OSAKI

August 10, 2026
OSAKI ELECTRIC CO., LTD.

FY2026 First-Quarter Financial Results Briefing Q&A Summary

1. **Date and Time:**
   August 10, 2026 (Monday)
   10:00 a.m. to 10:45 a.m. (Held via Zoom)

2. **Respondents:**
   Ryuichi Ueno
   Director, Senior Managing Executive Officer, Head of Group Strategy Division

   Tetsuya Yamato
   Executive Officer, Deputy Head of Group Strategy Division and General Manager of the Finance & Accounting Department

   Tatsuya Matsuzono
   General Manager of the Corporate Communications Department

Q1. What were the reasons operating profit in the first quarter of FY2026 slightly exceeded expectations? Are these factors expected to continue from the second quarter onward?

A. In Japan, profitability improved year on year due to expanded shipments of second-generation smart meters in the Smart Meter Business, and we expect this positive trend to continue throughout the fiscal year. On the other hand, raw material and component prices remain on an upward trend. While copper prices have generally remained within the range assumed at the beginning of the fiscal year, petrochemical product prices have exceeded our assumptions. Taking these factors into account, we currently expect full-year results to be broadly in line with our initial forecast.

Q2. Regarding Oceania, the Company expects the sales ratio of "NEOS" to increase from the second quarter. Is this progressing in line with the initial plan? Has there been any delay?

A. We had originally expected sales of the next-generation smart meter "NEOS" to expand from the second quarter. However, progress has recently been slightly behind plan, and we now expect the rollout to accelerate from the third quarter. This is mainly due to the slow start of the Australian government-led "Legacy Meter Replacement Program." While the total installation volume over the five-year program remains unchanged, a portion of the volume planned for FY2026 could be deferred to later periods. To improve visibility on sales volumes for the current fiscal year and beyond, as well as enhance profitability, EDMI's senior management is conducting visits to major customers across Oceania.

Q3. What competitive advantages does the Company have for entering the U.S. market?

A. Major competitors already provide smart meter solutions to large electric utilities in the U.S. market. However, through our market research, we have identified that many regional small and mid-sized electric utilities are not necessarily satisfied with the services and pricing offered by these major suppliers.

Leveraging the development capabilities, sales expertise, and product quality that we have built in Oceania, we aim to address the needs of these smaller utilities and enter the market by providing tailored solutions. Beginning in the second half of FY2026, we plan to commence field tests with customers on a phased basis to evaluate the practical application of our solutions.

Q4. What challenges do small and mid-sized electric utilities face with existing offerings from major competitors?

A. Major competitors generally provide packaged solutions designed primarily for large electric utilities. As a result, they are not always able to address the diverse challenges faced by small and mid-sized utilities. There is demand for more flexible solutions tailored to individual customer requirements.

Q5. Why has demand from panel manufacturers remained weak in the Solution Business?

A. The main reason is that customers' production activities have slowed following revisions to Japan's transformer Top Runner Program standards. As a result, deliveries of our products have been postponed, leading to weaker demand from panel manufacturers.