

## Summary of FY2022 Consolidated Financial Results

(12 Months ended March 2023)

- Consolidated sales were increased by 17.2% year on year to ¥89.3 Billion. Operating income improved by 74.3% to ¥2.23 Billion. Net income attributable to owners of parent were ¥1.32 billion in contrast to loss of ¥0.66 Billion in the previous fiscal year, due to extraordinary income from sale of subsidiaries in and out of Japan.
- In Japan, sales of smart meters and solutions increased from the previous fiscal year, resulting in profit increase.
- In the overseas, shipments to Oceania showed healthy increase from the previous fiscal year while shipments to UK decreased due to a shortage of electronic components. On a U.S. dollar basis, overall sales decreased while increased on a Japanese Yen basis factoring in the forex impacts. Overall profits decreased from sales decrease on a U.S. dollar basis and hikes in material costs.

### 1. Consolidated Financial Results

(Millions of yen)				
	FY2021	FY2022	YoY Change	
			Amount	%
<b>Net sales</b>	76,184	89,253	13,069	+17.2%
Smart meters & solutions in Japan	46,006	54,427	8,420	+18.3%
Smart meters & solutions overseas	30,068	34,613	4,545	+15.1%
Production equipment	692	761	69	+10.0%
Real estate	553	571	17	+3.2%
Adjustment	(1,137)	(1,121)	15	—
Gross profit	16,375	17,964	1,589	+9.7%
Ratio to sales	21.5%	20.1%		(1.4)pt
SG & A expenses	15,097	15,737	639	+4.2%
Ratio to sales	19.8%	17.6%		(2.2)pt
<b>Operating income</b>	1,277	2,226	949	+74.3%
Ratio to sales	1.7%	2.5%		+0.8pt
Smart meters & solutions in Japan	1,225	3,816	2,590	+211.4%
Smart meters & solutions overseas	58	(1,886)	(1,944)	—
Production equipment	(282)	9	291	—
Real estate	271	295	23	+8.7%
Adjustment	4	(7)	(12)	—
Ordinary income	1,189	1,885	695	+58.5%
Profit attributable to owners of parent	(658)	1,319	1,978	—
Net income per share (yen)	(13.42)	27.86	41.28	—
ROE	(1.4)%	2.9%	—	+4.3pt

\* "Production equipment" includes accumulated sales and profits of Osaki Engineering Co., Ltd. for the six months ended September 30, 2022. Osaki Electric has sold all holding shares of Osaki Engineering Co., Ltd. as of September 30<sup>th</sup>.

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

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

(Millions of yen)

	FY2019	FY2020	FY2021	FY2022	YoY Change		FY2023 Forecast	Full-year Forecast YoY Change	
					Amount	%		Amount	%
Smart meter business	35,886	32,016	29,425	34,885	5,459	+18.6%	30,500	(4,385)	(12.6)%
Solution Business	10,006	10,510	10,531	12,483	1,951	+18.5%	13,000	516	+4.1%
Switchgear Business	5,926	5,641	6,025	7,037	1,012	+16.8%	7,000	(37)	(0.5)%
Total	51,819	48,169	45,983	54,406	8,423	+18.3%	50,500	(3,906)	(7.2)%

\*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)

	FY2019	FY2020	FY2021	FY2022	YoY Change		FY2023 Forecast	Full-year Forecast YoY Change	
					Amount	%		Amount	%
Oceania	9,422	9,154	10,642	15,628	4,986	+46.9%	16,500	871	+5.6%
Europe	9,544	8,938	11,339	10,129	(1,209)	(10.7)%	15,500	5,370	+53.0%
Asia	8,753	4,882	6,041	5,800	(241)	(4.0)%	3,000	(2,800)	△48.3%
Middle East and others	8,770	3,703	1,071	2,062	990	+92.4%	2,000	(62)	△3.0%
Total	36,490	26,678	29,095	33,620	4,525	+15.6%	37,000	3,379	+10.1%

Average Exchange rate	¥109.05 /USD	¥106.76 /USD	¥109.90 /USD	¥131.62 /USD
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¥131.62/USD (assumption)
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\*Calculations are based on the annual securities report.

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

(Millions of yen)

	FY2021	FY2022	YoY Change		FY2023 Forecast	Full-year Forecast YoY Change	
			Amount	%		Amount	%
R&D expenditures	3,043	3,233	189	+6.2%	3,900	666	+20.6%
Depreciation	2,536	2,587	51	+2.0%	2,200	(387)	(15.0)%
Capital expenditures	2,794	1,881	(912)	(32.7)%	3,300	1,418	+75.4%

#### 4. FY2023 Consolidated Forecast

(Millions of yen)

	1H		YoY Change		Full-year		YoY Change	
	FY2022	FY2023 Forecast	Amount	%	FY2022	FY2023 Forecast	Amount	%
<b>Net sales</b>	39,562	43,000	3,437	+8.7%	89,253	88,000	(1,253)	(1.4)%
Smart meters & solutions in Japan	24,276	24,300	23	+0.1%	54,427	50,500	(3,927)	(7.2)%
Smart meters & solutions overseas	14,647	19,000	4,352	+29.7%	34,613	38,000	3,386	+9.8%
Production equipment	761	—	(761)	—	761	—	(761)	—
Real estate	282	250	(32)	(11.6)%	571	600	28	+4.9%
Adjustment	(405)	(550)	(144)	—	(1,121)	(1,100)	21	—
<b>Operating income</b>	535	900	364	+68.1%	2,226	2,800	573	+25.7%
Smart meters & solutions in Japan	1,163	550	(613)	(52.7)%	3,816	1,900	(1,916)	(50.2)%
Smart meters & solutions overseas	(777)	200	977	—	(1,886)	600	2,486	—
Production equipment	9	—	(9)	—	9	—	(9)	—
Real estate	141	150	8	+6.1%	295	300	4	+1.6%
Adjustment	(1)	—	1	—	(7)	—	7	—
<b>Ordinary income</b>	348	700	351	+100.9%	1,885	2,400	514	+27.3%
Profit attributable to owners of parent	1,041	200	(841)	(80.8)%	1,319	1,000	(319)	(24.2)%

- Sales of Smart meters & solutions in Japan will remain stagnant up until the demand pick up until fiscal 2025 when the introduction of next-generation smart meters is anticipated. Profits are expected to decrease due to sales decrease aforementioned, in addition to material costs, which the Company has worked to contain to some degrees, are expected to raise from yen depreciation.
- As for Smart meters & solutions overseas, a shortage of electronic components is expected to resolve and shipments to UK will increase accordingly. Oceania is also showing steady growth, leading to overall sales to increase. Profits are expected to recover due to sales increase from aforementioned factors and a slowdown in material cost hikes, that were largely caused by material shortages.

## 5. FY2023-2027 Mid-term Management Plan

(Millions of yen)

	FY2023 Forecast	FY2024 Outlook	FY2025 Outlook	FY2027 Mid-term Target
Net sales	88,000	91,000	98,000	
Japan (**)	51,000	51,000	55,000	
Overseas	37,000	40,000	43,000	
Operating income	2,800	4,000	5,500	
Japan (**)	2,200	2,700	3,500	
Overseas	600	1,300	2,000	
Ordinary income	2,400	3,700	5,200	
Profit attributable to owners of parent	1,000	2,200	3,300	
ROE	2.5%	5.0%	7.0%	8.0% (or higher)

\* Break down of Net Sales are external sales.

\*\* Japan includes "Smart meters & solutions in Japan" and "Real estate".

## 6. Shareholder Return

- The Company sets basic policy to carry out the continual distribution of a steady dividend to shareholders, while providing additional performance-based dividends.
- The basic policy states that the amount distributed will be based on higher of either a dividend payout ratio of 30% or 2% of DOE (dividend on equity).
- The year-end dividend outlook for the current year is 10 yen per share, and annual dividends of 20 yen.
- For the next fiscal year, the Company plans to pay an interim dividend of 10 yen per share and 10 yen of year-end dividend, resulting in annual dividends of 20 yen, the same as the current year.

	Dividend per share			Total amount of dividends	Consolidated payout ratio
	Interim	Year-end	Annual		
FY2021	10 yen	10 yen	20 yen	974 million yen	—
<b>FY2022</b>	10 yen	10 yen	20 yen	942 million yen	71.8%
<b>FY2023 Forecast</b>	10 yen	10 yen	20 yen		93.6%

- 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>).