



eSOL Co., Ltd.

Corporate Profile

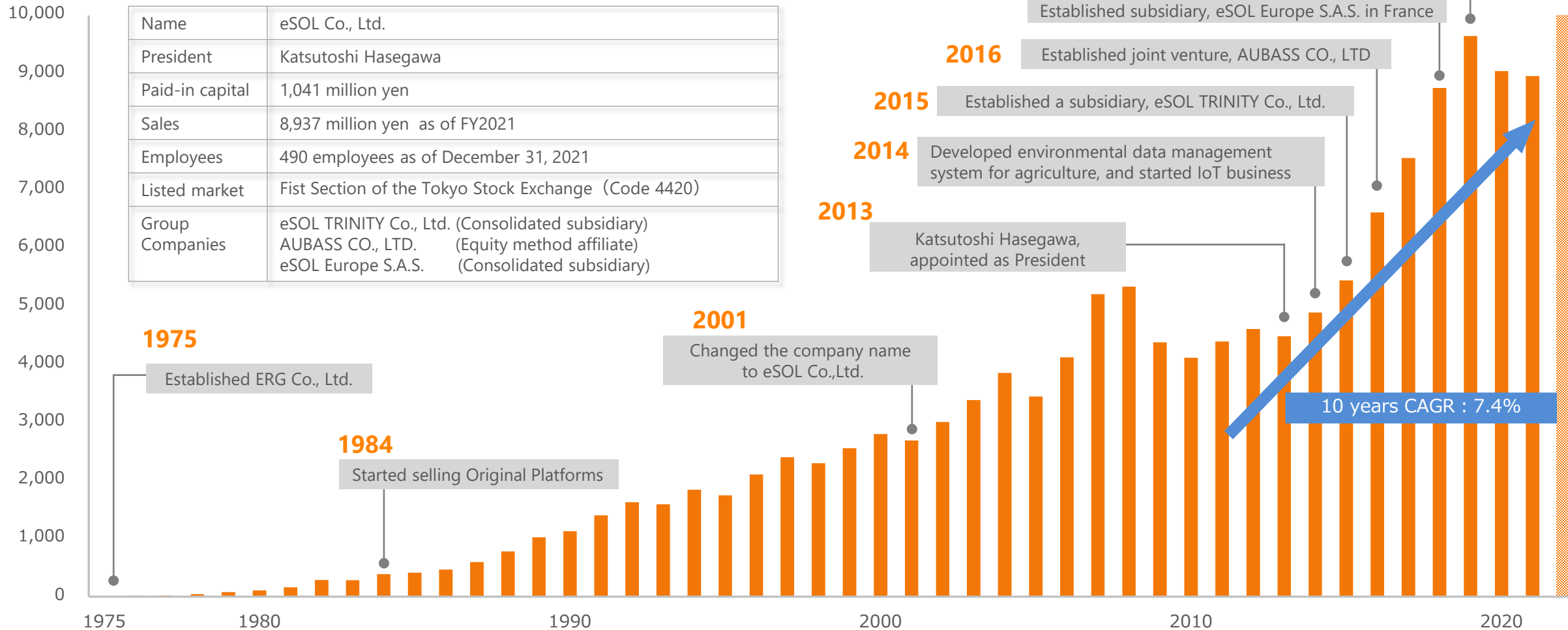
February 14, 2022

History

eSOL has been achieving sustainable growth in fast-moving software industry.

Sales (JPY mil.)

Name	eSOL Co., Ltd.
President	Katsutoshi Hasegawa
Paid-in capital	1,041 million yen
Sales	8,937 million yen as of FY2021
Employees	490 employees as of December 31, 2021
Listed market	Fist Section of the Tokyo Stock Exchange (Code 4420)
Group Companies	eSOL TRINITY Co., Ltd. (Consolidated subsidiary) AUBASS CO., LTD. (Equity method affiliate) eSOL Europe S.A.S. (Consolidated subsidiary)



Business

Segment	Sub segment	Business	Sales Composition ratio (%)	
Embedded Software Business	Embedded Software Products	- Development and sale of RTOS (real-time operating system) - Sale of tools for the development of embedded software	92.4	22.1
	Engineering Services	- Undertaking engineering service for embedded software - Consultancy related to the development of embedded software - Education to engineers developing embedded software		77.9
Sensing Solution Business	Logistics related business	- Automotive printer for issuing dedicated slips - Ordinary temperature handy terminal - Development and sale of environmental resistant handy terminal and sales-support software	7.6	—
	Sensor network business	- Proposal of sensor network system		

Sales Composition ratio as of FY2021

eSOL's strengths include its highly profitable "Embedded Software Products" business and very stable "Engineering Services" business.

- "Embedded Software Products" and "Engineering Services" grew together with a synergistic effect.
- In order to scale up the medium to long term business, the proportion of "Embedded Software Products" needs to be increased.
- Sensing Solutions Business is in a phase of developing a new sensor network business while securing profits in the logistics-related business which is not expected to grow significantly in the future.

Embedded Software Business - eSOL's strengths

Embedded Software Business

Except for so called "Computer" such as PC, servers and supercomputers, embedded software is installed in familiar equipment like vehicles and controlling such electronic devices. Today, many devices are being computerized, and that brings about the growing market for embedded software.

So called "Computer"

Used for emails, word processors, data storing, and data processing



Embedded Software

Used for controlling electronic devices with embedded software. Equipped in almost everything around us.



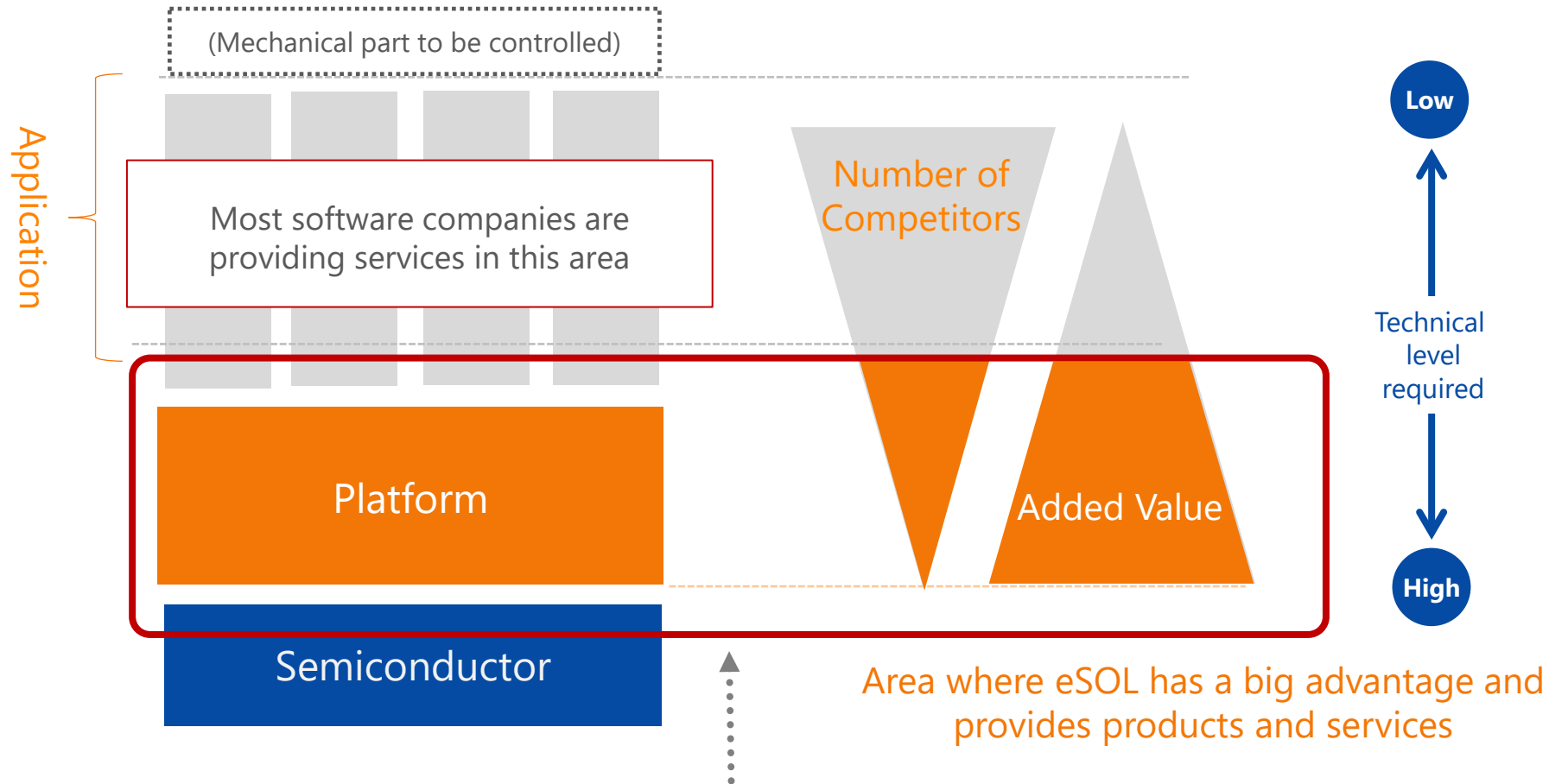
The platformer in the field of embedded software business

A stable balance and a synergetic effect lie in embedded software products and engineering services

Recurring revenue model

Enhance industry standardization activities

eSOL's strength - The platformer in the field of embedded software business



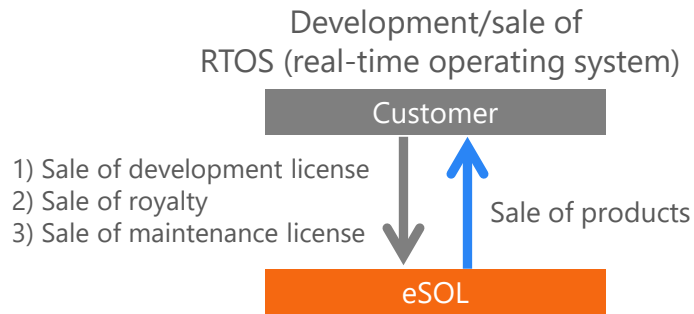
- Highly value-added business with a high barrier to enter.
- Very few companies have Original OS.

eSOL is a provider of operating systems (OS)

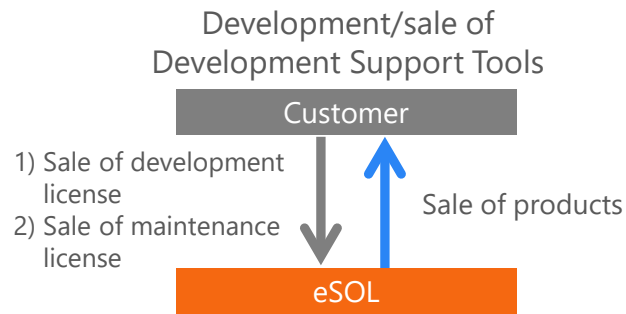
eSOL's strength - A stable balance and a synergetic effect lie in embedded software products and engineering services

Established well-balanced revenue structure with highly profitable "Embedded Software Products" and stable "Engineering Services"

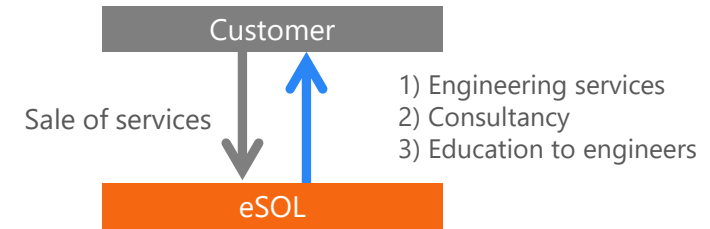
● Embedded Software Products



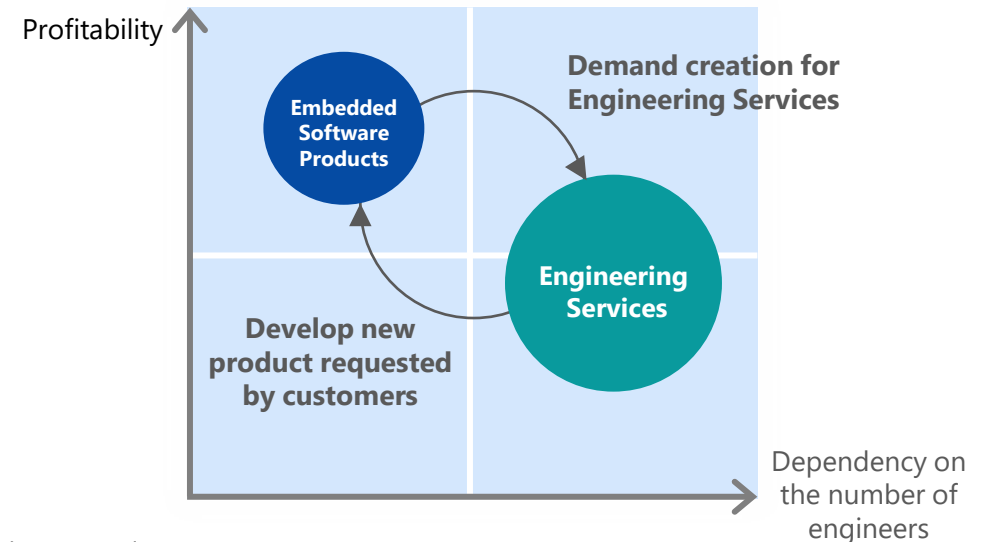
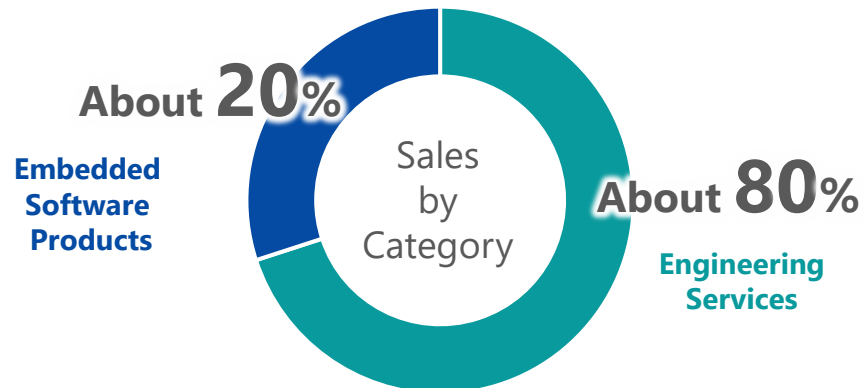
Excellent earnings without depending on the number of engineers



● Engineering Services

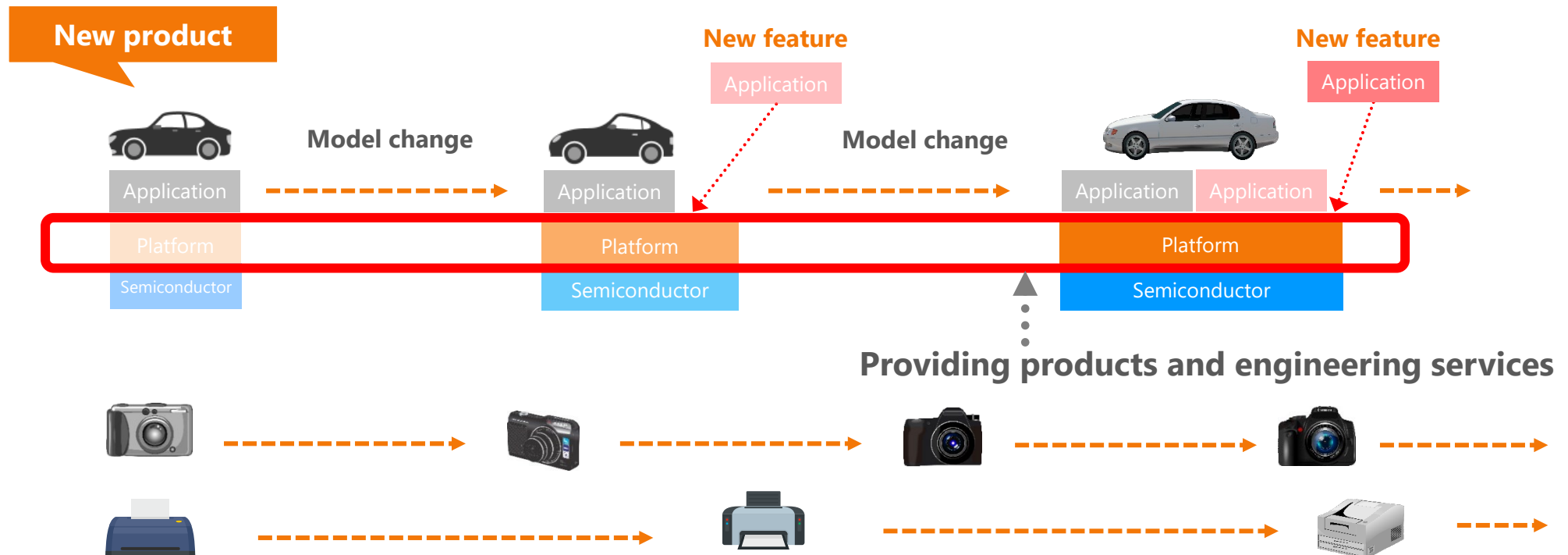


eSOL's primary source of revenue



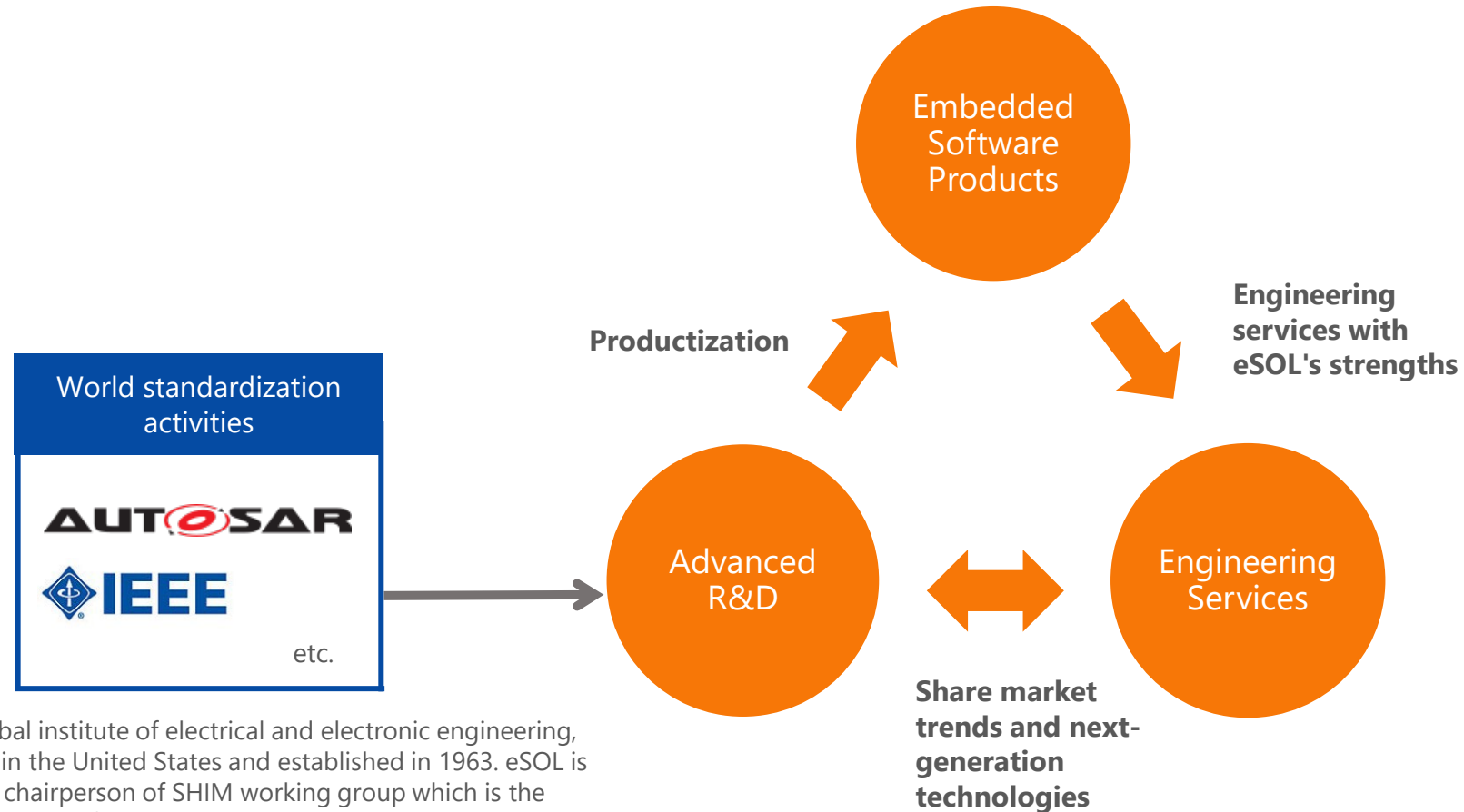
eSOL's strength - Recurring revenue model

- Periodical repurchase demand continues for platforms.
- By dealing with companies across industries, replacement demand is stable.
- Every platform provided for replacement is always upgraded owing to continuous R&D.
- Clients can reuse existing software assets and make effective use of resources.



eSOL's strength - Enhance industry standardization activities

Provide high value-added products through effective collaboration between R&D, product development, and engineering services based on knowledge gained through standardization activities.



IEEE is the global institute of electrical and electronic engineering, having its HQ in the United States and established in 1963. eSOL is serving as the chairperson of SHIM working group which is the sectional committee of computer.

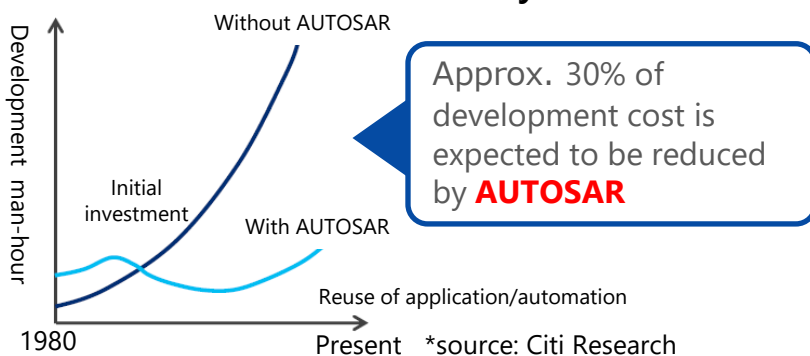
eSOL's strength - Enhance industry standardization activities (AUTOSAR)

eSOL has worked as Premium Partner of "AUTOSAR" since 2016—the global development partnership of automotive industry.

What's AUTOSAR ? <https://www.autosar.org/>

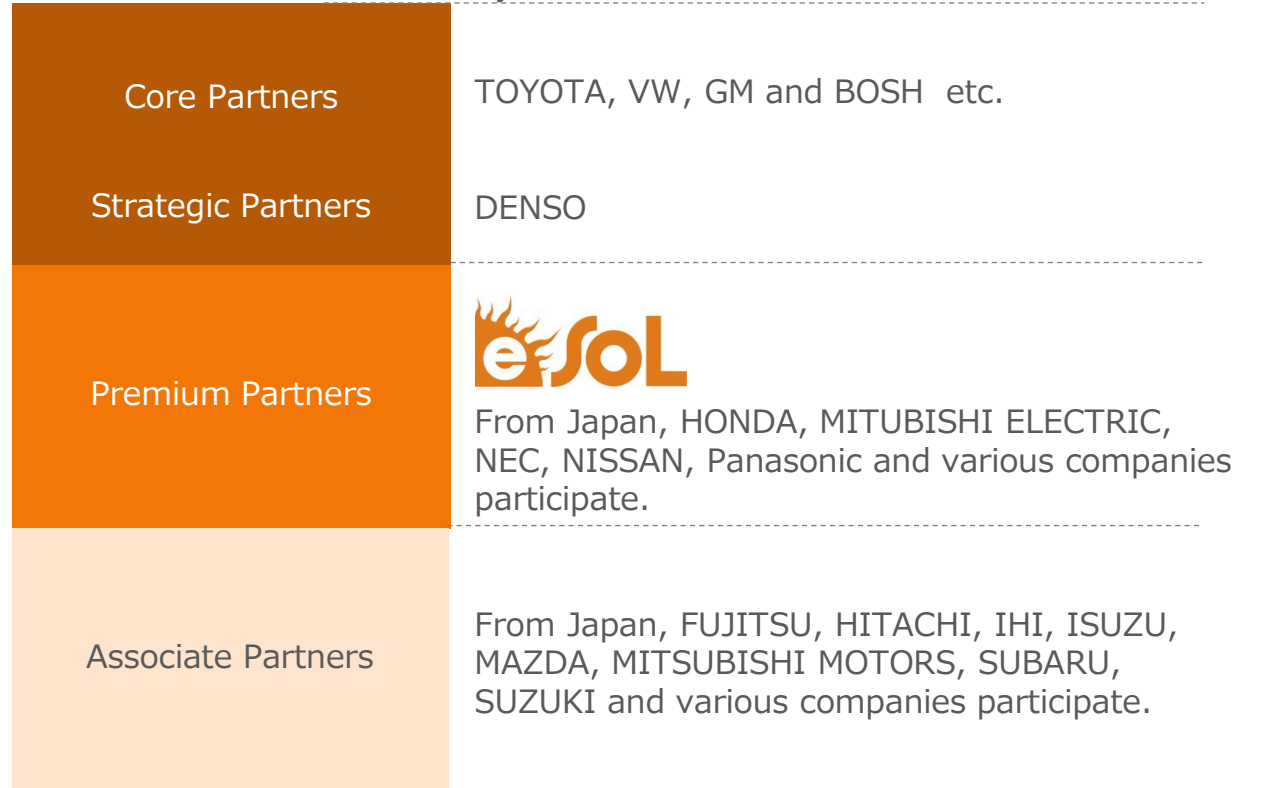
- A worldwide development partnership of the automotive industry established in July 2003.
- Consists of more than 200 membership-companies/organizations including automotive companies and components manufacturers.
- Aiming to accelerate software development and fulfill security measures through standardizing the basic onboard software specifications.
- AUTOSAR's specifications have already been introduced into mass-produced vehicles in Europe, also are expanding across other regions including Japan.

Reduction of development cost by AUTOSAR



AUTOSAR

Outline of AUTOSAR hierarchy



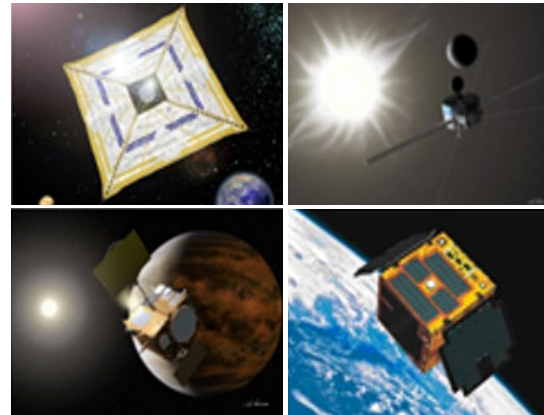
Embedded Software Business

Embedded software products are applied across industries and its market size and importance grow every year as computerization of equipment progresses.

● Vehicle control/Automotive devices



● Aerospace



● Consumer/OA devices



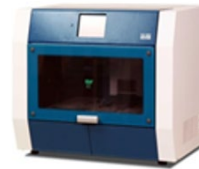
● Industrial equipment



● Audio equipment



● Physics and chemistry devices



● Research, academic use, and many others



Sensing Solution Business

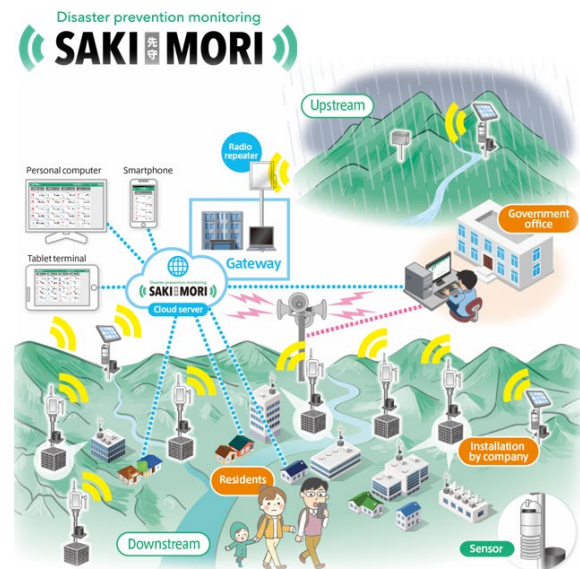
We provide solutions with environmentally resistant technologies for the logistics and distribution markets, and infrastructures for disaster prevention and disaster mitigation



Environmental resistant handy terminal PS-1720



Automotive printer PS-9010



Solar Cubicle

Cubic type solar electricity storage equipment



Product features

- Solar Cubicle can supply electricity with machine and tools at the time of power cut. Accordingly, the status of site is checked at once.
- Solar power generation eliminates the needs for gasoline and other fuels.
- Its structure is designed to store supplies at the time of an emergency.
- Prepares AC outlets as an emergency power box
- SOS transmission in an emergency (optional, to be featured)

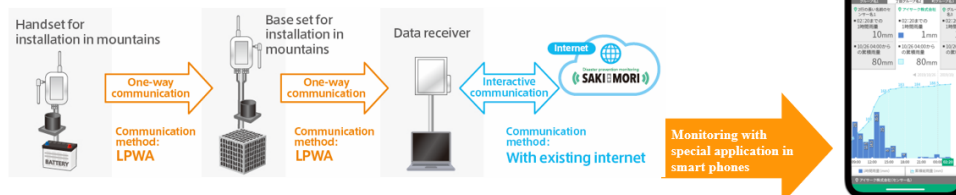
Locations to be used

- Municipal disaster evacuation sites
- Emergency power supply at construction sites
- Schools, hospitals and factories
- Mountain trails, agricultural land and farms
- Rivers, debris dams, etc.

Installation

- Easy to install. Can use just after the installation.
- Easy to transport. Can install temporarily.
- Skilled work is not required

An example of using AGRInk Sensor with Solar Cubicle



For the realization of a sustainable society - eSOL Spirit

The aim of eSOL group is the sustainable growth through the realization of “eSOL Spirit” as management policies while contributing to a sustainable society.



<p>Environment</p>	<p>We established environmental policies in 2005, and the environmental committee is promoting “eSOL Environmental Management.”</p> <p>As per software business, we support customers that pursue decarbonization in the automotive market — our growth driver — where computerization progresses rapidly. We assist them from the development side of ordered software.</p> <p>In addition, the Company assists people in dealing with crisis management against natural disasters through the package consists of the following systems:</p> <ul style="list-style-type: none"> -The preventive system against landslides and floods, which detects rainfalls and rivers water levels with sensors and alert people promptly. -The cubic solar electricity storage equipment, which can be installed easily and for a long time even in harsh natural environments.
<p>Social</p>	<p>The Company works to realize a corporate culture and work environment in which all employees, regardless of age or gender, can continue to be active, energetic, and motivated. As one the actions of the above, we promote work-life balance.</p>
<p>Governance</p>	<p>One-third of the Board of Directors is composed of outside directors, and the Company is working to improve management transparency and strengthen to monitor corporate management.</p> <p>In 2013, we established “eSOL Code of Conduct” and have been promoting compliance. The code aims to maintain discipline in business activities and realize fair and transparent management, based on the compliance with laws, internal regulations, social norms, and ethics.</p>

eSOL's vision

- eSOL aims to be a company that will move forward with and be supported by customers, business partners and shareholders.
- eSOL continues to expand the business as a rare and valuable company in the world that can provide a one-stop solution covering from an original embedded software development to engineering services responding to various needs in the field of embedded software.
- As a listed company, we aim to increase the value of our business partners, employees and shareholders — all stakeholders — through the business.
- For our shareholders, we aim to maximize earnings per share and increase corporate value.

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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