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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

November 7, 2023

Company	Company name: Osaki Electric Co., Ltd.						
Stock exc	Stock exchange listing: Tokyo						
Code nur	Code number: 6644						
URL: htt	ps://www.osaki.co.jp						
Represen	tative: Chairman and CEO	Yoshihide Watanabe					
Director and Managing Executive Officer							
Contact:	Contact: Head of Corporate Strategy Division Ryuichi Ueno						

Phone: +81-3-3443-7171

Scheduled date of filing quarterly securities report: November 14, 2023 Scheduled date of commencing dividend payments: December 5, 2023 Availability of supplementary briefing material on quarterly financial results: Yes Schedule of quarterly financial results briefing session: Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 2023) -1- -

(1) Consolidated Operating Results (% indicates changes from the previous corresponding per						nding period		
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2023	44,174	11.7	2,325	334.4	2,415	593.5	1,356	30.2
September 30, 2022	39,562	9.6	535	16.0	348	(34.4)	1,041	-
(Note) Comprehensive income	: Six mon	ths ended	September 30,	2023:	¥ 2,	,690 millio	on [31.	1%]
	Six months ended September 30, 2022:				¥ 2.	,051 millio	on [188.	9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2023	28.97	28.51
September 30, 2022	21.83	21.47

(2) Consolidated Financial Position

		Total assets	Net assets	Capital adequacy ratio
As of		Millions of yen	Millions of yer	%
September 30, 2023		93,307	60,295	51.3
March 31, 2023		93,268	58,629	49.2
(Reference) Equity:	As of	September 30, 2023:	¥ 47,8	94 million
	As of	March 31, 2023:	¥ 45,9	33 million

As of March 31, 2023:

^{45,933} million

2. Dividends

		Annual dividends						
	1st quarter-end	Year-end lota						
	Yen	Yen	Yen	Yen	Yen			
Fiscal year ended March 31, 2023	-	10.00	-	10.00	20.00			
Fiscal year ending March 31, 2024	-	10.00						
Fiscal year ending March 31, 2024			-	10.00	20.00			
(Forecast)			-	10.00	20.00			

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2024 :

Commemorative dividend	-	yen
Special dividend	-	yen

3. Consolidated Financial Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

)

		Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
		Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full yea	r	93,500	4.8	4,300	93.1	4,200	122.8	1,900	44.0	40.57

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023						
(changes in sp	pecified	subsidiaries resulting in changes in scope of consolidation):	No			
New	-	(Company name:				
Exclusion:	-	(Company name:				

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

 Total number of issued shares at the end of the period (including treasury shares): September 30, 2023: 49,267,180 shares

March 31, 2023: 49,267,180 shares

2) Number of treasury shares at the end of the period: September 30, 2023: 2,353,382 shares March 31, 2023: 2,464,755 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023:	46,838,332 shares
Six months ended September 30, 2022:	47,728,621 shares

*Quarterly financial results are exempt from the audit conducted by certificated public accountants or an auditing firm.

*Proper use of business forecasts and other special notes.

The descriptions of the future such as business outlook made in this statement are based on the information we currently have and the certain assumptions that we consider reasonable. The actual performance may significantly vary due to the various factors. Regarding business forecasts, please refer to the page 5 "1.3 Statements for Financial Forecasts and Business Outlook".

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- 1. Business Results (Six Months ended September 30, 2023)
- 1.1 Highlight of Operating Results of Six Months ended September 30, 2023
- Consolidated net sales: 44.2 billion yen (YoY +11.7%), Operating income: 2.3 billion yen (+334.4%), Profit attributable to owners of parent: 1.4 billion yen (+30.2%)
- Net sales for Smart meters & solutions in Japan increased year on year with higher sales in the Smart Meter Business. Operating income increased with temporary changes in the product mix, etc.
- For Smart meters & solutions overseas, sales increased year on year with an increase in shipments to UK enabled by an upturn in the electronic materials procurement environment and an increase in shipments to Oceania. Operating income increased with the higher sales and stabilization of electronic materials prices, which had soared during the procurement squeeze.

Summary of Consolidated Financial Results for the Six Months ended September 30, 2023

				IONS OF YEN
	Six Months	Six Months	YoY cl	nange
	ended September '22	ended September '23	Amount	%
Net sales	39, 562	44, 174	4, 612	11.7%
Smart meters & solutions in Japan	24, 276	25, 022	745	3.19
Smart meters & solutions overseas	14, 647	19, 559	4, 912	33. 5%
Production equipment	761	-	(761)	_
Real estate	282	287	5	1.89
Adjustment	(405)	(695)	(289)	-
Operating income	535	2, 325	1, 790	334.49
Smart meters & solutions in Japan	1, 163	1, 903	739	63.6
Smart meters & solutions overseas	(777)	276	1, 053	-
Production equipment	9	_	(9)	_
Real estate	141	157	16	11.59
Adjustment	(1)	(10)	(9)	_
Ordinary income	348	2, 415	2,067	593. 59
Profit attributable to owners of parent	1, 041	1, 356	315	30. 2

(Millions of ven)

1.2 Consolidated Financial Condition

Total assets at September 30, 2023 were 93,307 million yen, a 39 million yen increase from March 31, 2023. This was mainly due to a increase in inventory and investment securities by 5,040 million yen and 1,233 million yen respectively, while cash and deposits, and notes and accounts receivable decreased by 2,699 million and 3,348 million yen respectively.

Total liabilities were 33,012 million yen, a 1,626 million yen decrease from March 31, 2023. This was mainly due to a decrease in notes and accounts payable - trade and electronically recorded obligations - operating and deferred tax liabilities by 1,384 million yen and 383 million yen respectively.

Net assets were 60,295 million yen, a 1,665 million yen increase from March 31, 2023. This was mainly due to a increase retained earnings and valuation difference on availablefor-sale securities by 888 million yen and 894 million yen respectively.

1.3 Statements for Financial Forecasts and Business Outlook

The Company revised the forecast for t full-year for the fiscal year ending March 31, 2024, previously announced on August 1, 2023. Please refer to "Notice Concerning Difference between First Half Forecasts and Actual Financial Results, and Revision of Full Year Financial Results Forecasts" for more details.

2 Consolidated Financial Statements

2.1 Consolidated Balance Sheets

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	9,171	6,471
Deposits paid	4,611	3,342
Notes and accounts receivable - trade, and contract assets	20,495	17,147
Merchandise and finished goods	7,775	10,006
Work in process	2,673	3,277
Raw materials and supplies	8,626	10,833
Other	3,778	3,936
Allowance for doubtful accounts	(514)	(475)
Total current assets	56,618	54,538
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,339	8,188
Land	12,090	12,099
Other, net	5,072	5,008
Total property, plant and equipment	25,502	25,297
Intangible assets	735	682
Investments and other assets		
Investment securities	5,660	6,894
Retirement benefit asset	1,571	1,566
Other	3,183	4,331
Allowance for doubtful accounts	(3)	(3)
Total investments and other assets	10,412	12,788
Total non-current assets	36,649	38,769
Total assets	93,268	93,307

(Millions of yen)

Current liabilitiesNotes and accounts payable - trade8,1727,Electronically recorded obligations - operating3,7993,Short-term borrowings2,8642,2Income taxes payable9044Provision for bonuses1,5431,4Provision for bonuses for directors (and other officers)397Provision for loss on liquidation of subsidiaries and associates144Provision for porduct warranties5764Other7,0927,4Total current liabilities25,00822,2Non-current liabilities25,00822,2Non-current liabilities2,6422,3Provision for retinement benefits for directors (and other officers)4744Provision for retinement benefits for directors (and other officers)475Provision for retinement benefits for directors (and other officers)34,63833,0Not as ats2,2092,32,2Other2,2982,22,2Total liabilities3,46,3833,0Net assets33,026,63,3Share capital7,9657,57,5Capital labilities2,60,3326,63,4Share capital7,9657,57,5Capital surplus8,7598,53,4Share capital7,9657,57,5Capital surplus8,7598,54,6Valuation difference on available-for-sale securities1,423 <t< th=""><th></th><th>As of March 31, 2023</th><th colspan="2">As of September 30, 2023</th></t<>		As of March 31, 2023	As of September 30, 2023	
Notes and accounts payable - trade8,1727,1Electronically recorded obligations - operating3,7993,2Short-term borrowings2,8642,2Income taxes payable9045Provision for bonuses1,5431,1Provision for bonuses for directors (and other officers)3914Provision for loss on liquidation of subsidiaries and associates1414Provision for poduct warrantics5764Other7,0927,4Total current liabilities25,00822,2Non-current liabilities26,422,2Provision for retirement benefits for directors (and other officers)474Provision for retirement benefits is of directors (and other officers)472Provision for retirement benefits is of directors (and other officers)2,6422,2Other2,2982,22,2Other2,2982,22,2Other34,63833,010Total liabilities9,6301010Total liabilities9,6301010Share capital7,9657,72,8Share capital surplus8,7598,88,8Retained earnings2,603326,0326,03Total shareholders' equity41,50342,2Accumulated other comprehensive income1,4232,2Valuation difference on available-for-sale securities1,4232,2Foreign currency translation adjustment2,5102,40 <t< th=""><th>Liabilities</th><th></th><th></th></t<>	Liabilities			
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Shareholders' equityShare capital7,965Capital surplus8,759Retained earnings26,03326,03326,5Treasury shares(1,254)(1,254)(1,Total shareholders' equity41,503Accumulated other comprehensive income1,423Valuation difference on available-for-sale securities1,423Foreign currency translation adjustment2,510Capital accumulated other comprehensive income496Total accumulated other comprehensive income4466Total accumulated other comprehensive income4466Total accumulated other comprehensive income466Total accumulated other comprehensive income466Total accumulated other comprehensive income466Ono-controlling interests12,228Total net assets58,62960,5	Total liabilities	34,638	33,012	
Share capital7,9657,9Capital surplus8,7598,7Retained earnings26,03326,9Treasury shares(1,254)(1,1Total shareholders' equity41,50342,4Accumulated other comprehensive income1,4232,5Valuation difference on available-for-sale securities1,4232,5Foreign currency translation adjustment2,5102,0Remeasurements of defined benefit plans4964Total accumulated other comprehensive income4,4305,5Share acquisition rights4664Non-controlling interests12,22811,9Total net assets58,62960,5	Net assets			
Capital surplus8,7598,7Retained earnings26,03326,9Treasury shares(1,254)(1,1Total shareholders' equity41,50342,4Accumulated other comprehensive income41,50342,4Valuation difference on available-for-sale securities1,4232,5Foreign currency translation adjustment2,5102,6Remeasurements of defined benefit plans4964Total accumulated other comprehensive income4,4305,4Share acquisition rights4664Non-controlling interests12,22811,5Total net assets58,62960,5	Shareholders' equity			
Retained earnings26,03326,93Treasury shares(1,254)(1,1)Total shareholders' equity41,50342,4Accumulated other comprehensive income1,4232,5Valuation difference on available-for-sale securities1,4232,5Foreign currency translation adjustment2,5102,6Remeasurements of defined benefit plans4964Total accumulated other comprehensive income4,4305,6Share acquisition rights4664Non-controlling interests12,22811,9Total net assets58,62960,5	Share capital	7,965	7,965	
Treasury shares(1,254)(1,1)Total shareholders' equity41,50342,4Accumulated other comprehensive income41,50342,4Valuation difference on available-for-sale securities1,4232,5Foreign currency translation adjustment2,5102,6Remeasurements of defined benefit plans4964Total accumulated other comprehensive income4,4305,4Share acquisition rights4664Non-controlling interests12,22811,9Total net assets58,62960,5	Capital surplus	8,759	8,762	
Total shareholders' equity41,50342,4Accumulated other comprehensive incomeValuation difference on available-for-sale securities1,4232,3Foreign currency translation adjustment2,5102,0Remeasurements of defined benefit plans4964Total accumulated other comprehensive income4,4305,2Share acquisition rights4664Non-controlling interests12,22811,9Total net assets58,62960,5	Retained earnings	26,033	26,922	
Accumulated other comprehensive incomeValuation difference on available-for-sale securities1,4232,5Foreign currency translation adjustment2,5102,6Remeasurements of defined benefit plans4964Total accumulated other comprehensive income4,4305,6Share acquisition rights4664Non-controlling interests12,22811,9Total net assets58,62960,5	Treasury shares	(1,254)	(1,198)	
Valuation difference on available-for-sale securities1,4232,5Foreign currency translation adjustment2,5102,6Remeasurements of defined benefit plans4964Total accumulated other comprehensive income4,4305,4Share acquisition rights4664Non-controlling interests12,22811,9Total net assets58,62960,2	Total shareholders' equity	41,503	42,452	
securities1,4232,50Foreign currency translation adjustment2,5102,6Remeasurements of defined benefit plans4964Total accumulated other comprehensive income4,4305,6Share acquisition rights4664Non-controlling interests12,22811,9Total net assets58,62960,2	Accumulated other comprehensive income			
Remeasurements of defined benefit plans496Total accumulated other comprehensive income4,430Share acquisition rights466Non-controlling interests12,228Total net assets58,62960,2		1,423	2,317	
Total accumulated other comprehensive income4,4305,4Share acquisition rights4664Non-controlling interests12,22811,9Total net assets58,62960,2	Foreign currency translation adjustment	2,510	2,673	
Share acquisition rights466Non-controlling interests12,228Total net assets58,629	Remeasurements of defined benefit plans	496	450	
Non-controlling interests12,22811,9Total net assets58,62960,2	Total accumulated other comprehensive income	4,430	5,442	
Total net assets 58,629 60,2	Share acquisition rights	466	466	
Total net assets 58,629 60,2	Non-controlling interests	12,228	11,933	
			60,295	
	Total liabilities and net assets	93,268	93,307	

2.2 Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income (For the six months)

		(Millions of yen)	
	For the six months ended September 30, 2022	For the six months ended September 30, 2023	
Net sales	39,562	44,174	
Cost of sales	31,318	33,952	
Gross profit	8,244	10,222	
Selling, general and administrative expenses	7,708	7,896	
Operating profit	535	2,325	
Non-operating income			
Interest income	10	20	
Dividend income	129	195	
Other	86	87	
Total non-operating income	226	303	
Non-operating expenses			
Interest expenses	75	92	
Foreign exchange losses	308	88	
Other	29	31	
Total non-operating expenses	413	213	
Ordinary profit	348	2,415	
Extraordinary income			
Gain on sale of non-current assets	306	-	
Gain on sale of shares of subsidiaries and associates	1,830	-	
Total extraordinary income	2,137	-	
Extraordinary losses			
Loss on sale of shares of subsidiaries and associates	580	15	
Total extraordinary losses	580	15	
Profit before income taxes	1,905	2,400	
Income taxes - current	469	686	
Income taxes - deferred	103	35	
Total income taxes	572	721	
Profit	1,332	1,678	
Profit attributable to non-controlling interests	290	321	
Profit attributable to owners of parent	1,041	1,356	

Consolidated Statements of Comprehensive Income (For the six months)

		(Millions of yen)	
	For the six months ended September 30, 2022	For the six months ended September 30, 2023	
Profit	1,332	1,678	
Other comprehensive income			
Valuation difference on available-for-sale securities	(24)	894	
Foreign currency translation adjustment	794	162	
Remeasurements of defined benefit plans, net of tax	(51)	(45)	
Total other comprehensive income	718	1,011	
Comprehensive income	2,051	2,690	
Comprehensive income attributable to			
Comprehensive income attributable to owners of parent	1,760	2,368	
Comprehensive income attributable to non-controlling interests	290	321	

2.3 Notes to Consolidated Financial Statements

(Notes Regarding Going Concern Assumption)

There are no applicable matters.

(Notes in the Event of Significant Changes in Shareholders' Capital)

There are no applicable matters.

(Business Segments)

I Fiscal year ended 30 Sep 2022

1. Sales, Profits or Losses by Reporting Segments

(Millions of yen)

	Reporting Segments					Adjustment	Consolidated
	Smart meters & solutions in Japan	Smart meters & solutions overseas	Production equipment	Real estate	Total	(Remark)	
Sales to Customers	24,265	14,307	759	229	39,562	_	39,562
Intersegment Sales	11	339	1	52	405	(405)	—
Total Sales	24,276	14,647	761	282	39,968	(405)	39,562
Operating Income	1,163	(777)	9	141	537	(1)	535

(Remark) The operating income is adjusted by the elimination of the intersegment transactions.

2. Impairment loss of Fixed Asset and Goodwill by Reporting Segments

There are no applicable matters.

II Fiscal year ended 30 Sep 2023

1. Sales, Profits or Losses by Reporting Segments

(Millions of yen)

	Reporting Segments			Adjustment (Remark)	Consolidated	
	Smart meters & solutions in Japan	Smart meters & solutions overseas	Real estate	Total		
Sales to Customers	25,012	18,927	235	44,174	—	44,174
Intersegment Sales	10	632	52	695	(695)	—
Total Sales	25,022	19,559	287	44,870	(695)	44,174
Operating Income	1,903	276	157	2,336	(10)	2,325

(Remark) The operating income is adjusted by the elimination of the intersegment transactions.

2. Changes in Reporting Segments

We have sold Osaki Engineering Co., Ltd. on 30 Sep 2022 that had been classified into the "Production equipment" of the Reporting

Segments in the previous fiscal year and have excluded from the scope of consolidation.

As a result, we have discontinued the "Production equipment" from the fiscal year ended 30 Jun 2023.

3. Impairment loss of Fixed Asset and Goodwill by Reporting Segments

There are no applicable matters.