



eSOL Co., Ltd.

Reports 2024 First Quarter Results

May 13, 2024

Table of Contents

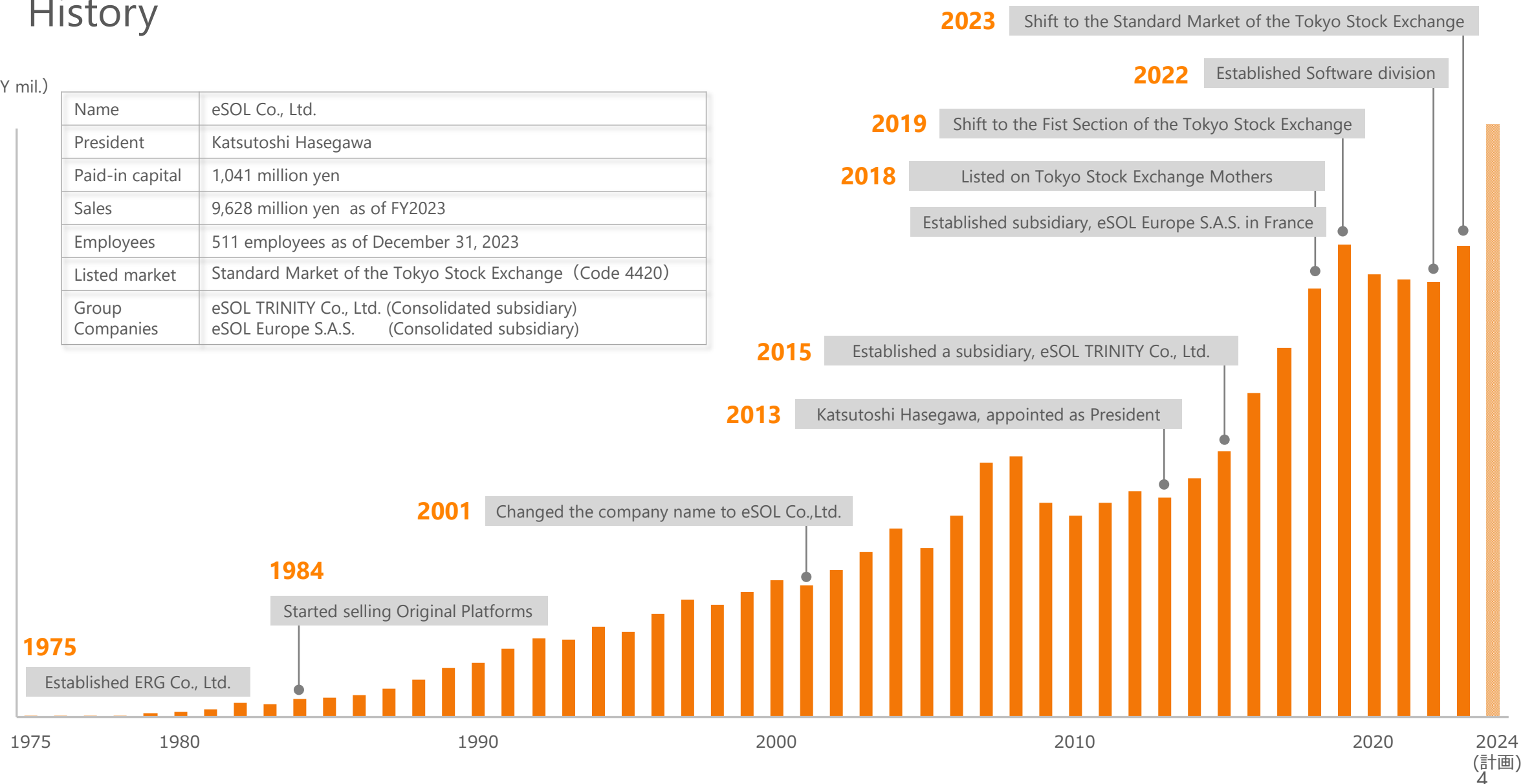
1. Corporate profile
2. Summary of FY 2024 First Quarter (Q1) Results

1. Corporate profile

History

Sales (JPY mil.)

Name	eSOL Co., Ltd.
President	Katsutoshi Hasegawa
Paid-in capital	1,041 million yen
Sales	9,628 million yen as of FY2023
Employees	511 employees as of December 31, 2023
Listed market	Standard Market of the Tokyo Stock Exchange (Code 4420)
Group Companies	eSOL TRINITY Co., Ltd. (Consolidated subsidiary) eSOL Europe S.A.S. (Consolidated subsidiary)



Business



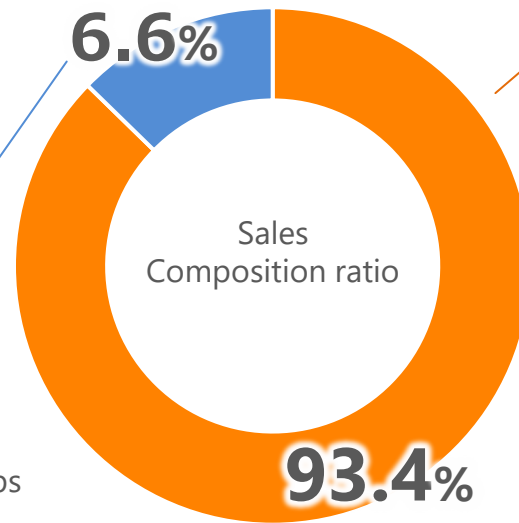
Sensing Solution Business

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

Sensor network business

- Proposal of sensor network system



FY2023

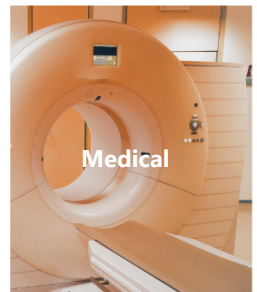
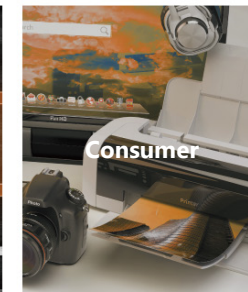
Embedded Software Business

Embedded Software Products

- Development and sale of RTOS (real-time operating system) RTOS
- Sale of tools for the development of embedded software

Engineering Services

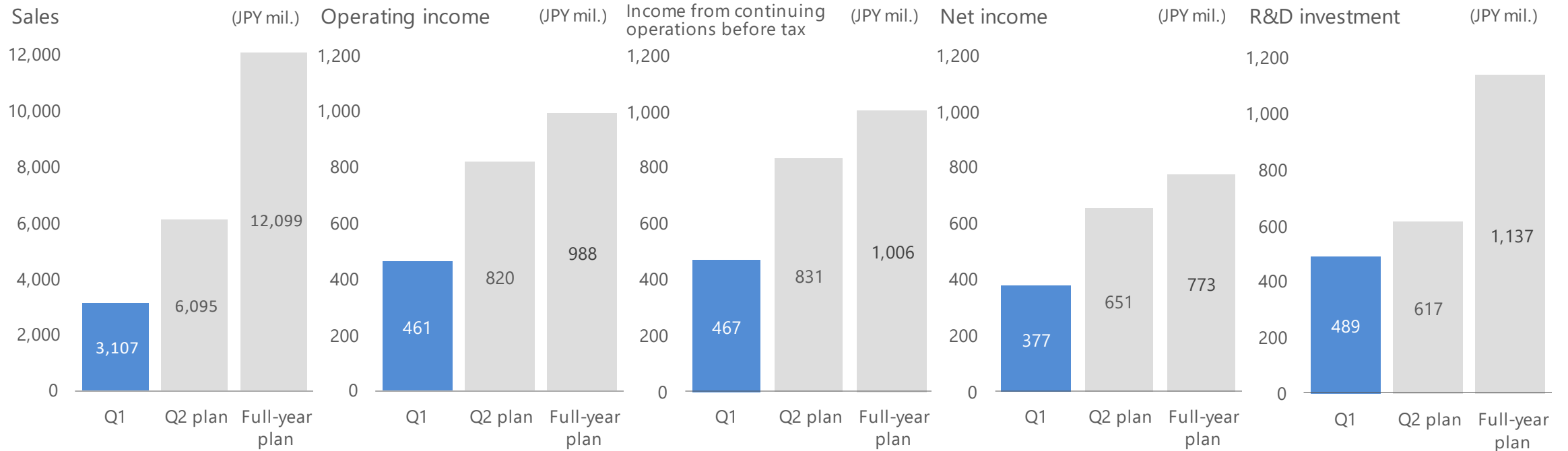
- Undertaking engineering service for embedded software
- Consultancy related to the development of embedded software
- Education to engineers developing embedded software



2 . Summary of FY2024 First Quarter (Q1) Results

Summary of Q1 Results (Progress of planned value)

The progress of the plan as of February 14, 2024 is shown as below.



Summary of Results (year-over-year)

- Sales increased in both the embedded software business and the sensing solutions business.
- The increase in profit was mainly due to higher sales of embedded software products.

(JPY mil.)

	Q1 FY 2023	Q1 FY 2024	△	YoY
Sales	2,235	3,107	+872	+39.0%
Cost of goods sold	1,434	1,804	+369	+25.7%
Revision up	58	203	+144	+247.2%
Gross profit	800	1,303	+503	+62.9%
SG&A	831	842	+10	+1.3%
R&D expenses	305	286	▲18	▲6.1%
Operating income	▲31	461	+492	-
Income from continuing operations before tax	▲24	467	+491	-
Net income	38	377	+339	+879.9%

Sales by segment

(JPY mil.)

by segment	Q1 FY 2023	Q1 FY 2024	△	YoY
Embedded Software Business	2,103	2,987	+884	+42.1%
Embedded Software Products	319	926	+607	+190.4%
Engineering Services	1,784	2,061	+277	+15.5%
Sensing Solution Business	115	134	+19	+16.8%
Adjustments for consolidation	16	▲14	▲31	-

Operating income by segment

(JPY mil.)

by segment	Q1 FY 2023	Q1 FY 2024	△	YoY
Embedded Software Business	▲49	472	+522	-
Sensing Solution Business	▲1	0	+2	-
Adjustments for consolidation	19	▲12	▲32	-

Summary of Results (R&D investment)

Basic policy of R&D investment

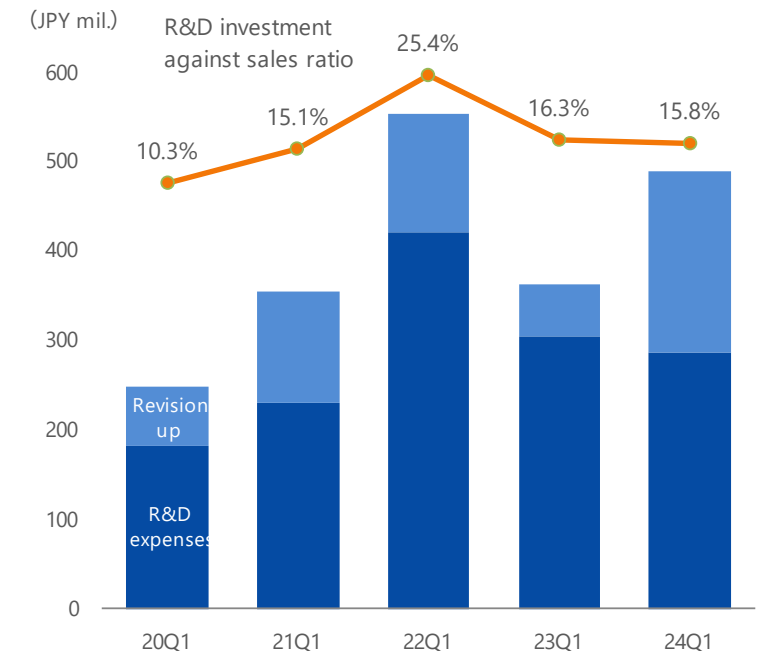
We continue to invest approximately 10% of sales in R&D every fiscal year, aiming to further enhance the functionality of our products.

Policy of this FY

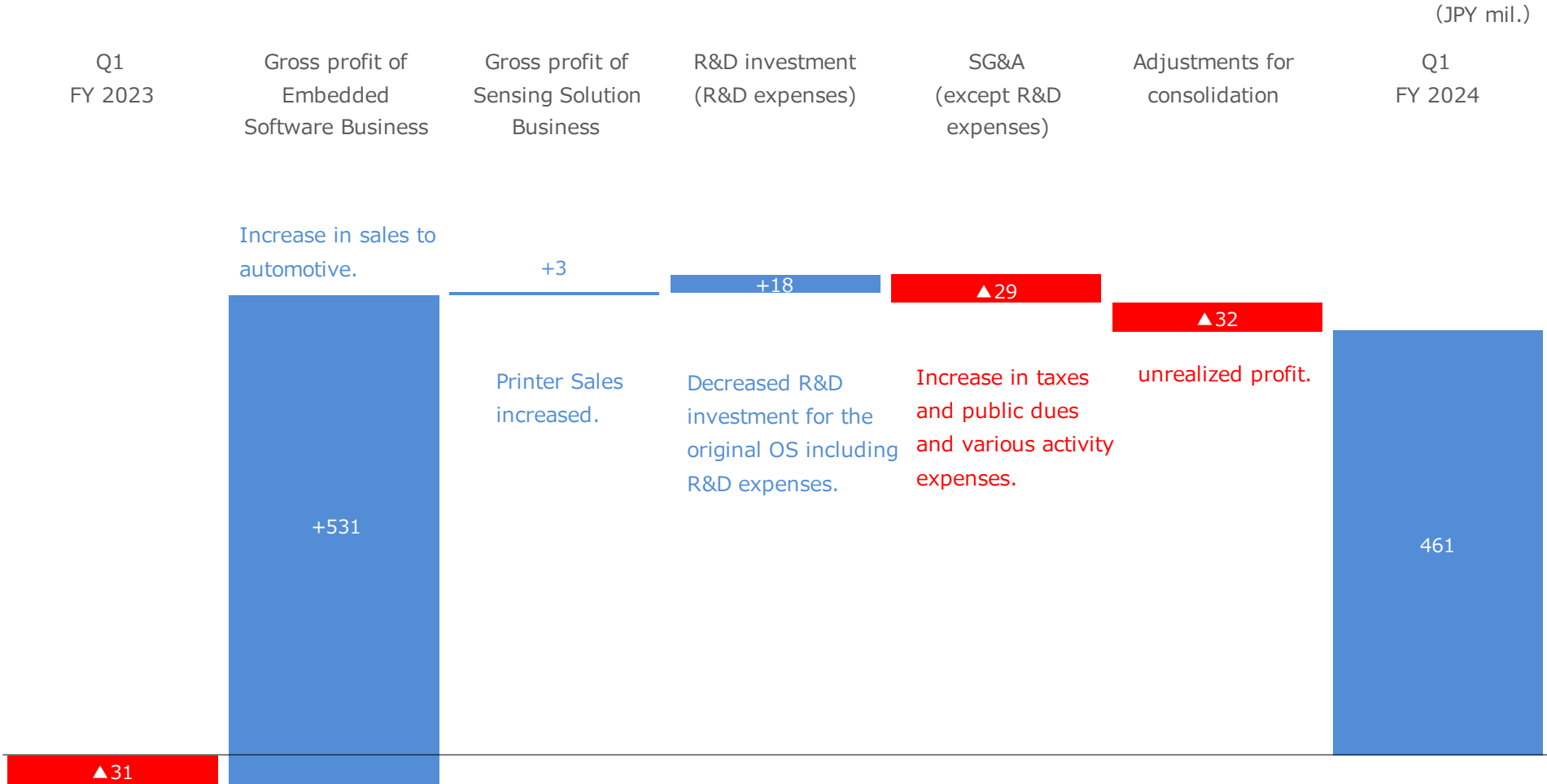
We continue R&D investment in order to participate in the market, "CASE", being a mainstream of the automotive market that we is our target.

(JPY mil.)				
	Q1 FY 2023	Q1 FY 2024	△	YoY
Sales	2,235	3,107	+872	+39.0%
R&D investment	363	489	+126	+34.7%
R&D expenses	305	286	▲18	▲6.1%
Revision up	58	203	+144	+247.2%
Investment against sales ratio	16.3%	15.8%	-	-

R&D expenses	<ul style="list-style-type: none"> - Investment in new products - Allocated to Cost of Selling
Revision up	<ul style="list-style-type: none"> - Investment to update existing products - Allocated to Cost of goods sold

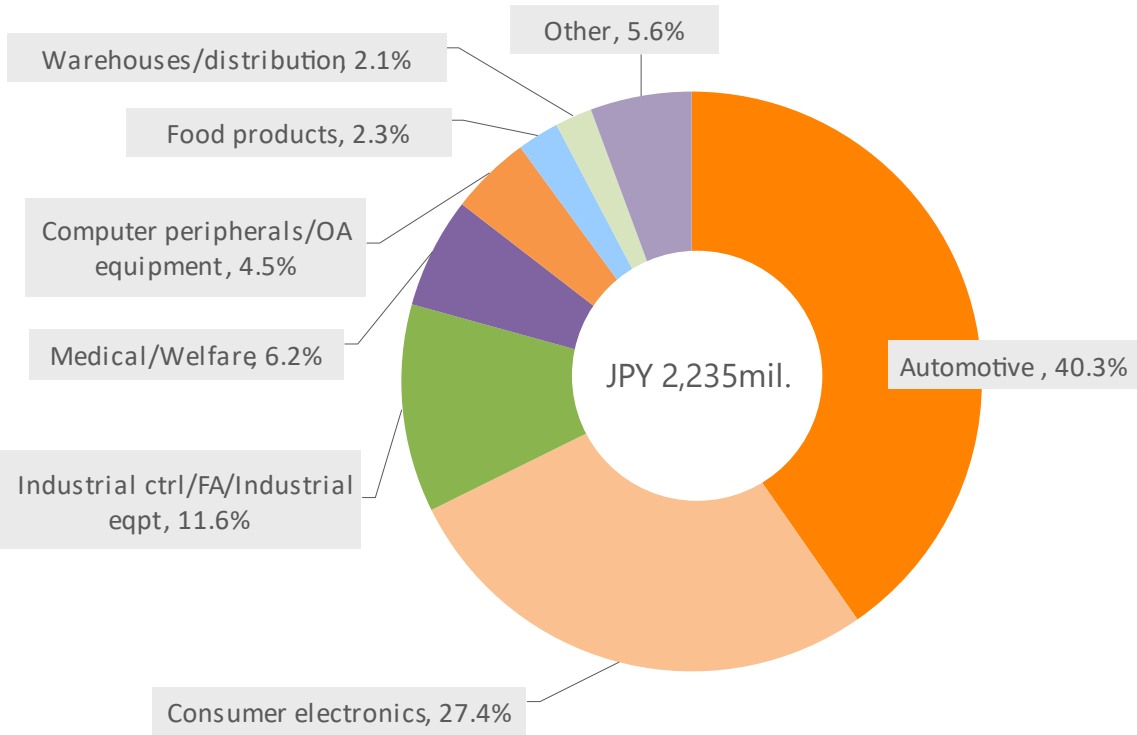


Walk of operating income (year-over-year)

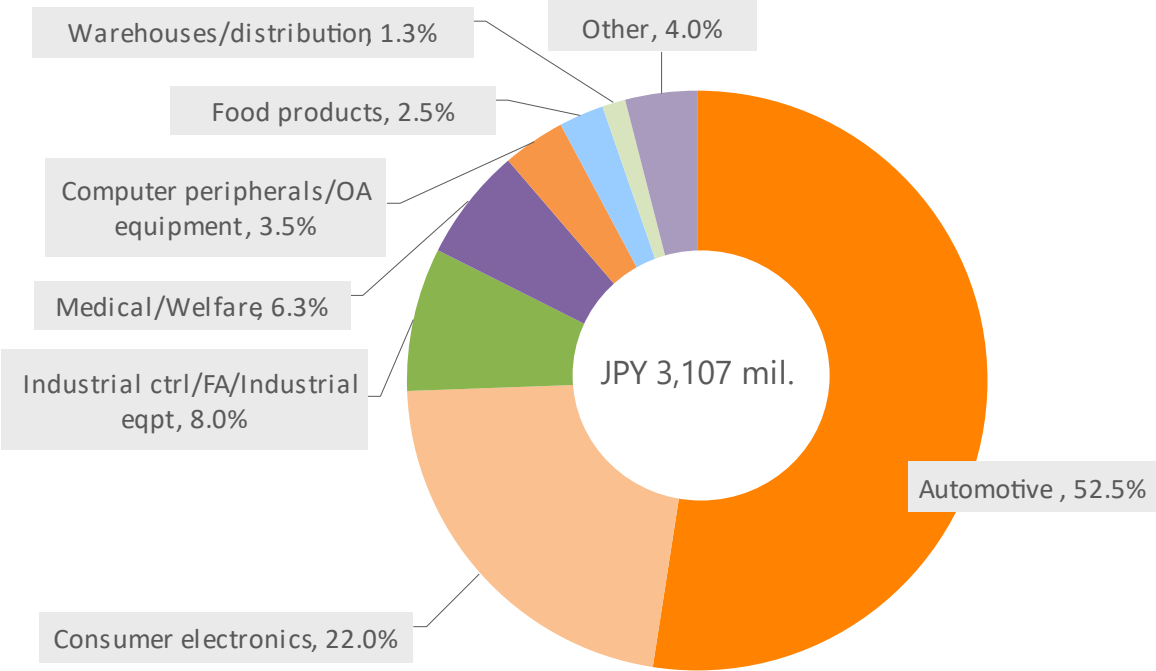


Sales by segments of customers (year-over-year)

*"Other" includes adjustments for consolidation



Q1 FY2023



Q1 FY2024

Summary of Plan (Shareholder Return)

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.)

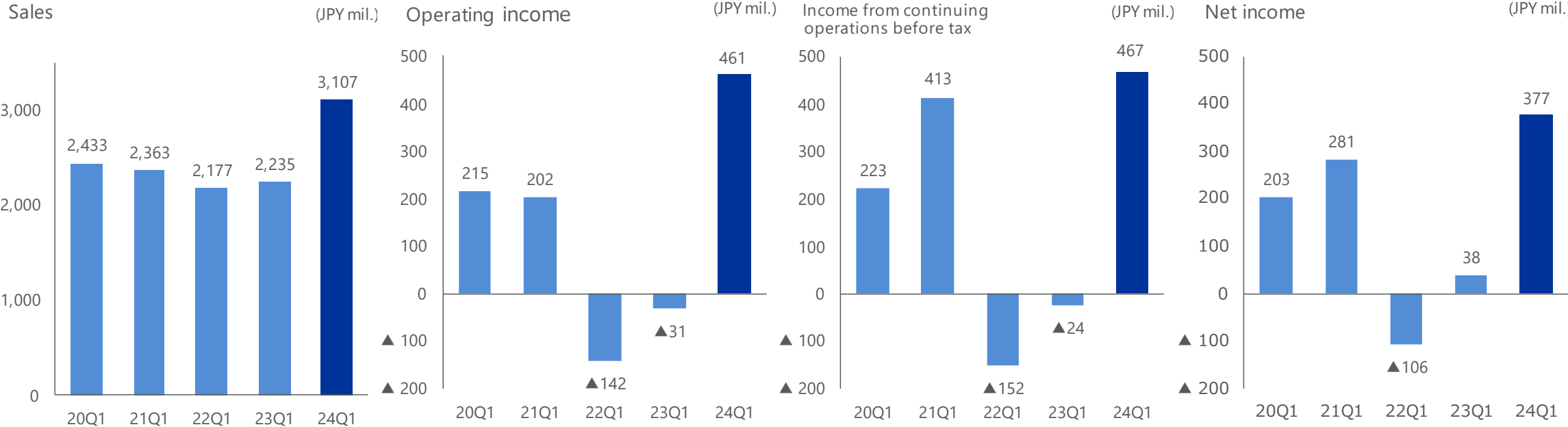
Dividend amount

The dividend amount is planned to remain the same as in the previous year as a stable dividend.

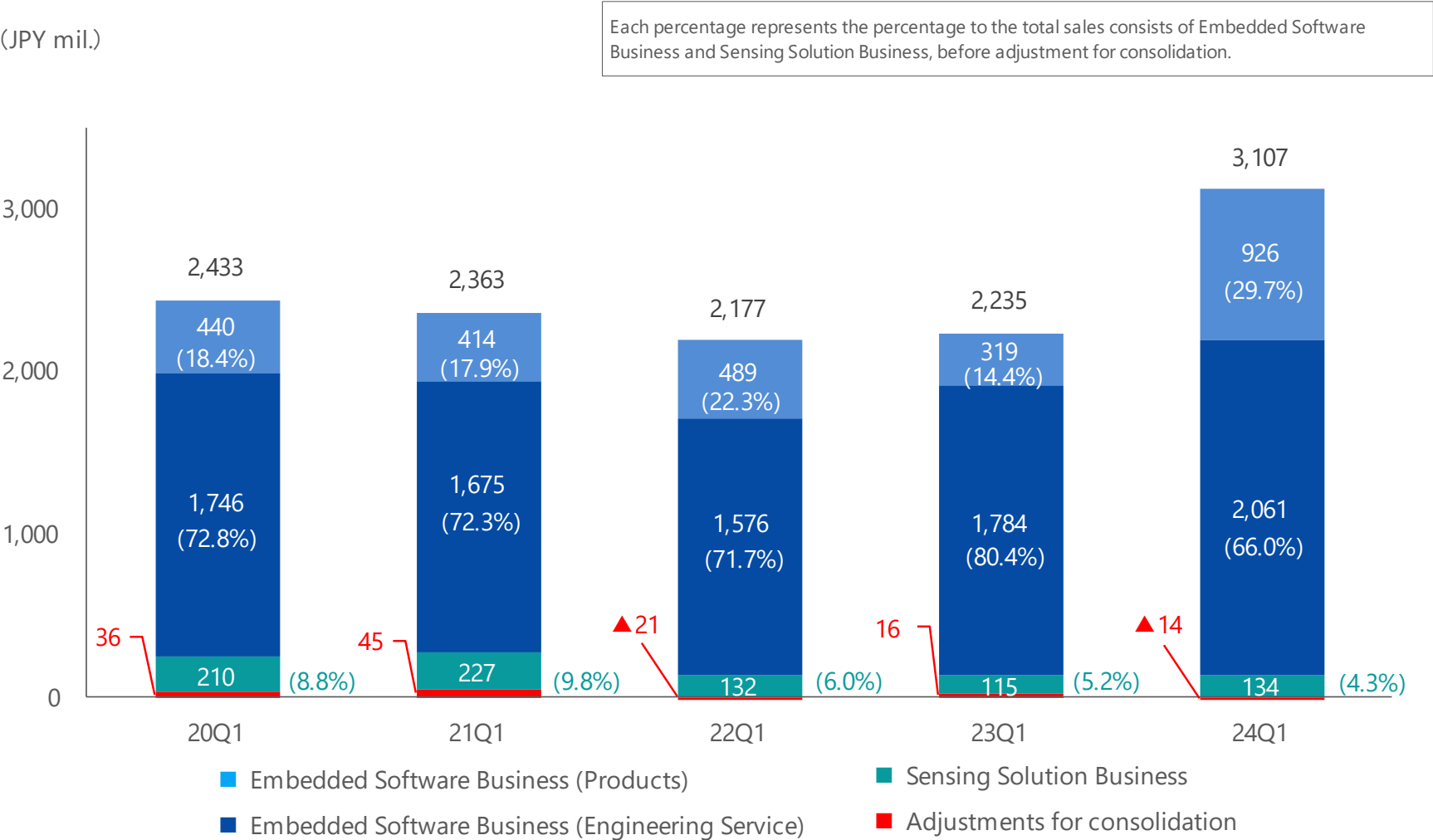
	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Dividend per share	5.50yen	5.50yen	5.50yen	5.50yen	5.50yen
(interim dividend included)	(1.50yen)	(1.50yen)	(1.50yen)	(1.50yen)	(1.50yen)
Dividend payout ratio	16.6%	55.8%	-	82.1%	-

Appendix

Comparison over the last five years



Comparison over the last five years (Sales by segment)



Comparison over the last five years (R&D investment)

(JPY mil.)

	Q1 FY2020	Q1 FY2021	Q1 FY2022	Q1 FY2023	Q1 FY2024
R&D expenses	183	231	420	305	286
Revision up	66	124	132	58	203
R&D investment	250	356	552	363	489

	Q1 FY2020	Q1 FY2021	Q1 FY2022	Q1 FY2023	Q1 FY2024
Sales	2,433	2,363	2,177	2,235	3,107
Cost of goods sold	1,620	1,517	1,407	1,434	1,804
Revision up	66	124	132	58	203
Cost of goods sold (excluding Revision up)	1,553	1,392	1,274	1,376	1,600
Gross profit	813	846	770	800	1,303
Gross profit margin ratio	33.4%	35.8%	35.4%	35.8%	42.0%
Gross profit (excluding Revision up)	879	970	902	859	1,506
Gross profit margin ratio (excluding Revision up)	36.2%	41.1%	41.5%	38.4%	48.5%
SG&A	597	643	912	831	842
R&D expenses	183	231	420	305	286
SG&A (excluding R&D expenses)	413	411	492	526	555
Operating income	215	202	▲142	▲31	461
Operating income margin ratio	8.9%	8.6%	-	-	14.8%
Operating income (excluding R&D expenses)	466	558	410	332	951
Operating income margin ratio (excluding R&D expenses)	19.2%	23.7%	18.8%	14.9%	30.6%
Operating income (excluding R&D exenpses, including Revision up)	399	434	277	273	747
Operating income margin ratio (excluding R&D exenpses, including Revision up)	16.4%	18.4%	12.8%	12.3%	24.1%

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.

Contact

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

e-mail : esol-ir@esol.co.jp

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