OSAKI

July 28, 2026

Company name:	**Osaki Electric Co., Ltd.**
Name of representative:	Yoshihide Watanabe, Chairman and CEO (Securities code:6644; TSE Prime Market)
Inquiries:	Ryuichi Ueno, Director and Senior Managing Executive Officer Head of Group Strategy Division (Telephone: +81-3-6694-7140)

Toward Improving Capital Efficiency through Asset-Light Strategy and Optimizing Manufacturing Operations

Notice Concerning Change in Consolidated Subsidiary (Share Transfer)

Details

Osaki Electric Co., Ltd. (the "Company") hereby announce that at the Board of Directors meeting held today, we resolved to enter into a share transfer agreement under which shares of our consolidated subsidiary EDMI Electronics Sdn Bhd (headquartered in Malaysia, hereinafter "EESB"), which are held by our consolidated subsidiary EDMI Limited (headquartered in Singapore, hereinafter "EDMI"), will be transferred to Cicor Asia Pte. Ltd. (headquartered in Singapore, hereinafter "Cicor Asia"), a subsidiary of Cicor Technologies Ltd. (headquartered in Switzerland, hereinafter "Cicor").

As a result of this share transfer, EDMI will transfer all of its shares in EESB, and EESB is expected to cease being a consolidated subsidiary of our company.

I. Reasons for the Share Transfer (Background and Objectives)

- Our company positions improving ROE through enhanced profitability and capital efficiency as a key management priority for medium- to long-term enhancement of corporate value.
- In particular, in our overseas operations, we are steadily advancing initiatives to improve profitability and capital efficiency through improved profit margins from the introduction of next-generation smart meters starting in fiscal year 2026, as well as cost reductions through bold business structure reforms and company-wide inventory reduction.
- EDMI, which is responsible for our Group's overseas operations, conducts business centered on the design and development of smart meters and grid solutions. Considering the need to establish further competitive advantages and changes in the supply chain environment, we have been evaluating the optimisation of our manufacturing footprint and operating structure to accelerate business growth.
- As a result, we determined that utilizing an EMS (Electronics Manufacturing Services) partner with high expertise and a global manufacturing network for manufacturing operations, while EDMI concentrates management resources on areas of competitive advantage such as product development, software, edge intelligence and grid solutions, would contribute to medium- to long-term growth and improved profitability, leading to our decision to

proceed with this share transfer.

- This share transfer involves transferring the shares of EESB to Cicor Asia and transitioning to a contract manufacturing structure with Cicor Asia, thereby shifting from the conventional "asset-owning manufacturing model" to an "asset-light manufacturing model". This transaction is not merely the divestment of a manufacturing subsidiary but is positioned as a strategic transformation of our business model aimed at concentrating resources on core technologies and solutions and achieving sustainable enhancement of corporate value.
- Cicor already has a track record of collaboration with our Group, including producing EDMI's products for the UK market in Morocco. After comprehensively evaluating quality, cost competitiveness, manufacturing capability, and global footprint, we determined that Cicor is the optimal manufacturing partner.
- Even after this share transfer, EDMI will continue to retain core functions related to product design and development, intellectual property, quality standards, and customer service.
- Through this share transfer, our Group aims to improve capital efficiency through consolidation of contract manufacturers, optimizing working capital, lowering upfront capital investment, and improving free cash flow, while further strengthening investment in growth areas.

II. Method of Share Transfer

EDMI will transfer all shares of EESB held by EDMI to Cicor Asia on October 30, 2026 (scheduled).
In connection with this transaction, EDMI and Cicor will enter into a Manufacturing Services Agreement, a comprehensive agreement under which Cicor will provide manufacturing services for EDMI-branded meters.

III. Overview of the Subsidiary to be Transferred

(1) Name	EDMI Electronics Sdn Bhd	
(2) Location	Plot 226A, Jalan Cyber 1A Senai Industrial Park Phase III, 81400 Senai, Johor, Malaysia.	
(3) Title and Name of Representative	Jason Ng Choon How, Managing Director.	
(4) Business Description	Manufacturing and repair of smart meters.	
(5) Capital	88,630 thousand Malaysian Ringgit (as of March 31, 2026) (JPY 3,414 million) (Note 1)	
(6) Date of Establishment	October 5, 2010	
(7) Major Shareholders and Shareholding Ratio	EDMI Limited	100.00%
(8) Relationship between Our Company and the Relevant Company	Capital Relationship	EDMI Limited, a consolidated subsidiary of the Company, owns 100% of EESB. The Company owns 100% of EDMI Limited.
	Personnel Relationship	None.
	Business Relationship	None.
	Status as a Related Party	EDMI Electronics Sdn Bhd is a consolidated subsidiary of our company and qualifies as a related party.
(9) Financial Position and Operating Results of the Relevant Company for the Past Three Years		

Fiscal Year (Unit: JPY million) (Note 1)	Fiscal Year Ended December 2023	Fiscal Year Ended December 2024	Fiscal Year Ended December 2025
Net Assets	477	602	644
Total Assets	1,051	965	1,039
Net Assets per Share	5.04	6.80	7.26
Net Sales	914	893	744
Operating Income	176	100	(18)
Net Income	147	89	(19)
Net Income per Share	1.66	1.01	-
Dividend per Share	-	-	-

(Note 1) Income statement items have been translated into Japanese yen using the Company's internal average exchange rates between the Malaysian Ringgit and Japanese yen for each fiscal period, while balance sheet items have been translated using the Company's internal exchange rates as of each fiscal year-end.

IV. Overview of the Share Transferee

(1) Name	Cicor Asia Pte. Ltd.	
(2) Location	2 Shenton Way, #18-01, SGX Centre I, Singapore 068804	
(3) Title and Name of Representative	Alexander Hagemann, Director Cicor Asia & CEO Cicor Group	
(4) Business Description	Contract manufacturing and sale of electronic equipment	
(5) Capital	USD 23,940 thousand (approximately JPY 3,878 million) (Note 1)	
(6) Date of Establishment	August 24, 1999	
(7) Major Shareholder and Shareholding Ratio	ESG HOLDING Pte. Ltd. (100% subsidiary of Cicor)	100.00%
(8) Relationship between Our Company and the Relevant Company	Capital Relationship	None.
	Personnel Relationship	None.
	Business Relationship	There is no direct business relationship.
	Status as a Related Party	None.

(Note 1) Converted into Japanese yen using the exchange rate of USD 1 = JPY 162 as of July 21, 2026.

V. Number of Shares to Be Transferred and Transfer Price

(1) Number of Shares Held before the Change	88,630,164 shares (all held by EDMI) (Voting rights ownership ratio of our company: 100.00%) (Note 1)
(2) Number of Shares to Be Transferred (Scheduled)	88,630,164 shares
(3) Transfer Price (Scheduled)	USD 7 million (approximately JPY 1,085 million) (Note 2).
(4) Number of Shares Held after the Change	0 shares (Voting rights ownership ratio of our company: 0.00%)

(Note 1) Indirect ownership through EDMI Limited (the Company's voting rights ownership ratio in EDMI Limited is 100.00%).

(Note 2) Converted into Japanese yen using the Company's assumed exchange rate of USD 1 = JPY 155.

VI. Schedule of the Change

(1) Date of Board of Directors Resolution	July 28, 2026
(2) Date of Execution of the Share Transfer Agreement	July 29, 2026 (scheduled)
(3) Date of Execution of the Share Transfer	October 30, 2026 (scheduled)

VII. Future Outlook

The consolidated financial forecast for the fiscal year ending March 2027 is currently under review. As of the announcement of the first-quarter financial results for the fiscal year ending March 2027, there are no revisions to the consolidated financial forecast for the fiscal year ending March 2027. Should any matters requiring disclosure arise in the future, they will be announced promptly.