

FY2023 First Half
Summary of Consolidated Financial Results
(Six Months ended September 30, 2023)

- Consolidated net sales: 44.2 billion yen (YoY +11.7%), Operating income: 2.3 billion yen (+334.4%), Profit attributable to owners of parent: 1.4 billion yen (+30.2%)
- Net sales for Smart meters & solutions in Japan increased year on year with higher sales in the Smart Meter 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 stabilization of electronic materials prices, which had soared during the procurement squeeze.

1. Consolidated Financial Results

(Millions of yen)

	FY2022 1H	FY2023 1H	YoY Change	
			Amount	%
Net sales	39,562	44,174	4,612	+11.7%
Smart meters & solutions in Japan	24,276	25,022	745	+3.1%
Smart meters & solutions overseas	14,647	19,559	4,912	+33.5%
Production equipment	761	–	(761)	–
Real estate	282	287	5	+1.8%
Adjustment	(405)	(695)	(289)	–
Gross profit	8,244	10,222	1,977	+24.0%
Ratio to sales	20.8%	23.1%		2.3pt
SG & A expenses	7,708	7,896	187	+2.4%
Ratio to sales	19.5%	17.9%		(1.6)pt
Operating income	535	2,325	1,790	+334.4%
Ratio to sales	1.4%	5.3%		3.9pt
Smart meters & solutions in Japan	1,163	1,903	739	+63.6%
Smart meters & solutions overseas	(777)	276	1,053	–
Production equipment	9	–	(9)	–
Real estate	141	157	16	+11.5%
Adjustment	(1)	(10)	(9)	–
Ordinary income	348	2,415	2,067	+593.5%
Profit attributable to owners of parent	1,041	1,356	315	+30.2%
Net income per share (yen)	21.83	28.97	7.14	–

2. Revenue by Business Portfolio (Excluding intercompany sales)

(1) Smart meters & solutions in Japan

(Millions of yen)

	FY2022 1H	FY2023 1H	YoY Change		Full-year Revised Forecasts
			Amount	%	
Smart meter business	16,232	16,896	663	+4.1%	33,000
Solution business	5,213	5,295	81	+1.6%	13,000
Switchgear business	2,818	2,820	1	+0.1%	7,000
Total	24,265	25,012	746	+3.1%	53,000

*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 2Q have retroactively applied this method also.

(2) Smart meters & solutions overseas

(Millions of yen)

	FY2022 1H	FY2023 1H	YoY Change		Full-year Revised Forecasts
			Amount	%	
Oceania	6,002	7,771	1,768	+29.5%	17,500
Europe	4,688	7,839	3,150	+67.2%	16,000
Asia	2,822	2,601	(221)	(7.8)%	4,500
Middle East and Africa	793	715	(77)	(9.8)%	2,000
Total	14,307	18,927	4,620	+32.3%	40,000
Average exchange rate	¥123.14/USD	¥135.00/USD			¥138.24/USD (assumption)

*Calculations on each region are based on the annual securities report.

3. R&D Expenditures, Depreciation, Capital expenditures

(Millions of yen)

	FY2022 1H	FY2023 1H	YoY Change	
			Amount	%
R&D expenditures	1,528	1,583	55	+3.6%
Depreciation	1,279	1,131	(147)	(11.5)%
Capital expenditures	720	743	23	+3.3%

4. FY2023 Consolidated Forecast

The Company revised the forecast full-year for the fiscal year ending March 31, 2024, previously announced on August 1, 2023 as follows.

(Millions of yen)

	Full-year			Difference (B – A)	
	FY2022	FY2023 Previous Forecast (A)	FY2023 Revised Forecast (B)	Amount	%
Net sales	89,253	90,000	93,500	3,500	+3.9%
Smart meters & solutions in Japan	54,427	51,000	53,000	2,000	+3.9%
Smart meters & solutions overseas	34,613	39,500	41,000	1,500	+3.8%
Production equipment	761	–	–	–	–
Real estate	571	600	600	–	–
Adjustment	(1,121)	(1,100)	(1,100)	–	–
Operating income	2,226	3,600	4,300	700	+19.4%
Smart meters & solutions in Japan	3,816	2,600	3,000	400	+15.4%
Smart meters & solutions overseas	(1,886)	700	1,000	300	+42.9%
Production equipment	9	–	–	–	–
Real estate	295	300	300	–	–
Adjustment	(7)	–	–	–	–
Ordinary income	1,885	3,400	4,200	800	+23.5%
Profit attributable to owners of parent	1,319	1,600	1,900	300	+18.8%

Reasons for the revisions:

- For Smart meters & solutions in Japan, net sales and income are expected to exceed the previous forecast figures, since the Smart Meter Business is trending above the previous forecasts.
- For Smart meters & solutions overseas, net sales and income are expected to exceed the previous forecast figures, since shipments to Asia and Oceania exceeding the previous forecasts.

- 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>).