

FY2026 Q1 Financial Results Presentation Materials

August 10, 2026

OSAKI ELECTRIC CO., LTD.

TSE Prime Market

Code: 6644

- 1** **FY2026 Q1 Financial Summary** P.3
- 2** **FY2026 Financial Forecast (No Revision) (Reference)** P.20
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(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



	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

Overseas

- Expanded shipments of second-generation smart meters
- 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

Overseas

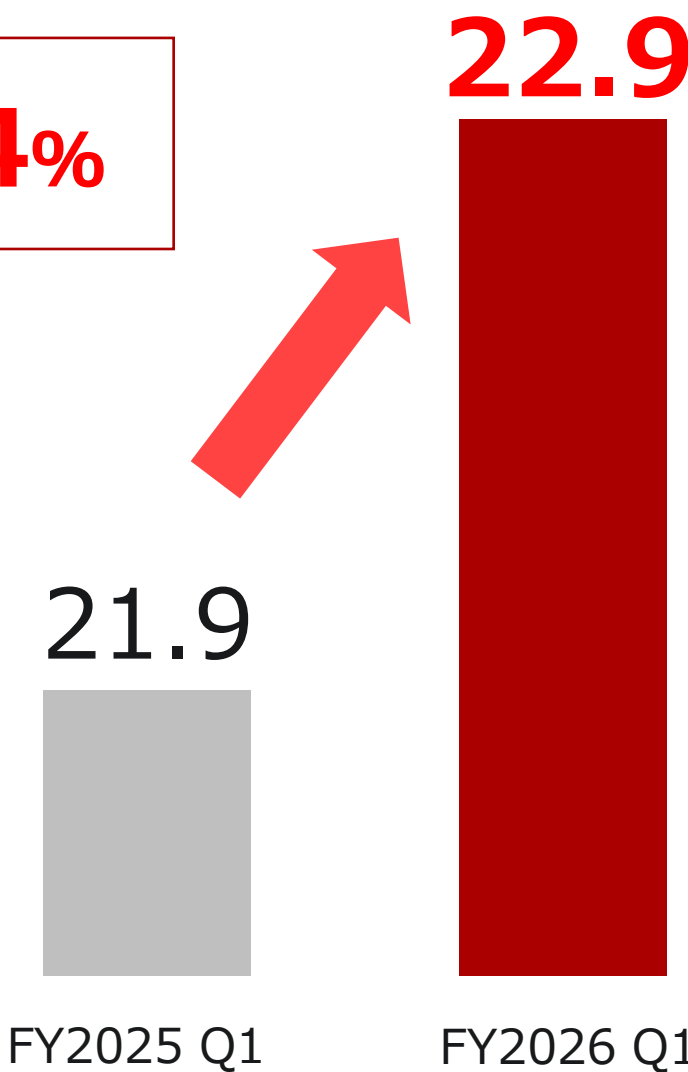
- Improved profitability driven by revenue increases from second-generation smart meters
- Strengthened cost reduction in the U.K.
- Revenue increase in the Middle East & Africa

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

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

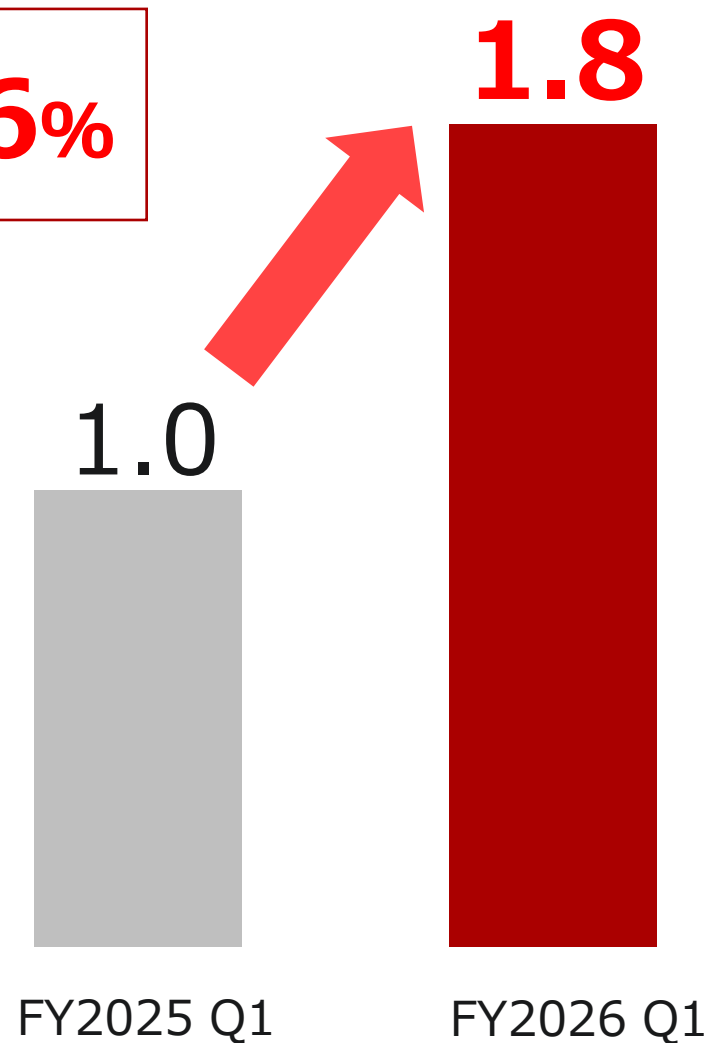
Net Sales

+4.4%

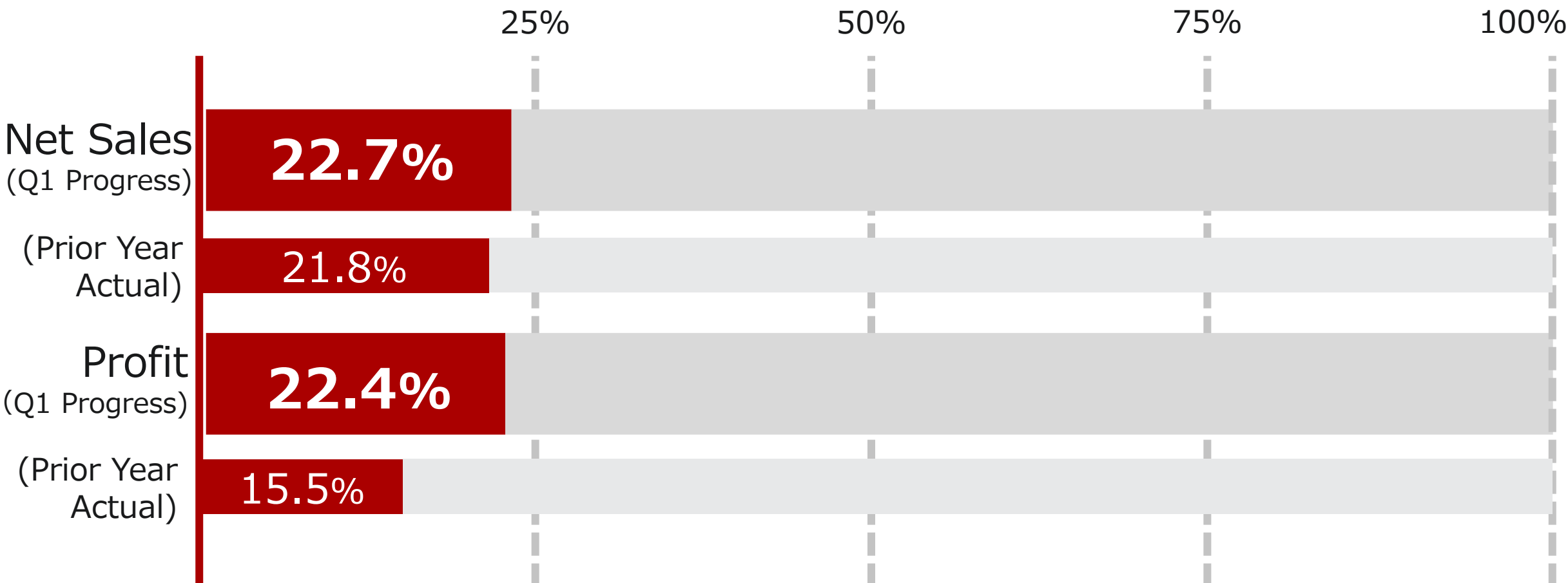


Operating Profit

+79.6%



Q1 Progress



2. FY2026 Q1 Financial Highlights

YoY

Increased
Sales and Profit



(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

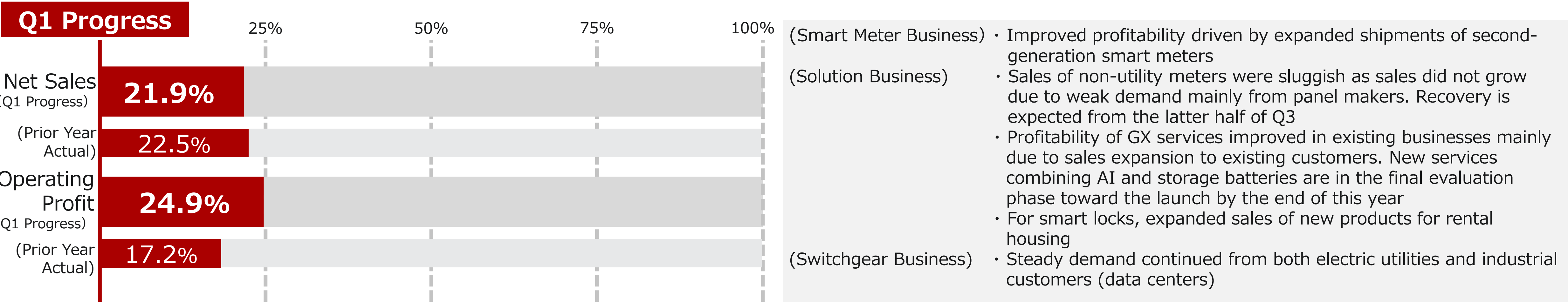
(by Product/Service)

Increased Sales and Profit



(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)



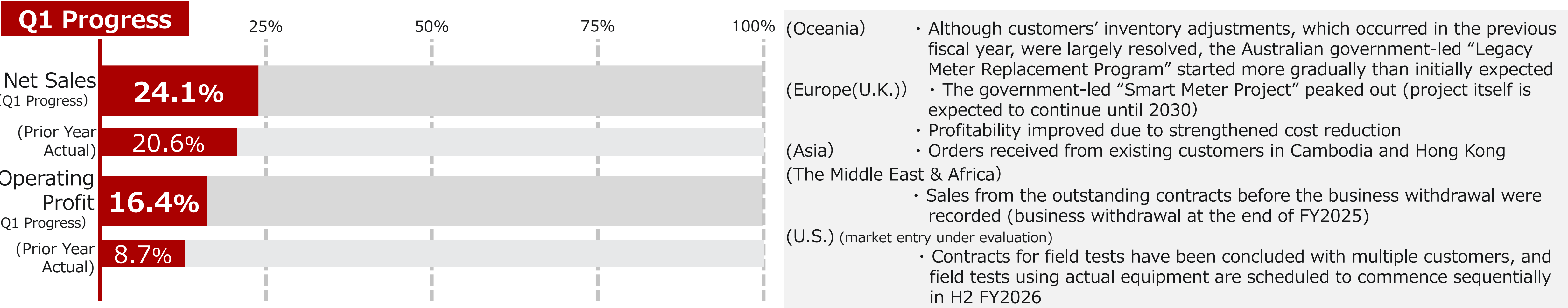
3. Results by Segment Overseas (by Region)

Increased Sales and Profit



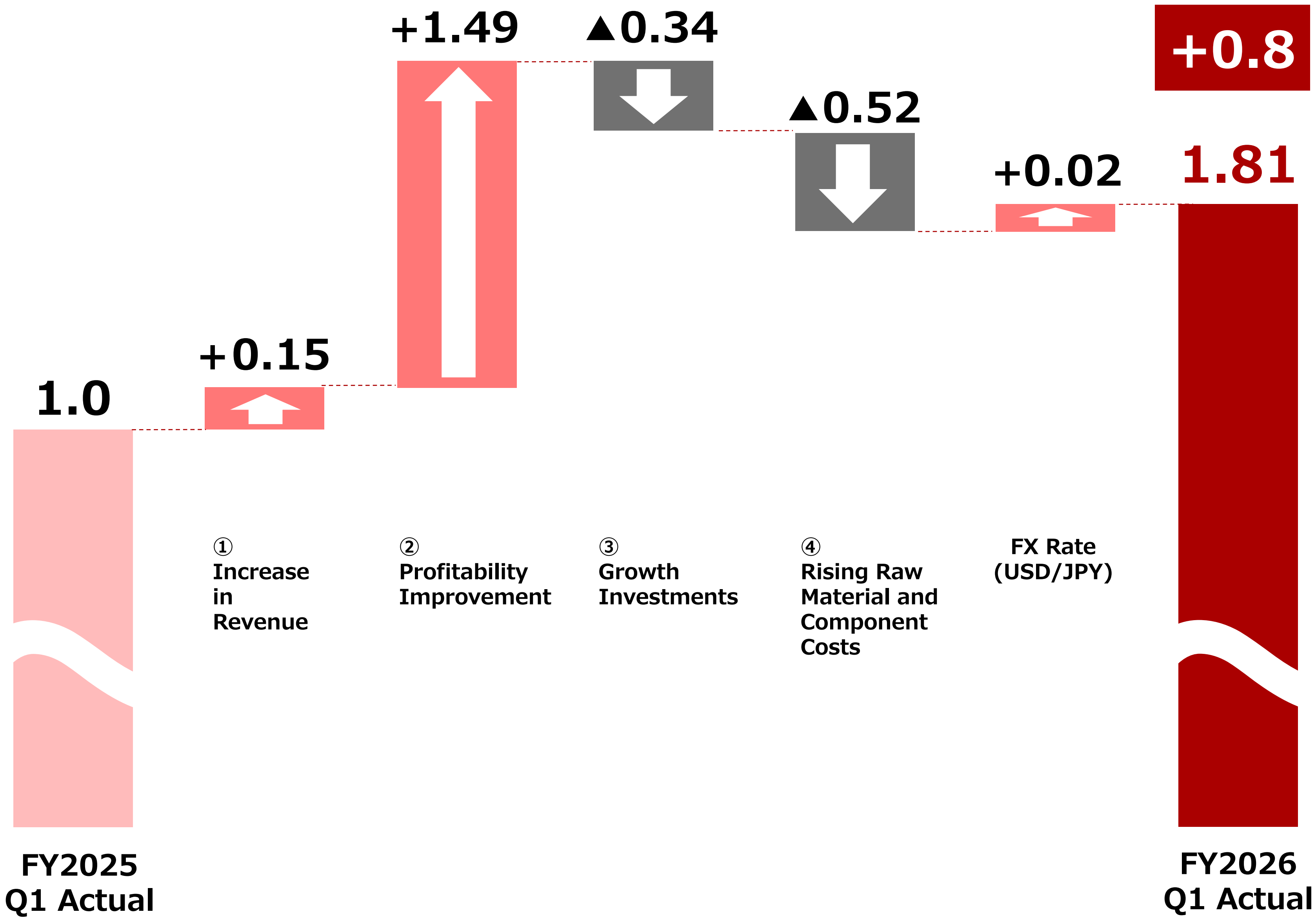
(Million Yen)

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

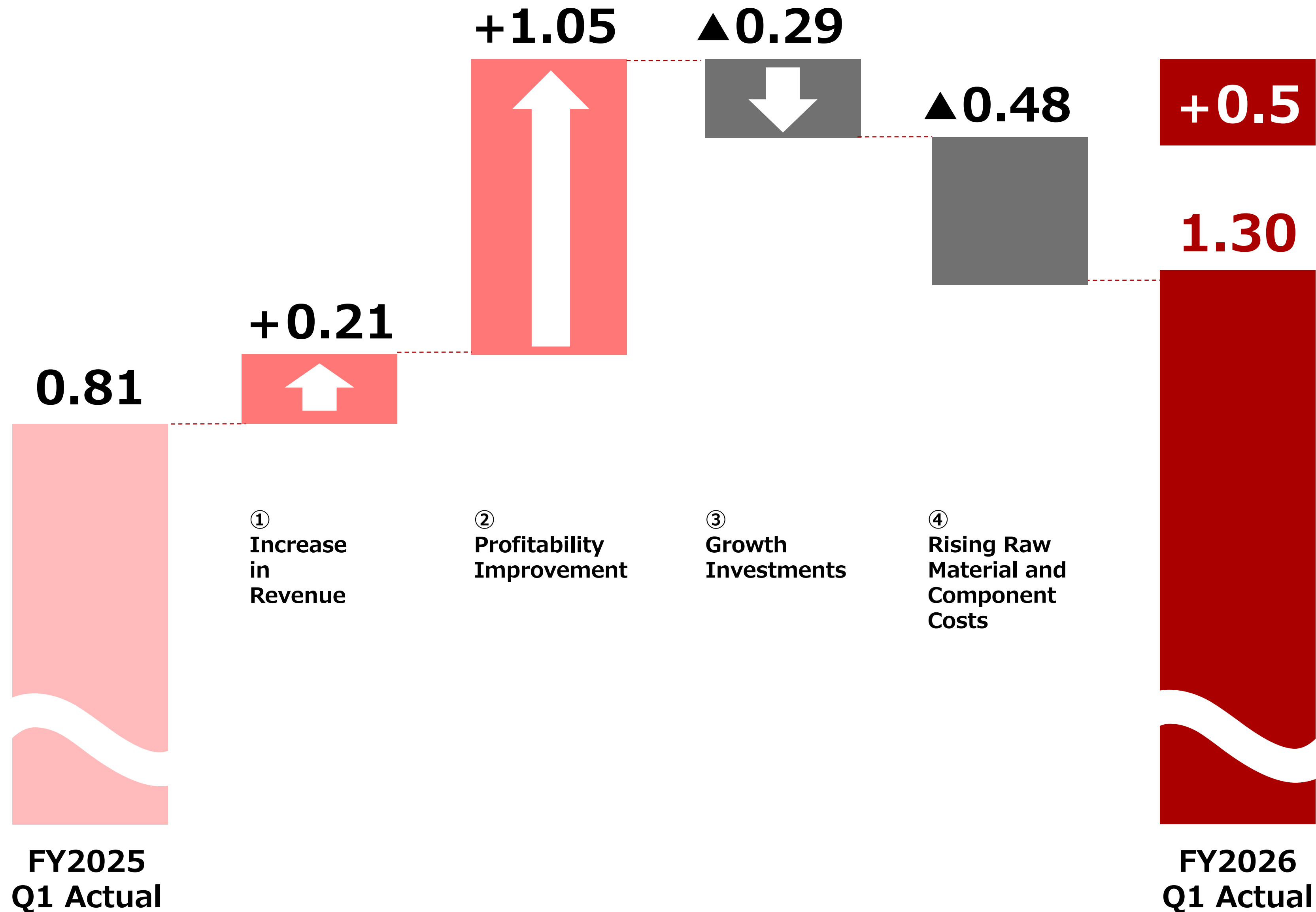


4. Factors Affecting Operating Profit

(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

**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

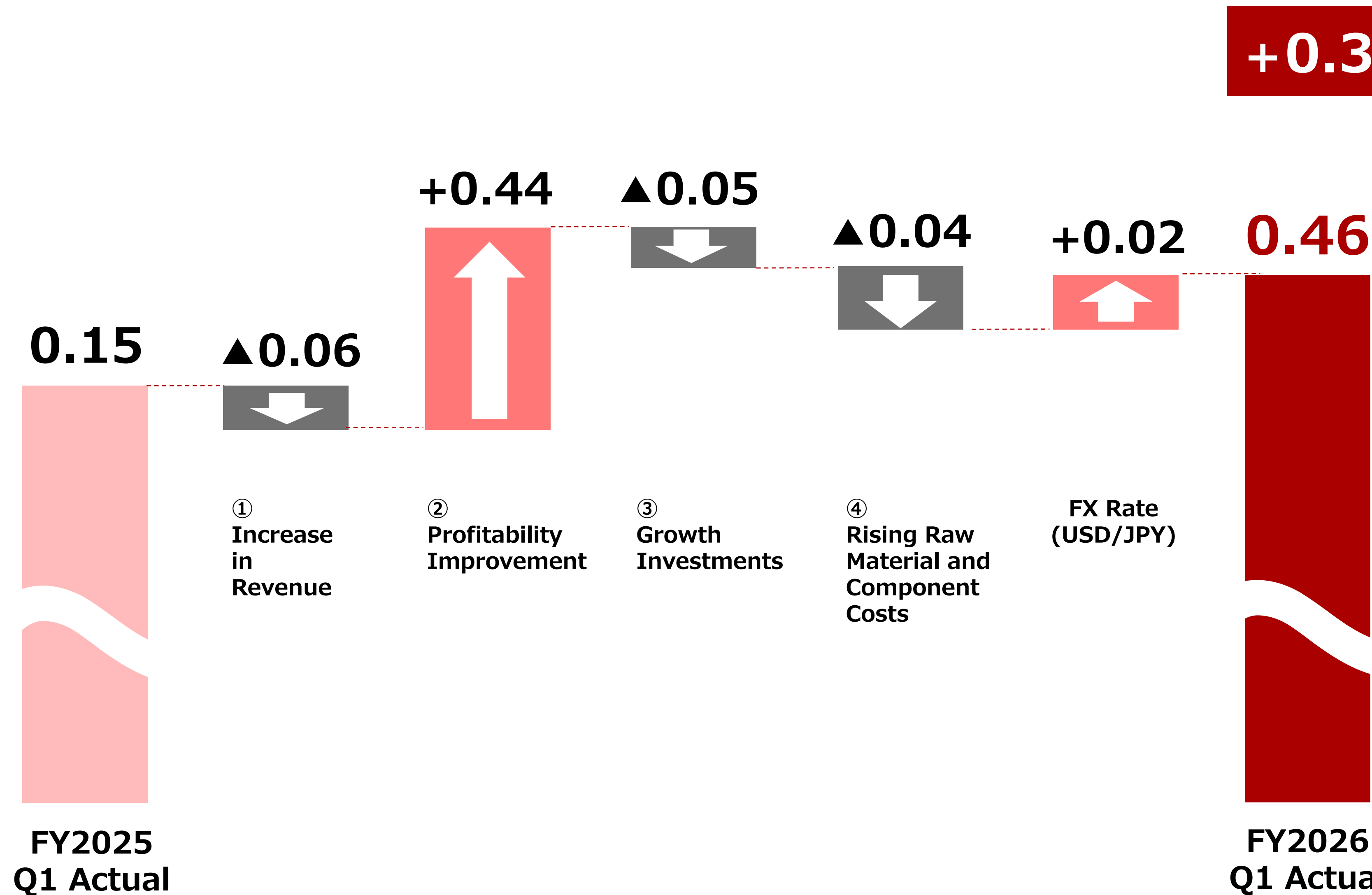
4. Overseas Factors Affecting Operating Profit

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

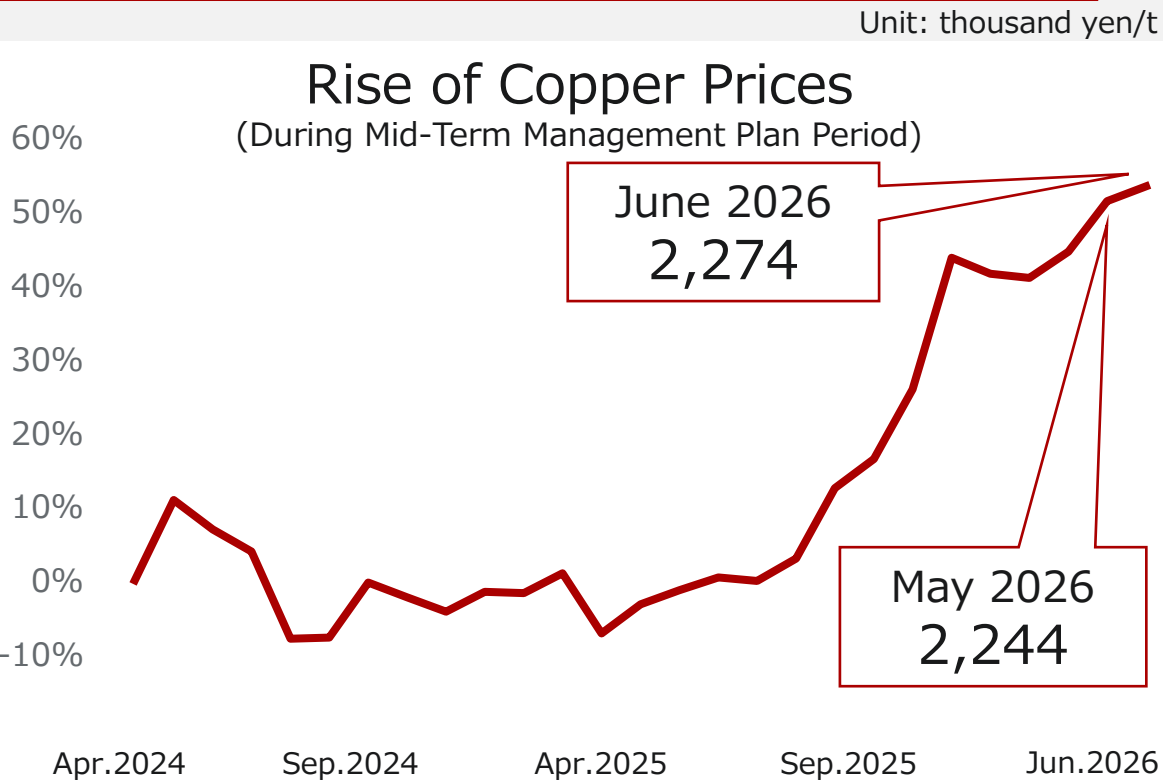
5. Major Impact of Rising Raw Material/Component Prices

Copper

Main Products

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

Market Conditions (Japan)



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

Financial Impact

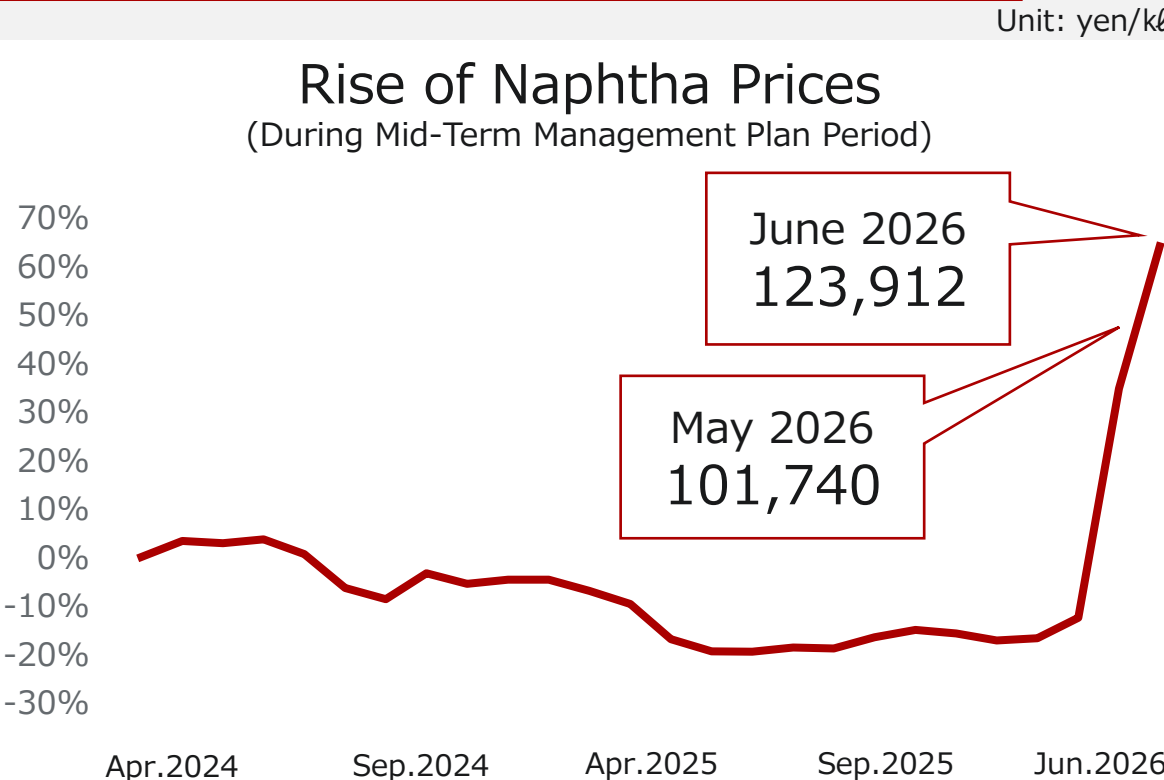
- As copper prices have been on an upward trend since April 2025, a certain level of procurement cost increases has already been reflected in the full-year forecast announced in May
- Although the rate of increase has moderated compared with the previous fiscal year, prices remain at a high level
- There 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

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

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%

- EDM'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

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

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)

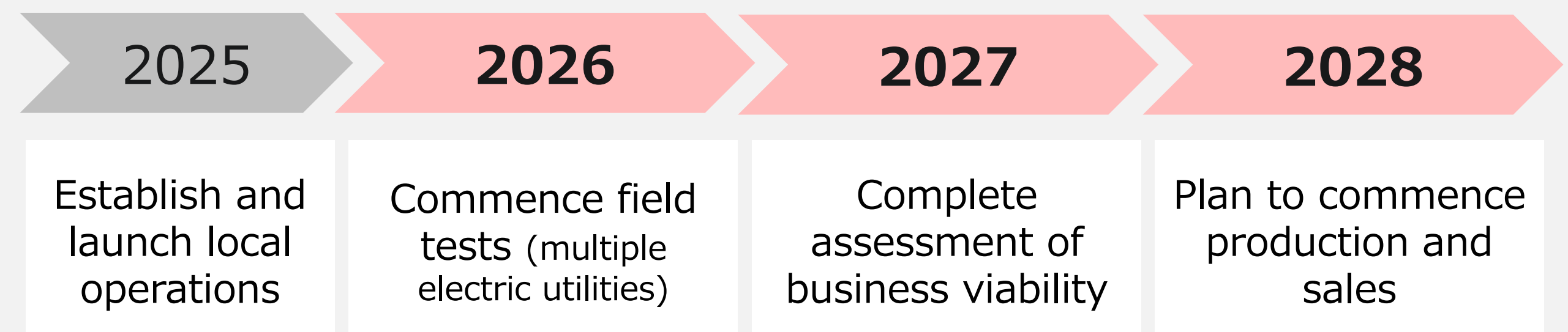
Target

- 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

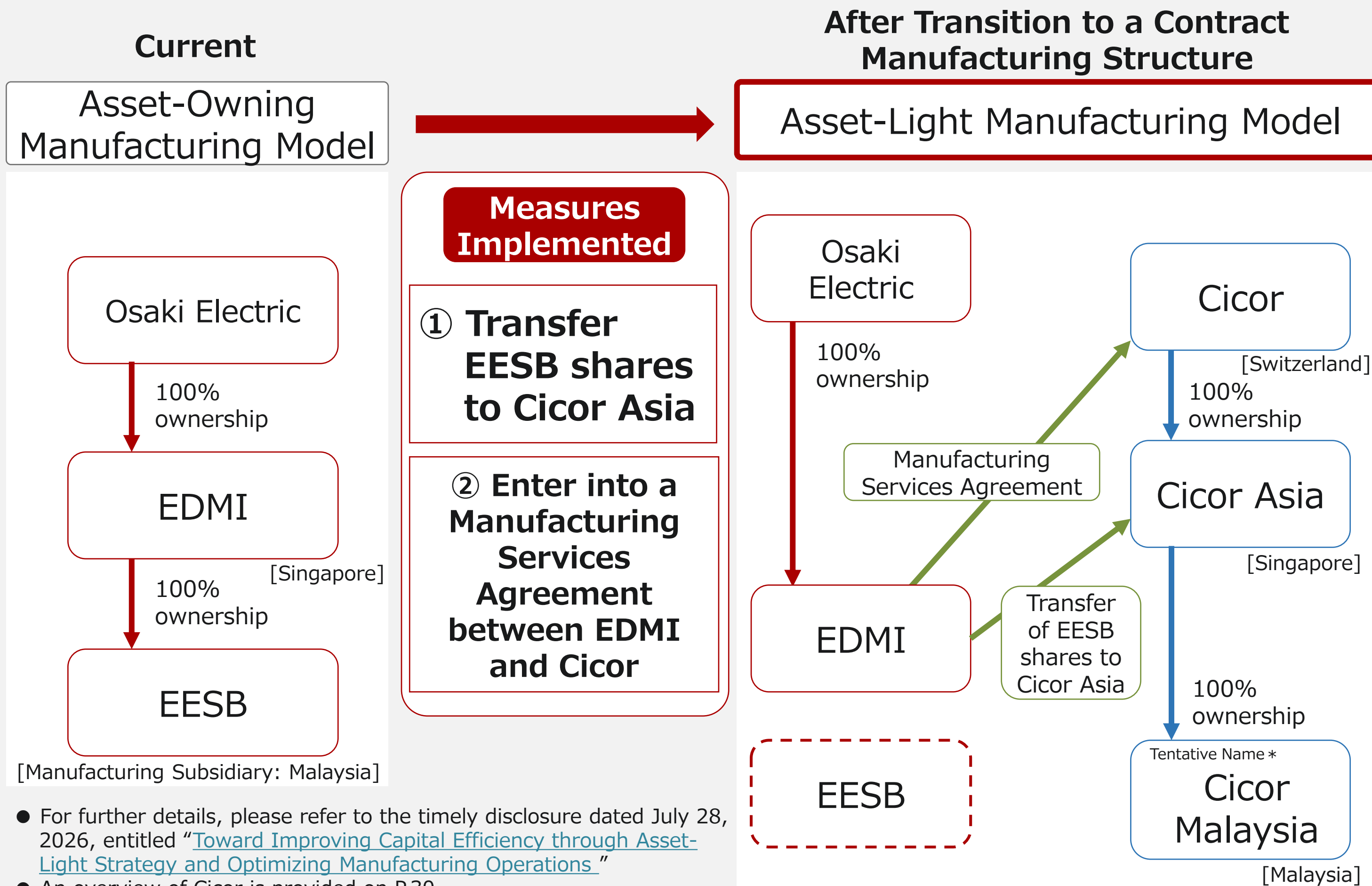
Business Feasibility Evaluation Schedule



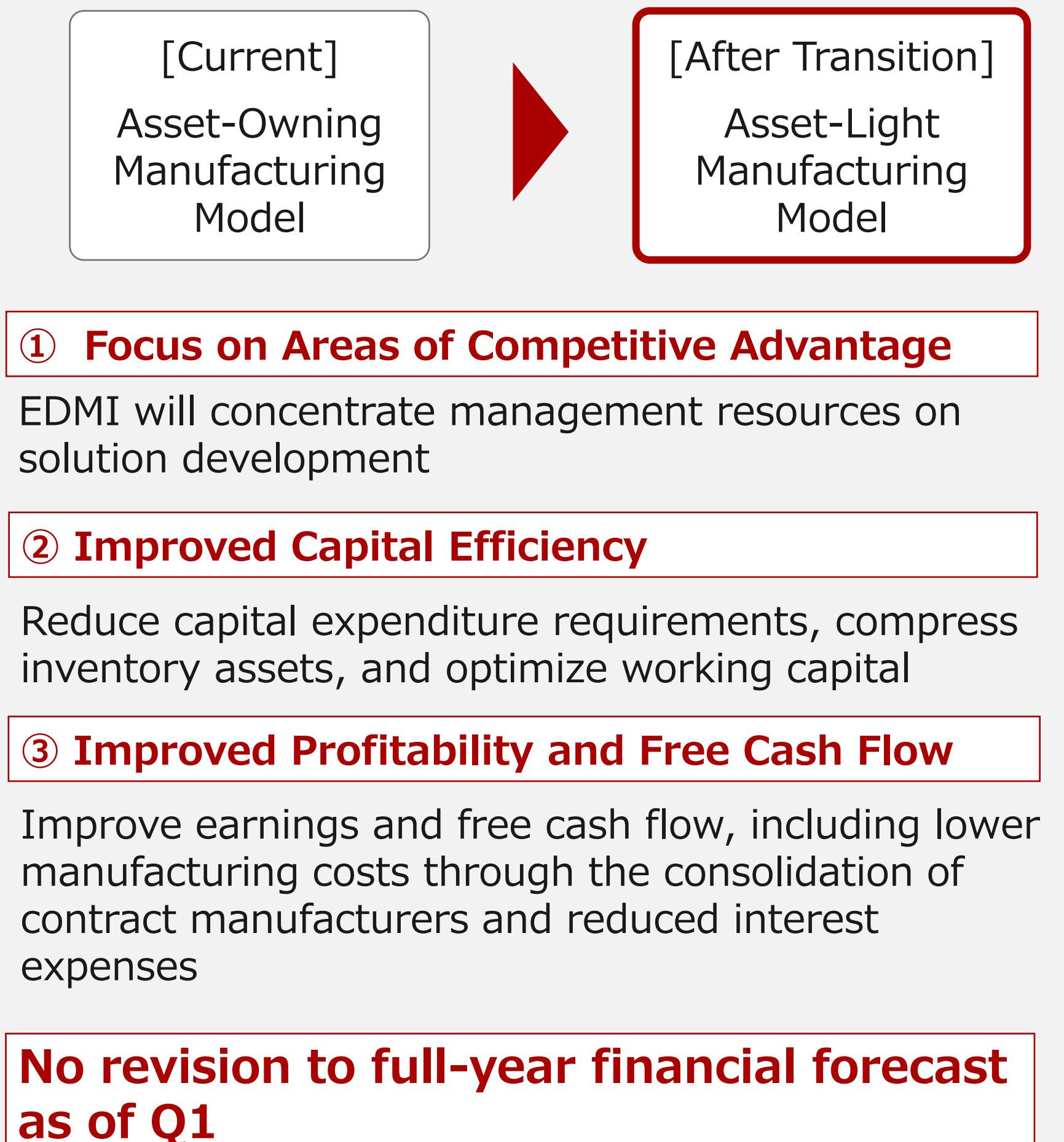
8. Overseas Production Strategy (Transition to an Asset-Light Manufacturing Model)

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

Overall Scheme



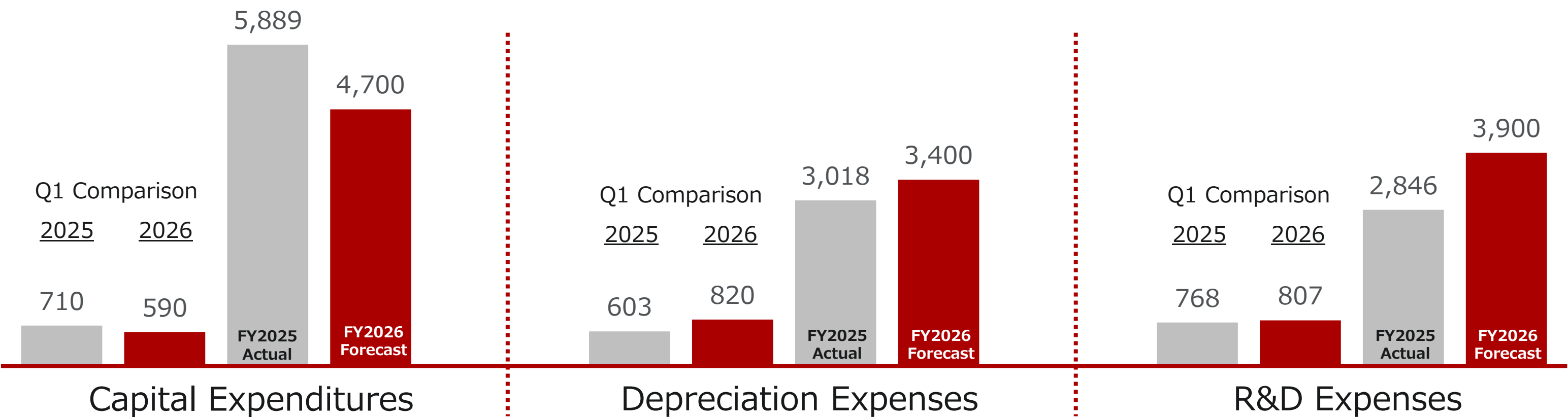
Expected Benefits



- 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

9. Capital Expenditures, Depreciation and R&D

(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
Current Assets	58,786	54,279	▲4,506	Accounts receivable ▲4,606
Non-Current Assets	41,034	41,989	954	Inventories ▲227
Total Liabilities	30,986	27,630	▲3,356	Trade payable ▲2,249
Current Liabilities	23,610	19,834	▲3,776	Income taxes ▲2,349
Non-Current Liabilities	7,376	7,796	420	Borrowings 650
Total Net Assets	68,834	68,638	▲195	Retained earnings ▲239
Equity	56,791	56,452	▲338	Treasury shares ▲1,086
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

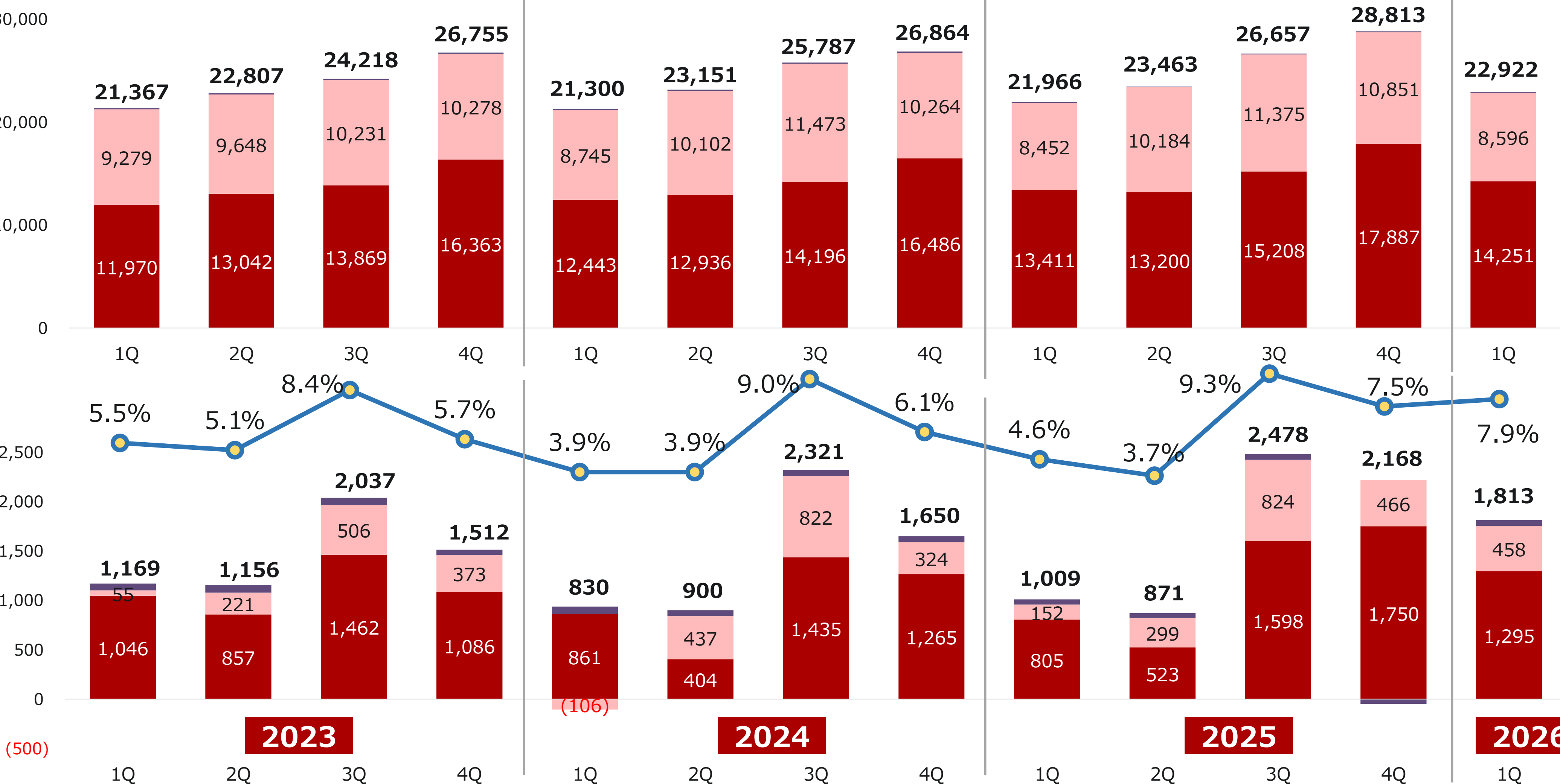
- Net Sales: Customers' capital investment tends to become more active toward the fiscal year-end, and net sales tend to increase in the H2 accordingly
- Operating Profit: Operating profit tends to show troughs in Q2 and Q4 due to the recording of half-year-end expenses in SG&A, cost of sales, and other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

Net Sales

(Million Yen)

- Smart meters & solutions in Japan
- Smart meters & solutions overseas
- Real estate and others
- Operating Profit Rate

Operating Profit



2 FY2026 Financial Forecast

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

1. FY2026 Financial Forecast

No
Revision



(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)

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)

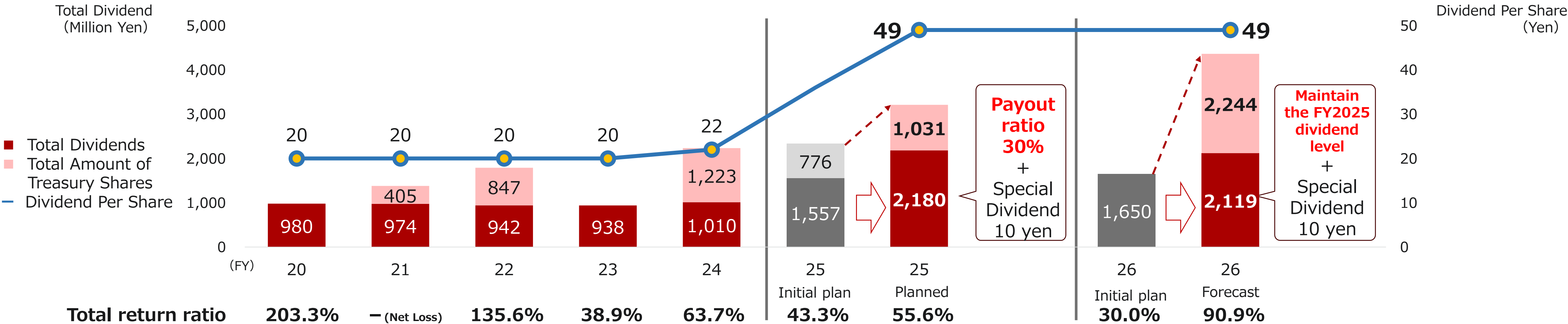
Share Repurchase

	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%



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

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



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

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