FY2026 Q1 Financial Results Presentation Materials

August 10, 2026

OSAKI ELECTRIC CO., LTD.
TSE Prime Market
Code: 6644

Agenda

(Appendix is provided at the end of this presentation)

1 FY2026 Q1 Financial Summary

The following descriptions are used throughout this report

First Quarter	=	Q1
First Half	=	H1
Second Half	=	H2
Full-Year	=	FY
FY2026 Financial Forecast (Announced on May 12)	=	FY2026 Forecast

Note:
Segment and sub-segment net sales presented in this presentation exclude inter-segment sales to reflect actual business activities. In contrast, net sales reported in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2026" (the "Financial Results Report") include inter-segment sales based on the consolidated financial statements. Accordingly, net sales figures and year-on-year changes may differ between this presentation and the Financial Results Report.

1. FY2026 Q1 Financial Highlights

YoY **Increased Sales and Profit**

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	FY2025 Q1 Actual	FY2026 Q1 Actual	Change (Billion Yen)	
Net Sales	21.9 B JPY	**22.9 B JPY**	+0.95	+4.4%
Operating Profit	1.0 B JPY (4.6%)	**1.8 B JPY** (7.9%)	+0.80	+79.6%
Net Profit	0.3 B JPY	**1.1 B JPY**	+0.83	+237.2%

Point

Record-High Q1 Net Sales

● Net Sales: **Revenue Increased** year on year

Japan
- Expanded shipments of second-generation smart meters

Overseas
- Near-complete resolution of customers’ inventory adjustments in Australia, while a slow start to “Legacy Meter Replacement Program”
- Sales from the outstanding contracts for the Middle East & Africa

Record-High Q1 Operating Profit

● Operating Profit: **Profit Increased** year on year

Japan
- Improved profitability driven by revenue increases from second-generation smart meters

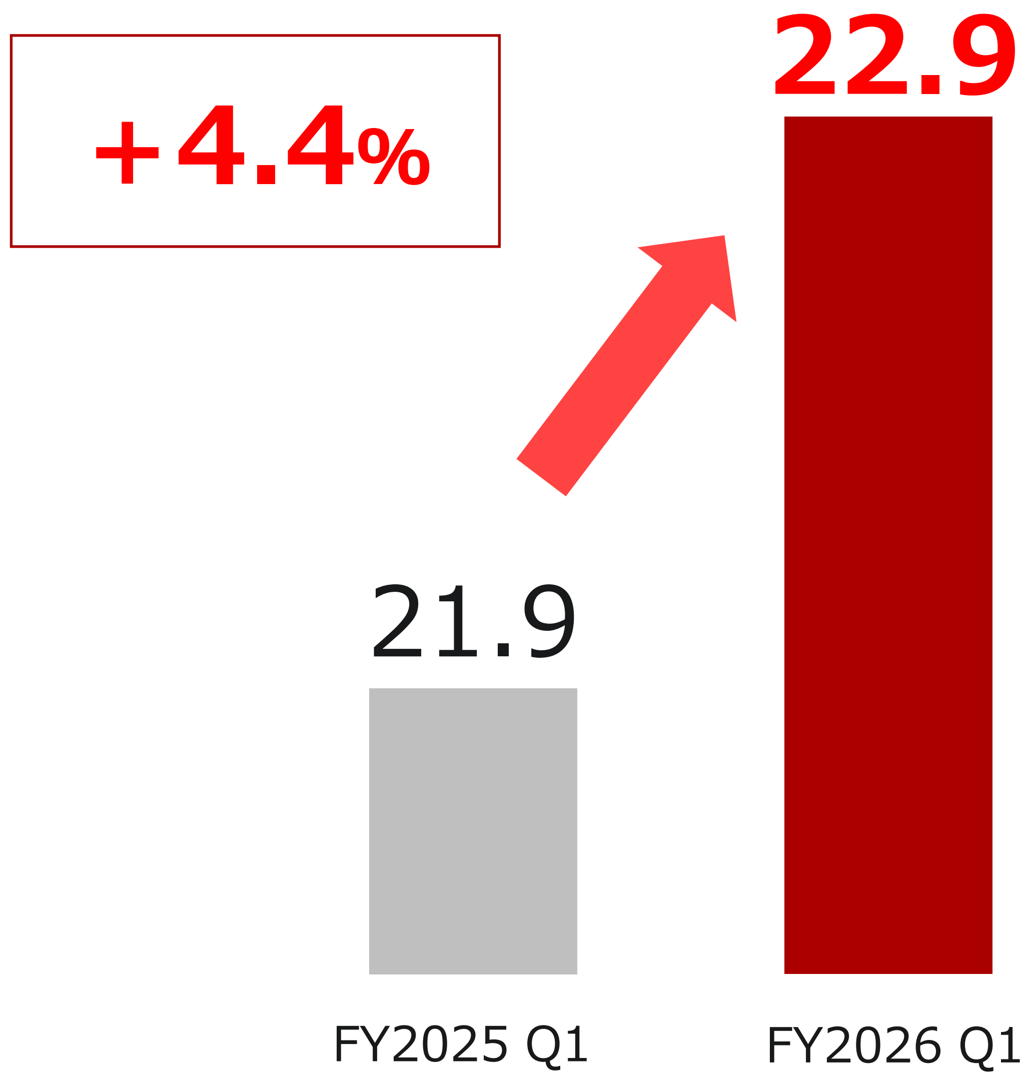
Overseas
- Strengthened cost reduction in the U.K.
- Revenue increase in the Middle East & Africa

● Net Profit: **Profit Increased** year on year

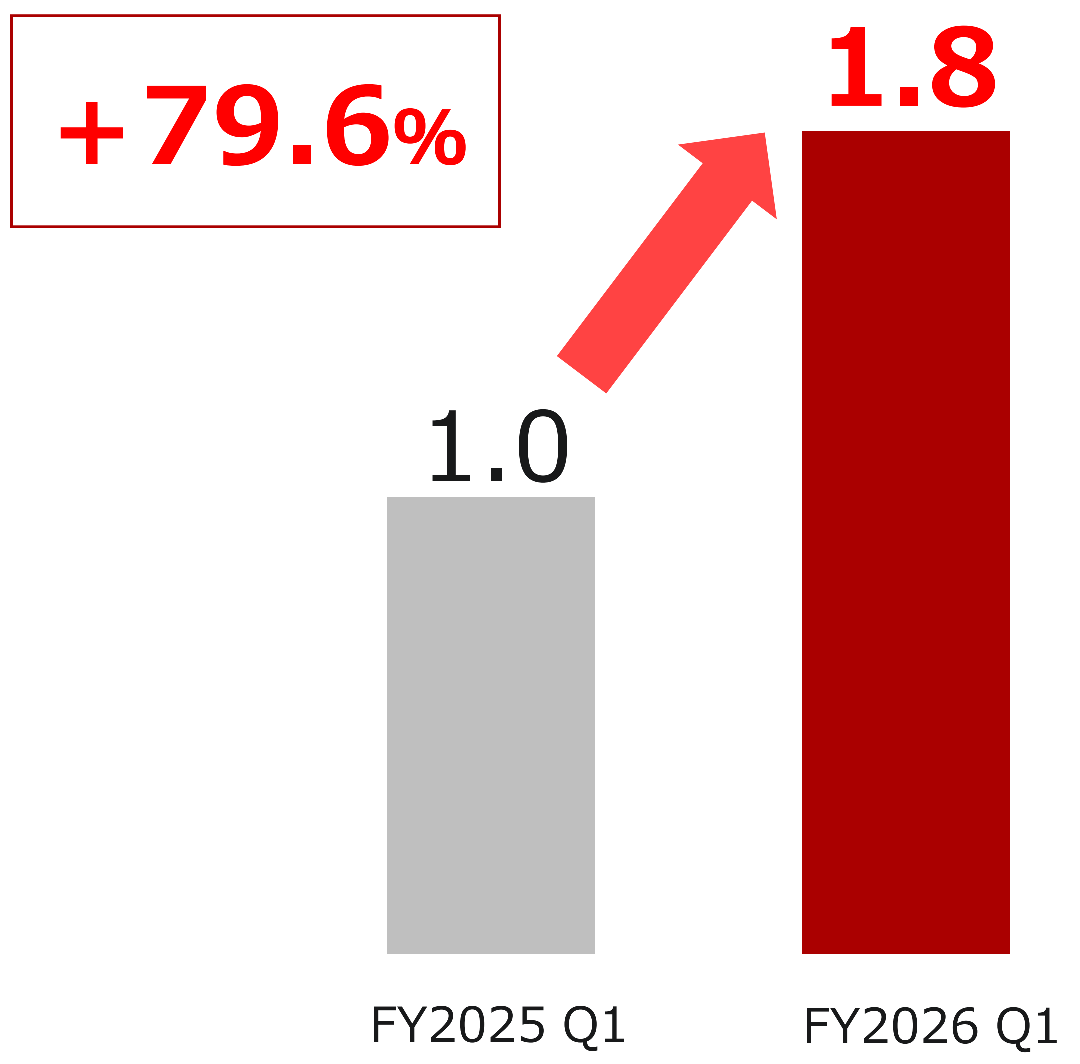
(Recording of extraordinary losses (business restructuring expenses) in the same period last year)

(Billion Yen)

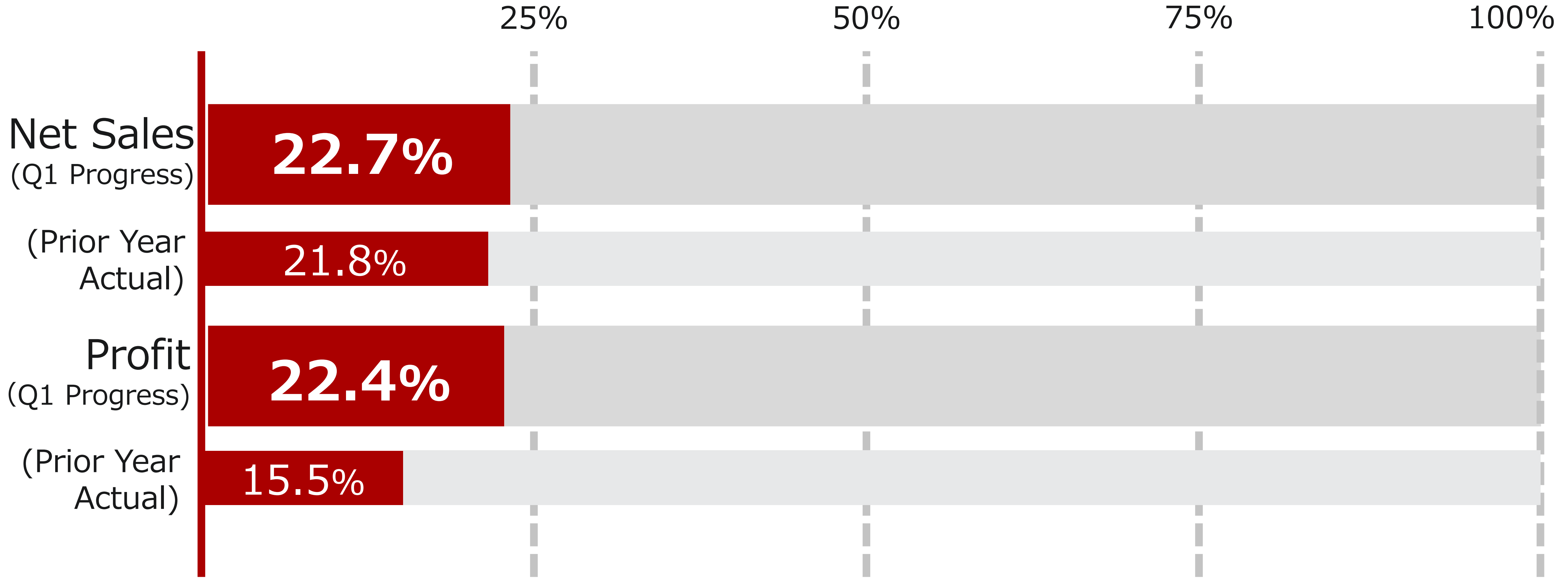
Net Sales



Operating Profit



Q1 Progress



2. FY2026 Q1 Financial Highlights

YoY | Increased Sales and Profit

OSAKI

(Million Yen)

	FY2025 Q1 Actual	FY2026 Q1 Actual	Change		Key Factors Behind the Increase / Decrease
Net Sales	21,966	**22,922**	955	+4.4%	
Smart Meters & Solutions in Japan	13,411	**14,251**	839	+6.3%	
Smart Meter Business	9,381	**10,387**	1,005	+10.7%	(+) Expanded shipments of second-generation smart meters
Solution Business	2,740	**2,277**	▲462	▲16.9%	(▲) Decreased non-utility meter* sales (delay in market condition recovery)
Switchgear Business	1,289	**1,586**	296	+23.0%	(+) Impact of the phasing of revenue recognition from the previous fiscal year
Smart Meters & Solutions Overseas	8,452	**8,596**	143	+1.7%	
Oceania	3,653	**3,578**	▲75	▲2.1%	(▲) Slow start to the first year of the Australian government-led “Legacy Meter Replacement Program” (total installation volume until FY2030 will remain unchanged)
Europe	3,949	**3,543**	▲406	▲10.3%	(▲) The peak-out of the government-led “Smart Meter Project” (sales peaked in FY2024 to FY2025)
Asia	800	**1,083**	283	+35.4%	(+) Increased revenue due to orders received from existing customers in Cambodia and Hong Kong
The Middle East & Africa	48	**390**	342	+699.4%	(+) Sales from outstanding contracts prior to the business withdrawal (completion of business withdrawal in FY2025)
Real Estate	102	**74**	▲27	▲27.2%	(▲) Decreased rental revenue due to the sale of real estate
Operating Profit	1,009	**1,813**	803	+79.6%	
Smart Meters & Solutions in Japan	805	**1,295**	490	+60.9%	(+) Improved profitability driven by expanded shipments of second-generation smart meters
Smart Meters & Solutions Overseas	152	**458**	305	+200.1%	(+) Strengthened cost reduction in the U.K.; revenue increase in the Middle East & Africa
Real Estate	67	**59**	▲8	▲11.8%	—

Assumed Exchange Rates (JPY/USD)	152.55	**156.95**

* Non-utility meter collectively refers to meter products distributed to customers other than electric power companies

3. Results by Segment Japan (by Product/Service)

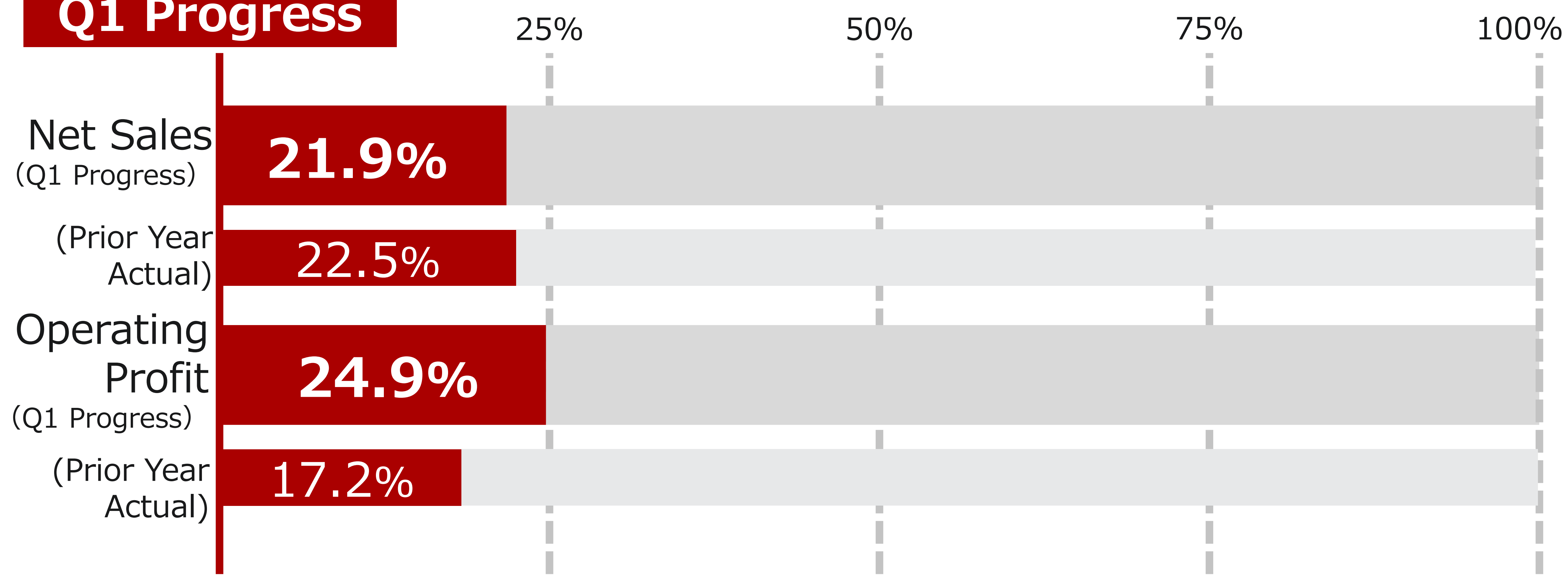
Increased Sales and Profit

OSAKI

(Million Yen)

Smart Meters & Solutions in Japan * Figures after consolidation adjustments	FY2025 Q1 Actual	FY2026 Q1 Actual	Change		Key Factors Behind the Increase / Decrease
Net Sales	13,411	**14,251**	839	+6.3%	
Smart Meter Business	9,381	**10,387**	1,005	+10.7%	(+) Expanded shipments of second-generation smart meters
Solution Business	2,740	**2,277**	▲462	▲16.9%	(▲) Non-utility meters*: Sluggish sales due to market conditions (decreased sales) (+) GX services: Sales expansion to existing customers (increased sales) (+) Smart lock: Sales expansion of new products for rental housing (increased sales)
Switchgear Business	1,289	**1,586**	296	+23.0%	(+) Recording of the phasing of revenue recognition due to customer reasons in the previous fiscal year
Operating Profit	805	**1,295**	490	+60.9%	(+) Improved profitability driven by expanded shipments of second-generation smart meters (+) Revenue increased in switchgear, GX services, and smart locks (▲) Rising raw material and component costs (particularly copper and petrochemical products)

Q1 Progress



(Smart Meter Business)
- Improved profitability driven by expanded shipments of second-generation smart meters

(Solution Business)
- Sales of non-utility meters were sluggish as sales did not grow due to weak demand mainly from panel makers. Recovery is expected from the latter half of Q3
- Profitability of GX services improved in existing businesses mainly due to sales expansion to existing customers. New services combining AI and storage batteries are in the final evaluation phase toward the launch by the end of this year
- For smart locks, expanded sales of new products for rental housing

(Switchgear Business)
- Steady demand continued from both electric utilities and industrial customers (data centers)

3. Results by Segment Overseas (by Region)

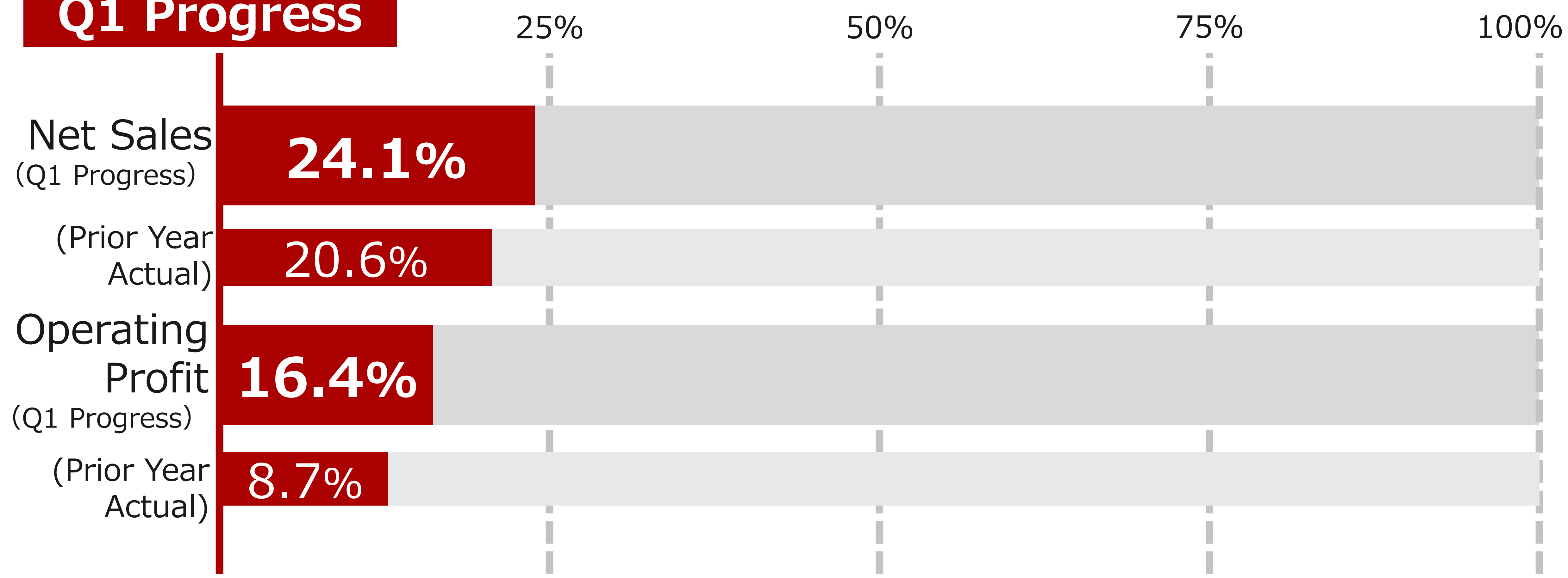
Increased Sales and Profit

OSAKI

(Million Yen)

Smart Meters & Solutions Overseas * Figures after consolidation adjustments	FY2025 Q1 Actual	FY2026 Q1 Actual	Change		Key Factors Behind the Increase / Decrease
Net Sales	8,452	**8,596**	143	+1.7%	
Oceania	3,653	**3,578**	▲75	▲2.1%	(+) Near-complete resolution of customers' inventory adjustments that occurred in the previous fiscal year (▲) Slow start to the first year of the Australian government-led "Legacy Meter Replacement Program" ・Installation volume is expected to increase in FY2027-2028 (total installation volume until FY2030 will remain unchanged)
Europe (U.K.)	3,949	**3,543**	▲406	▲10.3%	(▲) Decreased revenue due to the peak-out of the "Smart Meter Project" (factored into the initial forecast)
Asia	800	**1,083**	283	+35.4%	(+) Increased revenue due to orders received from existing customers in Cambodia and Hong Kong
The Middle East & Africa	48	**390**	342	+699.4%	(+) Recording of sales from the outstanding contracts in FY2025 (completion of business withdrawal in FY2025)
Operating Profit	152	**458**	305	+200.1%	(+) Strengthened cost reduction in the U.K.; Revenue increased in the Middle East & Africa Profitability improvement from the rollout of the next-generation smart meter "NEOS" is expected from H2

Q1 Progress



(Oceania)
・Although customers' inventory adjustments, which occurred in the previous fiscal year, were largely resolved, the Australian government-led "Legacy Meter Replacement Program" started more gradually than initially expected

(Europe(U.K.))
・The government-led "Smart Meter Project" peaked out (project itself is expected to continue until 2030)
・Profitability improved due to strengthened cost reduction

(Asia)
・Orders received from existing customers in Cambodia and Hong Kong

(The Middle East & Africa)
・Sales from the outstanding contracts before the business withdrawal were recorded (business withdrawal at the end of FY2025)

(U.S.) (market entry under evaluation)
・Contracts for field tests have been concluded with multiple customers, and field tests using actual equipment are scheduled to commence sequentially in H2 FY2026

4. Factors Affecting Operating Profit

YoY | Increased Profit

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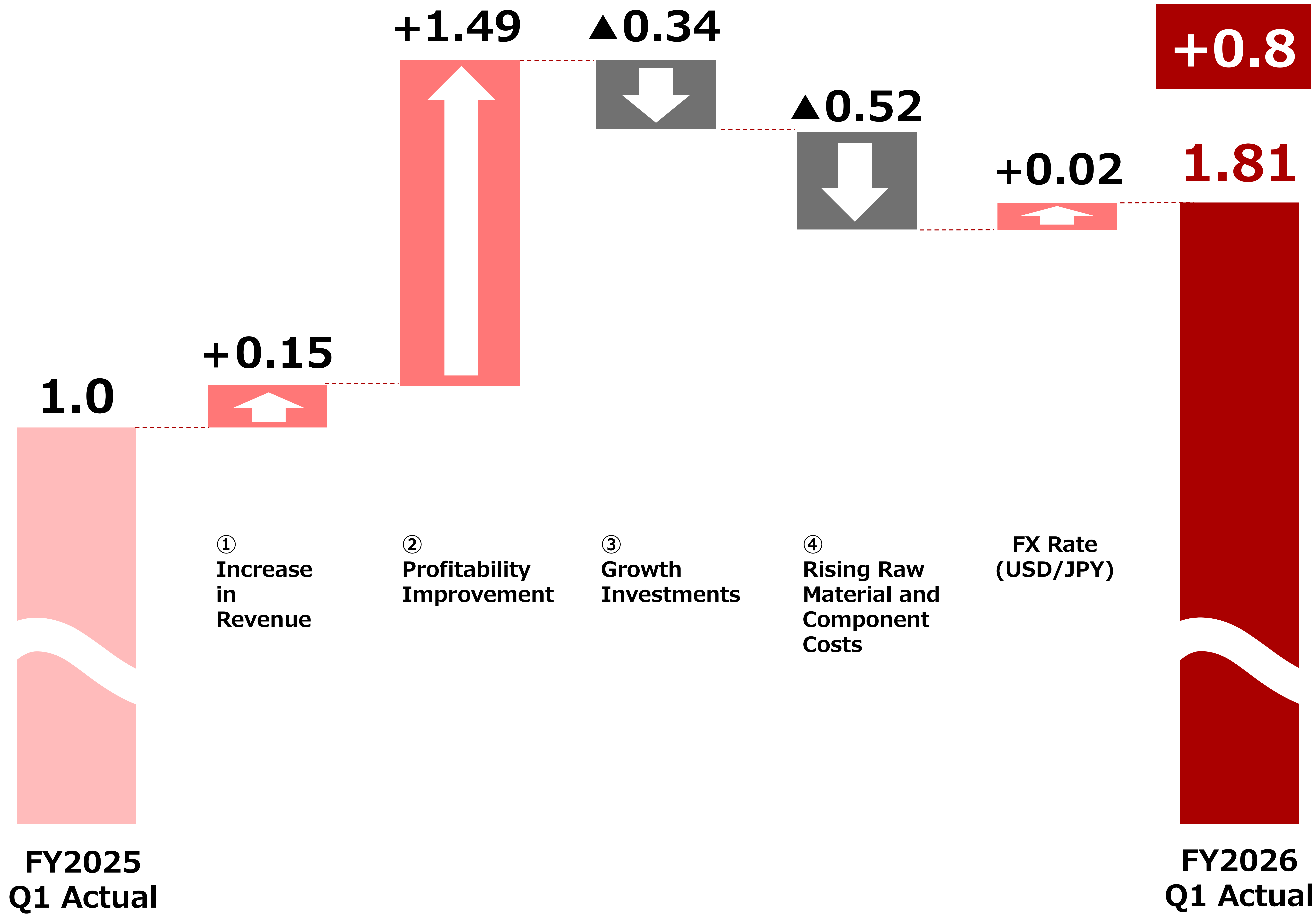
(Billion Yen)



① Increase in Revenue

Japan

(+) Increased revenue of second-generation smart meters

② Profitability Improvement

Japan

(+) Improved profitability of smart meters

Overseas

(+) Strengthened cost reduction in the U.K.

③ Growth Investments

Japan

(▲) Increased human capital investment

Overseas

(▲) Expenses related to the evaluation of entry into the U.S. market

④ Rising Raw Material and Component Costs

Japan

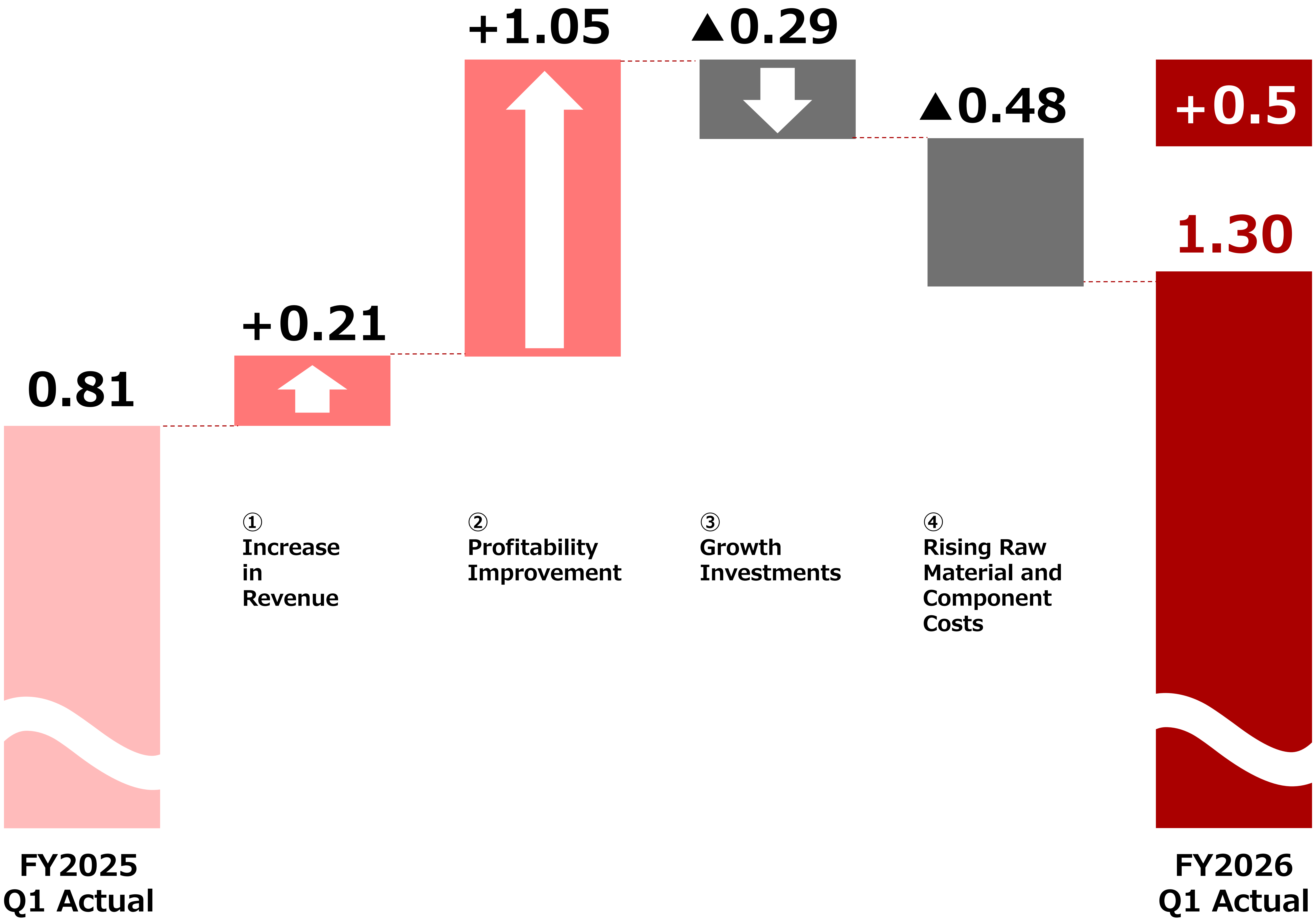
(▲) Copper
(▲) Petrochemical Products

4. Japan Factors Affecting Operating Profit

YoY | Increased Profit

OSAKI

(Billion Yen)



① Increase in Revenue

(+) Increased revenue of second-generation smart meters
(+) Increased revenue in the switchgear business

② Profitability Improvement

(+) Improved profitability of smart meters

③ Growth Investments

(▲) Increased human capital investment
(▲) Increased R&D expenses

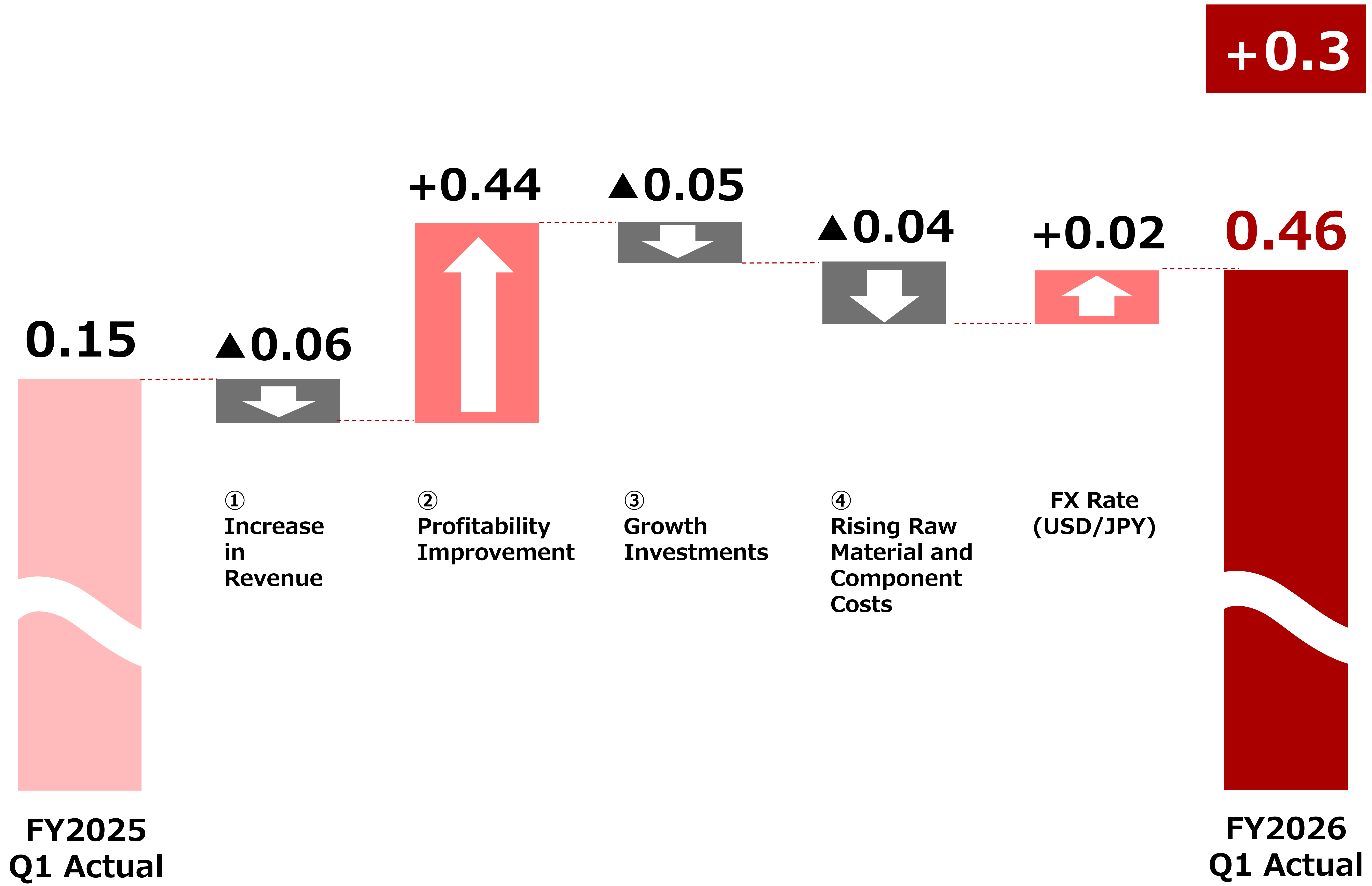
④ Rising Raw Material and Component Costs

(▲) Copper
(▲) Petrochemical Products

Factors Affecting Operating Profit

YoY | Increased Profit

(Billion Yen)



① Increase in Revenue

(▲) Decreased revenue in Oceania (slow start to the first year of the government-led "Legacy Meter Replacement Program")
(▲) Decreased revenue in the U.K. (peak-out of the government-led "Smart Meter Project")
(+) Increased revenue in Asia (orders received from existing customers in Cambodia and Hong Kong)
(+) Increased revenue in the Middle East & Africa (recording of sales from outstanding contracts prior to the business withdrawal)

② Profitability Improvement

(+) Strengthened cost reduction in the U.K.
(+) High-margin orders in the Middle East & Africa

③ Growth Investments

(▲) Expenses related to the evaluation of entry into the U.S. market

④ Rising Raw Material and Component Costs

(▲) Electronic components

Limited impact mainly due to the slow start to "Legacy Meter Replacement Program" in Oceania, which has a large sales scale

5. Major Impact of Rising Raw Material/Component Prices

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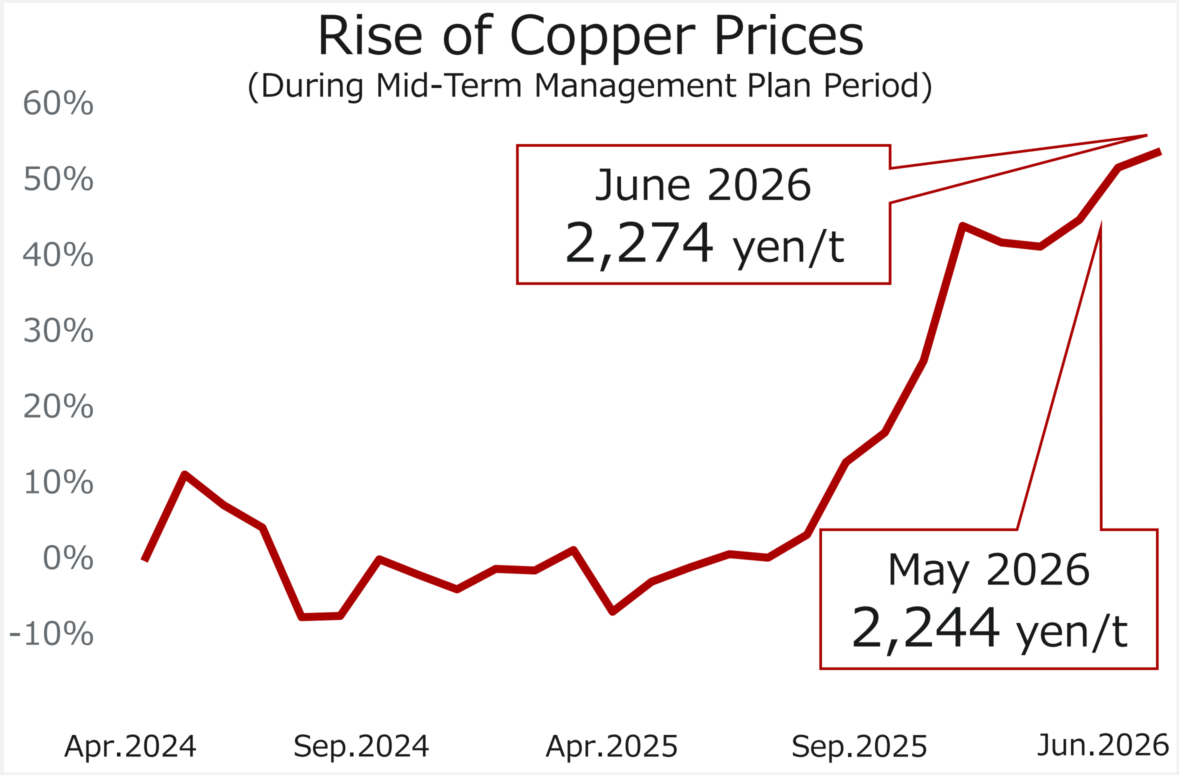
Copper

Main Products

- Smart meters (terminals)
- VCTs (coils), etc.

Market Conditions (Japan)



(Source: JX Advanced Metals Corporation, Monthly Average Copper Benchmark Prices)

Financial Impact

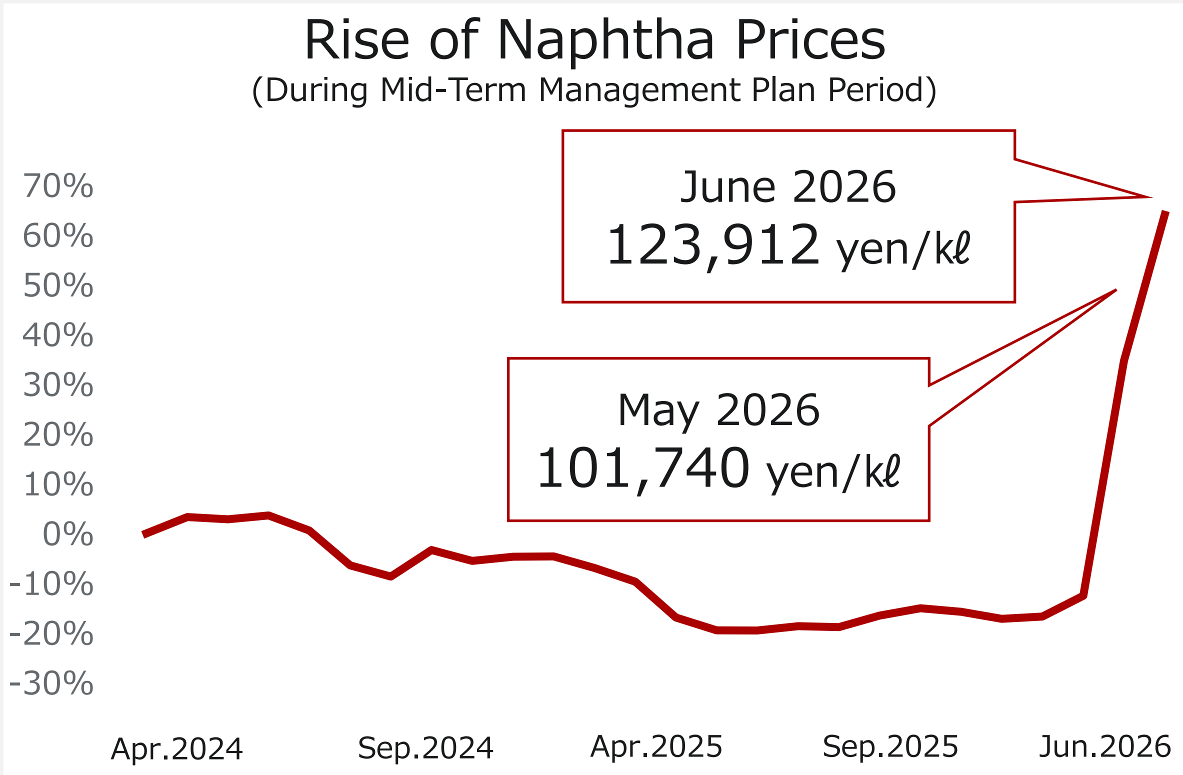
- As copper prices have been on an upward trend since April 2025, a certain level of procurement cost increases has already been reflected in the full-year forecast announced in May
- Although the rate of increase has moderated compared with the previous fiscal year, prices remain at a high level
- There is currently no impact on the procurement of materials required for production

Petrochemical Products

Main Products

- Smart meters (plastics for housings, terminals, etc.)
- Paint for switchgear and other products
- Packing material (used for shipping), etc.

Market Conditions (Japan)



(Source: Trade Statistics of Japan, Ministry of Finance)

Financial Impact

- Cost increases, mainly for resins, thinners, and paint, continue to exceed the level incorporated into the full-year forecast announced in May
- There is currently no impact on the procurement of materials required for production

Status of Price Adjustments

Japan

- Given that bidding for smart meters is generally conducted on a yearly basis, it is difficult to apply price adjustments to finalized orders. However, for new bidding, higher costs driven by rising raw material and component prices will be reflected in bidding prices
- In the Solution Business, selling price revisions are under negotiations with customers of each subsegment

Overseas

- Given that the process for deciding selling prices differs from Japan, negotiations on price adjustments are promoted according to the circumstances of each customer

6. Subsegments' Strategies and Forecasts ①

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Smart Meter Business in Japan

<Net Sales>

(Billion Yen)

FY2025 Q1 Actual	FY2026 Q1 Actual	Change	FY2026 Forecast
9.4	**10.4**	1.0	**42.5**

Business Strategy

- **Ensure stable product supply as a supplier with No.1 market share**
- **Adopt a margin-focused order-intake strategy. Maintain share through comprehensive capabilities, including quality and delivery capabilities**
- **Improve margins through price adjustments to offset higher costs**
- **Improve profitability through cost reduction activities and other measures** (promotion of production automation and labor-saving)
  - ・Introduction of "robots," "AI," and "AMRs" into production lines
- **Expect depreciation expenses to decrease from FY2027. Contribute to profit improvement**

FY2026 Forecast

- Sales volume is expected to increase toward Q4 as in previous years
- Revenue is expected to increase year on year due to the replacement to second-generation smart meters (full-scale introduction from Q4 FY2025)
  - ・Profitability will improve compared to the first generation
  - ・Revenue increased in the second-generation smart meters are expected to contribute for the full year compared to FY2025, which was the final year of the first generation

Solution Business in Japan

<Net Sales>

(Billion Yen)

FY2025 Q1 Actual	FY2026 Q1 Actual	Change	FY2026 Forecast
2.7	**2.3**	▲0.4	**13.5**

Business Strategy

- **Non-utility meters: Strengthen collaboration with sales channels to expand sales and implement price adjustments**
  - ・While sales growth is expected to be moderate, aim to improve profit margins
- **GX services: Expand sales through the expansion of existing energy management systems and the introduction of new products**
  - ・Offer new services combining AI and storage batteries
- **Smart lock: Expand sales of new products for rental housing (launched in Q3 FY2025)**

FY2026 Forecast

- Sales volume is expected to increase toward Q4 as in previous years
- Non-utility meters: Sales were sluggish as sales did not grow due to weak demand mainly from panel makers. Demand is expected to recover in the latter half of Q3
- GX services: Results are expected to remain in line with the initial forecast. Efforts will be made toward price adjustments
- Smart lock: Efforts are made for price adjustments to offset the component price-driven cost increases, which is expected to be reflected in prices sequentially

6. Subsegments' Strategies and Forecasts ②

OSAKI

Switchgear Business in Japan

<Net Sales>

(Billion Yen)

FY2025 Q1 Actual	FY2026 Q1 Actual	Change	FY2026 Forecast
1.3	**1.6**	0.2	**9.0**

Business Strategy

- **Improve profitability**
  - ・Focus on high-profitability projects, increase replacement orders, and maintaining high capacity utilization
    → Improve profit margins
  - ・Capture strong demand from data centers

FY2026 Forecast

- Sales volume is expected to increase toward Q4 as in previous years (particularly for industrial customers)
- Steady demand will continue from both electric utilities and industrial customers (particularly from data centers)

Smart Meter Business Overseas (Oceania)

<Net Sales>

(Billion Yen)

FY2025 Q1 Actual	FY2026 Q1 Actual	Change	FY2026 Forecast
3.6	**3.5**	▲0	**17.0**

Business Strategy

- **Improve profitability through the market launch of the next-generation smart meter "NEOS"**
  - ・Full-scale market launch from Q2 FY2026
  - ・Expand sales of "NEOS," which offers **higher profit margins than current models**
    → Reduce costs by designing a common platform and increasing productivity
  - ・**Expand recurring business (subscription-based business)** and improve profitability

FY2026 Forecast

- The sales ratio of "NEOS" is expected to increase from H2 onward
  (Forecast for the full-year sales ratio: about 40% in FY2026)
- The government-led "Legacy Meter Replacement Program" (FY2026-FY2030) has had a slow start
  (Reflected in the initial forecast)
  - ・As the total installation volume through FY2030 remains unchanged, recovery is expected from FY2027 onward

[Example of annual meter replacement plan of Australian Distribution Utility]

	2026	2027	2028	2029	2030
Update Rate	**15%**	**24%**	**24%**	**20%**	**16%**

- EDMI's top management will implement "Executive Engagement," involving visits to major customers in Oceania, to improve the likelihood of winning orders and profitability in FY2026 and thereafter [H1]

6. Subsegments' Strategies and Forecasts ③

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Smart Meter Business Overseas (Europe)

<Net Sales>

(Billion Yen)

FY2025 Q1 Actual	**FY2026 Q1 Actual**	Change	FY2026 Forecast
3.9	**3.5**	▲0.4	**13.7**

Business Strategy

- **Maximize profit through a margin-focused order intake, cost control, and cost reduction**
- **Aim to capture survivor's gains centered on replacement demand from FY2027 onward as some competitors withdraw**

FY2026 Forecast

- Sales and profit will continue to decrease gradually alongside the peak-out of the government-led "Smart Meter Project" (Results are expected to remain in line with the initial forecast)
- Cost reduction model will be launched into the market (Targeting products for which price adjustments are difficult)
- Costs will be reduced through the optimization of SG&A expenses

Smart Meter Business Overseas (Asia)

<Net Sales>

(Billion Yen)

FY2025 Q1 Actual	**FY2026 Q1 Actual**	Change	FY2026 Forecast
0.8	**1.0**	0.2	**5.0**

Business Strategy

- **Adopt a margin-focused order-intake strategy by avoiding price competition with Chinese companies and others**
  - Withdraw from standalone meter sales
  - Expand bundled sales of meters and systems, as well as sales of industrial meters

FY2026 Forecast

- Aim to achieve higher sales than the previous fiscal year through expanded sales of solutions and industrial meters

7. Evaluation of Entry into the U.S. Market

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Key Solutions

● **NEOS Solution**

・Smart meters + upper-level systems
・Development of "NEOS" compliant with U.S. standards

(leveraging development assets and quality management systems in Oceania)

Market Environment

● **Growing demand for solutions for the measurement, monitoring, and control of electricity**

・Increase in power demand (expansion of AI usage)
・Integration of distributed energy resources with existing power grids
→ Enhanced control
・Strengthening resilience (recovery capability), etc.

The rollout of next-generation grid solutions is underway (timing varies by state)

Target

● **Electric utilities (approximately 3,000 utilities)**

・Enter the segments where support from major competitors is limited
・Market size is **approximately 10 times** that of Australia

Our Competitive Advantages

● **Strong technological expertise, development capabilities, and quality, underpinning its high market share in Oceania**

- Real-time data measurement technologies
- Data collection technologies
- Customer-centric business model

Business Feasibility Evaluation Schedule

2025	2026	2027	2028
Establish and launch local operations	Commence field tests (multiple electric utilities)	Complete assessment of business viability	Plan to commence production and sales

8. Overseas Production Strategy (Transition to an Asset-Light Manufacturing Model)

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- **Transfer production capabilities for key overseas markets to an EMS (Electronics Manufacturing Services) partner**
- **EDMI will focus management resources on its core competencies (including the development of products, software, edge intelligence, and grid solutions)**

Overall Scheme

Current

Asset-Owning Manufacturing Model

Osaki Electric

100% ownership

EDMI

[Singapore]

100% ownership

EESB

[Manufacturing Subsidiary: Malaysia]

After Transition to a Contract Manufacturing Structure

Asset-Light Manufacturing Model

Measures Implemented

① Transfer EESB shares to Cicor Asia

② Enter into a Manufacturing Services Agreement between EDMI and Cicor

Osaki Electric

100% ownership

EDMI

EESB

Manufacturing Services Agreement

Transfer of EESB shares to Cicor Asia

Cicor

[Switzerland]

100% ownership

Cicor Asia

[Singapore]

100% ownership

Tentative Name＊

Cicor Malaysia

[Malaysia]

- For further details, please refer to the timely disclosure dated July 28, 2026, entitled "Toward Improving Capital Efficiency through Asset-Light Strategy and Optimizing Manufacturing Operations "
- An overview of Cicor is provided on P.30

Expected Benefits

[Current]
Asset-Owning Manufacturing Model

[After Transition]
Asset-Light Manufacturing Model

① Focus on Areas of Competitive Advantage

EDMI will concentrate management resources on solution development

② Improved Capital Efficiency

Reduce capital expenditure requirements, compress inventory assets, and optimize working capital

③ Improved Profitability and Free Cash Flow

Improve earnings and free cash flow, including lower manufacturing costs through the consolidation of contract manufacturers and reduced interest expenses

No revision to full-year financial forecast as of Q1

9. Capital Expenditures, Depreciation and R&D

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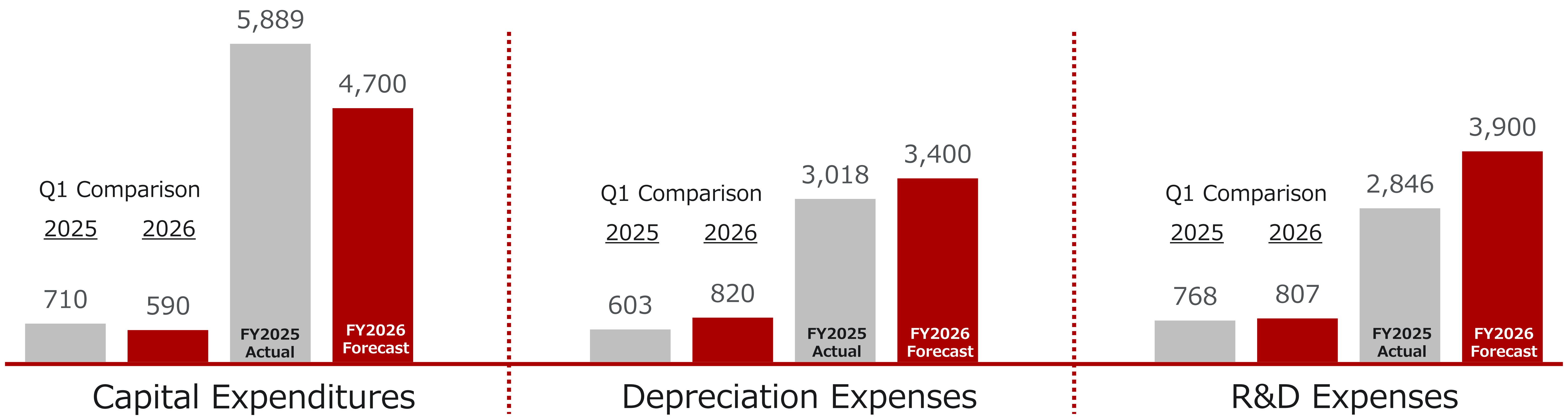
(Million Yen)



	FY2025 Q1 Actual	**FY2026 Q1 Actual**	Change		**FY2026 Forecast**
Capital Expenditures	710	**590**	▲119	▲16.8%	**4,700**
Depreciation Expenses	603	**820**	216	+35.9%	**3,400**
R&D Expenses	768	**807**	39	+5.1%	**3,900**

<FY2026 Q1 Actual>

- **Capital Expenditures**
  Capital expenditures are expected to decrease in FY2026 as those for second-generation smart meters already peaked in FY2025
- **Depreciation Expenses**
  Depreciation expenses increased year on year due to higher depreciation related to second-generation smart meters from Q2 FY2025 onward. As most of these expenses are associated with molds (one-year depreciation period), depreciation expenses are expected to peak in FY2026
- **R&D Expenses**
  Increase in growth investments in the domestic business, primarily for demonstration testing expenses related to expansion into the U.S.

10. Consolidated Balance Sheet

Balance Sheet

(Million Yen)

	End of FY2025	End of FY2026 Q1	Change	Key Factors Behind the Increase/ Decrease
Total Assets	99,821	**96,268**	▲3,552	Cash ▲177 Accounts receivable ▲4,606 Inventories ▲227
Current Assets	58,786	**54,279**	▲4,506	
Non-Current Assets	41,034	**41,989**	954	
Total Liabilities	30,986	**27,630**	▲3,356	Trade payable ▲2,249 Income taxes ▲2,349 Borrowings 650
Current Liabilities	23,610	**19,834**	▲3,776	
Non-Current Liabilities	7,376	**7,796**	420	
Total Net Assets	68,834	**68,638**	▲195	Retained earnings ▲239 Treasury shares ▲1,086
Equity	56,791	**56,452**	▲338	
Non-Controlling Interests	11,576	**11,718**	142	
Other	466	**466**	－	
Capital Adequacy Ratio	56.9%	**58.6%**	1.7pt.	

【Assets】
- Cash decreased due to dividend payments
- Accounts receivable decreased due to collections in Japan and overseas
- Inventories decreased due to the continued emergence of the results of our overseas "inventory reduction project"

【Liabilities】
- Accounts payable decreased due to payments overseas
- Borrowings increased due to borrowing overseas

【Net assets】
- Retained earnings decreased due to dividend payments
- Treasury shares increased due to share repurchases

● Capital adequacy ratio 58.6%

11. Quarterly Net sales and Operating Profit Trends

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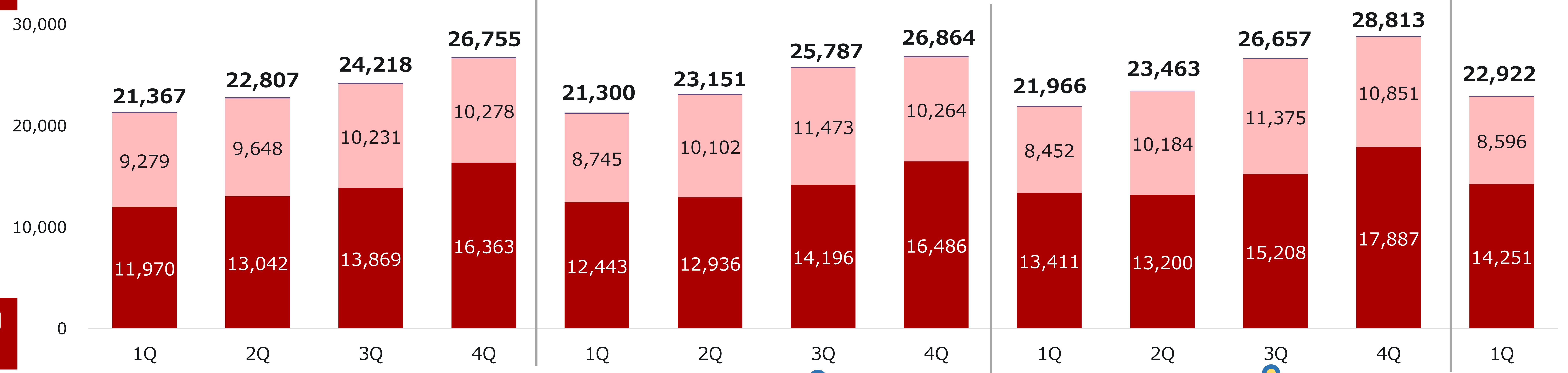
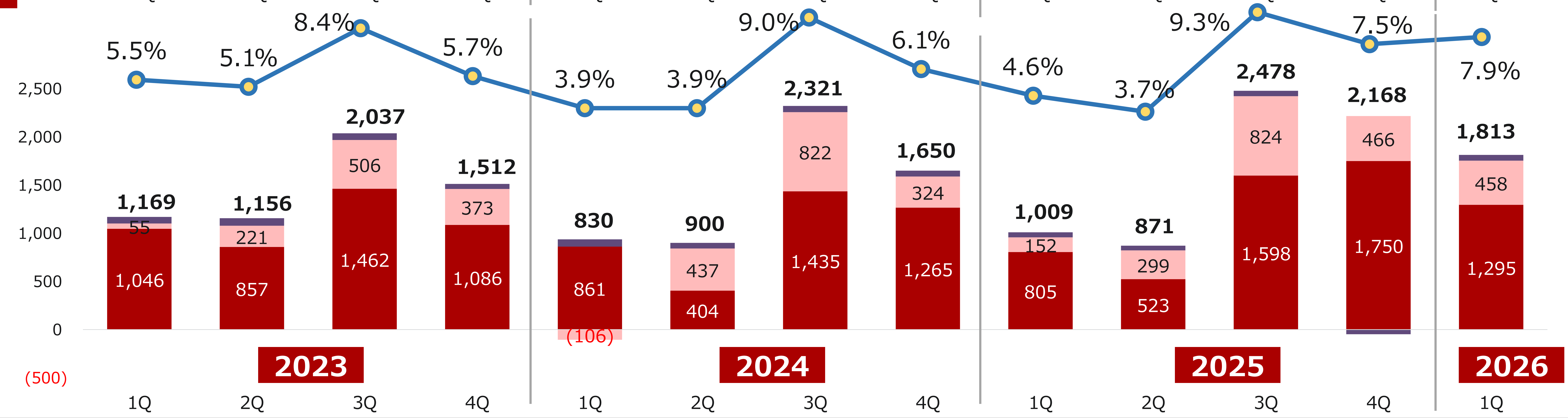
- Net Sales: Customers' capital investment tends to become more active toward the fiscal year-end, and net sales tend to increase in the H2 accordingly
- Operating Profit: Operating profit tends to show troughs in Q2 and Q4 due to the recording of half-year-end expenses in SG&A, cost of sales, and other items

Net Sales

(Million Yen)



Operating Profit



2 FY2026 Financial Forecast

- No revision to full-year financial forecast as of Q1

1. FY2026 Financial Forecast

No Revision

OSAKI

(Million Yen)

	FY2024 Actual	FY2025 Actual	FY2026 Forecast (Announced on May 12)	FY2025 Actual vs FY2026 Forecast	
Net Sales	97,102	100,900	**101,000**	99	+0.1%
Smart Meters & Solutions in Japan	56,061	59,707	**65,000**	5,292	+8.9%
Smart Meter Business	34,892	40,274	**42,500**	2,225	+5.5%
Solution Business	12,934	11,379	**13,500**	2,120	+18.6%
Switchgear Business	8,234	8,053	**9,000**	946	+11.7%
Smart Meters & Solutions Overseas	40,584	40,862	**35,700**	▲5,162	▲12.6%
Oceania	21,147	15,880	**17,000**	1,119	+7.1%
Europe	13,451	15,342	**13,700**	▲1,642	▲10.7%
Asia	4,693	4,846	**5,000**	153	+3.2%
The Middle East & Africa	1,292	4,793	**－**	▲4,793	—
Real Estate	456	330	**300**	▲30	▲9.2%
Operating Profit	5,701	6,526	**8,100**	1,573	+24.1%
Smart Meters & Solutions in Japan	3,965	4,676	**5,200**	523	+11.2%
Smart Meters & Solutions Overseas	1,477	1,743	**2,800**	1,056	+60.6%
Real Estate	270	103	**100**	▲3	▲3.8%

Average FX Rate (JPY/USD)	151.69	149.61	**155.00***	* Assumed rate for FY2026 forecast

3 Shareholder Returns

- Maintaining the FY2025 level for FY2026 dividends
- Introducing Shareholder Benefit Program with September 30, 2026 as the record date

1. Strengthening Shareholder Returns (Dividend Forecast and Share Repurchase)

OSAKI

Dividend Forecasts (FY2025 - FY2026)

	FY2025 (Yen)			FY2026 (Yen)		
	End of Second Quarter	Fiscal Year-End	Annual	End of Second Quarter	Fiscal Year-End	Annual
Ordinary Dividend	17	22	39	19	20	39
Special Dividend	-	10	10	10	—	10
Total	17	32	49	29	20	49

Dividend increased by 4 yen per share through the application of the payout ratio standard*

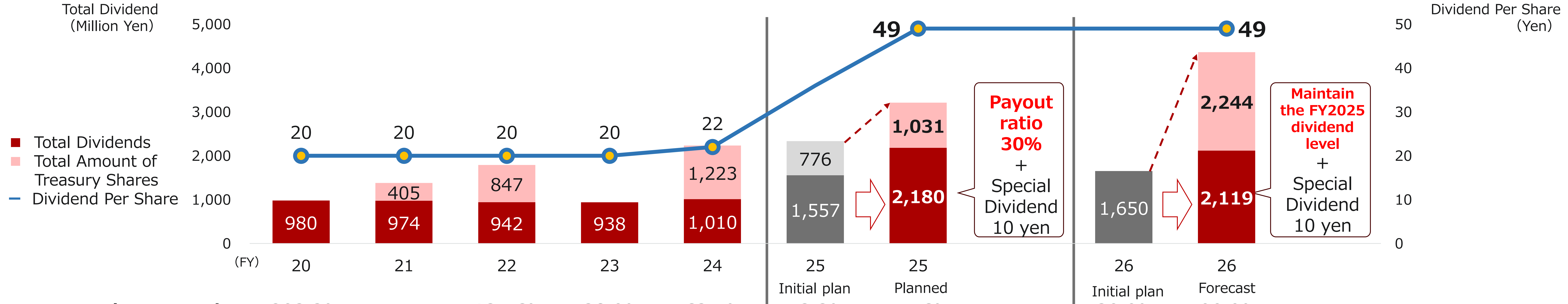
Maintain the FY2025 dividend level

* Latest dividend forecast: 45 yen (announced on February 19, 2026)

Share Repurchase

	FY2024 - FY2025	FY2026
Total Number of Share	Approx. 2.46 million shares	1.5 million shares (maximum)
Total Amount of Price	Approx. 2.0 billion yen	2.5 billion yen (maximum)
Period	From August 2024 to August 2025	From February 2026 to September 2026

Dividend Policy: Dividends to be determined based on the higher of DOE 2% or payout ratio 30% → Dividends to be determined based on the higher of DOE 3% or payout ratio 30%



Total return ratio	203.3%	– (Net Loss)	135.6%	38.9%	63.7%	43.3%	55.6%	30.0%	90.9%

2. Strengthening Shareholder Returns (Introduction of Shareholder Benefit Program)

OSAKI

Introduction of Shareholder Benefit Program（June 2026）

Eligible Shareholders

- Shareholders holding 100 shares or more of the Company’s common stock, as recorded in the shareholder register as of the record date (September 30 of each year)
- Initial Record Date: **September 30, 2026**

Shareholder Benefits

- “Digital Gift®,”* which can be received online and redeemed for items of their choice from a range of options, will be distributed in accordance with the number of shares held as of the record date

Number of Shares Held	Benefits
100 shares to 999 shares	Digital Gift® worth 1,000 yen
1,000 shares or more	Digital Gift® worth 5,000 yen

* “Digital Gift®” is a registered trademark of DIGITAL PLUS, Inc.
It is an electronic gift that can be received online

Appendix

1. Strategic Measures Toward Inclusion in the New Topix Index

OSAKI

- **Remaining included as a target for TOPIX-linked investment (strengthening efforts to meet the selection criteria for constituent stocks in the next generation TOPIX)**
- **Strengthening "Management Conscious of Capital Costs and Stock Price" and IR/SR while working on sustainable business growth**

Initiatives to Further Enhance IR

- **Strengthening dialogue with the stock market**

Number of IR/SR Interviews:

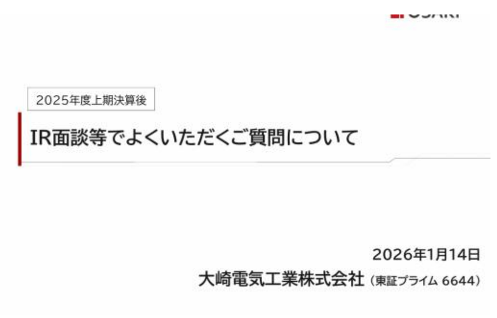
64 meetings (FY2023) → **156 meetings** (FY2025)

Frequency of Financial Results Briefings:

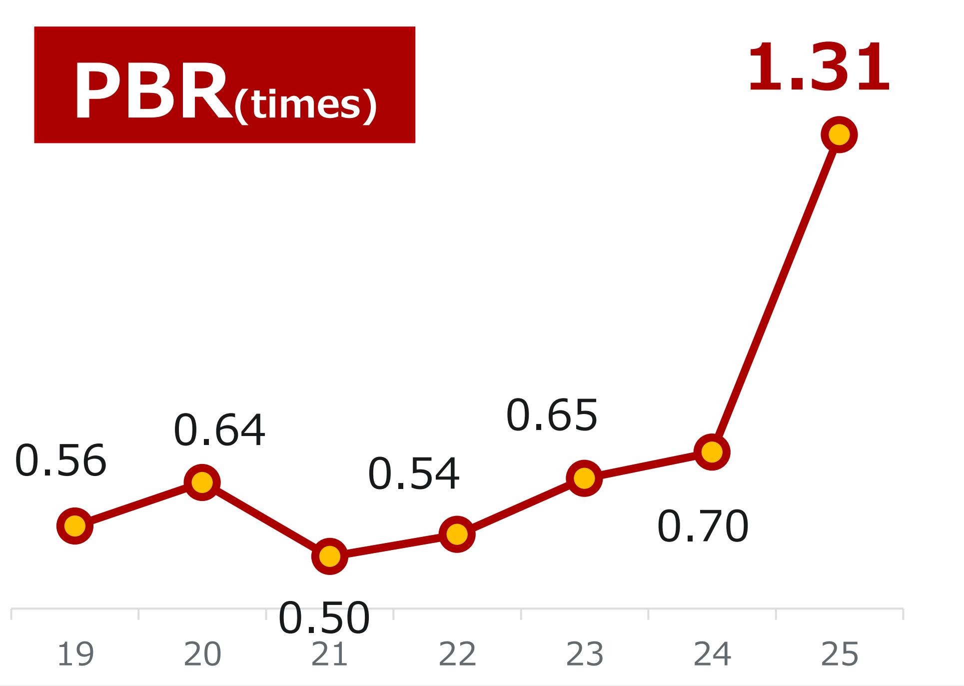
Semi-annual (-FY2024) → **Quarterly** (FY2025)

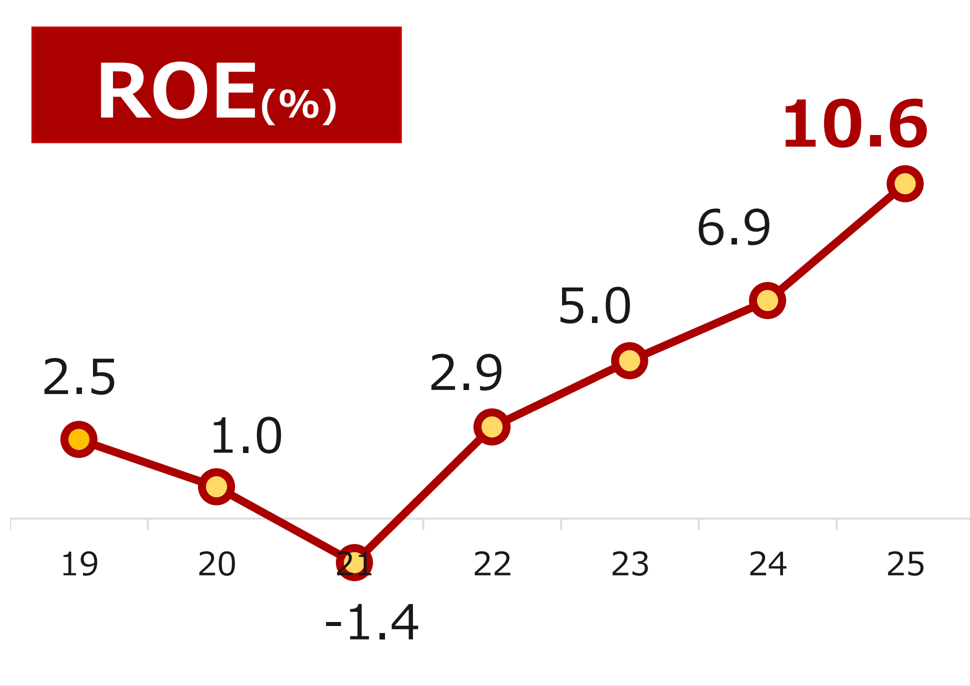
- **Expansion of IR materials**

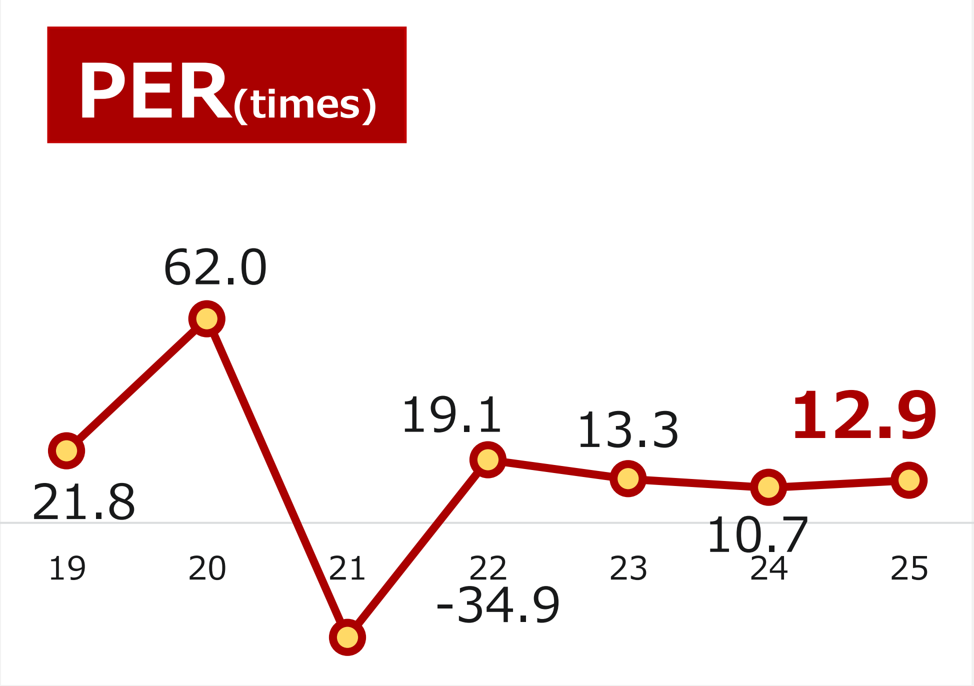
Enhanced financial results materials, publication of the Investor's Guide, etc.



Management Conscious of Capital Cost and Stock Price







- The cost of equity capital (FY2026): 6.8% to 8.0%
  - ・The cost of equity capital that reflects investor opinions
  - ・An aim of recovering ROE to 10% and for further improvement

Strengthening Shareholder Returns

- **Revising the dividend policy**
  - ・DOE benchmark hike (FY2025 onward): 2% → **3%**
- **Increasing dividends and implementing special dividends**
  - ・Per-share dividend forecast: 20 yen (FY2023) → **49 yen** (FY2025)
- **Introducing shareholder benefits**

Capital Efficiency Improvement

- **Improvement of the cash conversion cycle**
  - ・Reduction in inventory days: **6 days**
    129 days (FY2023) → 123 days (FY2025)
- **Reducing strategic shareholdings**
- **Reduction of non-operational assets**

2. Medium-Term Growth Strategy (2026～2030)

- Execute growth investments through efficient generation of funding sources. Focusing on building a foundation for the next phase of business growth
- Enhance management efficiency and improve shareholder value (improvement of ROE and PBR)

End of FY2025 Actual **PBR 1.31 times** ・ **ROE 10.6%**

2026-2030

Business Transformation and Growth

Smart Meter business

Japan
- Ensure stable supply of second-generation smart meters (revenue base)
- Full Automation of Key Production Processes for the Meter
- Develop new VCT models — Growth Investment
- Explore the storage batteries utilization business — Growth Investment

Overseas
- Ensure stable supply of next-generation smart meters (revenue base)
- Expand sales of “NEOS solutions” (expand sales regions)
- Launch next-generation industrial meters into the market — Growth Investment
- Evaluate entry into and commercialization of the U.S. market — Growth Investment

Solution Business
- Expand sales of energy management systems utilizing AI and storage batteries
- Develop new solutions in the housing and living domain — Growth Investment

Strengthen the Management Foundation

Establishing a Management Foundation to Support Sustainable Growth
- Drive business process innovation through DX investments — Growth Investment
- Strengthen human capital to promote business transformation and growth — Growth Investment
- Further enhance corporate governance
- Accelerate initiatives toward the realization of a decarbonized society

Optimal allocation of cash (foundation investments, growth investments, and shareholder returns)

Financial Strategy
- Expand operating cash flow from business activities
- Further improve working capital efficiency
- Optimize non-operational assets and enhance capital efficiency

Generate resources for foundation investments, growth investments, and shareholder returns

From 2030 onward

＜Our Vision＞

Realizing

Global Energy Solution Leader

- Expand from products to systems, and from systems to comprehensive solutions

Japan	Next-next-generation smart meters / New VCT models
Japan	Smart life solutions provider

- Provide energy solutions that address global challenges

Japan	GX solutions provider
Overseas	Enhance “NEOS solutions”

- Provide new value to customers worldwide and establish a solid position in the global market

Global	An energy solutions provider with operations across five global regions (Japan/Oceania/U.S./U.K./Asia)

3. Medium-Term Growth Strategy by Business ①

OSAKI

Smart Meter Business in Japan

Forecast of Changes in the External Environment (up to 2030)

Politics (Laws, regulations, policies, etc.)	Society (Consumer trends, lifestyle changes, etc.)
・Acceleration of policies addressing climate change ・Development of power transmission and distribution networks ・Strengthening resilience to disasters	・Decline in the working-age population and advancing aging (growing demand for labor-saving and automation) ・Decrease in the number of households and housing units ・Progress in decarbonization
Economy (Economic climate, interest rates, foreign exchange rates, etc.)	**Technology** (Innovation, advancement of existing technologies, etc.)
・Increase in power demand driven by the advancement of AI, DX, and GX (green transformation) ・Rising power procurement costs and diversification of power trading methods ・Progress of inflation (expansion of procurement risks for materials and components)	・Advancement of grid and supply-demand operations ・Progress and widespread adoption of AI technologies, and advancement of DX ・Evolution of remote-control technologies

Major Business Strategy

＜Core Business＞

● Establish a stable revenue base through the reliable supply of second-generation smart meters

→ Achieved full automation of main production processes (assembly processes and in-yard transporting)

＜Growth Business＞

● Enter the grid-connected battery storage business → Aim to become **a GX solutions provider** in the future

Work to commercialize businesses that leverage strengths in smart meter measurement technologies and the GX (green transformation) solutions business, contributing to the stabilization of power infrastructure and the realization of decarbonization

● Concept review for next-next-generation smart meters

● Develop new VCT models (manufacturing automation)

Smart Meter Business Overseas

Forecast of Changes in the External Environment (up to 2030)

Politics (Laws, regulations, policies, etc.)	Society (Consumer trends, lifestyle changes, etc.)
・Outbreak, escalation, and prolongation of regional conflicts → Concerns over heightened geopolitical risks in areas such as raw material procurement, foreign exchange, export controls, and tariffs ・Acceleration of global climate change measures (decarbonization) → Resulting in variations in the pace and scope of initiatives across countries and regions	・Progress in decarbonization ・Population growth and increases in the number of households and housing units ・Progress in electrification, particularly in emerging markets, and growing demand for power measurement and control
Economy (Economic climate, interest rates, foreign exchange rates, etc.)	**Technology** (Innovation, advancement of existing technologies, etc.)
・Increase in power demand driven by the advancement of AI, DX, and GX (green transformation) ・Growth in investment in clean energy ・Persistent inflation and rising costs (economic slowdown) ・Heightened uncertainty in foreign exchange fluctuations	・Advancement and widespread adoption of AI technologies ・Expansion of edge computing ・Expansion of renewable energy and energy storage systems ・Shortage of specialized talent → Securing talent from emerging markets

Major Business Strategy

＜Core Business＞

● Build a stable revenue base through the reliable supply of the next-generation smart meter “NEOS”

● Expansion of “NEOS Solutions” (geographic expansion)

＜Growth Business＞

● Enhance NEOS solutions through edge intelligence

● Develop and launch next-generation industrial meters

● Evaluate entry into and commercialization of the U.S. market

3. Medium-Term Growth Strategy by Business ②

OSAKI

Solution Business in Japan

Forecast of Changes in the External Environment (up to 2030)

Politics (Laws, regulations, policies, etc.)	Society (Consumer trends, lifestyle changes, etc.)
・Acceleration of policies addressing climate change ・Progress in developing the environment for DX promotion ・Strengthening resilience to disasters	・Decline in the working-age population and advancing aging (growing demand for labor-saving and automation) ・Decrease in the number of households and housing units ・Progress in decarbonization
Economy (Economic climate, interest rates, foreign exchange rates, etc.)	**Technology** (Innovation, advancement of existing technologies, etc.)
・Increase in power demand driven by the advancement of AI, DX, and GX (green transformation) ・Rising power procurement costs and diversification of power trading methods ・Progress of inflation (expansion of procurement risks for materials and components)	・Advancement and widespread adoption of AI technologies, and progress in DX ・Innovation in batteries storage technologies ・Advancement of semiconductor technologies

Major Business Strategy

＜Core Business＞

● Expand revenue and profitability of meters for non-utility customers (non-utility meters)

＜Growth Business＞

● Launch and expand sales of energy management systems utilizing AI and energy storage
Product name: "SmaRe:C" (a service that optimizes electricity costs while maximizing the use of renewable energy)

● Deploy DX solutions that support on-site operations (automated meter reading and smart maintenance)

● Position the smart lock "OPELO series" as a front-end product and develop new solutions in the housing and living domain

→ Aim to become **a smart life solutions provider** in the future

Grid Storage Station

A large-scale battery storage facility directly connected to the transmission and distribution network (power grid), expected to serve as essential infrastructure for the expansion of renewable energy. It can be charged when electricity supply is abundant and market prices are low, and discharged when demand is high and prices rise, enabling revenue generation.
By storing generated electricity and utilizing it during periods such as nighttime, it helps avoid energy loss and is expected to deliver energy-saving benefits

Edge Intelligence

A technology in which data processing is performed not in the cloud but at the device (edge) where the data is collected, using AI and other methods for analysis.
(Cloud: centralized processing ⇔ Edge: distributed processing)
This technology is based on the principle of converting the conventional process of "collecting data at the device → sending to the cloud → analyzing in the cloud → sending instructions back to the device." to an approach that aims to complete the entire workflow at the device (edge)

<Advantages>
① Real-time processing: Enables instantaneous decision-making by eliminating round-trip communication
② Reduced communication load and costs: No need to transmit all large volumes of data to the cloud, reducing network load and communication expenses
③ Enhanced security: Reduces the risk of data leakage

4. Expected External Environment and Risk/Opportunity Responses ①

Expected External Environment	Major Expected Risks [R] and Opportunities [O]	Key Countermeasures
【Short-term】 Decrease in the availability of raw materials and components due to the prolonged situation in the Middle East	**【R】**・Shortage of raw materials and components ・Prolongation of procurement lead times **【R】** Supply chain disruptions	・Diversification of suppliers, decentralization of procurement regions, and advance procurement of critical parts and materials ・Evaluation of alternative materials and components, design modifications, and development of alternative technologies ・Adjustment of product mix during production, negotiation of delivery schedules, and strengthening of inventory management ・Review of contract structures (long-term supply contracts, priority supply agreements, etc.)
【Short-term】 Increase in costs due to rising crude oil prices (raw material prices, fuel costs, logistics costs, etc.)	**【O】** Growing demand for energy efficiency **【R】** Increases in raw material and logistics costs	・Expand sales of meters (DC meters) and GX (green transformation)-related products and services ・Pass on costs appropriately to selling prices ・Strengthen cost reduction initiatives ・Promote logistics efficiency
【Short-term】 Uncertainty in foreign exchange fluctuations	**【R】** Depreciation of the domestic currency (e.g., weaker yen) → Higher procurement costs for imported materials **【R】** Appreciation of the domestic currency (e.g., stronger yen) → Decline in overseas subsidiaries' performance in yen terms	• Forward contracts to hedge currency fluctuations • Mitigate impact through design modifications and material reviews assuming higher import material prices
【Short-term】 Semiconductor memory shortage	● The semiconductor memory, which is globally reported to be in shortage, is of a different specification category from that used by OSAKI Group as end of FY2025. Therefore, there is no impact on our operations **【R】** If the global shortage of semiconductor memory worsens and affects the specifications used by OSAKI Group, there are concerns about rising procurement costs and potential impacts on production plans	
【Short-term】 Structural increase in personnel expenses	**【O】** Growing demand for labor-saving solutions **【R】** Profit pressure from rising personnel expenses	・Expand sales of labor-saving products such as "Rakuraku Kenshin" ・Improve value added per employee by strengthening the human capital strategy ・Fundamental review of business processes through the promotion of DX

4. Expected External Environment and Risk/Opportunity Responses ②

OSAKI

Expected External Environment	Major Expected Risks [R] and Opportunities [O]	Key Countermeasures
【Short-term】 Enhancement of corporate governance and disclosure requirements	【O】 Strengthening corporate governance capable of meeting market expectations → Improvement in market evaluation from a non-financial perspective 【R】 Decline in market evaluation due to delays in initiatives	・Strengthen the corporate governance execution framework and initiatives centered on the Board of Directors and the Board of Corporate Auditors (to be promoted together with evaluations of Board effectiveness) ・Enhance disclosure regarding the progress and results of initiatives
【Short-term】 Rising domestic interest rate levels	【R】 ・Increase in interest expenses ・Decline in revenue from the solutions business due to slower starts of housing and commercial facility construction ・Decline in revenue from switchgear, VCTs, and other products due to reduced production-related capital investment ・Decline in the value of non-operational assets ・Stricter investment decisions and postponement or reduction of investments	・Switch borrowings and reduce debt using cash on hand ・Strengthen QCD strategies and enhance profitability in target businesses ・Reassess investment decision criteria and shorten investment payback periods
【Short-term】 Persistent inflation and rising costs	【R】 ・Ongoing pressure on profitability ・Increased personnel cost burden	・Fundamentally review business processes through the promotion of DX and improve productivity by strengthening human capital strategies ・Explore alternative materials and components, and establish design changes and alternative technologies
【Short-term】 Rapid advancement and widespread adoption of generative AI technologies	【O】 ・Improved operational efficiency and productivity 【R】 ・Occurrence of information security incidents	・Continuously and proactively develop DX talent and utilize their skills ・Establish information security rules, frameworks, and systems based on the widespread use of AI
【Short-term】 Increasing cybersecurity risks	【R】 ・Occurrence of cybersecurity incidents ・Loss of business opportunities due to information leakage and other factors ・Deterioration of corporate reputation	・Strengthen investments in cybersecurity measures ・Reinforce security rules, frameworks, and systems assuming cyberattacks ・Thoroughly implement internal education and training

4. Expected External Environment and Risk/Opportunity Responses ③

OSAKI

Expected External Environment	Major Expected Risks [R] and Opportunities [O]	Key Countermeasures
【Mid- to Long-term】 Utility Volatility from Economic Downturn and Oil Prices	**【R】** Postponement of investment in smart meters and related areas	• Early identification of information and countermeasure planning through strong customer communication • Expansion of the Solution Business
【Mid- to Long-term】 Stronger regulations and initiatives to reduce greenhouse gas emissions	**【O】** Growing demand for decarbonization and energy efficiency **【R】** Increased business costs due to strengthened renewable energy and energy efficiency policies	• Sales expansion of DC meters and GX (green transformation) products and services • Securing profits while factoring in higher costs • Optimizing electricity costs through the use of our own GX (green transformation) products
【Mid- to Long-term】 Decline in Japan's Working-Age Population	**【O】** Growing demand for labor-saving solutions **【R】** Increase in personnel expenses (personnel expenses for full-time employees and expenses for external resources)	• Contribute to automation and labor-saving through wider adoption of smart meters, automated meter reading services, and smart locks → Expand sales • Offset increased labor costs through price adjustments, further cost reduction efforts, and cuts to non-labor SG&A expenses
【Mid- to Long-term】 Global Increase in Electrification Rates	**【O】** Growing demand for smart meters and renewal of transmission/distribution infrastructure	• Expand sales of smart meters and related devices • Growing demand for integrated solutions combining smart meters and upper-layer systems to support advanced electricity usage management → Expand sales

5. Overview of Cicor, EDMI's Contract Manufacturing Partner

OSAKI

- Cicor is a global Electronics Manufacturing Services (EMS) provider listed on the SIX Swiss Exchange
- Based on a comprehensive assessment of its collaboration track record with EDMI, quality, cost competitiveness, manufacturing capabilities, and global footprint, Cicor was selected as the preferred manufacturing partner and entered into a Manufacturing Services Agreement with EDMI

Cicor

* Company scale and location information are based on Cicor's Annual Report 2025

Business Portfolio

Advanced Electronic Solutions: Development, Manufacturing and Supply Chain Services

Company Scale

Net Sales: CHF 616.5 million (approximately 120 billion yen/FY2025 Actual)

Employees: More than 4,500

Global Network

Operates manufacturing facilities in 14 countries

Listing Status

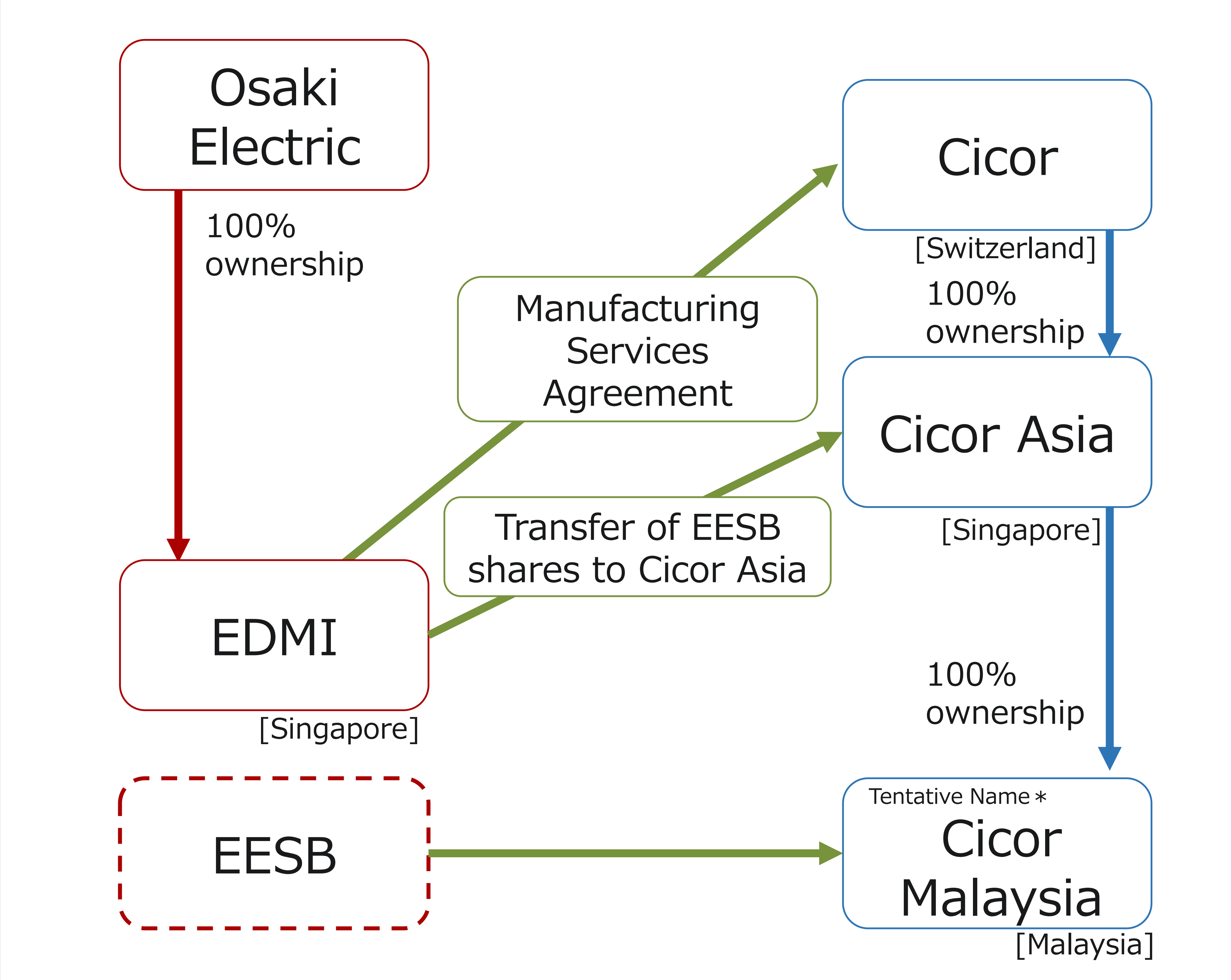
Listed on the SIX Swiss Exchange

Relationship with EDMI

Currently manufactures EDMI products for the U.K. market in Morocco (North Africa)

After Transition to a Contract Manufacturing Structure

Asset-Light Manufacturing Model



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6. Other IR materials

Financial Results and Presentation Materials

Materials related to past financial results are available

Our Website　Financial Results and Presentation Materials

Sponsored Research

This sponsored research has been prepared with the aim of providing a more detailed understanding of our company

Our website　Sponsored Research

Investors Guide

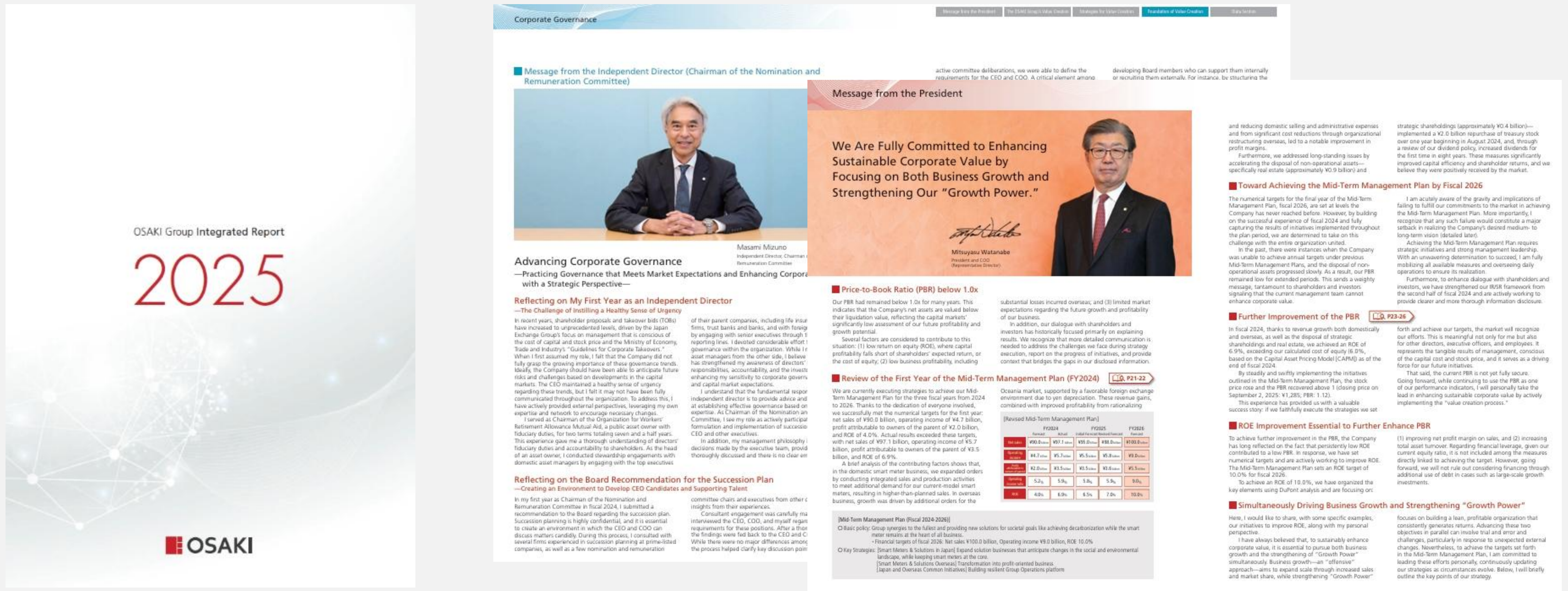
This Investors Guide has been prepared to provide investors who are considering us as an investment target for the first time with a more detailed understanding of our business activities, strategies, and other matters ＊Language：Japanese

Our Website　Investors Guide ～To understand us in 10 minutes～

Integrated Reports

We provide a clear overview of our current status while disclosing, as fully as possible, our action plans outlining what we aim to achieve and by when. Our mid- to long-term value creation process is presented from both financial and non-financial perspectives

Our Website　Integrated Reports



OSAKI ELECTRIC CO., LTD.
TSE Prime Market
Code: 6644

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