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## Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 6, 2025

Company name: Osaki Electric Co., Ltd.  
 Listing: Tokyo  
 Securities code: 6644  
 URL: <https://www.osaki.co.jp>  
 Representative: Chairman and CEO Yoshihide Watanabe  
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 Scheduled date to file semi-annual securities report: -  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 to December 31, 2024)

#### (1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2024	70,238	2.7	4,051	(7.1)	4,031	(7.5)	2,327	6.5
December 31, 2023	68,392	12.8	4,362	310.4	4,360	847.6	2,184	302.1

(Note) Comprehensive income: For the Nine months ended December 31, 2024: ¥ 2,895 million [ (35.0) %]  
 For the Nine months ended December 31, 2023: ¥ 4,453 million [ 41.4 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	49.86	49.06
December 31, 2023	46.62	45.88

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of December 31, 2024	98,231	63,205	51.3
March 31, 2024	95,641	62,532	51.9

(Reference) Equity: As of December 31, 2024: ¥ 50,356 million  
 As of March 31, 2024: ¥ 49,609 million

## 2. Cash Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	10.00	-	10.00	20.00
Fiscal year ending March 31, 2025	-	10.00	-		
Fiscal year ending March 31, 2025 (Forecast)				10.00	20.00

(Note) Revision to the forecast for dividends announced most recently announced: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025(April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	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 year	97,000	1.9	5,400	(8.1)	5,100	(7.1)	3,100	28.8	66.41

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

\* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - (Company name: )

Excluded: - (Company name: )

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(4) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

As of December 31, 2024: 48,267,180 shares

As of March 31, 2024: 49,267,180 shares

2) Number of treasury shares at the end of the period:

As of December 31, 2024: 2,289,634 shares

As of March 31, 2024: 2,353,409 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024: 46,676,843 shares

Nine months ended December 31, 2023: 46,863,572 shares

\* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

\* Proper use of earnings forecasts, and other special matters

The statements regarding forecast of financial results in this report are based on the information that is available to the Company, as well as certain assumptions that are deemed to be reasonable by management and they are not meant to be a commitment by the Company.

Please refer to "1.3 Statements for Financial Forecasts and Business Outlook" on page 5 of this report.

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## 1. Business Results

### 1.1 Highlight of Consolidated Operating Results

According to the newly established Corporate Purpose “We create new value for society through visualization of the invisible,” OSAKI group is executing its three-year Mid-Term Management Plan started in FY 2024 towards full-scale introduction of second-generation smart meters in FY 2026 and domestic and international expansion of its solutions business.

Specifically, the Group is engaged in key strategic pillars of the mid-term management plan: “Supplying added value to social infrastructure centered on smart meters,” “Supporting the streamlining of customers’ operations (digital transformation) by harnessing digital technology,” “Providing comprehensive Green Transformation Solutions to achieve decarbonization,” “Transformation into profit-oriented business,” and “Building resilient Group Operations platform.”

For the nine months ended December 31, 2024, operating results by business portfolio category are as outlined below.

#### ● Smart meters & solutions in Japan

Net sales for Smart meters & solutions in Japan increased by 1.8% year on year to 39,593 million yen and operating income decreased by 19.8% year on year to 2,700 million yen.

Net sales increased with a slight rise year on year in the Smart meter business despite slacking demand until the introduction of the second-generation smart meter, as well as higher sales in the Switchgear Business. Operating income decreased with changes in the product mix and an increase in SG&A expenses.

#### ● Smart meters & solutions overseas

Net sales for Smart meters & solutions overseas increased by 3.5% year on year to 31,198 million yen and operating income increased by 47.4% year on year to 1,153 million yen.

Net sales increased year on year with successful growth in shipments to Oceania, while shipments to the UK decreased due to inventory adjustments by customers. Operating income also increased with successful performance in Oceania and improved profit margins gained from favorable exchange rates in the UK.

#### ● Real estate

Net sales for Real estate decreased by 2.6% year on year to 420 million yen and operating income decreased by 7.9% year on year to 208 million yen.

In aggregate, for the nine months ended December 31, 2024, net sales increased by 2.7% year on year to 70,238 million yen, operating income decreased by 7.1% year on year to 4,051 million yen, and ordinary income decreased by 7.5% to 4,031 million yen. Profit attributable to owners of parent increased by 6.5% year on year to 2,327 million yen due to the recording of extraordinary gain on sales of investment securities and extraordinary loss from loss on retirement of non-current assets and business restructuring expenses accrued at overseas subsidiaries.

## Summary of Consolidated Financial Results for the Nine Months ended December 31, 2024

(Millions of yen)

	Nine Months ended December 31, 2023	Nine Months ended December 31, 2024	YoY Change	
			Amount	%
<b>Net sales</b>	68,392	70,238	1,845	+2.7%
Smart meters & solutions in Japan	38,897	39,593	695	+1.8%
Smart meters & solutions overseas	30,138	31,198	1,060	+3.5%
Real estate	431	420	(11)	(2.6)%
Adjustment	(1,075)	(974)	100	-
<b>Operating income</b>	4,362	4,051	(310)	(7.1)%
Smart meters & solutions in Japan	3,365	2,700	(665)	(19.8)%
Smart meters & solutions overseas	782	1,153	371	+47.4%
Real estate	226	208	(17)	(7.9)%
Adjustment	(11)	(10)	1	-
Ordinary income	4,360	4,031	(329)	(7.5)%
Profit attributable to owners of parent	2,184	2,327	142	+6.5%

### 1.2 Consolidated Financial Position

Total assets at December 31, 2024 were 98,231 million yen, a 2,590 million yen increase from March 31, 2024. This was mainly due to a decrease in notes and accounts receivable by 3,637 million yen, while inventory and cash and deposits increased by 3,535 million yen and 2,913 million yen respectively.

Total liabilities were 35,026 million yen, a 1,917 million yen increase from March 31, 2024. This was mainly due to decrease in notes and accounts payable – trade and electronically recorded obligations – operating by 928 million yen, while short to long term borrowings and other current liabilities increased by 2,508 million yen and 1,670 million yen respectively.

Net assets were 63,205 million yen, an increase of 672 million yen from March 31, 2024. This was mainly due to a 209 million yen increase in the deduction for treasury stock, while retained earnings and valuation difference on available-for-sale securities increased by 894 million yen and 107 million yen respectively.

### 1.3 Statements for Financial Forecasts and Business Outlook

The Company revised the forecast for full-year for the fiscal year ending March 31, 2025, previously announced on August 6, 2024. Please refer to “Notice Concerning Revision of Financial Forecasts for the Fiscal Year ending March 2025” for more details.

## 2. Quarterly Consolidated Financial Statements

### 2.1 Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	7,135	10,048
Deposits paid	3,717	4,882
Notes and accounts receivable - trade, and contract assets	18,825	15,188
Merchandise and finished goods	10,331	13,340
Work in process	2,747	3,496
Raw materials and supplies	9,230	9,008
Other	3,936	3,113
Allowance for doubtful accounts	(460)	(406)
Total current assets	55,464	58,671
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,979	7,890
Land	12,099	12,099
Other, net	4,666	5,172
Total property, plant and equipment	24,746	25,162
Intangible assets	783	815
Investments and other assets		
Investment securities	8,149	8,250
Retirement benefit asset	2,201	2,205
Other	4,301	3,129
Allowance for doubtful accounts	(4)	(3)
Total investments and other assets	14,647	13,582
Total non-current assets	40,177	39,560
Total assets	95,641	98,231

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,071	6,350
Electronically recorded obligations - operating	2,857	2,649
Short-term borrowings	1,874	7,206
Income taxes payable	786	428
Provision for bonuses	1,676	1,044
Provision for bonuses for directors (and other officers)	107	61
Provision for product warranties	462	421
Other	7,361	9,031
Total current liabilities	22,197	27,194
Non-current liabilities		
Long-term borrowings	2,823	-
Provision for retirement benefits for directors (and other officers)	52	42
Provision for repairs	52	57
Retirement benefit liability	2,347	2,382
Deferred tax liabilities	3,151	3,325
Other	2,483	2,023
Total non-current liabilities	10,910	7,831
Total liabilities	33,108	35,026
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,965	7,965
Capital surplus	8,762	8,764
Retained earnings	27,503	28,398
Treasury shares	(1,198)	(1,408)
Total shareholders' equity	43,034	43,721
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,203	3,311
Foreign currency translation adjustment	2,521	2,561
Remeasurements of defined benefit plans	850	762
Total accumulated other comprehensive income	6,575	6,635
Share acquisition rights	466	466
Non-controlling interests	12,456	12,382
Total net assets	62,532	63,205
Total liabilities and net assets	95,641	98,231

## 2.2 Quarterly Consolidated Statements of Income and Comprehensive Income

### Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	68,392	70,238
Cost of sales	51,950	53,007
Gross profit	16,442	17,230
Selling, general and administrative expenses	12,080	13,178
Operating profit	4,362	4,051
Non-operating income		
Interest income	29	52
Dividend income	266	276
Other	141	104
Total non-operating income	437	433
Non-operating expenses		
Interest expenses	131	263
Foreign exchange losses	257	162
Other	51	28
Total non-operating expenses	439	453
Ordinary profit	4,360	4,031
Extraordinary income		
Gain on sale of investment securities	-	263
Total extraordinary income	-	263
Extraordinary losses		
Impairment losses	200	-
Loss on retirement of non-current assets	-	37
Loss on sale of shares of subsidiaries and associates	197	-
Business restructuring expenses	-	245
Total extraordinary losses	397	282
Profit before income taxes	3,962	4,012
Income taxes - current	1,017	1,106
Income taxes - deferred	179	71
Total income taxes	1,196	1,177
Profit	2,765	2,835
Profit attributable to non-controlling interests	581	507
Profit attributable to owners of parent	2,184	2,327



Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	2,765	2,835
Other comprehensive income		
Valuation difference on available-for-sale securities	864	107
Foreign currency translation adjustment	890	40
Remeasurements of defined benefit plans, net of tax	(67)	(87)
Total other comprehensive income	1,687	60
Comprehensive income	4,453	2,895
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,872	2,387
Comprehensive income attributable to non-controlling interests	581	507

## 2.3 Notes to Quarterly Consolidated Financial Statements

### (Changes in Accounting Policies)

Accounting Standard for Corporate, Inhabitant and Enterprise Taxes (ASBJ Statement No. 27, October 28, 2022, hereafter referred to as “the 2022 Revised Accounting Standard”) and others were applied from the beginning of the current consolidated fiscal year.

The company follows the treatment concerning the classification of income taxes (taxation on other comprehensive income) as below:

- The treatment prescribed in Paragraph 20-3 of the 2022 Revised Accounting Standard
- Application guidelines for accounting standards related to tax effect accounting (ASBJ Statement No. 28, October 28, 2022, hereafter referred to as “the 2022 Revised Accounting Standard”) transitional treatment provided in the proviso to Article 65-2 (2)

In addition, regarding the revision regarding the treatment in consolidated financial statements when gains and losses on sales of subsidiary stocks, etc. within consolidated companies are deferred for tax purposes, the 2022 revised application guidelines were applied from the beginning of the current consolidated fiscal year.

The above changes have no impact on the quarterly consolidated financial statements.

### (Notes on Business Segments)

#### I Fiscal year ended December 31 2023 (April 1, 2023 to December 31, 2023)

##### 1. Sales, Profits or Losses by Reporting Segments

	Reporting Segments				Adjustment (Remark)	Consolidated
	Smart meters & solutions in Japan	Smart meters & solutions overseas	Real estate	Total		
Sales to Customers	38,881	29,158	352	68,392	—	68,392
Intersegment Sales	15	980	79	1,075	(1,075)	—
Total Sales	38,897	30,138	431	69,468	(1,075)	68,392
Operating Income	3,365	782	226	4,374	(11)	4,362

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

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

###### (Significant Impairment Loss on Fixed Assets)

In the “Smart meters & solutions overseas” of the Reporting Segments, we have recognized the impairment loss on fixed assets of 200 million of yen and recorded it as extraordinary loss.

#### II Fiscal year ended December 31 2024 (April 1, 2024 to December 31, 2024)

##### 1. Sales, Profits or Losses by Reporting Segments

	Reporting Segments				Adjustment (Remark)	Consolidated
	Smart meters & solutions in Japan	Smart meters & solutions overseas	Real estate	Total		
Sales to Customers	39,575	30,320	341	70,238	—	70,238
Intersegment Sales	17	878	79	974	(974)	—
Total Sales	39,593	31,198	420	71,212	(974)	70,238
Operating Income	2,700	1,153	208	4,062	(10)	4,051

(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.

(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.

(Notes on the Cash Flow Statement)

A quarterly consolidated cash flow statement for the current third quarter consolidated cumulative period has not been prepared. Depreciation expenses (including amortization expenses related to intangible fixed assets) for the third quarter consolidated cumulative period is as follows.

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Depreciation expenses	1,716 Millions of yen	1,592 Millions of yen