

FY2022 First Quarter
Summary of Consolidated Financial Results
(Three Months ended June 2022)

- Consolidated sales increased by 9.4% year on year to ¥19.4 billion. Operating income increased by 18.7% to ¥0.54 billion. Net income attributable to owners of parent was ¥2.1 billion due mainly to the gain on sales of overseas subsidiary, in contrast to ¥0.1 billion in the same period of the previous fiscal year.
- In Japan, sales and profits increased due to sales increase in solutions and switch gear business, despite the slight decrease in the smart meter sales.
- In the overseas, overall sales increased from sales increase in Oceania, despite a decrease in shipments to UK due to electronic component shortages. Profits decreased from rise in component and freight costs, and an increase in sales, general and administrative expenses.

1. Consolidated Financial Results

(Millions of yen)

	FY2021 1Q	FY2022 1Q	YoY Change	
			Amount	%
Net sales	17,720	19,377	1,657	+9.4%
Smart meters & solutions in Japan	10,614	11,842	1,228	+11.6%
Smart meters & solutions overseas	7,153	7,202	48	+0.7%
Production equipment	64	301	236	+363.4%
Real estate	138	139	0	+0.5%
Adjustment	(252)	(107)	144	—
Gross profit	4,077	4,303	225	+5.5%
Ratio to sales	23.0%	22.2%		(0.8)pt
SG & A expenses	3,622	3,762	140	+3.9%
Ratio to sales	20.4%	19.4%		(1.0)pt
Operating income	455	540	85	+18.7%
Ratio to sales	2.6%	2.8%		+0.2pt
Smart meters & solutions in Japan	337	627	289	+85.9%
Smart meters & solutions overseas	163	(159)	(322)	—
Production equipment	(116)	5	121	—
Real estate	69	68	(1)	(1.7)%
Adjustment	1	(1)	(2)	—
Ordinary income	571	547	(23)	(4.2)%
Profit attributable to owners of parent	128	2,116	1,987	—
Net income per share (yen)	2.62	44.22	41.60	—

2. Revenue by Business Portfolio (Excluding intercompany sales)

(1) Smart meters & solutions in Japan

(Millions of yen)

	FY2021 1Q	FY2022 1Q	YoY Change	
			Amount	%
Smart meter business	7,660	7,625	(35)	(0.5)%
Solution Business	1,890	2,644	754	+39.9%
Switchgear Business	1,057	1,567	509	+48.2%
Total	10,608	11,837	1,228	+11.6%

*Referential figures based on managerial accounting.

Smart meter business: Sale of smart meters and measurement and control equipment including smart meter peripheral devices for power companies.

Solution business: Provide services and products and deliver solutions to customers (other than power companies)

Switchgear business: Sale of switchgears

(2) Smart meters & solutions overseas

(Millions of yen)

	FY2021 1Q	FY2022 1Q	YoY Change	
			Amount	%
Oceania	2,186	2,780	594	+27.2%
Europe	3,163	2,510	(653)	(20.6)%
Asia	1,304	1,416	112	+8.6%
Middle East and others	282	419	136	+48.3%
Total	6,937	7,127	190	+2.7%

Average Exchange rate	¥106.09/USD	¥116.34/USD
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*Calculations are based on the annual securities report.

3. R&D expenditures, Depreciation, Capital expenditures

(Millions of yen)

	FY2021 1Q	FY2022 1Q	YoY Change	
			Amount	%
R&D expenditures	741	667	(74)	(10.1)%
Depreciation	602	627	24	+4.1%
Capital expenditures	224	369	144	+64.4%

4. FY2022 Consolidated Forecast

The consolidated forecast for the fiscal year ending March 31, 2023 is unchanged from the announcement on May 12, 2022. The Company is currently assessing the ongoing operations for further analysis.

(Millions of yen)

	1H		YoY Change		Full-year		YoY Change	
	FY2021	FY2022 Forecast	Amount	%	FY2021	FY2022 Forecast	Amount	%
Net sales	36,087	39,000	2,912	+8.1%	76,184	80,000	3,815	+5.0%
Operating income	461	(200)	(661)	–	1,277	1,000	(277)	(21.7)%
Ordinary income	531	(150)	(681)	–	1,189	1,100	(89)	(7.5)%
Profit attributable to owners of parent	(236)	1,300	1,536	–	(658)	1,500	2,158	–

• Forward-looking statements made in this material is based on management's estimates, assumptions and projections at the time of publication and do not represent a commitment that they will be achieved. A number of factors could cause actual results to differ materially from expectations.

• All amounts are in millions of yen rounded down unless otherwise stated.

Financial data (Excel/PDF) are available on our website (<https://www.osaki.co.jp/en/ir/finance/financialdata.html>).