



eSOL Co., Ltd.

Reports 2021 First Quarter Results

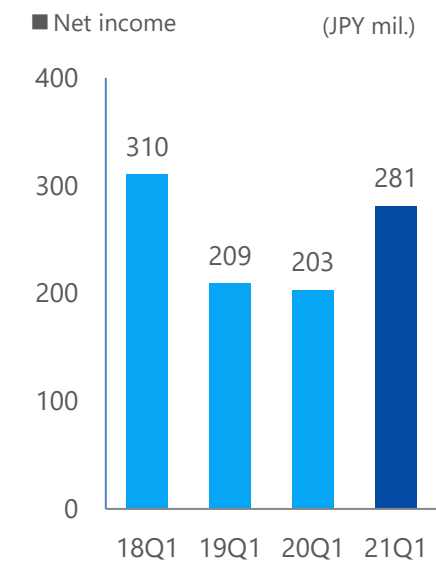
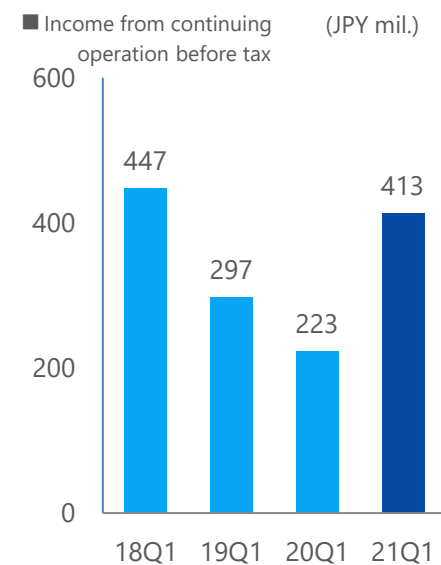
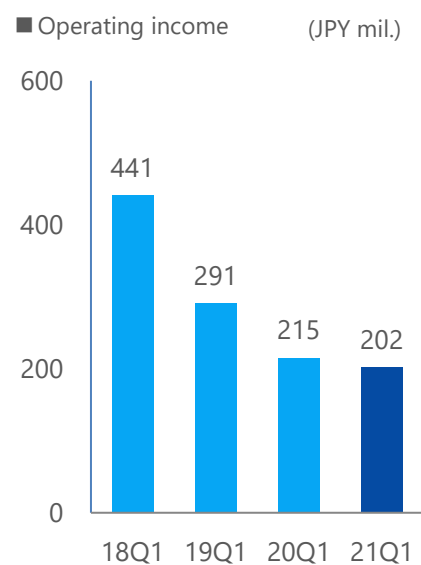
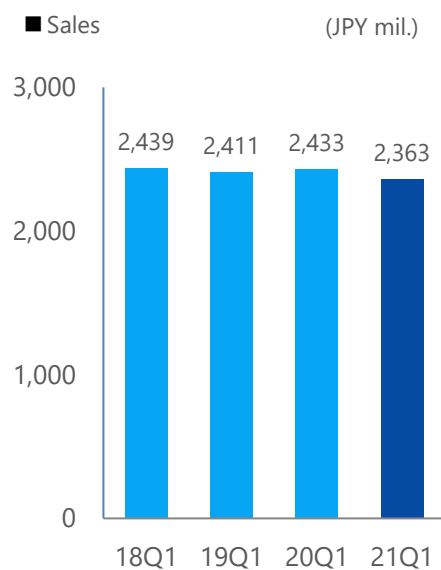
May 14, 2021

Summary of results

Operating income fell due to growing R&D investment, aiming to further improve the performance of Original OS*¹. Revenue from NEDO*² project was appropriated in other income.

	Q1 FY 2020	Q1 FY 2021			Full-year plan FY 2021
			YoY	Progress	
Sales	2,433	2,363	▲2.9%	24.7%	9,549
Operating income	215	202	▲6.2%	65.4%	309
Income from continuing operation before tax	223	413	+84.9%	77.0%	536
Net income	203	281	+38.4%	72.8%	387

*1 OS based on our proprietary technology *2 New Energy and Industrial Technology Development Organization

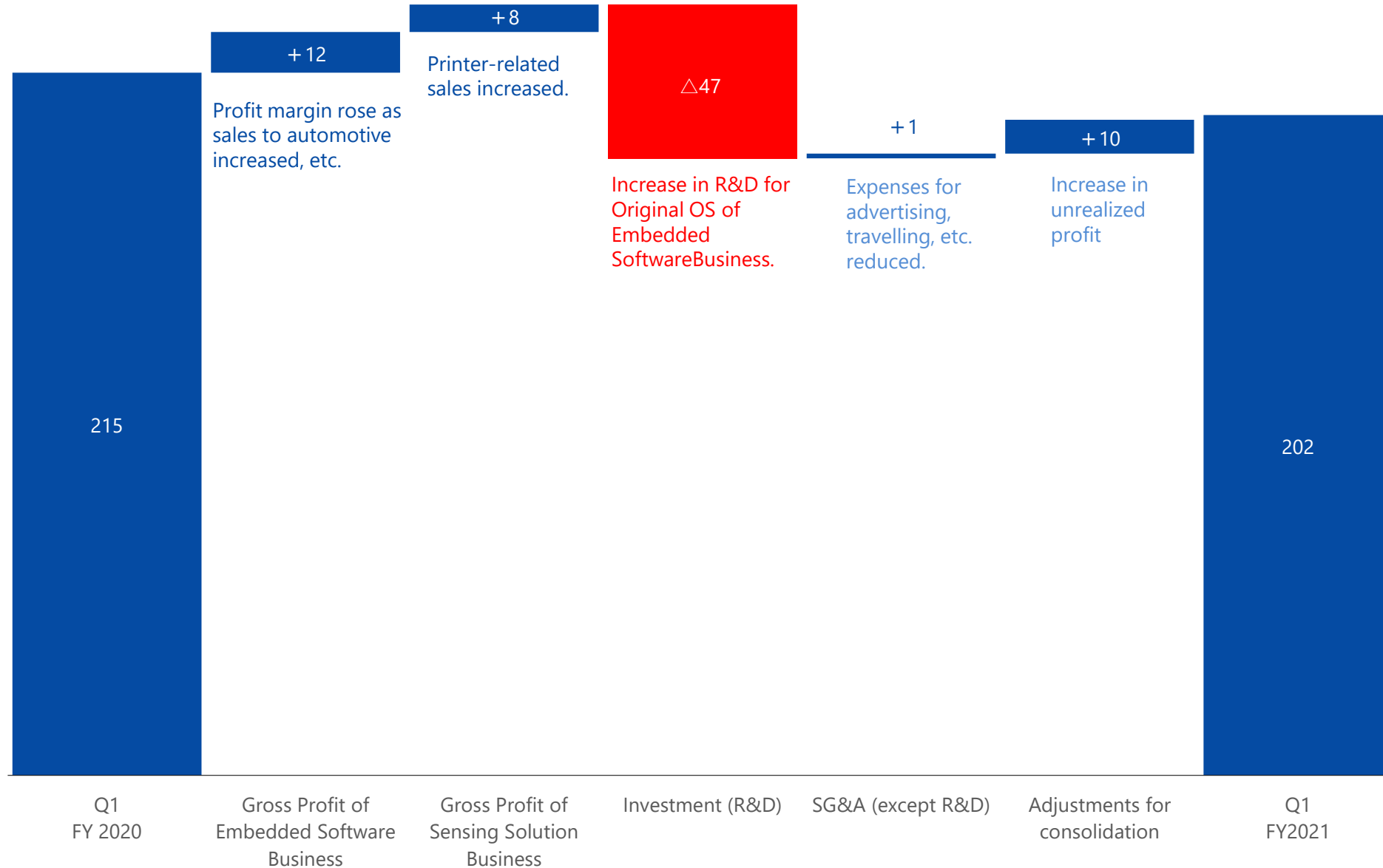


Results by segment—summary

	(JPY mil.)			
	Q1 FY 2020	Q1 FY 2021	YoY	
Sales	2,433	2,363	▲2.9%	
Embedded Software Business	2,186	2,090	▲4.4%	Sales to consumers fell.
Embedded Software Products	440	414	▲5.8%	
Engineering Services	1,746	1,675	▲4.0%	
Sensing Solution Business	210	227	+7.9%	Printer-related sales increased.
Adjustments for consolidation	36	45	—	
Gross Profit	813	846	+4.0%	
Embedded Software Business	684	697	+1.9%	Profit margin rose as sales to automotive increased, etc.
Sensing Solution Business	90	99	+9.9%	
Adjustments for consolidation	38	49	—	
Operating Income	215	202	▲6.2%	R&D increased.
Embedded Software Business	147	110	▲24.7%	
Sensing Solution Business	30	42	+39.3%	
Adjustments for consolidation	38	49	—	

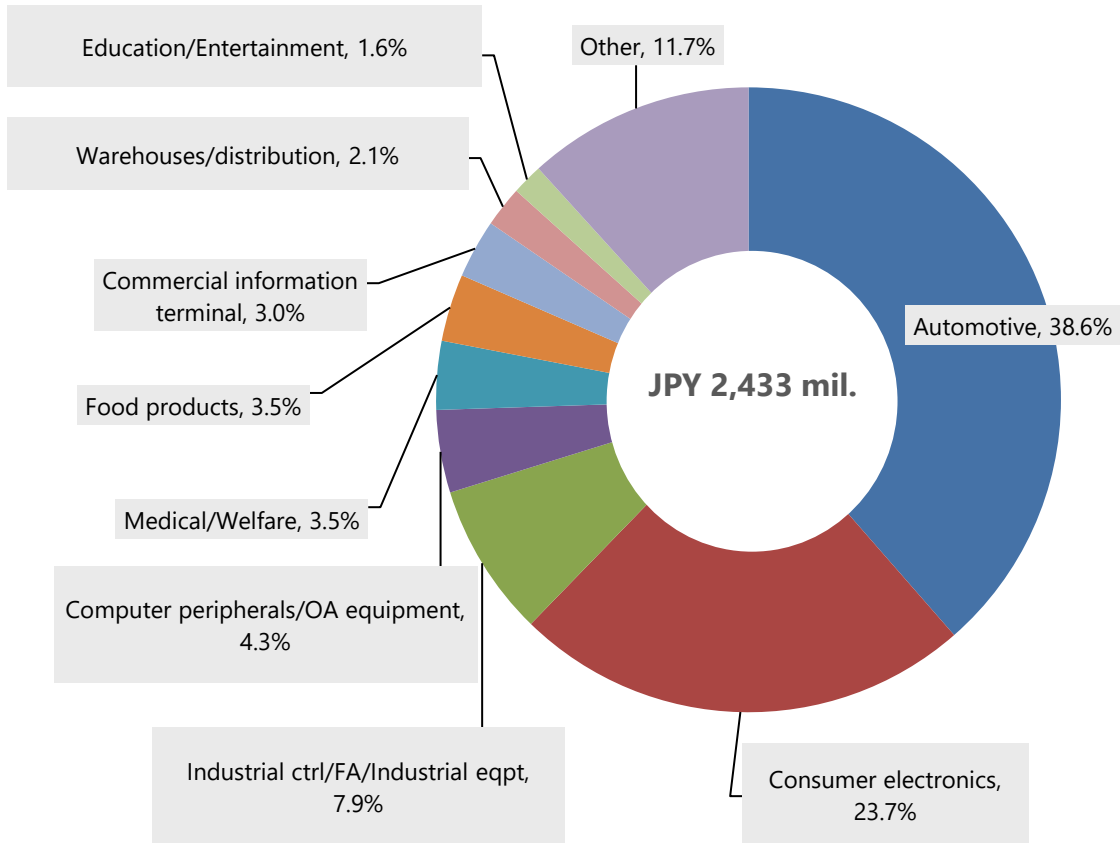
Walk of operating income (year-over-year)

(JPY mil.)

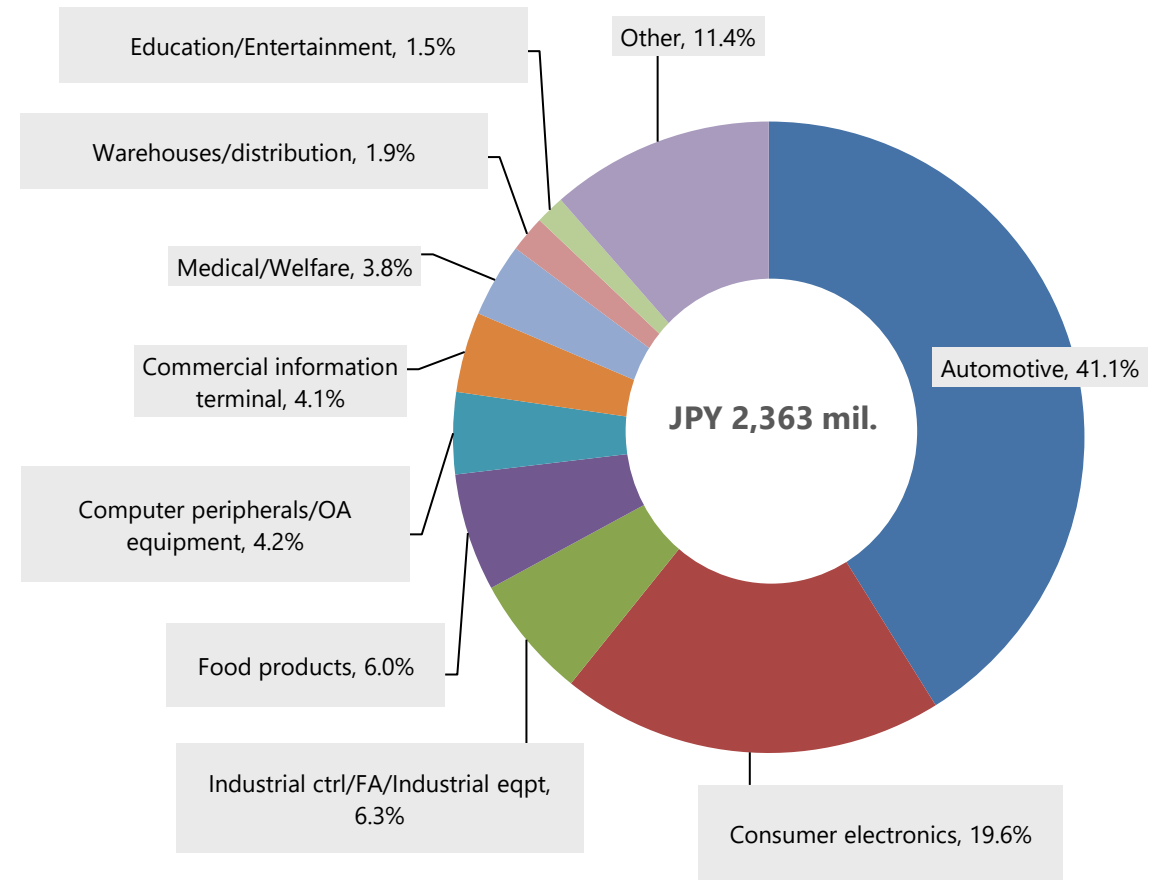


Sales by segments of customers

Q1, FY 2020



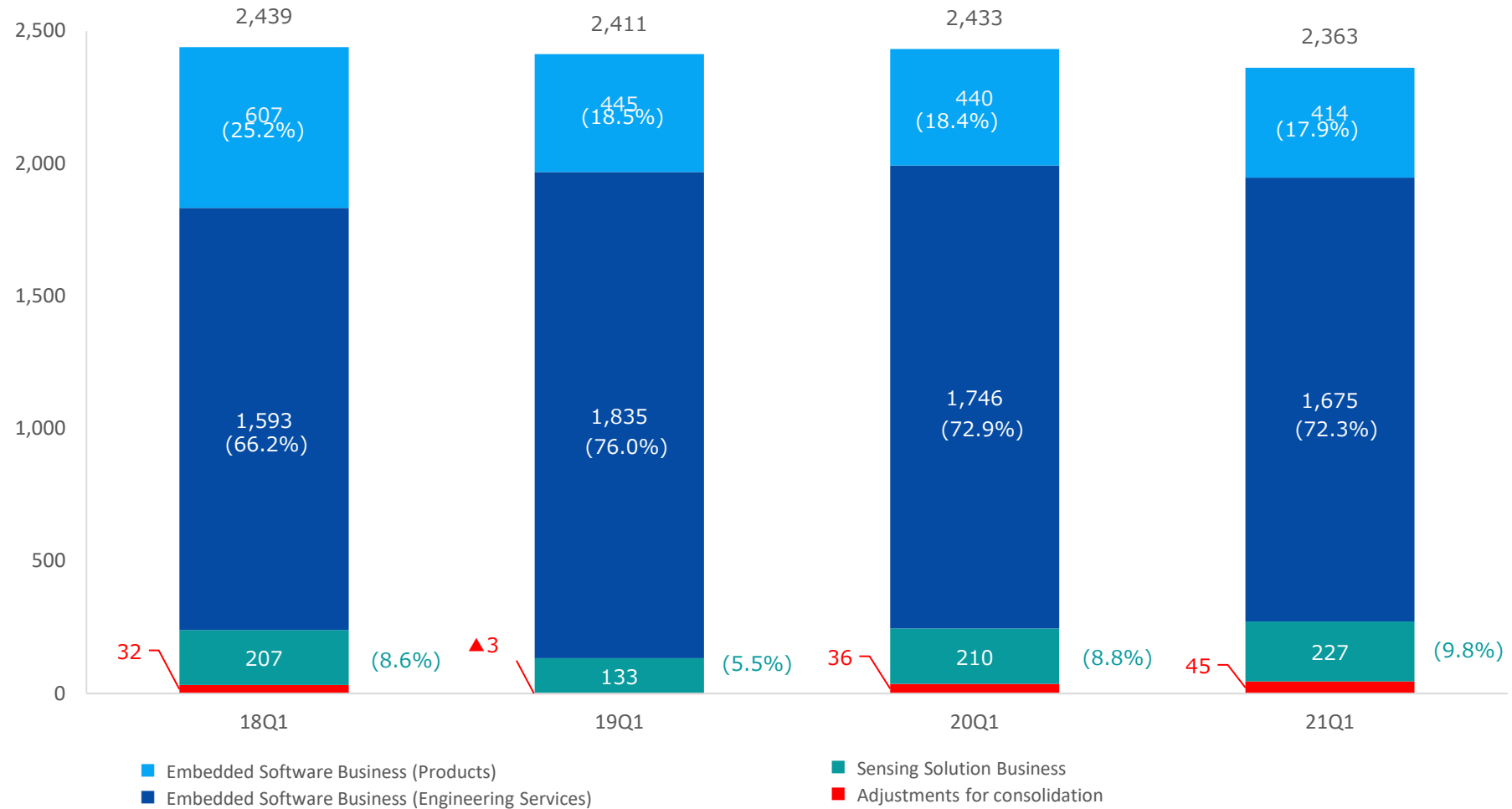
Q1, FY 2021



Transition of sales by segment

(JPY mil.)

Each percentage represents the percentage of the total sales for the period except adjustment.



R&D investment

R&D: As the company holding Original OS, setting a target to acquire demand in a global market.

■ Concept of R&D

Investing in R&D and revision up continues each period, aiming to further improve functionalities of our products.

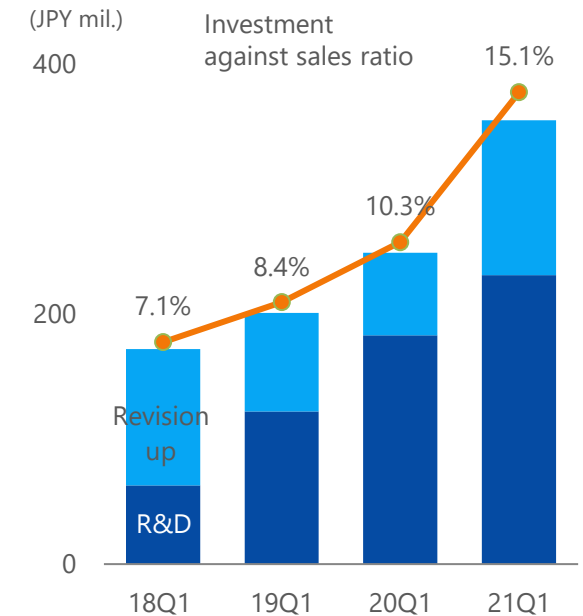
■ Policy for this FY

The whole group, including overseas affiliates, will accelerate R&D investment in Original OS, so that we develop the automotive market where computerization has been advancing.

■ Progress

	Q1 FY 2020	Q1 FY 2021	YoY	Full-year plan FY 2021
Sales	2,433	2,363	▲2.9%	9,549
Investment in development	250	356	+42.3%	1,612
R&D	183	231	+25.9%	905
Revision up	66	124	+87.6%	707
Investment against sales ratio	10.3%	15.1%	—	—

Revision up: investment to maintain the function of product



Shareholder Return for FY2021

eSOL will remunerate shareholders in accordance with the following policies:

■ Dividend policy

Stable financial position

Stable dividend payout ratio in accordance with performance

Investing internal reserve in enhancing corporate value (R&D, human development, etc.)

■ Dividend amount

FY2021-plan is lower than the prior FY in earnings, primarily because R&D investment increases.

However, we will maintain the same dividend amount as the prior FY.

	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 document

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.

Risks and 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 notwithstanding new information or events.

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

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