

FY2024 First Half
Summary of Consolidated Financial Results
(Six Months ended September 2024)

- **Consolidated net sales: 44.5 billion yen (+0.6% YoY), Operating income: 1.7 billion yen (-25.6%), Profit attributable to owners of parent: 0.57 billion yen (-57.9%)**
- **Net sales for Smart meters & solutions in Japan increased year on year with higher sales in the Switchgear Business due to firm shipments to the private sector. (Sales in the Smart meter business decreased slightly due to demand slacking until introduction of the second-generation smart meter.)**
Operating income decreased with changes in the product mix and higher raw material prices, as well as an increase in SG&A expenses, such as personnel expenses.
- **Net sales for Smart meters & solutions overseas decreased. Although shipments to Oceania increased successfully, shipments to the UK decreased due to inventory adjustments by customers.**
Successful performance in Oceania and improved profit margins gained from favorable exchange rates in the UK exceeded the impact of lower sales, and operating income increased.

1. Consolidated Financial Results

(Millions of yen)				
	FY2023 2Q	FY2024 2Q	YoY Change	
			Amount	%
Net sales	44,174	44,451	276	+0.6%
Smart meters & solutions in Japan	25,022	25,390	368	+1.5%
Smart meters & solutions overseas	19,559	19,424	(135)	(0.7)%
Real estate	287	277	(10)	(3.6)%
Adjustment	(695)	(641)	53	—
Gross profit	10,222	10,526	304	+3.0%
Ratio to sales	23.1%	23.7%		+0.5pt
SG & A expenses	7,896	8,795	899	+11.4%
Ratio to sales	17.9%	19.8%		+1.9pt
Operating income	2,325	1,730	(595)	(25.6)%
Ratio to sales	5.3%	3.9%		(1.4)pt
Smart meters & solutions in Japan	1,903	1,265	(637)	(33.5)%
Smart meters & solutions overseas	276	331	55	+20.1%
Real estate	157	136	(21)	(13.4)%
Adjustment	(10)	(2)	8	—
Ordinary income	2,415	1,568	(847)	(35.1)%
Profit attributable to owners of parent	1,356	571	(785)	(57.9)%
Net income per share (yen)	28.97	12.19	(16.78)	—

2. Revenue by Business Portfolio (Excluding intercompany sales)

(1) Smart meters & solutions in Japan

(Millions of yen)

	FY2023 2Q	FY2024 2Q	YoY Change		Full-year Revised Forecast
			Amount	%	
Smart meter business	16,896	16,879	(17)	(0.1)%	34,000
Solution Business	5,295	5,278	(16)	(0.3)%	13,400
Switchgear Business	2,820	3,221	400	+14.2%	8,000
Total	25,012	25,379	366	+1.5%	55,400

*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 2Q	FY2024 2Q	YoY Change		Full-year Revised Forecast
			Amount	%	
Oceania	7,771	10,590	2,818	+36.3%	22,000
Europe	7,839	5,620	(2,219)	(28.3)%	13,500
Asia	2,601	2,112	(488)	(18.8)%	4,500
Middle East and Africa	715	524	(190)	(26.7)%	1,200
Total	18,927	18,847	(80)	(0.4)%	41,200

Average Exchange rate	¥ 135.00/USD	¥ 152.36/USD	¥ 151.46/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	Slightly 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. Green Transformation Solutions failed to achieve the plan due to delays in bringing services to market.
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	Good	• Shipments to Australia and New Zealand remained steady.
Europe	Slightly good	• Progressed steadily toward to the plan despite inventory adjustments by customers.
Asia	Slightly poor	• Failed to achieve the plan due to sales delays in some regions.
Middle East and Africa	Poor	• Failed to achieve the plan due to continued adjustment of shipping time.

※ Progress evaluated on a four-step scale; Good, Slightly good, Slightly poor, Poor

4. R&D expenditures, Depreciation, Capital expenditures

(Millions of yen)

	FY2023 2Q	FY2024 2Q	YoY Change	
			Amount	%
R&D expenditures	1,583	1,928	344	+21.8%
Depreciation	1,131	1,047	(84)	(7.4)%
Capital expenditures	743	1,141	397	+53.4%

5. FY2024 Consolidated Forecast

There are no revisions to the consolidated financial forecast for the full year ending March 31, 2025, released on August 6, 2024.

(Millions of yen)

	Full-year			Difference (B-A)	
	FY2023	FY2024 Previous Forecast (A)	FY2024 Revised Forecast (B)	Amount	%
Net sales	95,147	97,000	97,000	—	—
Smart meters & Solutions in Japan	55,266	54,000	55,400	1,400	+2.6%
Smart meters & Solutions overseas	40,693	43,500	42,200	(1,300)	(3.0)%
Real estate	572	600	500	(100)	(16.7)%
Adjustment	(1,384)	(1,100)	(1,100)	—	—
Operating income	5,874	5,000	5,000	—	—
Smart meters & solutions in Japan	4,451	2,900	3,200	300	+10.3%
Smart meters & Solutions overseas	1,155	1,800	1,600	(200)	(11.1)%
Real estate	277	300	200	(100)	(33.3)%
Adjustment	(9)	—	—	—	—
Ordinary income	5,488	4,600	4,600	—	—
Profit attributable to owners of parent	2,407	2,700	2,700	—	—
ROE	5.0%	5.4%	5.4%	—	—

- 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>).