

## Chapter 1 The OSAKI Group

OSAKI ELECTRIC Headquarters office

### Message from the Chairman

Since its founding in 1916, the OSAKI Group has remained committed to the effective application of energy through power measurement and control. OSAKI has captured a leading position in Japan for its main product, the smart meter. Also, EDM I Limited, a global manufacturer of smart meters, joined the Group in 2012 to accelerate expansion. As of September 2019, OSAKI operates in more than 100 countries across Japan, Oceania, Europe and other regions.

The OSAKI Group's corporate vision is to be a "Global Energy Solution Leader" that takes on social challenges related to energy. The business environment for smart meters around the world is undergoing significant changes, as the Internet of Things (IoT) and Artificial Intelligence (AI) technologies rapidly evolve. Together with our diverse range of business partners, we aim to grow the Group by providing smart meters with enhanced functionality and innovative solutions that integrate IoT and AI into the global market.

We ask you to join us in our journey.



**Yoshihide Watanabe**  
Chairman and CEO

### OSAKI Group Vision

**Global Energy Solution Leader**





## Financial and Non-financial Highlights (Year ended 31st March 2019)

### Net sales

¥82,089 million  
YoY +4.2%↑

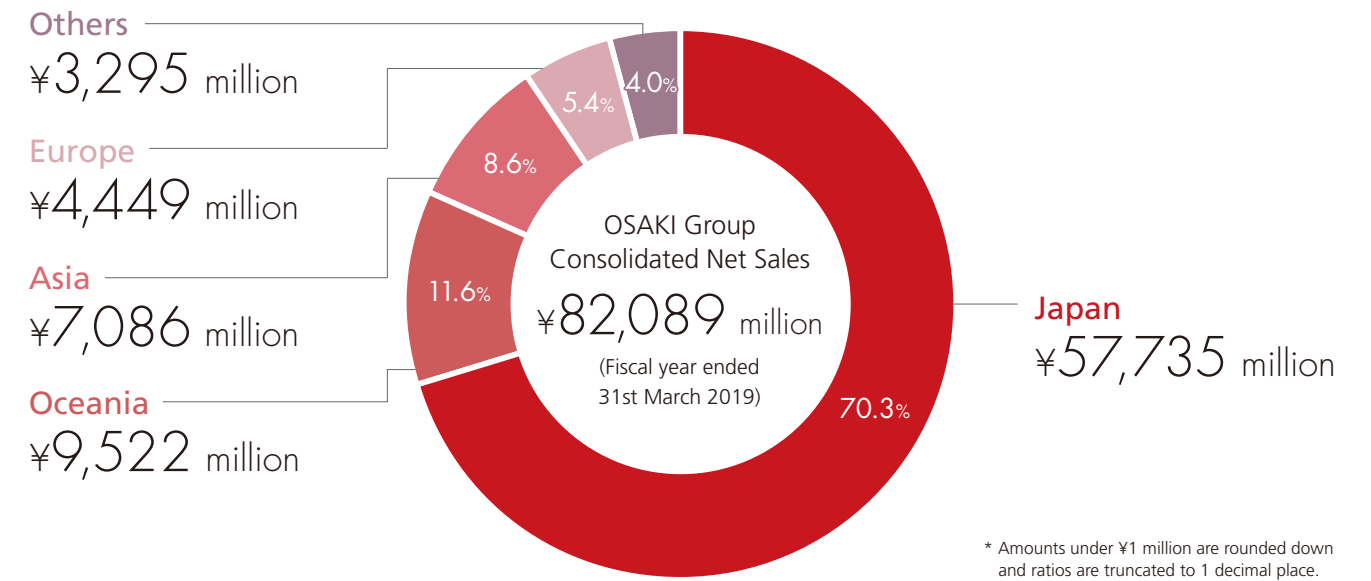
Smart meter sales to Australia increased. Revenues increased for new projects in the Middle East along with higher sales of communications hubs in the UK.

### Operating income

¥4,299 million  
YoY -22.5%↓

Decreased mainly due to an increase in the Global Business related costs. Factors include an increase in costs attributable to production delays caused by a lack of some electronic materials, and higher cost to sales ratio from changes in product mix.

### Sales by Region



### Profit attributable to owners of parent

¥1,806 million  
YoY -32.2%↓

Decreased corresponding to the decline of operating income.

### Net income per share

¥36.95  
¥54.63 for the year ended 31st March 2018

Decreased corresponding to the decline of operating income.

### Net assets

¥58,881 million  
YoY +1.7%↑

Increased due to the increase in retained earnings and the decrease in treasury shares deducted from net assets.

### Net assets per share

¥974.95  
YoY +¥16.15↑

Increased due to an increase in net assets.

### Number of employees / Number of nationalities of employees (consolidated)

3,383 / 35 nations

### Ratio of female employees

OSAKI ELECTRIC: 18.1%  
EDMI: 33.8%

### Return on equity (ROE)

3.8%  
5.8% as of the end of the previous fiscal year

Declined corresponding to the decrease of profit attributable to owners of parent.

### Equity ratio

48.5%  
54.5% as of the end of the previous fiscal year

Declined because an increase in notes and accounts receivable - trade and inventories outside Japan exceeded the increase in net assets.

### Number of employees who took paternal leave (OSAKI ELECTRIC)

5

### Number of participants of language study abroad programme (OSAKI ELECTRIC)

16 (accumulated)