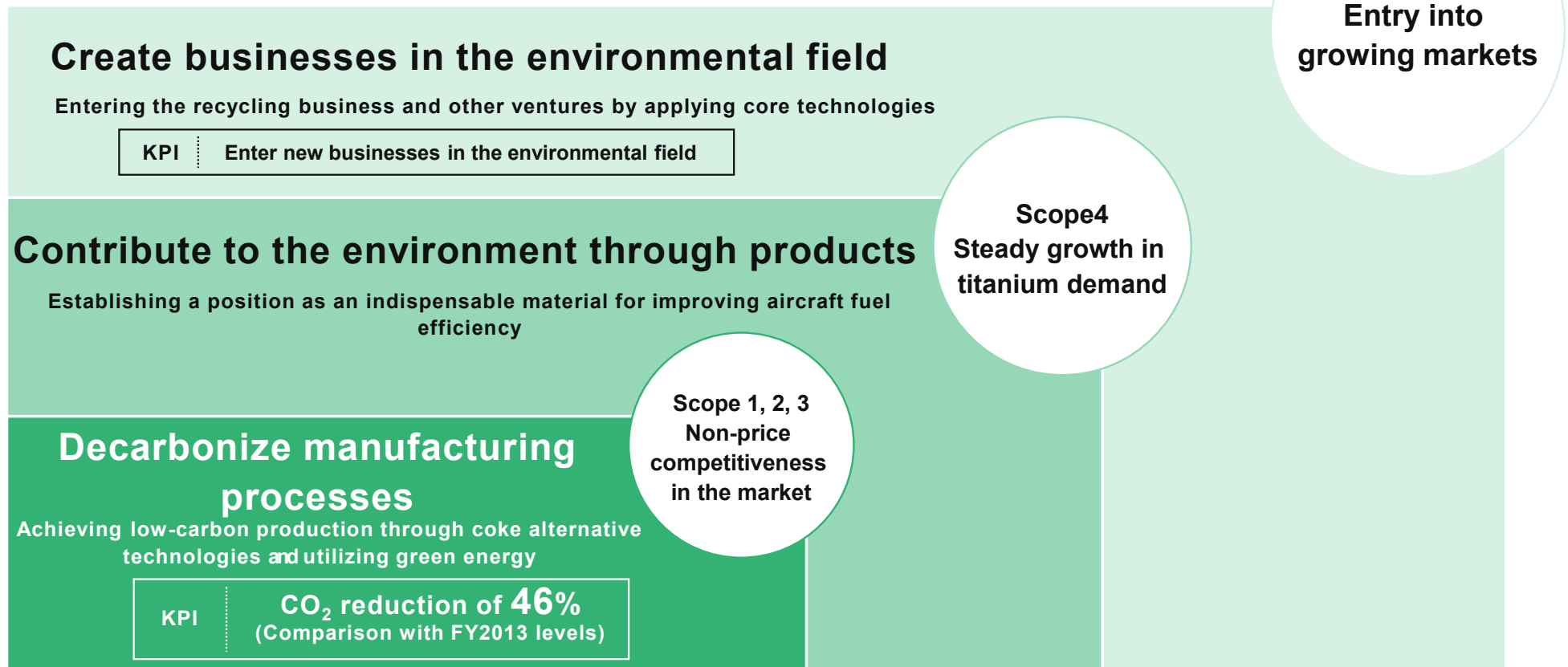
- We strengthen our sales capabilities, improve productivity, and enhance the profitability of our existing businesses
- We will focus our development budget on businesses that will lead to growth markets, such as the semiconductor, environmental, and aerospace sectors. We will optimize the portfolio of our high-performance materials business



4 Sustainability Strategy: GX Promotion [E (Environment)]



- Through three-tiered decarbonization efforts, we create environmental value and link it to future revenue streams



4 Sustainability Strategy: Promotion of Human Capital Management [S (Social)]



- We strengthen human capital through an integrated HR strategy covering “recruitment,” “development,” and “active participation”
- We aim to create a virtuous cycle of maintaining and improving employee engagement, starting with investment in human resources, and achieving sustainable company growth



4 Sustainability Strategy: DX Promotion [G (Governance)]



- We will build a system that enables smart factory transformation through centralized company-wide data and contributes to enhanced governance
- Based on the development of DX human resources, we will promote the use of the latest technologies and drive business transformation (achieve a 10% increase in labor productivity)

Governance enhancement through DX promotion

Before

Sequential linkage

- Data management siloed within each division
- Information stagnation and the resulting delay in decision-making

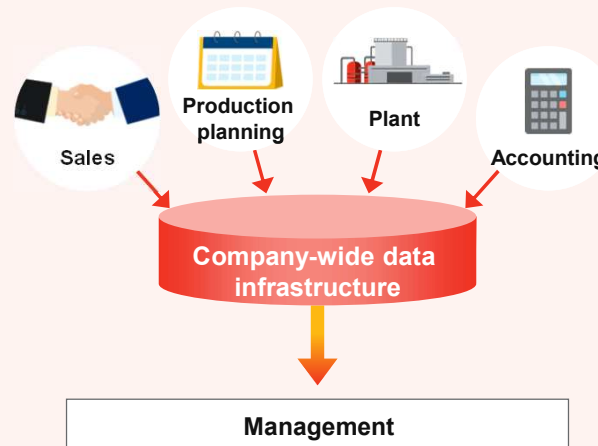


A time lag occurs in decision-making

After

One-stop

- Divisional data is directly linked to the company-wide data platform
- Information useful for management decisions is provided to management promptly and accurately



Decision-making is timely and rational

Business transformation through DX promotion

1

Cross-divisional utilization

Establishing a company-wide data infrastructure to improve the manufacturing process

KPI

The company-wide data infrastructure to be completed and put to use (FY2028)

2

Business improvement

Leveraging the latest technology to streamline offices and work sites

KPI

Applying the latest technologies to business operations in more than **five** cases per year

3

Business process reform

Rebuilding core systems to improve business operations

KPI

Achieving a user satisfaction rate of at least **80%** when the system is in operation

Foundation: Development of DX human resources

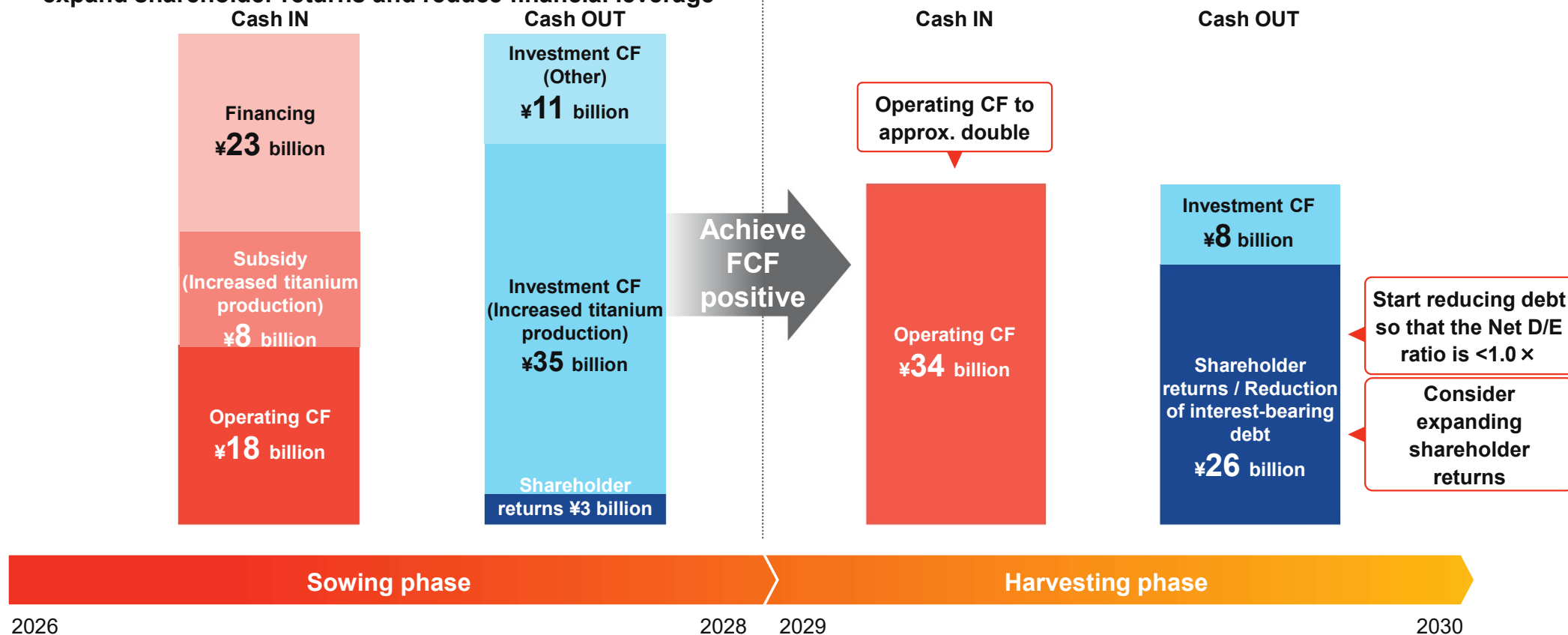
Promoting internal literacy training

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5 Financial Strategy: Capital Policy [Cash Allocation]



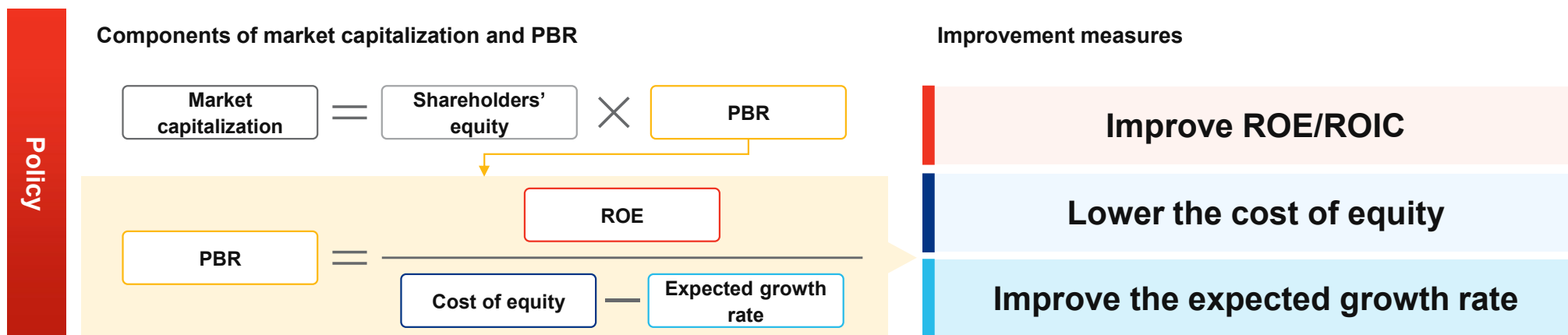
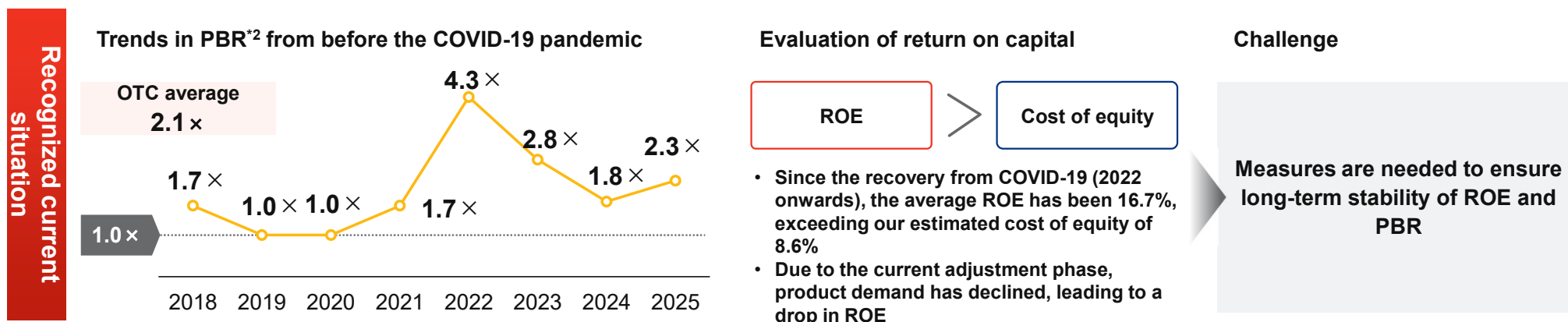
- We are moving from the “sowing phase,” where we complete our investment in increasing titanium production, improve free cash flow in preparation for “harvesting phase” starting in FY2029
- We will enhance capital efficiency through careful investment selection and CCC improvement, and use the generated cash to expand shareholder returns and reduce financial leverage



5 Financial Strategy: Capital Policy [Current Situation Analysis and Policy]



- We analyze the current situation as a reflection of high market expectations, given that the PBR is currently above an average of 2.1 × compared to before the COVID-19 pandemic^{*1}, and long-term stability remains a challenge
- We will implement improvement measures to maintain and increase a high PBR, and conduct management with a focus on stock price (market capitalization)



^{*1} The average PBR for Prime and the 1st Section of the TSE during the same period was 1.2 ×

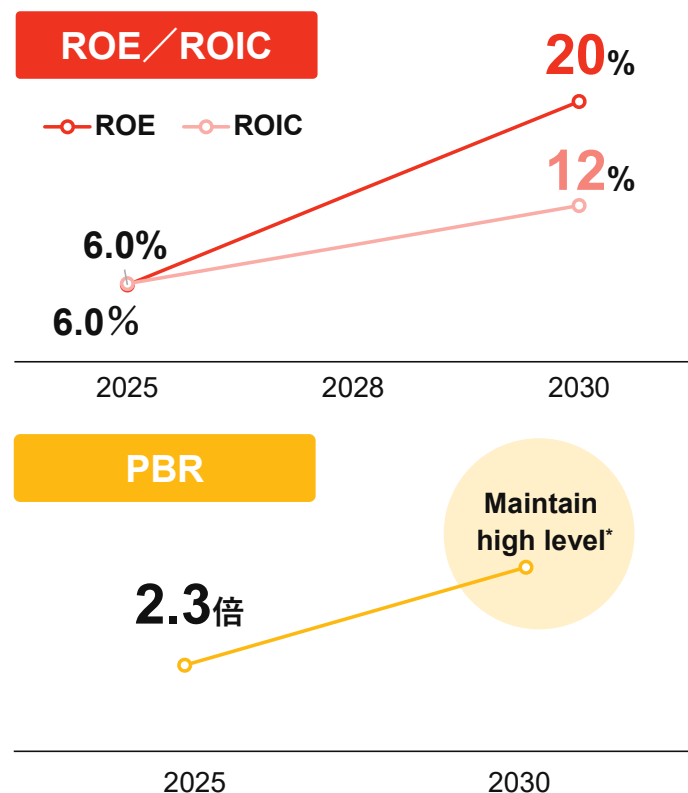
^{*2} PBR was calculated using the average stock price for the fiscal month

5 Financial Strategy: Capital Policy [Adapting to Management Practices That Take Cost of Capital and Stock Prices into Account]



- Successfully execute growth investments and improve ROE from 5% to 20%. We will meet the high expectations of our stakeholders
- In order to ensure that improved profitability is reflected in the stock price, we are working together as a company to reduce the cost of capital and increase the expected growth rate

Target value



Improve ROE/ROIC

KPI

Collection period
40% reduction
2030

Cost optimization
¥1.7 billion
2030

- Optimization on the selling price of titanium sponge
- Ensuring return by reflecting investments in increasing production in the selling price
- Improving CCC and reducing trade accounts receivable and inventory
- Pursuing manufacturing efficiency, optimizing purchasing, and rationalizing costs

Lower the cost of equity

KPI

D/E ratio
Below 1.0
2030

Achieve ESG materiality

- Establishment of materiality and efforts to achieve materiality
- Enhancing IR/SR and reducing information asymmetry
- Making capital allocation transparent and fostering confidence
- Setting business continuity criteria for appropriate allocation of management resources

Improve the expected growth rate

KPI

Innovation development ratio
50% or more
2028

Human resources to solve management challenges
10 people
2030

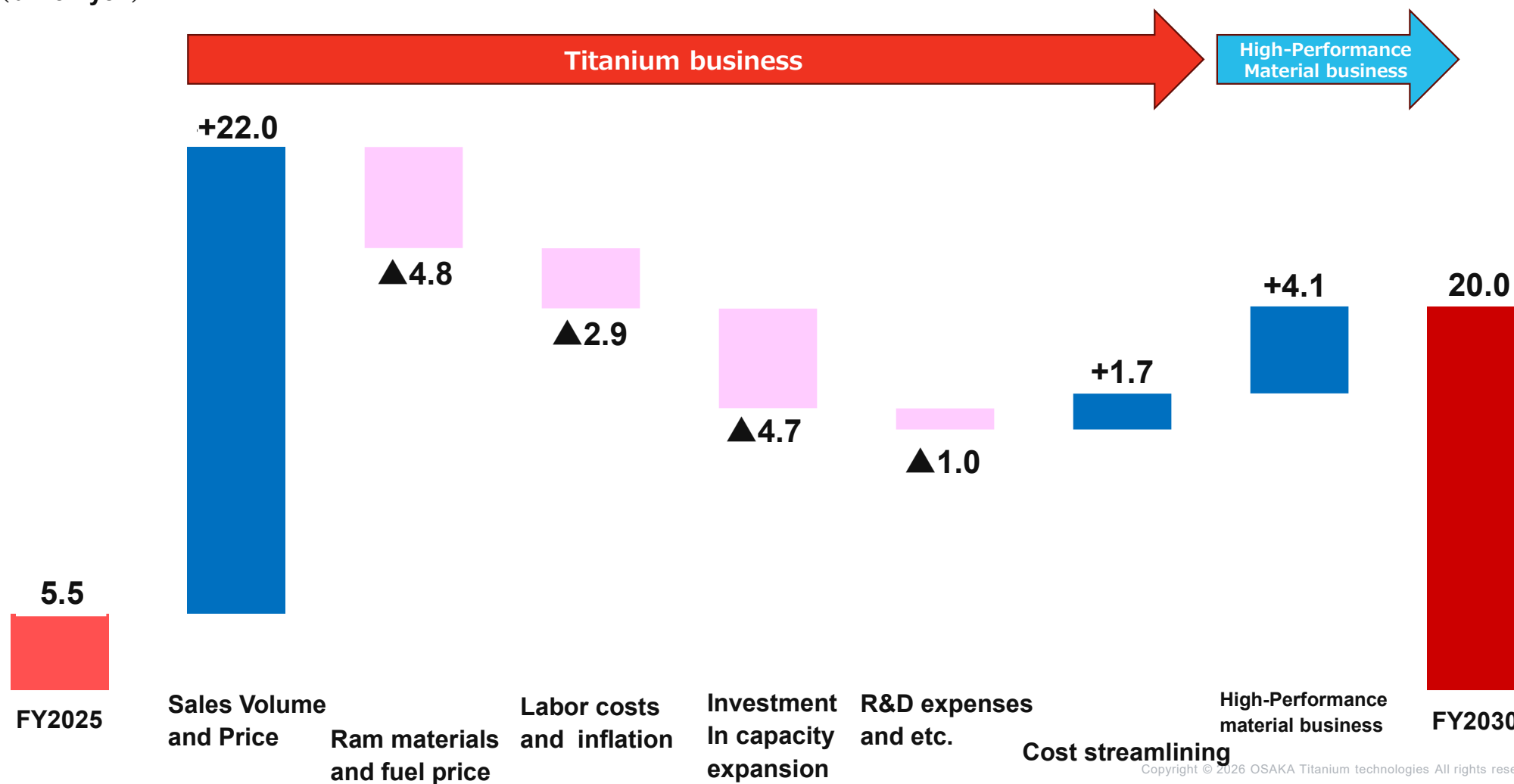
- Prioritizing future potential and investing in long-term development
- Carefully selecting investment targets while being mindful of the cost of capital
- Setting a purpose focusing on growth industries
- Securing human resources tailored to business challenges
- Accelerating decision-making through DX promotion

* This represents the Company's desired future state and does not guarantee the stock price

(Exhibit) Waterfall chart showing the breakdown of changes in operating profit and loss (FY2025 to FY2030)



(billion yen)



(Exhibit) Titanium Sponge Supply and Demand Forecast



- While other companies are refraining from investing in increasing production due to the significant costs involved, we are the only company in the world to have decided to significantly increase the supply capacity*

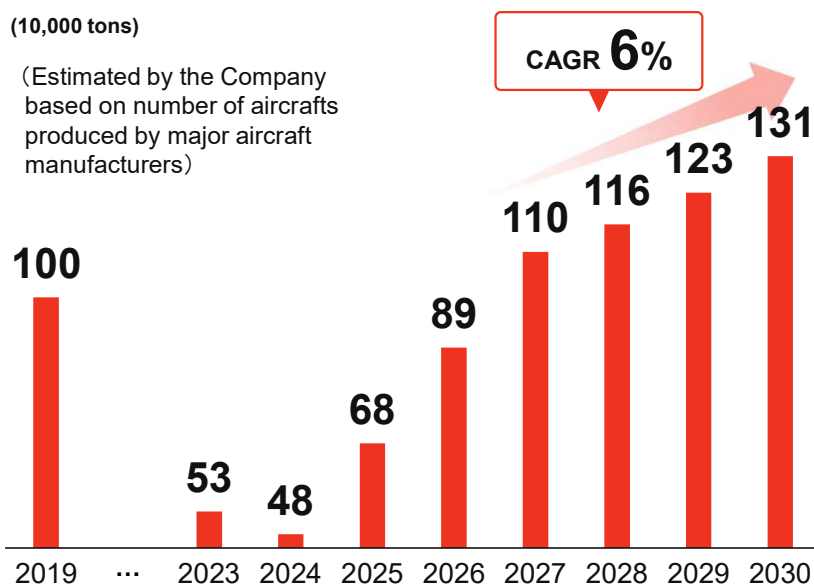
- We aim to increase our market share to 50% by 2030 and enhance profitability through optimized the selling price that captures tight demand

* Excluding China, which has limited experience supplying titanium sponge for aircraft destined for Europe and the U.S.

Trends in demand for wrought materials for commercial aircraft (index relative to FY2019)

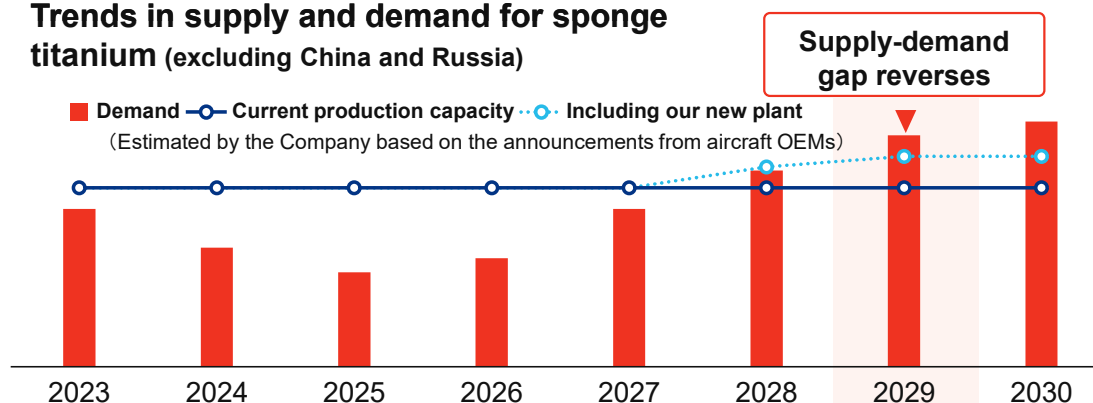
(10,000 tons)

(Estimated by the Company based on number of aircrafts produced by major aircraft manufacturers)



- While demand is currently stagnating due to inventory issues in the supply chain, the industry is expected to continue growing at an annual rate of 6% in the long term as aircraft production normalizes

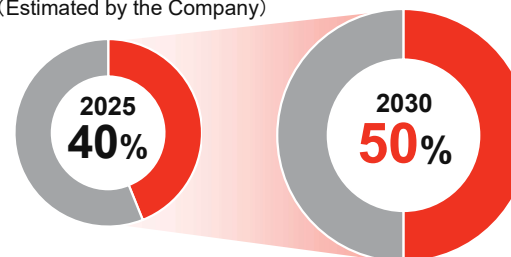
Trends in supply and demand for sponge titanium (excluding China and Russia)



- Making a decision to increase capacity and actually achieving that increase requires a long construction period and massive investment
- It will be difficult for other companies that have not yet started these initiatives to catch up with us by 2030

Our market share in the titanium sponge market for commercial aircraft

(Estimated by the Company)

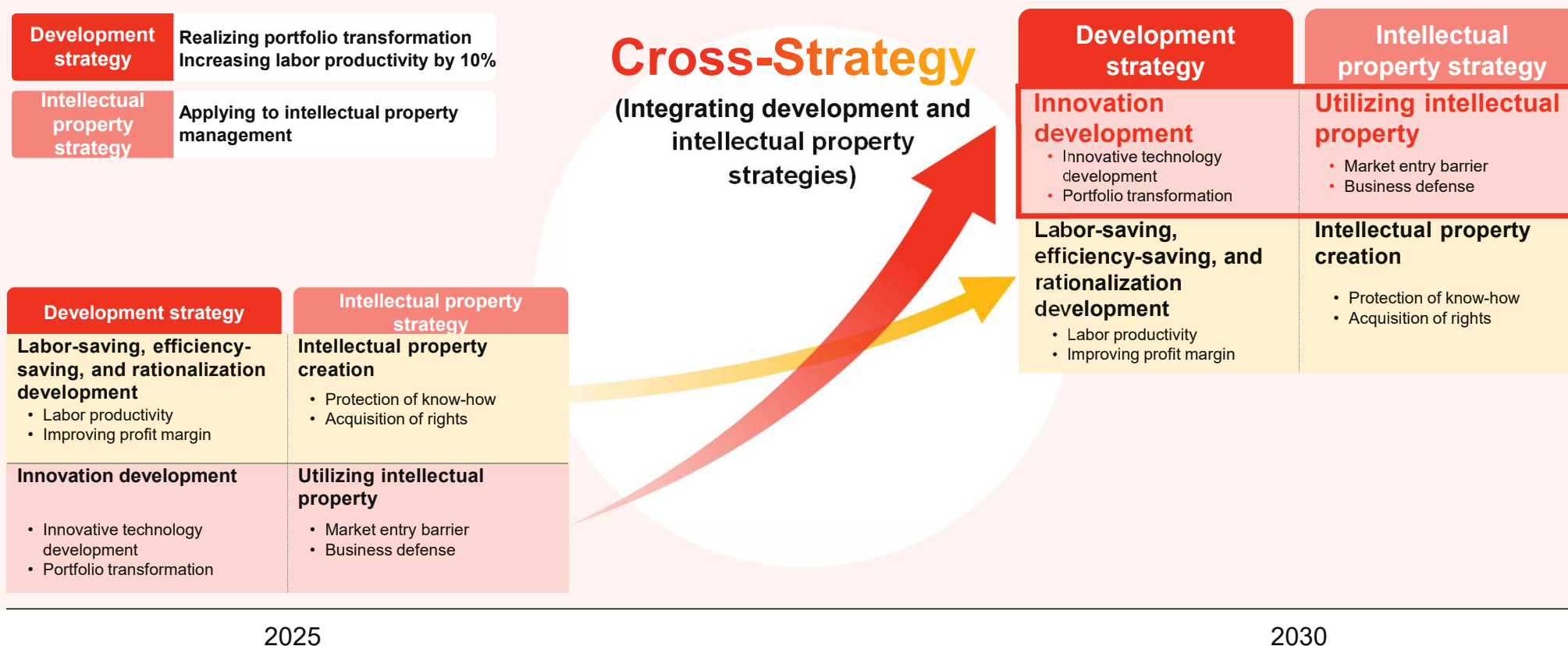


- Given the prolonged supply shortage, we are taking the lead among our competitors in increasing production, expanding our market share, and expansion of long-term stable business relationship
- ▶ we recoup the investment quickly and maintain high profitability during a "period of dominance without competition"

(Exhibit) Development and Intellectual Property Strategy for FY2030



- Towards 2030, we reverse the ratio of efficiency development to future innovative technology development, creating a driving force for business portfolio transformation
- We are pursuing a strategy that significantly increases the proportion of innovation development while aligning it with the intellectual property strategy
⇒ We named this strategy the “Cross-Strategy”, and we will shift towards “intellectual property management,” which involves building unique, high-value-added fields throughout our corporate operations



End

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