

FY2021 First Half  
**Summary of Consolidated Financial Results**  
(Six Months ended September 30, 2021)

- Consolidated sales were increased by 1.0% year on year to ¥36.1 Billion. Operating income declined by 39.9% to ¥0.46 Billion. Net loss attributable to owners of parent were ¥0.24 billion in contrast to ¥0.20 Billion in loss in the previous first half.
- In Japan, sales of smart meters were slightly increased while sales of smart locks, which recorded good shipments in the previous first half, decreased year on year. Profits decreased year on year, due to sales decrease as well as intensified price competition of smart meters and a rise in raw material prices.
- In the overseas, while orders for Iraq (Kurdistan Regional Government) declined from the temporal increase in orders in the same period of the previous fiscal year, shipments to Oceania and UK increased compared to the previous first half where shipments were restricted from the spread of COVID-19. All in all, sales and profits increased year on year.

## 1. Consolidated Financial Results

(Millions of yen)

	FY2020 1H	FY2021 1H	YoY Change	
			Amount	%
<b>Net sales</b>	35,734	36,087	353	+1.0%
Smart meters & solutions in Japan	22,308	21,405	(903)	(4.0)%
Smart meters & solutions overseas	12,916	14,613	1,697	+13.1%
Production equipment	627	337	(290)	(46.3)%
Real estate	275	277	1	+0.7%
Adjustment	(393)	(546)	(152)	—
Gross profit	8,044	7,878	(165)	(2.1)%
Ratio to sales	22.5%	21.8%		(0.7)pt
SG & A expenses	7,277	7,417	140	+1.9%
Ratio to sales	20.4%	20.6%		+0.2pt
<b>Operating income</b>	767	461	(306)	(39.9)%
Ratio to sales	2.1%	1.3%		(0.8)pt
Smart meters & solutions in Japan	948	366	(581)	(61.3)%
Smart meters & solutions overseas	(224)	118	343	—
Production equipment	(94)	(162)	(67)	—
Real estate	138	139	0	+0.6%
Adjustment	0	(0)	(1)	—
Ordinary income	744	531	(213)	(28.7)%
Profit attributable to owners of parent	(202)	(236)	(34)	—
Net income per share (yen)	(4.14)	(4.83)	(0.69)	—

\* "Production equipment" and "Real estate" which were previously included in "Others," have been reclassified as reporting segments due to an increase in their quantitative materiality.

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

(Millions of yen)

	FY2020 1H	FY2021 1H	YoY Change	
			Amount	%
<b>Japan</b>	23,130	21,927	(1,202)	(5.2)%
<b>Overseas</b>	12,603	14,159	1,556	+12.3%
Oceania	4,116	5,093	977	+23.7%
Europe	4,181	5,750	1,569	+37.5%
Asia	2,164	2,737	572	+26.5%
Middle East and others	2,141	578	(1,563)	(73.0)%
<b>Total</b>	35,734	36,087	353	+1.0%

  

Average exchange rate	¥108.23/USD	¥107.82/USD
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\*Calculations are based on the annual securities report.

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

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

(Millions of yen)

	FY2020 1H	FY2021 1H	YoY Change	
			Amount	%
Meters	11,037	11,301	264	+2.4%
Monitor Control(**)	1,837	1,380	(457)	(24.9)%
Switchgears	3,097	2,839	(258)	(8.3)%
VCTs	2,108	1,940	(168)	(8.0)%
Others (including adjustments)	4,216	3,931	(285)	(6.8)%
<b>Total</b>	22,296	21,393	(903)	(4.1)%

\*Referential figures based on managerial accounting

\*\* Monitor Control: Energy management systems, smart locks, etc.

### (2) Smart meters & solutions overseas

(Millions of yen)

	FY2020 1H	FY2021 1H	YoY Change	
			Amount	%
Meters	8,496	8,913	417	+4.9%
Monitor Control(**)	4,091	5,236	1,145	+28.0%
<b>Total</b>	12,587	14,149	1,562	+12.4%

\*Referential figures based on managerial accounting

\*\* Monitor Control: Meter related systems, communications hubs, etc.

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

(Millions of yen)

	FY2020 1H	FY2021 1H	YoY Change	
			Amount	%
R&D expenditures	1,496	1,517	21	+1.4%
Depreciation	1,330	1,221	(109)	(8.2)%
Capital expenditures	771	872	101	+13.1%

## 5. FY2021 Consolidated Forecast

Electronic component shortages have been hindering smart meter business, which is the main business both in Japan and overseas. While our Group puts its best effort to minimize the impact, we expect significant procurement risk from prolonged electronic component shortages. Because it is difficult to reasonably accumulate the degree of financial impact at the moment, the Company regrets to forego the notice of revised financial forecasts for the fiscal year ending March 31, 2022. We will announce the forecast upon reasonable calculation.

(Millions of yen)

	Full-year		
	FY2020 Results	FY2021 Initial Forecasts	FY2021 Revised Forecast
Net sales	76,255	83,000	—
Operating income	2,684	3,500	—
Ordinary income	2,888	3,300	—
Profit attributable to owners of parent	482	3,000	—

- 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>).