

FY2023 Third Quarter  
**Summary of Consolidated Financial Results**  
(Nine Months ended December 31, 2023)

- Consolidated net sales: 68.4 billion yen (YoY +12.8%), Operating income: 4.4 billion yen (+310.4%), Profit attributable to owners of parent: 2.2 billion yen (+302.1%)
- Net sales for Smart meters & solutions in Japan increased year on year with higher sales in the Smart Meter Business and Switchgear Business. Operating income increased with temporary changes in the product mix, etc.
- For Smart meters & solutions overseas, sales increased year on year with an increase in shipments to UK enabled by an upturn in the electronic materials procurement environment and an increase in shipments to Oceania. Operating income increased with the higher sales and setting of electronic materials prices, which had soared previously.

## 1. Consolidated Financial Results

(Millions of yen)

	FY2022 3Q	FY2023 3Q	YoY Change	
			Amount	%
<b>Net sales</b>	60,642	68,392	7,750	+12.8%
Smart meters & solutions in Japan	37,517	38,897	1,380	+3.7%
Smart meters & solutions overseas	22,699	30,138	7,439	+32.8%
Production equipment	761	—	(761)	—
Real estate	427	431	4	+1.0%
Adjustment	(762)	(1,075)	(312)	—
Gross profit	12,597	16,442	3,845	+30.5%
Ratio to sales	20.8%	24.0%		+3.3pt
SG & A expenses	11,534	12,080	545	+4.7%
Ratio to sales	19.0%	17.7%		(1.4)pt
<b>Operating income</b>	1,063	4,362	3,299	+310.4%
Ratio to sales	1.8%	6.4%		+4.6pt
Smart meters & solutions in Japan	2,186	3,365	1,179	+53.9%
Smart meters & solutions overseas	(1,343)	782	2,126	—
Production equipment	9	—	(9)	—
Real estate	218	226	7	+3.7%
Adjustment	(7)	(11)	(4)	—
Ordinary income	460	4,360	3,900	+847.6%
Profit attributable to owners of parent	543	2,184	1,641	+302.1%
Net income per share (yen)	11.43	46.62	35.19	—

## 2. Revenue by Business Portfolio (Excluding intercompany sales)

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

(Millions of yen)

	FY2022 3Q	FY2023 3Q	YoY Change		Full-year Revised Forecasts
			Amount	%	
Smart meter business	25,254	25,978	723	+2.9%	34,400
Solution business	8,214	8,233	19	+0.2%	12,400
Switchgear business	4,031	4,669	638	+15.8%	7,500
Total	37,500	38,881	1,381	+3.7%	54,300

\*Referential figures are 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: Providing services and products and delivering solutions to customers (other than power companies)

Switchgear business: Sale of switchgears

Starting in FY2023 2Q, the reporting methods have been partially changed to reflect current sales conditions. Consequently, the figures for FY2022 3Q have retroactively applied this method also.

### (2) Smart meters & solutions overseas

(Millions of yen)

	FY2022 3Q	FY2023 3Q	YoY Change		Full-year Revised Forecasts
			Amount	%	
Oceania	10,171	12,191	2,019	+19.9%	17,000
Europe	6,278	12,016	5,738	+91.4%	15,700
Asia	4,200	3,838	(362)	(8.6)%	5,200
Middle East and Africa	1,384	1,112	(271)	(19.6)%	1,500
Total	22,034	29,158	7,124	+32.3%	39,400

  

Average exchange rate	¥128.30/USD	¥138.24/USD			¥140.67/USD (assumption)
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\*Calculations on each region are based on the annual securities report.

## 3. R&D Expenditures, Depreciation, Capital expenditures

(Millions of yen)

	FY2022 3Q	FY2023 3Q	YoY Change	
			Amount	%
R&D expenditures	2,304	2,499	195	+8.5%
Depreciation	1,959	1,716	(242)	(12.4)%
Capital expenditures	1,018	1,246	227	+22.3%

#### 4. FY2023 Consolidated Forecast

The Company revised the forecast full-year for the fiscal year ending March 31, 2024, previously announced on November 7, 2023 as follows.

(Millions of yen)

	Full-year			Difference (B – A)	
	FY2022	FY2023 Previous Forecast (A)	FY2023 Revised Forecast (B)	Amount	%
<b>Net sales</b>	89,253	93,500	94,200	700	+0.7%
Smart meters & solutions in Japan	54,427	53,000	54,300	1,300	+2.5%
Smart meters & solutions overseas	34,613	41,000	40,400	(600)	(1.5)%
Production equipment	761	–	–	–	–
Real estate	571	600	600	–	–
Adjustment	(1,121)	(1,100)	(1,100)	–	–
<b>Operating income</b>	2,226	4,300	5,400	1,100	+25.6%
Smart meters & solutions in Japan	3,816	3,000	4,000	1,000	+33.3%
Smart meters & solutions overseas	(1,886)	1,000	1,100	100	+10.0%
Production equipment	9	–	–	–	–
Real estate	295	300	300	–	–
Adjustment	(7)	–	–	–	–
<b>Ordinary income</b>	1,885	4,200	5,000	800	+19.0%
Profit attributable to owners of parent	1,319	1,900	2,000	100	+5.3%

#### Reasons for the revisions:

- Net sales for Smart meters & solutions in Japan are expected to exceed the previous financial forecast in the Smart Meter Business and Switchgear Business. Income is also expected to exceed the previous forecasts as a consequence of increased sales and improved manufacturing rates associated with increased production.
  - For Smart meters & solutions overseas, although shipments to Asia are exceeding the previous forecast, shipments to Oceania and UK are lower than the forecast, so net sales are expected to be lower than the previous forecast. In terms of income, although net sales are expected to decline, the outlook is exceeding the previous forecast as a consequence of lower selling, general and administrative expenses and other factors.
  - Profit attributable to owners of parent is expected to increase only slightly compared to the increase in ordinary income, mainly because income taxes are expected to be higher than the previous forecast.
- Forward-looking statements made in this material are based on the 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 may cause the actual results to differ materially from the forecasts.
  - All amounts are in millions of yen and rounded down, unless otherwise stated.

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