

FY2024 First Quarter
Summary of Consolidated Financial Results
 (Three Months ended June 2024)

- **Consolidated net sales: 21.3 billion yen (-0.3% YoY), operating income: 0.83 billion yen (-29.0%), Profit attributable to owners of parent: 0.34 billion yen (-55.0%)**
- **Net sales for Smart meters & solutions in Japan increased year on year with higher sales in the Switchgear Business. (Sales in the Smart meter business increased slightly.)**
 Operating income decreased with temporary changes in the product mix and an increase in SG&A expenses.
- **For Smart meters & solutions overseas, shipments to Oceania increased steadily while shipments to the UK decreased due to inventory adjustments by customers. As a result, both net sales and operating income decreased.**

1. Consolidated Financial Results

(Millions of yen)

	FY2023 1Q	FY2024 1Q	YoY Change	
			Amount	%
Net sales	21,367	21,300	(67)	(0.3)%
Smart meters & solutions in Japan	11,975	12,449	473	+4.0%
Smart meters & solutions overseas	9,581	9,030	(550)	(5.7)%
Real estate	143	138	(5)	(3.9)%
Adjustment	(334)	(318)	15	—
Gross profit	5,011	5,102	90	+1.8%
Ratio to sales	23.5%	24.0%		+0.5pt
SG & A expenses	3,842	4,272	429	+11.2%
Ratio to sales	18.0%	20.1%		+2.1pt
Operating income	1,169	830	(339)	(29.0)%
Ratio to sales	5.5%	3.9%		(1.6)pt
Smart meters & solutions in Japan	1,046	861	(184)	(17.7)%
Smart meters & solutions overseas	55	(106)	(161)	—
Real estate	74	74	(0)	(0.4)%
Adjustment	(6)	0	7	—
Ordinary income	1,380	952	(427)	(31.0)%
Profit attributable to owners of parent	768	345	(423)	(55.0)%
Net income per share (yen)	16.43	7.37	(9.06)	—

2. Revenue by Business Portfolio (Excluding intercompany sales)

(1) Smart meters & solutions in Japan

(Millions of yen)

	FY2023 1Q	FY2024 1Q	YoY Change		Full-year Revised Forecast
			Amount	%	
Smart meter business	8,334	8,372	38	+0.5%	33,000
Solution Business	2,494	2,580	86	+3.5%	13,000
Switchgear Business	1,141	1,489	347	+30.5%	8,000
Total	11,970	12,443	472	+3.9%	54,000

*Referential figures based on managerial accounting.

Smart meter business: Sale of smart meters and measurement and control equipment including smart meter peripheral devices for power companies.
 Solution business: Provide services and products and deliver solutions to customers (other than power companies)
 Switchgear business: Sale of switchgears

Starting in FY2023 2Q, the reporting methods have been partially changed to reflect current sales conditions. Consequently, the figures for FY2023 have retroactively applied this method also.

(2) Smart meters & solutions overseas

(Millions of yen)

	FY2023 1Q	FY2024 1Q	YoY Change		Full-year Revised Forecast
			Amount	%	
Oceania	3,842	4,469	626	+16.3%	22,000
Europe	3,803	2,461	(1,341)	(35.3)%	14,000
Asia	1,157	1,325	167	+14.5%	4,500
Middle East and Africa	475	487	12	+2.6%	2,000
Total	9,279	8,745	(534)	(5.8)%	42,500

Average Exchange rate	¥ 132.42/USD	¥ 148.63/USD	¥ 152.36/USD (assumption)
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*Calculations are based on the annual securities report.

3. Progress toward Business Plan (FY2024 1Q)

(1) Smart meters & solutions in Japan

	Progress	Business Situation
Smart meter business	Good	<ul style="list-style-type: none"> Shipments of current smart meters remained steady. Production system of the second-generation smart meter is being constructed as planned.
Solution Business	Good	<ul style="list-style-type: none"> Sales of smart meters (for customers other than electric power companies) remained steady. Smart Locks failed to achieve the plan due to inventory adjustments by customers.
Switchgear Business	Good	<ul style="list-style-type: none"> Steady progress in line with firm capital investment by companies.

(2) Smart meters & solutions overseas

	Progress	Business Situation
Oceania	Slightly good	•Shipments to Australia and New Zealand remained steadily.
Europe	Good	•Progressed steadily toward to the plan despite continued inventory adjustments by customers.
Asia	Good	•Sales were firm due to factors such as the acceleration of shipments.
Middle East and Africa	Bad	•Failed to achieve the plan due to adjustment of shipping time.

4. R&D expenditures, Depreciation, Capital expenditures

(Millions of yen)

	FY2023 1Q	FY2024 1Q	YoY Change	
			Amount	%
R&D expenditures	758	917	159	+21.0%
Depreciation	558	524	(34)	(6.1)%
Capital expenditures	353	330	(23)	(6.6)%

5. FY2024 Consolidated Forecast

The Company revised the forecast for the six months ending September 30, 2024 and full-year for the fiscal year ending March 31, 2025, previously announced on May 9, 2024 as follows.

(Millions of yen)

	1H		YoY Change		Full-year		YoY Change	
	FY2024 Previous Forecast	FY2024 Revised Forecast	Amount	%	FY2024 Previous Forecast	FY2024 Revised Forecast	Amount	%
Net sales	41,000	43,700	2,700	+6.6%	90,000	97,000	7,000	+7.8%
Smart meters & Solutions in Japan	24,300	24,700	400	+1.6%	53,500	54,000	500	+0.9%
Smart meters & Solutions overseas	17,000	19,300	2,300	+13.5%	37,000	43,500	6,500	+17.6%
Real estate	250	250	—	—	600	600	—	—
Adjustment	(550)	(550)	—	—	(1,100)	(1,100)	—	—
Operating income	1,000	1,500	500	+50.0%	4,700	5,000	300	+6.4%
Smart meters & solutions in Japan	450	1,050	600	+133.3%	2,600	2,900	300	+11.5%
Smart meters & Solutions overseas	400	300	(100)	(25.0)%	1,800	1,800	—	—
Real estate	150	150	—	—	300	300	—	—
Adjustment	—	—	—	—	—	—	—	—
Ordinary income	1,000	1,400	400	+40.0%	3,900	4,600	700	+17.9%
Profit attributable to owners of parent	300	400	100	+33.3%	2,000	2,700	700	+35.0%
			ROE		4.0%	5.4%	—	+1.4pt

Reasons for the revision:

(1) Net Sales and operating Income

For the consolidated results of the second quarter and the full fiscal year, net sales are expected to exceed the initial forecast, because smart meter business sales for Smart meters & solutions in Japan will exceed the initial forecast. Profits are also expected to exceed the initial forecast because of the increased sales and restrained expenses.

For Smart meters & solutions overseas, sales are expected to increase due to a revised exchange rate caused by depreciation of the yen, despite the business performance outlook largely in line with initial forecasts.

(2) Ordinary Income and profit attributable to owners of parent

In order to devise effective use of management resources and improve asset efficiency, the board of directors has approved the sale of certain land and buildings held by the real estate business. Accordingly, a gain on sale of fixed assets is expected to be recorded as an extraordinary gain for the full fiscal year.

Contemporaneous sales gains of investment securities associated with the sale of strategic shareholdings are also expected to be recorded as extraordinary gains in the second quarter and full year.

In addition, overseas subsidiaries had budgeted business structure improvement expenses, which were included in non-operating expenses under the initial consolidated earnings forecast figures for the full year. After careful examination of the details of these expenses, the line item was re-classified to extraordinary loss.

- Forward-looking statements made in this material is based on management's estimates, assumptions and projections at the time of publication and do not represent a commitment that they will be achieved. A number of factors could cause actual results to differ materially from expectations.
- All amounts are in millions of yen rounded down unless otherwise stated.

Financial data (Excel/PDF) are available on our website(<https://www.osaki.co.jp/en/ir/finance/financialdata.html>).