FY2026 Q1 Financial Results Presentation Materials

August 10, 2026

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

(MC Script)
Thank you for taking the time to join us today.

Today's presentation will be based on the Financial Results Presentation Materials announced on August 7, 2026, which are available on our website. If you do not have the materials with you, we kindly ask that you refer to the presentation materials posted on the top page of our website.

Before we begin, I would like to introduce today's presenters.

Ryuichi Ueno, Director, Senior Managing Executive Officer, and 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, Group Strategy Division

Next, I would like to briefly explain today's agenda. First, Mr. Ueno, Head of Group Strategy Division, will provide an overview of the key points of our first-quarter results and business performance. Following his presentation, we will move on to the Q&A session.

Agenda

(Appendix is provided at the end of this presentation)

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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.

My name is Ryuichi Ueno, Head of Group Strategy Division at OSAKI ELECTRIC CO., LTD.

Thank you for joining us today.

I would like to explain our financial results for the first quarter of FY2026.

Please turn to Slide 4.

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	(4.6%) 1.0 B JPY	(7.9%) **1.8 B JPY**	+0.80	+79.6%
Net Profit	0.3 B JPY	**1.1 B JPY**	+0.83	+237.2%

Point

Record-High Q1 Net Sales

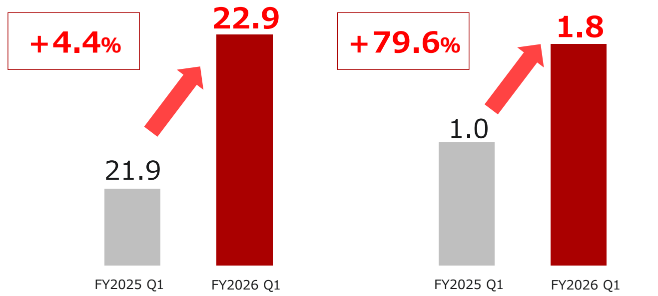
- Net Sales: **Revenue Increased** year on year
  - Japan
    - Expanded shipments of second-generation smart meters
  - Overseas
    - Near-complete resolution of customers' inventory adjustments in Australia, while a slow start to "Legacy Meter Replacement Program"
    - Sales from the outstanding contracts for the Middle East & Africa

Record-High Q1 Operating Profit

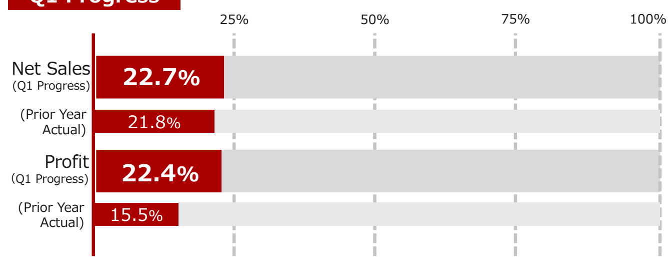
- Operating Profit: **Profit Increased** year on year
  - Japan
    - Improved profitability driven by revenue increases from second-generation smart meters
  - Overseas
    - Strengthened cost reduction in the U.K.
    - Revenue increase in the Middle East & Africa
- Net Profit: **Profit Increased** year on year

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

(Billion Yen)



Q1 Progress



Let me begin with the highlights of our first-quarter results for FY2026.

As shown on this slide, in the first quarter of FY2026, both net sales and operating profit increased year on year, reaching record highs for a first quarter.

The key factors behind the increase in both sales and profit are summarized here on the slide.

While we do not disclose quarterly forecasts for net sales or operating profit, net sales were generally in line with our initial expectations, and operating profit slightly exceeded our initial expectations.

At this time, we have made no revision to our full-year financial forecast.

As I will explain later, this reflects our view that it is necessary to further assess the timing of recovery in the Solution Business in Japan, as well as the progress of the rollout of our next-generation smart meter, "NEOS," which was launched in Oceania during the second quarter.

Please turn to Slide 5.

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

Next, let me walk you through our consolidated results by segment and sub-segment. The key drivers behind the increases and decreases will be explained on the following slides.

Please turn to Slide 6.

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

Increased Sales and Profit

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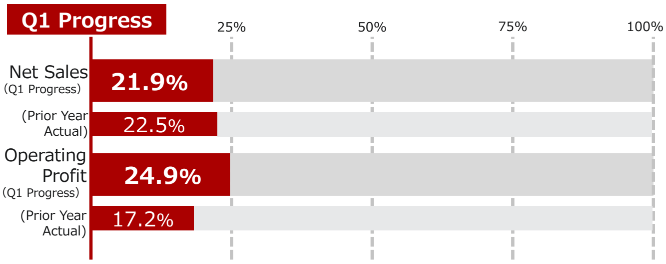
(Million Yen)

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)

Next, let me discuss our performance in Japan.

While both net sales and operating profit increased year on year, sales in the Solution Business declined from the same period of the previous fiscal year, mainly due to sluggish sales of non-utility meters, which are supplied to customers other than electric utilities.

This was primarily attributable to weak demand from panel makers. However, based on visits to our major customers by the executive officer in charge, many customers expect demand to begin recovering in the latter half of the third quarter of this fiscal year. We will continue to closely monitor market conditions and demand trends.

As for the Switchgear Business, demand remained solid from both electric utilities and industrial customers, particularly data centers, as was the case in the previous fiscal year.

Please turn to Slide 7.

3. Results by Segment Overseas (by Region)

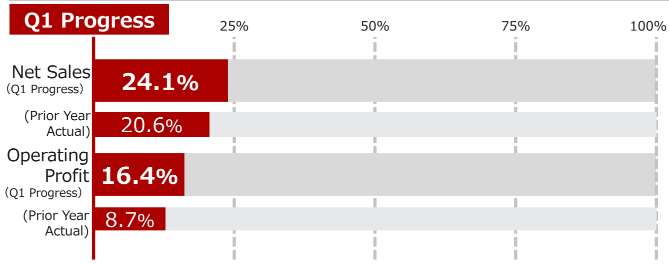
Increased Sales and Profit

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

Next, let me discuss our overseas business.

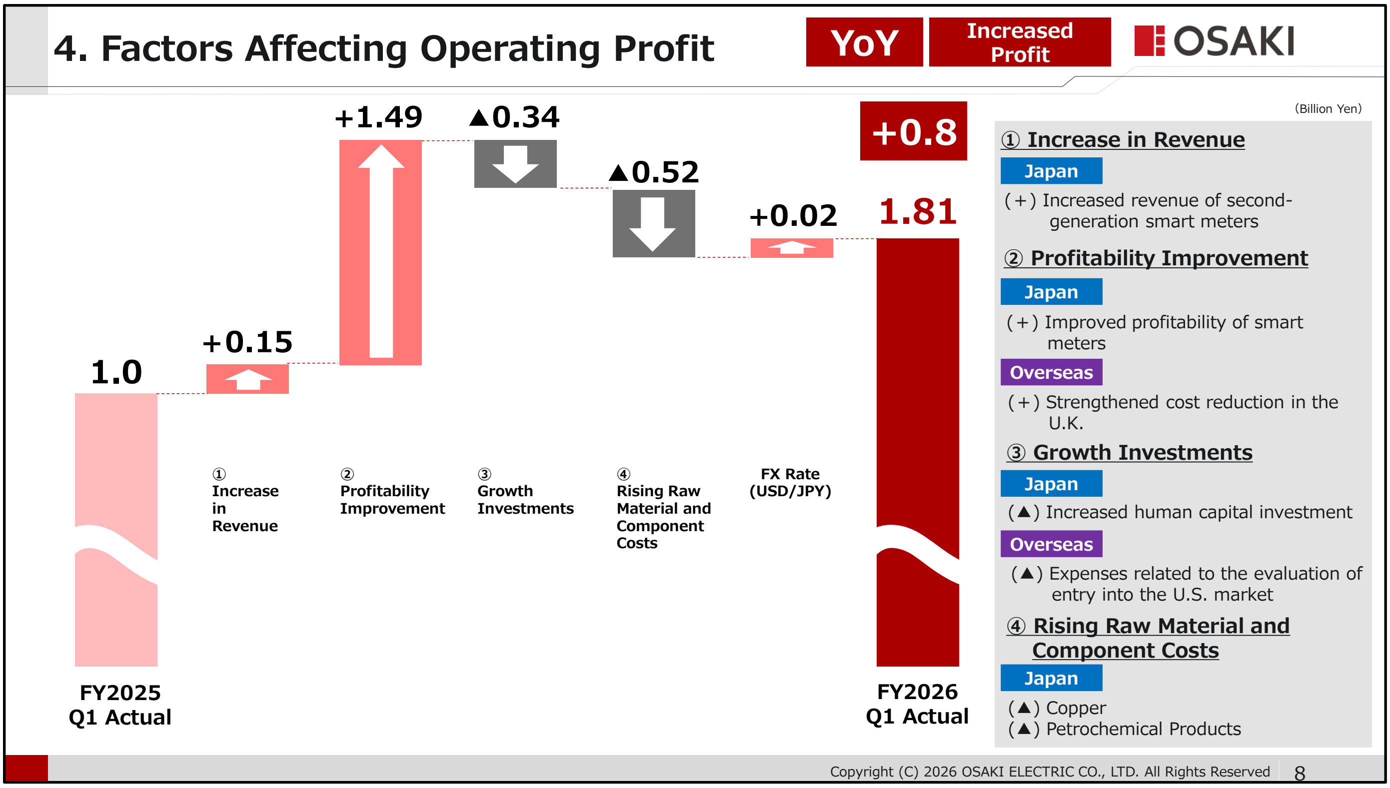
Sales in the U.K. declined year on year, primarily due to the peak-out of the government-led "Smart Meter Project". This trend had already been factored into our initial forecast.

In Oceania, customers' inventory adjustments that arose in the previous fiscal year have been largely resolved. However, sales declined year on year due to the slow start of the Australian government-led "Legacy Meter Replacement Program," a five-year initiative that commenced in FY2026.

The reasons for this slow start vary among meter installation contractors. As illustrated by the example shown on Slide 13, key factors include: first, a phased increase in meter installations while improving the proficiency of installation personnel; and second, constraints on resources required for installation work, particularly the availability of skilled labor, which has limited the scope of installations.

In the Middle East & Africa, although we withdrew from the region at the end of the previous fiscal year, we recorded sales from the outstanding contracts prior to the business withdrawal. As a result, revenue increased year on year, as shown on this slide.

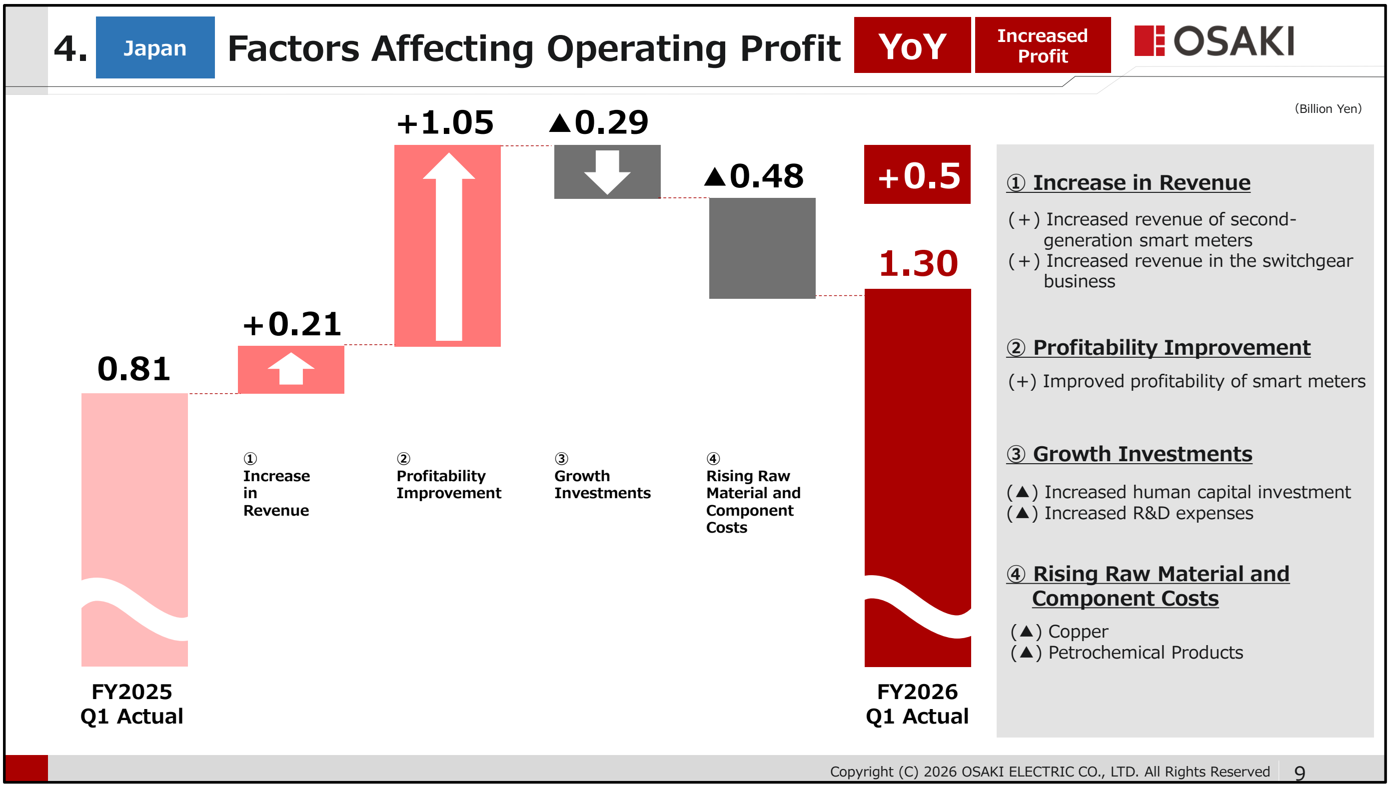
Please turn to Slide 8.



This slide summarizes the factors affecting operating profit compared with the same period of the previous fiscal year.

While increased growth investments and higher raw material and component costs had a negative impact on earnings, these were more than offset by the positive effects of revenue growth and profitability improvements. As a result, operating profit increased year on year.

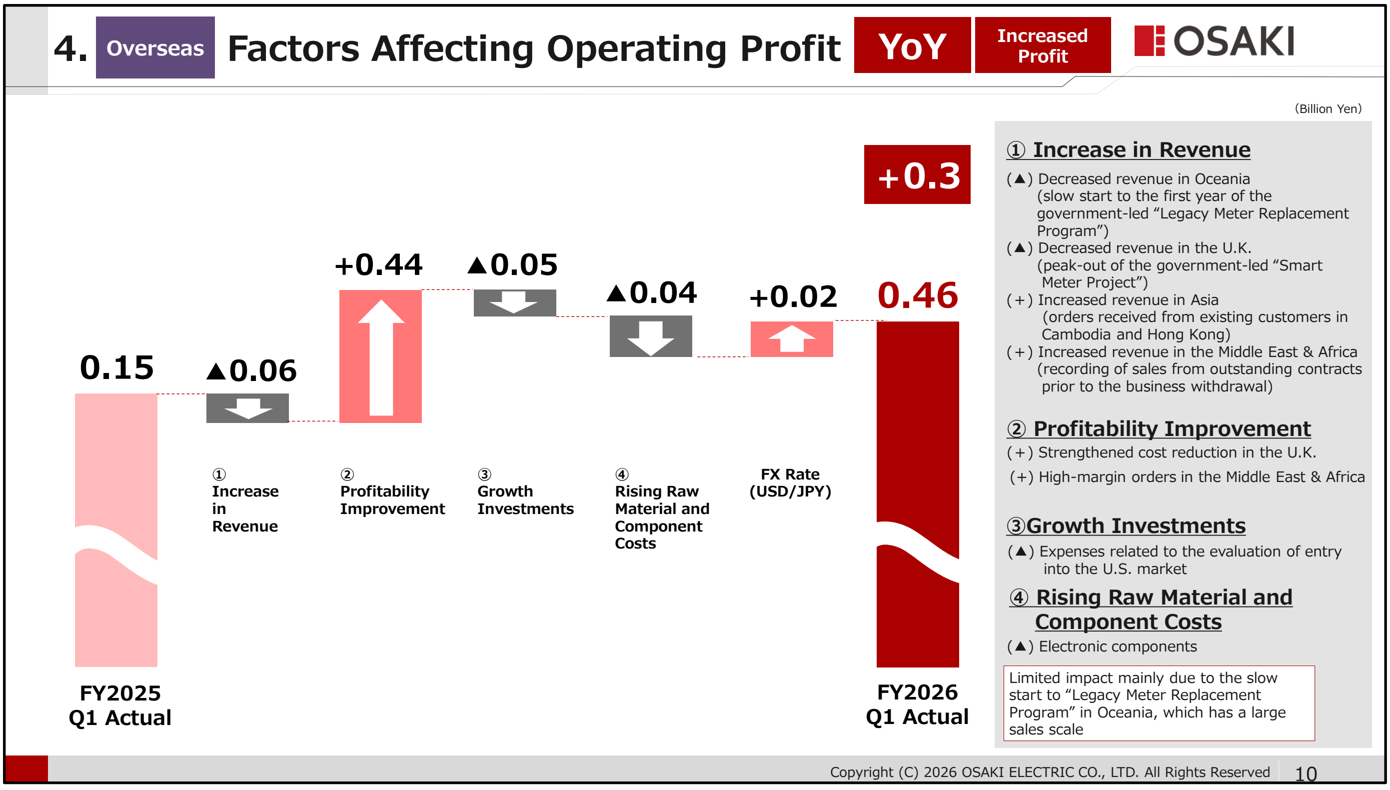
Please turn to Slide 9.



This slide summarizes the factors affecting operating profit in our domestic business.

Operating profit increased year on year, driven by revenue growth and improved profitability resulting from the transition to second-generation smart meters, as well as higher revenue in the Switchgear Business.

Please turn to Slide 10.



This slide summarizes the factors affecting operating profit in our overseas business.

While sales declined in Oceania and the U.K., this impact was largely offset by revenue growth in Asia and the Middle East & Africa, limiting the negative effect of lower sales on earnings. However, strengthened cost reduction initiatives in the U.K. and the contribution from high-margin orders in the Middle East & Africa supported profit growth.

The cost reductions in the U.K. primarily reflect lower SG&A expenses, including personnel-related costs. The benefits of these initiatives are expected to continue throughout the fiscal year. In contrast, the contribution from orders in the Middle East & Africa is non-recurring, and the positive impact on earnings is expected to continue only through the second quarter.

With regard to growth investments, expenses related to the evaluation of entry into the U.S. market were incurred. However, these were partially offset by improved R&D efficiency resulting from the consolidation of R&D center and other initiatives, leading to the level of expenses shown on this slide.

As for rising raw material and component costs, the impact on first-quarter results was limited, mainly due to the utilization of components procured in the previous fiscal year.

Please turn to Slide 11.

5. Major Impact of Rising Raw Material/Component Prices

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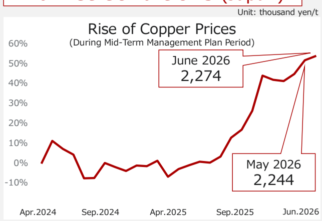
Copper

Main Products

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

Market Conditions (Japan)



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

Financial Impact

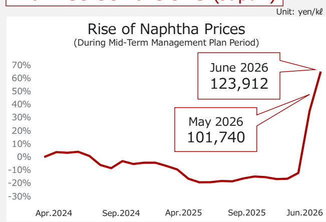
- As copper prices have been on an upward trend since April 2025, a certain level of procurement cost increases has already been reflected in the full-year forecast announced in May
- Although the rate of increase has moderated compared with the previous fiscal year, prices remain at a high level
- There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

Next, I would like to discuss the impact of rising raw material and component prices.

In Japan, these cost increases had an adverse impact of approximately JPY 480 million on operating profit.

Smart meters and VCTs require significant quantities of copper, while petrochemical products such as plastics, thinners, and paints are also essential materials used in production. We recognize that increases in the procurement costs of copper and petrochemical products can have a significant impact on our earnings.

For both copper and petrochemical products, we had already incorporated a certain level of cost increases into the full-year financial forecast announced in May. However, procurement prices have remained at levels higher than those of the same period of the previous fiscal year. Accordingly, we are continuing discussions with our existing suppliers to optimize procurement costs.

At present, we are not experiencing any procurement difficulties that could affect production.

To maintain and improve profitability, we believe it is essential to pass on rising raw material and component costs through selling price adjustments. While taking into account our relationships and contractual arrangements with customers, we are making every effort to reflect these cost increases in selling prices and bidding prices.

Please turn to Slide 12.

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

Next, I would like to discuss our business strategies and forecasts for each sub-segment in FY2026.

The Smart Meter Business in Japan is a core earnings business that provides a stable volume base. Our key challenge is improving profitability, and we will further strengthen our efforts to pass on higher procurement costs through selling prices while continuing cost reduction initiatives.

Turning to the Solution Business in Japan on the right-hand side, we recognize that expanding sales and implementing appropriate price adjustments are our key priorities. To address these challenges, we revised our organizational structure effective July 1 and strengthened both the sales expansion and profit management framework for each product category under the leadership of the executive officer in charge.

Please turn to Slide 13.

6. Subsegments’ Strategies and Forecasts ②

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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]

Let me discuss the Switchgear Business in Japan.

The business continues to operate at a high level, supported by growing demand from data centers and an increase in replacement orders. Going forward, we will aim to further improve profitability through selective order intake focused on high-margin projects.

Turning to the Oceania business on the right-hand side,

our next-generation smart meter “NEOS,” was launched in the market in the second quarter of this fiscal year. However, we expect its meaningful contribution to earnings to begin in the second half of the fiscal year.

While “NEOS” is expected to deliver higher profitability than current models, the first year of the Australian government-led “Legacy Meter Replacement Program” is expected to get off to a slow start in our core Australian market.

To enhance both order visibility and margin improvement for this fiscal year and beyond, the executive responsible for our overseas business is currently conducting a series of visits to major customers in Australia. Through these engagements, we aim to strengthen customer relationships and further improve our competitiveness.

Please turn to Slide 14.

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

Next, I would like to discuss our overseas smart meter businesses in Europe and Asia.

In the U.K.,
As the government-led "Smart Meter Project" continues to peak out, our key priorities are to expand market share through increased sales and improve profitability. To this end, we are strengthening our cost reduction initiatives and efforts to lower manufacturing costs.

In Asia,
We continue to pursue a margin-focused order-intake strategy by avoiding price competition with Chinese companies and other competitors. At the same time, we are focusing on expanding bundled sales of meters and systems, as well as increasing sales of industrial meters.

Please turn to Slide 15.

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

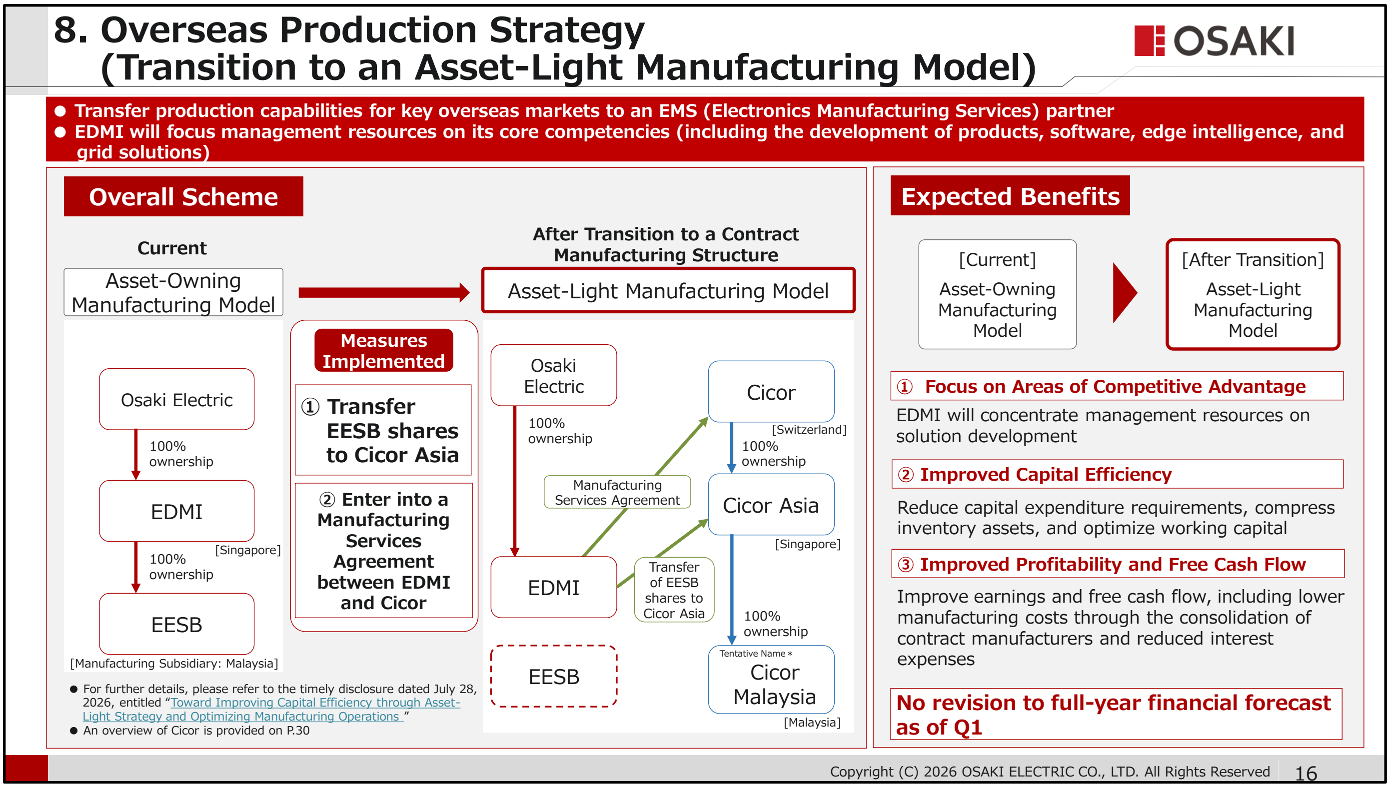
Next, I would like to provide an update on our evaluation of entry into the U.S. market.

The U.S. is a large market with approximately 3,000 electric utilities, and demand for solutions related to the measurement, monitoring, and control of electricity continues to grow. Leveraging the development capabilities, sales expertise, and product quality that have supported our strong market position in Oceania, we are exploring opportunities for expansion into the U.S. market.

Last fiscal year, we established a local presence in the United States. Since the beginning of this fiscal year, we have already entered into agreements with multiple electric utilities to conduct field tests using our solutions.
We are currently preparing for the commencement of these field tests, which are scheduled to begin in the second half of this fiscal year.

We will continue to provide updates on our progress as part of our quarterly financial results disclosures.

Please turn to Slide 16.



Next, I would like to discuss our overseas production strategy, which was announced through a timely disclosure on July 28.

Products for Oceania, our largest overseas market, are currently manufactured by EESB, EDMI's manufacturing subsidiary in Malaysia. Looking ahead to an increasingly competitive business environment, we have decided to separate manufacturing operations from EDMI and transition to an asset-light manufacturing model by outsourcing these functions to a global EMS partner. This will allow EDMI to concentrate its management resources on areas where it can build and sustain its core competencies.

Through this initiative, EDMI will be able to focus more intensively on solution development. In addition, we expect to improve capital efficiency by reducing capital expenditure requirements, compressing assets, and optimizing working capital. We also aim to enhance profitability and free cash flow by consolidating our currently fragmented contract manufacturing network under the Cicor Group and capturing the resulting manufacturing cost efficiencies.

In other words, we expect this initiative to contribute to improvements across the profit and loss statement, balance sheet, and cash flow.

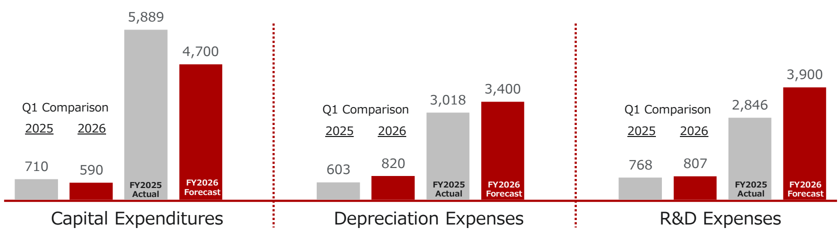
The impact of this initiative on the financial results for the current fiscal year is currently under review.

Please turn to Slide 17.

9. Capital Expenditures, Depreciation and R&D

OSAKI

(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.

Next, I would like to discuss capital expenditures, depreciation expenses, and R&D expenses.

Capital expenditures decreased year on year, as investments related to second-generation smart meters reached their peak in FY2025.

On the other hand, depreciation expenses increased due to the depreciation associated with second-generation smart meters. Since a significant portion of these expenses relates to molds with a one-year depreciation period, depreciation expenses are expected to peak in FY2026.

As for R&D expenses, they remained broadly in line with the same period of the previous fiscal year, reflecting growth investments in our domestic business as well as expenses related to field tests for our planned expansion into the U.S. market.

Please turn to Slide 18.

10. Consolidated Balance Sheet

OSAKI

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%

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Next, I would like to discuss our consolidated balance sheet.

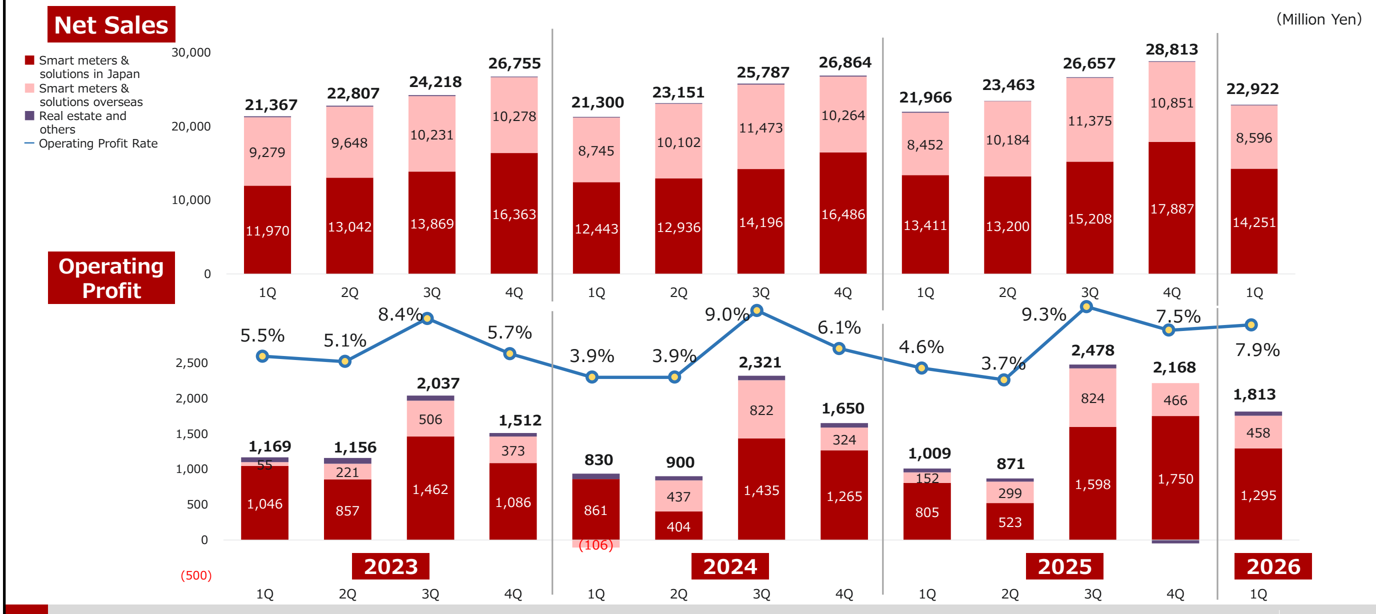
We have been implementing measures to improve the cash conversion cycle across both our domestic and overseas operations. In particular, the benefits of our overseas inventory reduction project continued to be realized during the first quarter, resulting in a further reduction in inventory levels.

Please turn to Slide 19.

11. Quarterly Net sales and Operating Profit Trends

OSAKI

- 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



For reference, this slide shows the historical quarterly trends in net sales and operating profit.

Please turn to Slide 21.

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2 FY2026 Financial Forecast

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

1. FY2026 Financial Forecast

No Revision

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(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	

Now, I would like to move on to our FY2026 financial forecast.

Although first-quarter performance was solid, we have made no revision to our full-year financial forecast at this time.

We believe it is appropriate to further evaluate the timing of the recovery in the Solution Business in Japan, as well as the progress of the rollout and market adoption of “NEOS,” our next-generation smart meter, in Oceania.

Please turn to Slide 23.

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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)

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Dividend Forecasts (FY2025 - FY2026)

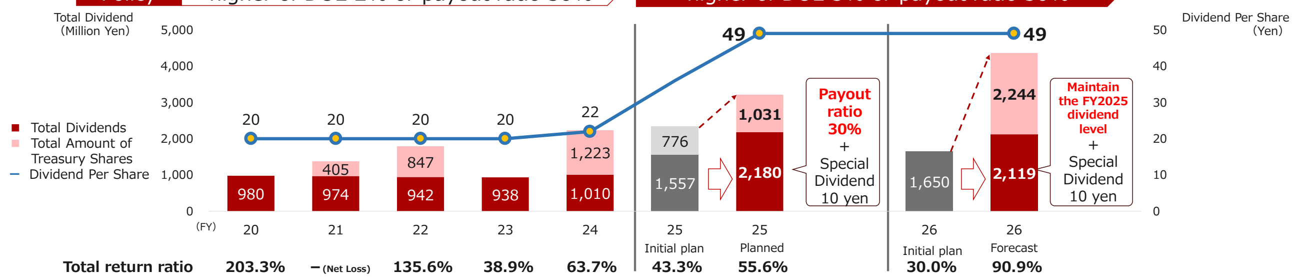
	FY2025 (Yen)			FY2026 (Yen)		
	End of Second Quarter	Fiscal Year-End	Annual	End of Second Quarter	Fiscal Year-End	Annual
Ordinary Dividend	17	22	39	19	20	39
Special Dividend	-	10	10	10	—	10
Total	17	32	49	29	20	49
	Dividend increased by 4 yen per share through the application of the payout ratio standard*			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%



Finally, I would like to discuss shareholder returns.

There have been no revisions to our dividend policy or dividend forecast.

For FY2026, we expect to maintain the FY2025 dividend level, including both the dividend increase and the special dividend. In addition, we are currently conducting a share repurchase.

We have also introduced a shareholder benefit program starting this fiscal year, particularly with individual investors in mind. An overview of the program is provided on Slide 24, which I encourage you to review later.

This concludes my presentation

Thank you very much for your attention.

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

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