



# Pioneering “Leading-edge IoT”, with eSOL’s Original OS Platform



## eSOL Co., Ltd. 2020 Annual Report

February 2021 by eSOL Co., Ltd.  
(listed on the First Section of the Tokyo Stock Exchange: 4420)

Copyright (c) eSOL Co.,Ltd. All rights reserved.



# eSOL reports FY2020 Results



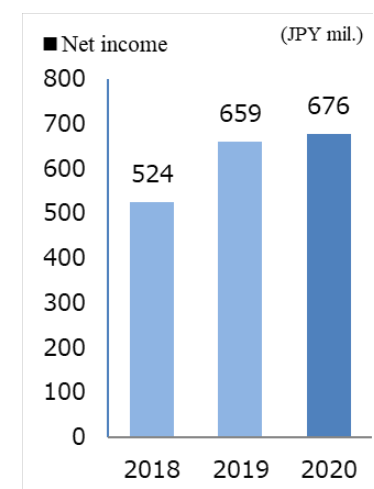
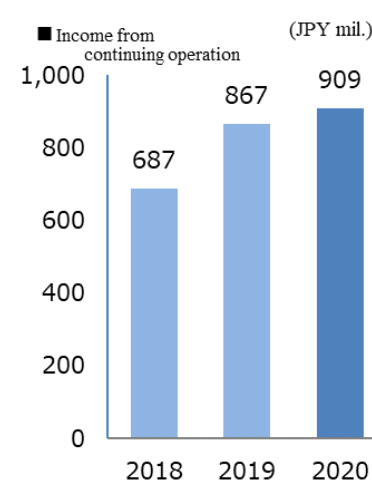
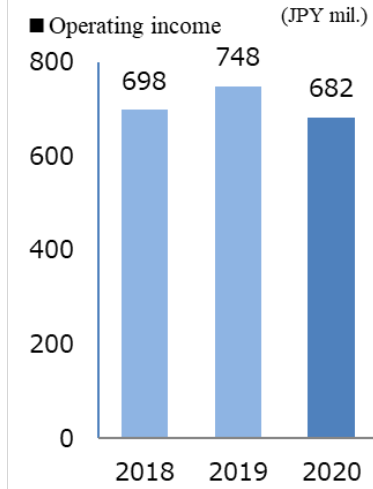
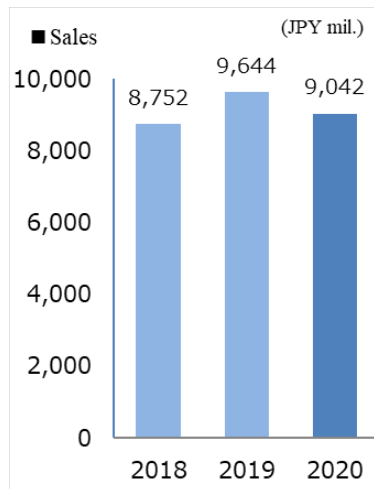
# FY 2020 Results—Summary

## Summary of results

Compared to the last fiscal, sales decreased due to COVID-19 outbreak and earnings fell due to the increase of R&D for Original OS\*<sup>1</sup>. Revenue from NEDO\*<sup>2</sup> R&D project was allocated to other income. (JPY mil.)

	FY 2019	FY 2020	YoY	Plan <sup>1/</sup>	Divide Plan by FY 2020
Sales	9,644	<b>9,042</b>	▲6.2%	9,025	100.2%
Operating income	748	<b>682</b>	▲8.8%	602	113.2%
Income from continuing operation before tax	867	<b>909</b>	+4.9%	821	110.7%
Net income	<b>659</b>	<b>676</b>	+2.6%	606	111.5%

<sup>1/</sup>“Plan” is the number announced on November 13, 2020.



\*<sup>1</sup> Original OS / Original OS based on our proprietary technology

\*<sup>2</sup> New Energy and Industrial Technology Development Organization



# FY 2020 Results—Summary

## Results by segment—summary

(JPY mil.)

By Segment	FY 2019	FY 2020	YoY
Sales	9,644	<b>9,042</b>	▲6.2%
Embedded Software Business	8,928	<b>8,358</b>	▲6.4%
Embedded Software Products	1,779	<b>1,981</b>	+11.4%
Engineering Services	7,149	<b>6,377</b>	▲10.8%
Sensing Solution Business	736	<b>676</b>	▲8.1%
Adjustments for consolidation	▲20	<b>6</b>	—
Gross Profit	2,995	<b>3,197</b>	+6.7%
Embedded Software Business	2,709	<b>2,906</b>	+7.3%
Sensing Solution Business	300	<b>271</b>	▲9.5%
Adjustments for consolidation	▲14	<b>19</b>	—
Operating Income	748	<b>682</b>	▲8.8%
Embedded Software Business	737	<b>638</b>	▲13.5%
Sensing Solution Business	25	<b>24</b>	▲2.6%
Adjustments for consolidation	▲14	<b>19</b>	—

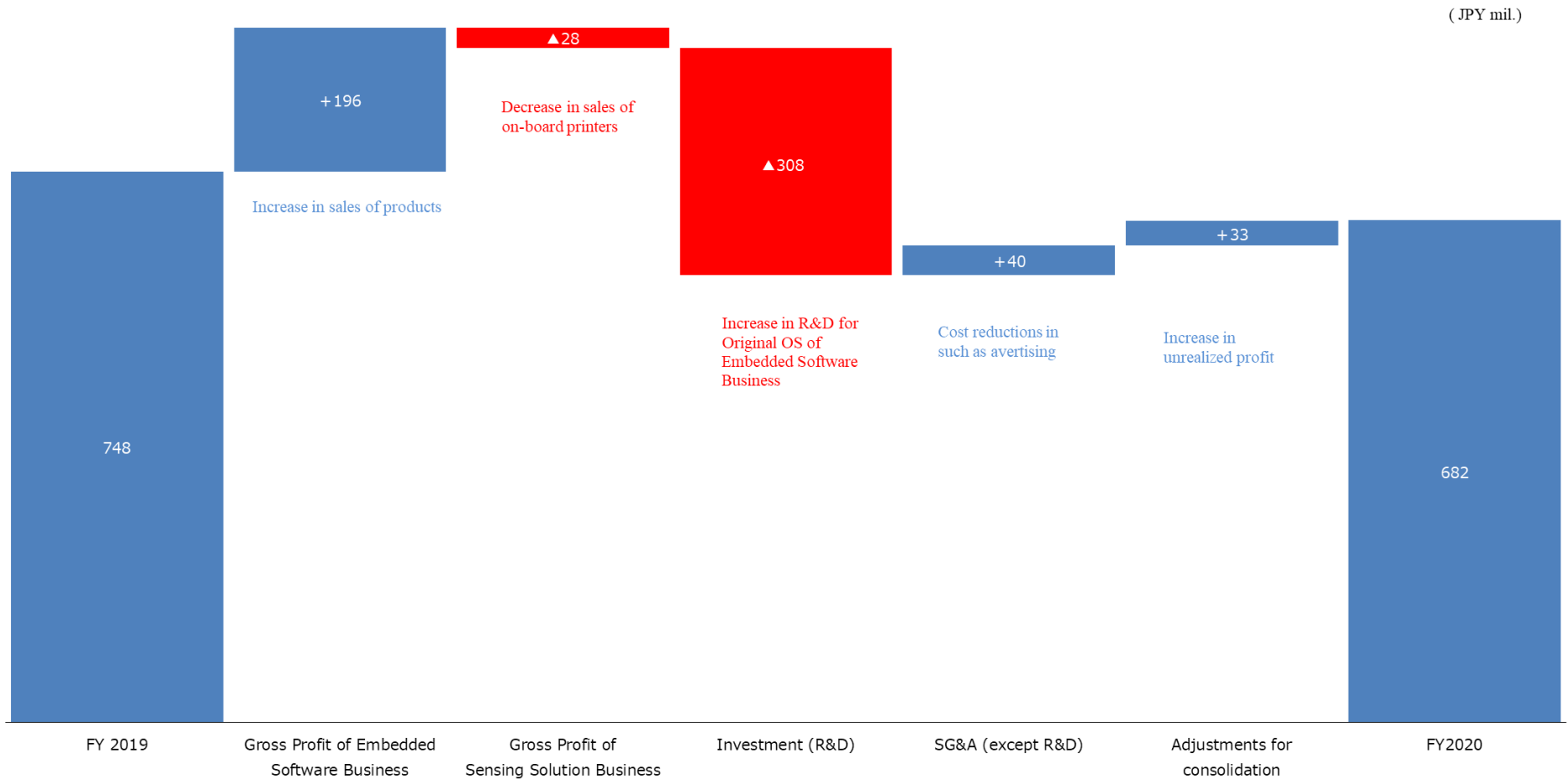
■ Embedded Software Business: Earnings declined mainly due to the decreased sales to automotive industry.

■ Sensing Solution Business: Earnings declined mainly due to the decreased sales of onboard printers and related products.



# FY 2020 Results—Summary

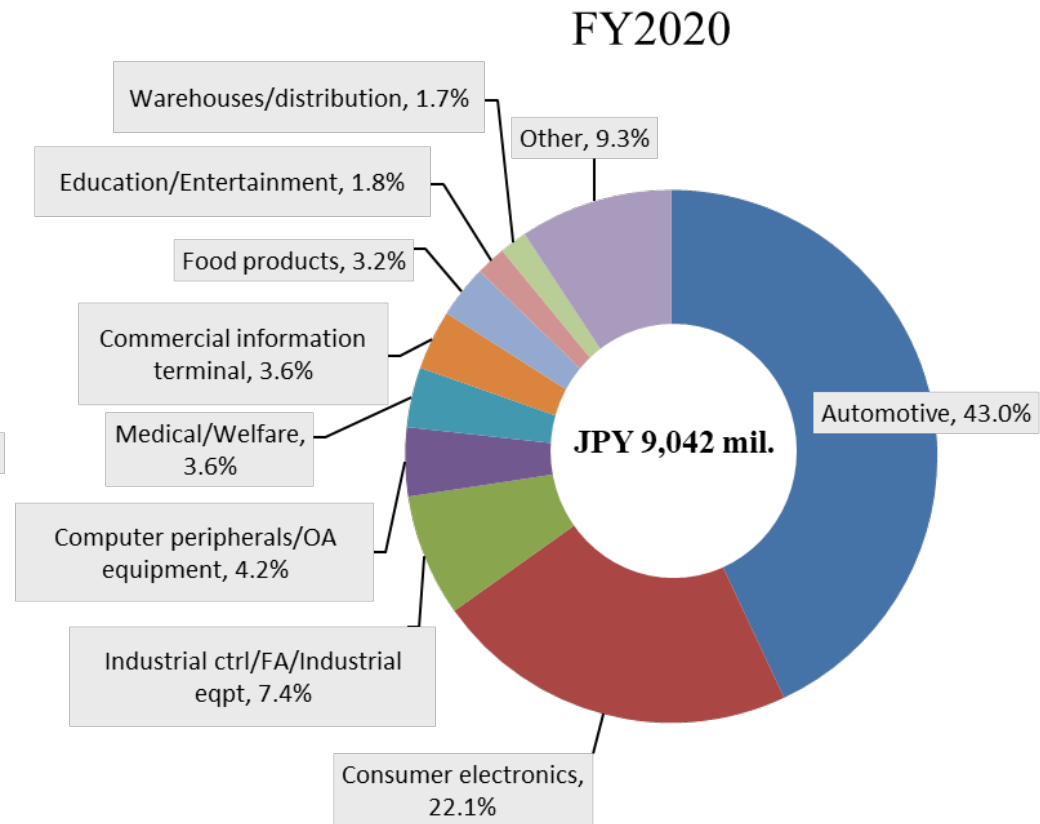
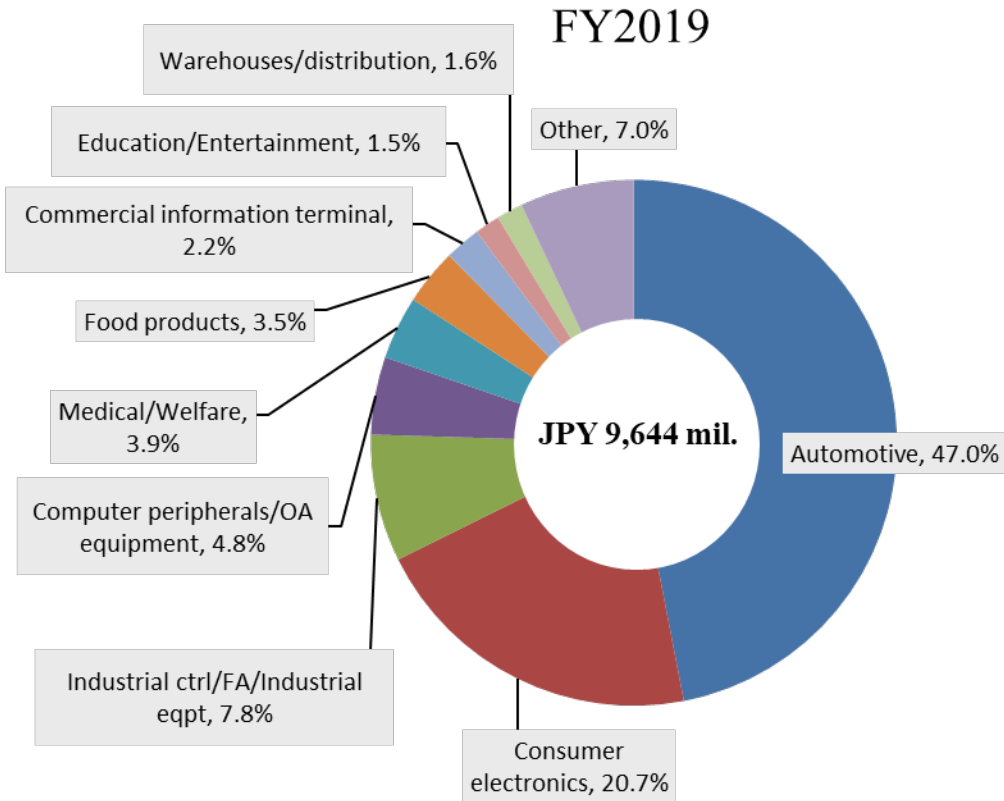
## Walk of Operating Income (year-over-year)





# FY 2020 Results—Summary

## Sales by segments of customers





# FY2021 Plan

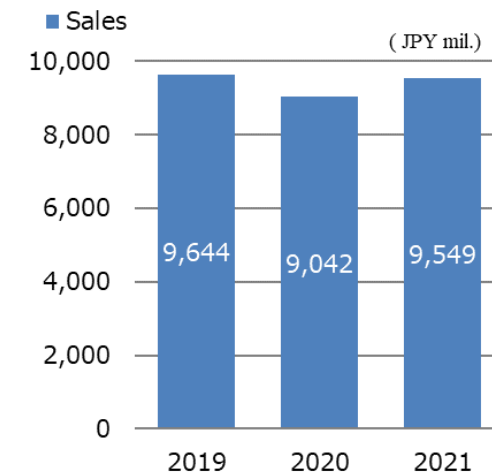


# FY 2021 Plan

## Summary of plan

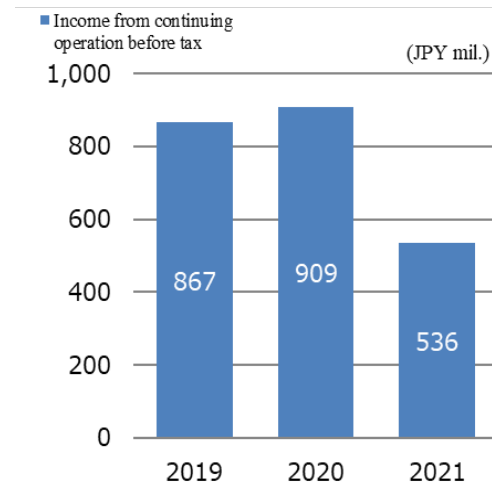
	FY 2020		FY 2021		YoY	
	Up-to-Q2	Full-year	Up-to-Q2	Full-year	Up-to-Q2	Full-year
Sales	4,522	9,042	4,387	9,549	▲3.0%	+5.6%
Operating income	220	682	▲4	309	—	▲54.7%
Income from continuing operation before tax	430	909	211	536	▲50.9%	▲41.1%
Net income	316	676	150	387	▲52.6%	▲42.8%

(JPY mil.)



- The whole group accelerates investment in the development of Original OS to target the automotive industry market where computerization has been progressing. (4.23 million yen increase from FY2020)
- We plan to allocate revenue from NEDO\* project, “Innovative AI Chips and Next-Generation Computing Technology Development”, to other income as well as we did in the prior fiscal.

\*New Energy and Industrial Technology Development Organization







# FY 2021 Plan [R&D Investment]

As the Japanese vendor with Original OS, we invest in R&D to target the global market.

## ■ Basic policy: investment in R&D

Approx. 10% of sales revenue will continuously be invested in R&D and Revision Up.

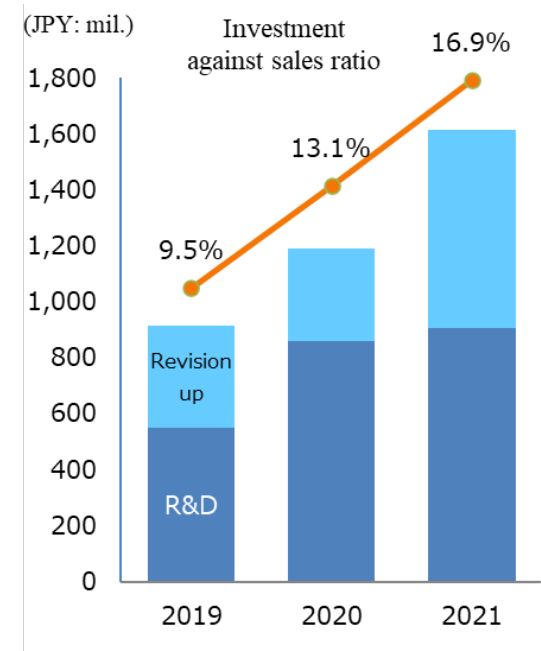
## ■ Policy for this FY

The whole group, including overseas affiliates, accelerates investment in the development of in-house OS to target the automotive industry market where computerization has been progressing.

## ■ Plan for this FY

(JPY mil.)				
	FY2019	FY2020	FY2021	YoY
Sales	9,644	9,042	<b>9,549</b>	<b>+5.6%</b>
Investment in development	916	1,188	<b>1,612</b>	<b>+35.6%</b>
R&D	551	860	<b>905</b>	<b>+5.2%</b>
Revision up	364	328	<b>707</b>	<b>+115.5%</b>
Investment against sales ratio	9.5%	13.1%	<b>16.9%</b>	—

Revision up: investment to maintain the function of product





# FY 2021 Plan 【Dividend to Shareholders】

eSOL will remunerate shareholders in accordance with the following policies:

## ■ Dividend policy

Stable financial position

Stable dividend payout ratio in accordance with performance

Investment in improving corporate value by using internal reserve (investment in R&D, human development, etc.)

## ■ Dividend amount

We plan to maintain the same dividend amount as the prior fiscal. Admittedly, we forecast earnings will decrease year-over-year basis in 2021, but it is simply because the investment in R&D continues to increase.

	FY 2019	FY 2020	FY 2021
Dividend per share	*5.50yen	5.50yen	5.50yen
(interim dividend included)	(0.00yen)	(1.50yen)	(1.50yen)
Dividend payout ratio	17.0%	16.6%	28.9%

\*memorial dividend of 1.50yen/share is included



# Notes on this material

Any statements contained in this document that are not historical facts are forward-looking statements based on publicly available information at the time of issuing this document, and therefore, will not guarantee such as the result of operation in the future.

All forward-looking statements are subject to various risks and uncertainties that could cause actual results to differ materially from expectations.

Uncertainties above include but not limited to factors for economical condition in Japan or overseas and trend in the related industries.

eSOL undertakes no obligation to publicly update or revise any forward-looking statements.

Information other than eSOL group contained in this documents is publicly known, and also, eSOL undertakes no obligation to guarantee its accuracy or adequacy.

## Contact for information

IR, President's Office,  
eSOL Co.,Ltd.

e-mail : [esol-ir@esol.co.jp](mailto:esol-ir@esol.co.jp)

WEB : <https://www.esol.com/>