

FY2020 First Quarter  
**Summary of Consolidated Financial Results**  
 (Three Months ended June 2020)

- Consolidated sales were down by 4.6% year on year to ¥19.3 billion. Operating income declined by 42.2% to ¥0.7 billion. Net loss attributable to owners of parent were ¥0.3 billion in contrast to ¥0.5 billion in profit in the previous first quarter.
- Both sales and profits decreased in Japan due to postponement of orders caused by the spread of COVID-19 virus.
- Overseas sales decreased due to postponement of orders caused by the spread of COVID-19 virus, particularly in New Zealand, in addition to drop in revenue from Iraq (Kurdistan Regional Government) and Cambodia projects which recorded a temporary increase in orders in the same period of the previous fiscal year. Overseas profits dropped due to a decrease in sales and lower profit margin from product mix.

## 1. Consolidated Financial Results

(Millions of yen)

	FY2019 1Q	FY2020 1Q	YoY Change		FY2020 1H Revised Forecast	FY2020 Full-year Forecast
			Amount	%		
<b>Net sales</b>	20,287	19,347	(940)	(4.6)%	36,000	80,000
Smart meters & solutions in Japan	11,310	11,097	(213)	(1.9)%	22,300	48,200
Smart meters & solutions overseas	8,948	7,816	(1,131)	(12.6)%	12,700	30,000
Others	287	585	298	+103.8%	1,000	1,800
Adjustment	(258)	(151)	107	—	—	—
Gross profit	5,072	4,467	(604)	(11.9)%	7,800	17,100
Ratio to sales	25.0%	23.1%		(1.9)pt	21.7%	21.4%
SG & A expenses	3,913	3,797	(115)	(3.0)%	7,600	15,600
Ratio to sales	19.3%	19.6%		0.3pt	21.1%	19.5%
<b>Operating income</b>	1,159	669	(489)	(42.2)%	200	1,500
Ratio to sales	5.7%	3.5%		(2.2)pt	0.6%	1.9%
Smart meters & solutions in Japan	608	557	(50)	(8.4)%	300	1,300
Smart meters & solutions overseas	519	22	(497)	(95.7)%	(200)	0
Others	41	86	45	+110.8%	100	200
Adjustment	(10)	3	13	—	—	—
Ordinary income	1,069	282	(786)	(73.6)%	200	1,600
<b>Profit attributable to owners of parent</b>	528	(284)	(812)	—	(600)	100
Net income per share (yen)	10.80	(5.81)	(16.61)	—	(12.26)	2.04
<b>Estimated impact from the COVID-19 epidemic (Included in the table above of Fiscal 2020 Forecasts)</b>						
<b>Net sales</b>		(1,300)			(5,500)	(12,000)
Smart meters & solutions in Japan		(600)			(1,200)	(2,000)
Smart meters & solutions overseas		(700)			(4,300)	(10,000)
<b>Operating income</b>		(250)			(1,000)	(2,700)
Smart meters & solutions in Japan		(150)			(300)	(700)
Smart meters & solutions overseas		(100)			(700)	(2,000)

## 2. Consolidated Sales by Region (Excluding intercompany sales)

(Millions of yen)

	FY2019 1Q	FY2020 1Q	YoY Change		FY2020 1H Revised Forecast	FY2020 Full-year Forecast
			Amount	%		
<b>Japan</b>	11,526	11,643	116	+1.0%	23,300	50,000
<b>Overseas</b>	8,760	7,703	(1,056)	(12.1)%	12,700	30,000
Oceania	2,549	2,211	(338)	(13.3)%	4,100	8,500
Europe	2,229	2,375	145	+6.5%	4,200	10,500
Asia	2,019	1,336	(683)	(33.8)%	2,300	6,500
Middle East and others	1,961	1,780	(180)	(9.2)%	2,100	4,500
<b>Total</b>	20,287	19,347	(940)	(4.6)%	36,000	80,000
Average exchange rate	¥110.20 /USD	¥108.86 /USD			¥108.23 /USD	

(Exchange rate assumption)

\*The figures above are calculated based on customer locations and may not match the figures on Table 1. Consolidated Financial Results.

## 3. Sales by product and service (Excluding intercompany sales)

### (1) Smart meters & solutions in Japan

(Millions of yen)

	FY2019 1Q	FY2020 1Q	YoY Change	
			Amount	%
Meters	6,010	5,232	(778)	(12.9)%
Monitor Control	576	1,199	623	+108.2%
Switchgears	1,131	1,529	398	+35.2%
VCTs	1,209	1,124	(85)	(7.0)%
Others (including adjustments)	2,376	2,006	(370)	(15.6)%
<b>Total</b>	11,304	11,091	(213)	(1.9)%

\*Referential figures based on managerial accounting

### (2) Smart meters & solutions overseas

(Millions of yen)

	FY2019 1Q	FY2020 1Q	YoY Change	
			Amount	%
Meters	5,609	5,325	(284)	(5.1)%
Monitor Control	3,125	2,370	(755)	(24.2)%
<b>Total</b>	8,734	7,695	(1,039)	(11.9)%

\*Referential figures based on managerial accounting

## 4. R&D expenditures, Depreciation, Capital expenditures

(Millions of yen)

	FY2019 1Q	FY2020 1Q	YoY Change		FY2020 Full-year Forecast
			Amount	%	
R&D expenditures	748	787	38	+5.1%	3,200
Depreciation	668	665	(3)	(0.5)%	2,700
Capital expenditures	421	220	(201)	(47.8)%	2,800

## 5. FY2020 Consolidated Forecast

The Company revised its financial forecast for the six months ending September 30, 2020 for the following reasons.

- The Company expects that the impact on business performance of the Group from the COVID-19 epidemic will be carried over partially into the latter half of the fiscal year.
- Cost reduction efforts will show a decrease in SG&A expenses.

There are no revisions made to the full-year financial forecast ending March 31, 2021.

(Millions of yen)

	First Half					Full-year		
	FY2019 Results	FY2020 Initial Forecast (A)	FY2020 Revised Forecast (B)	Difference(B-A)		FY2019 Results	FY2020 Forecast	YoY
				Amount	%			
Net sales	43,580	35,000	36,000	1,000	+2.9%	90,069	80,000	(10,069)
Operating income	2,033	(500)	200	700	–	3,691	1,500	(2,191)
Ordinary income	1,946	(700)	200	900	–	3,544	1,600	(1,944)
Profit attributable to owners of	845	(1,200)	(600)	600	–	1,197	100	(1,097)

- 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>).