



eSOL Co., Ltd.

Reports 2024 Third Quarter Results

November 14, 2024

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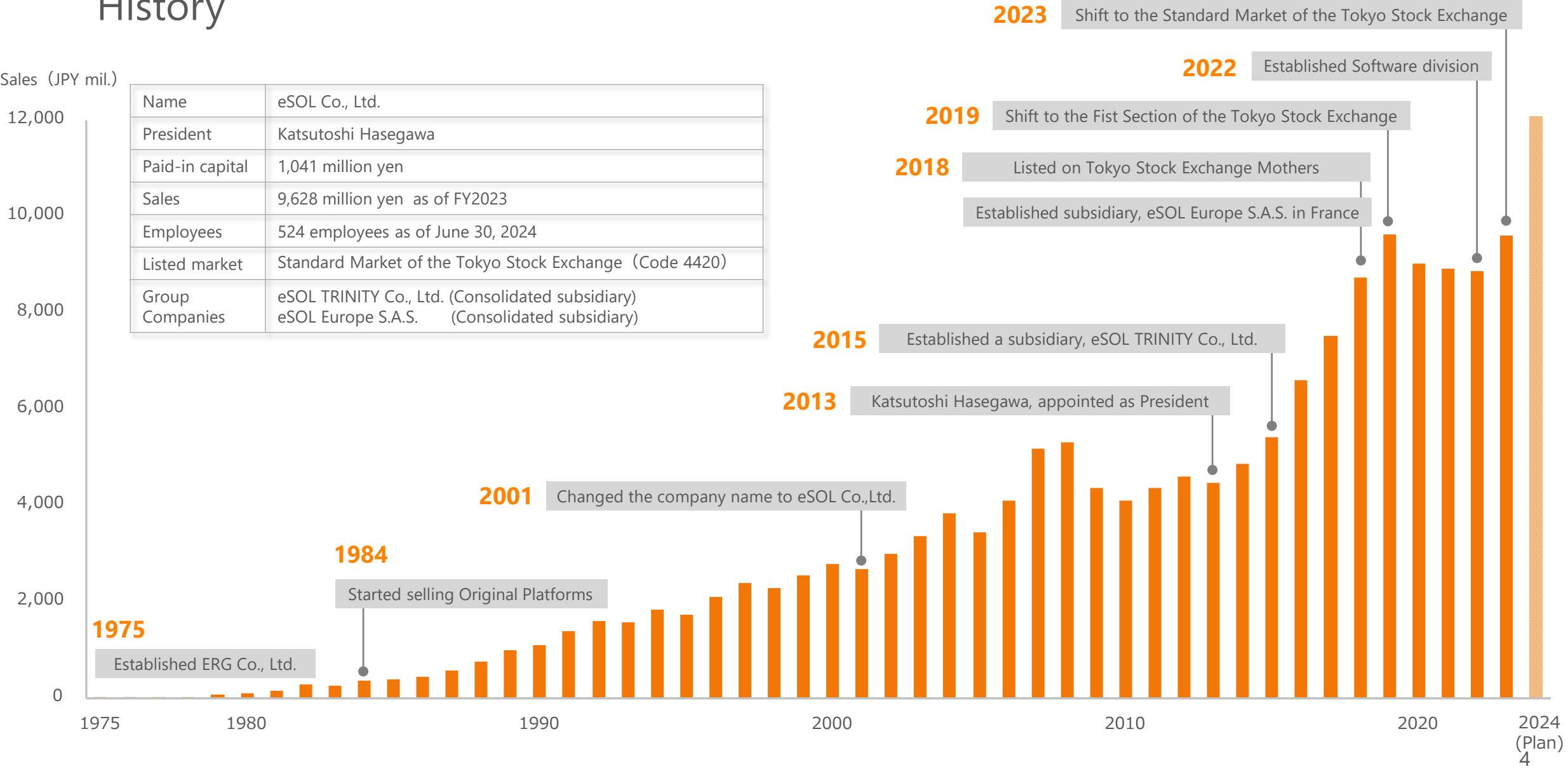
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1. Corporate profile

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	524 employees as of June 30, 2024
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



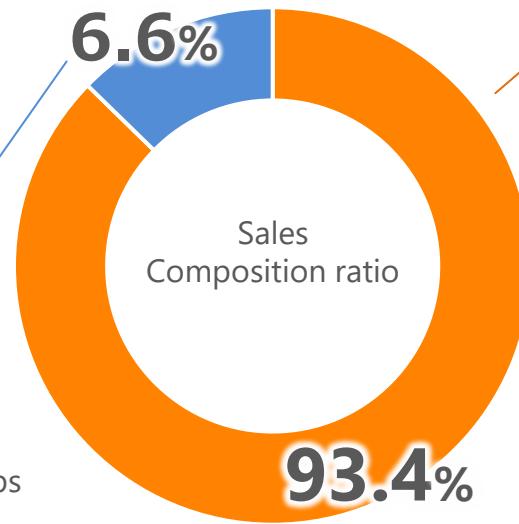
Sensing Solution Business

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

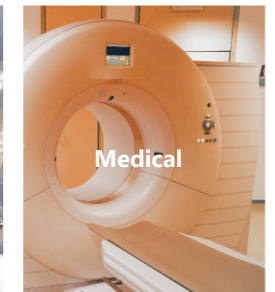
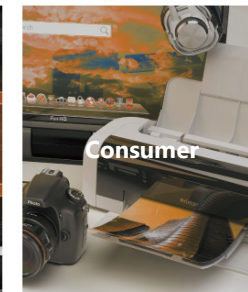
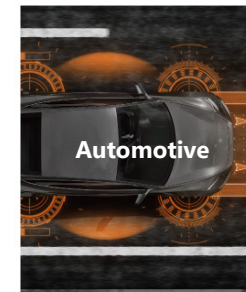
Embedded Software Business

Embedded Software Products

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

Engineering Services

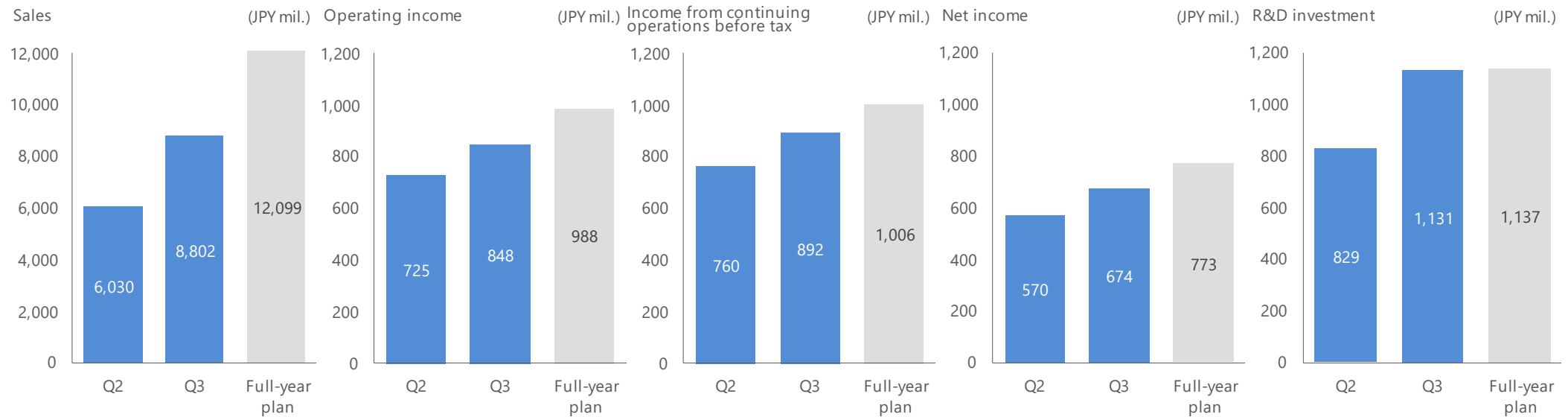
- Undertaking engineering service for embedded software
- Consultancy related to the development of embedded software
- Education to engineers developing embedded software



2 . Summary of FY2024 Third Quarter (Q3) Results

Summary of Q3 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.)				
	Q3 FY 2023	Q3 FY 2024	△	YoY
Sales	6,949	8,802	+1,852	+26.7%
Cost of goods sold	4,548	5,457	+909	+20.0%
Revision up	194	405	+211	+108.8%
Gross profit	2,401	3,344	+943	+39.3%
SG&A	2,521	2,496	▲25	▲1.0%
R&D expenses	884	725	▲158	▲18.0%
Operating income	▲120	848	+968	-
Income from continuing operations before tax	14	892	+877	-
Net income	38	674	+636	-

Sales by segment

(JPY mil.)				
by segment	Q3 FY 2023	Q3 FY 2024	△	YoY
Embedded Software Business	6,560	8,230	+1,669	+25.5%
Embedded Software Products	1,162	1,898	+735	+63.3%
Engineering Services	5,397	6,331	+933	+17.3%
Sensing Solution Business	377	409	+32	+8.6%
Adjustments for consolidation	11	162	+150	-

Operating income by segment

(JPY mil.)				
by segment	Q3 FY 2023	Q3 FY 2024	△	YoY
Embedded Software Business	▲129	674	+804	-
Sensing Solution Business	▲11	5	+16	-
Adjustments for consolidation	20	168	+147	-

Summary of Results (R&D investment)

Basic policy of R&D investment

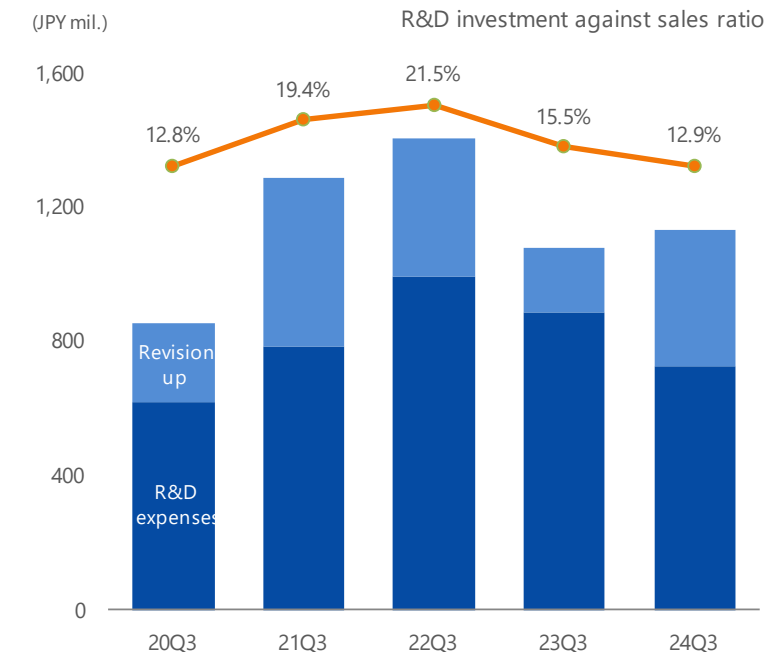
We continue to invest approximately 10% of sales in R&D every fiscal year, aiming to further enhance the functionality of our products.

Policy of this FY

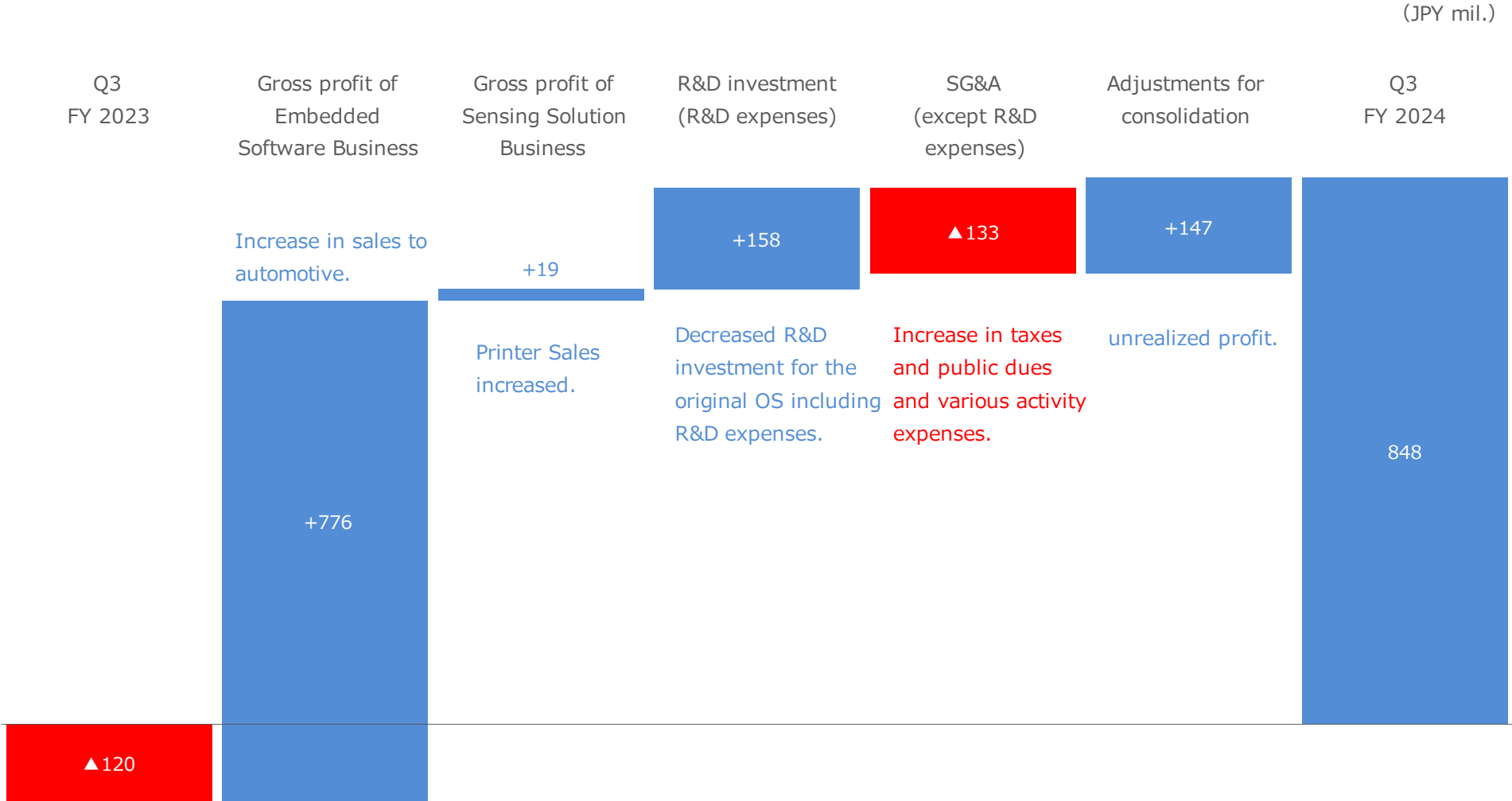
We continue R&D investment in order to participate in the market, "CASE", being a mainstream of the automotive market that we is our target.

	(JPY mil.)			
	Q3 FY 2023	Q3 FY 2024	△	YoY
Sales	6,949	8,802	+1,852	+26.7%
R&D investment	1,078	1,131	+52	+4.9%
R&D expenses	884	725	▲158	▲18.0%
Revision up	194	405	+211	+108.8%
Investment against sales ratio	15.5%	12.9%	-	-

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

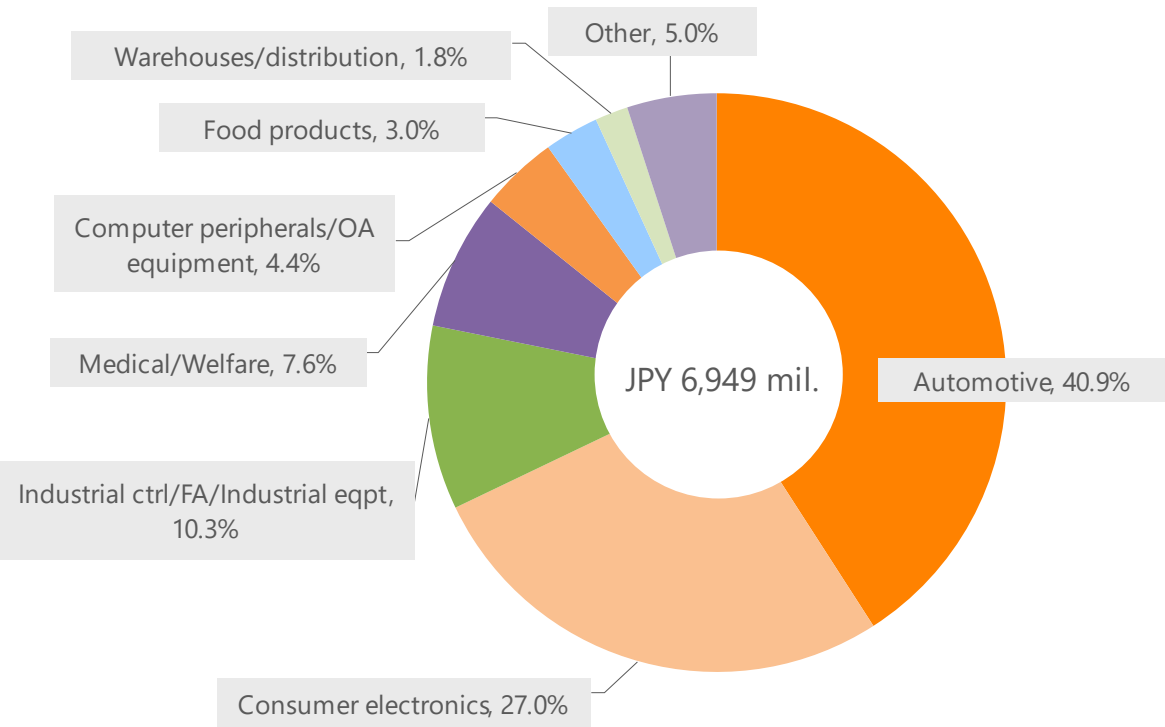


Walk of operating income (year-over-year)

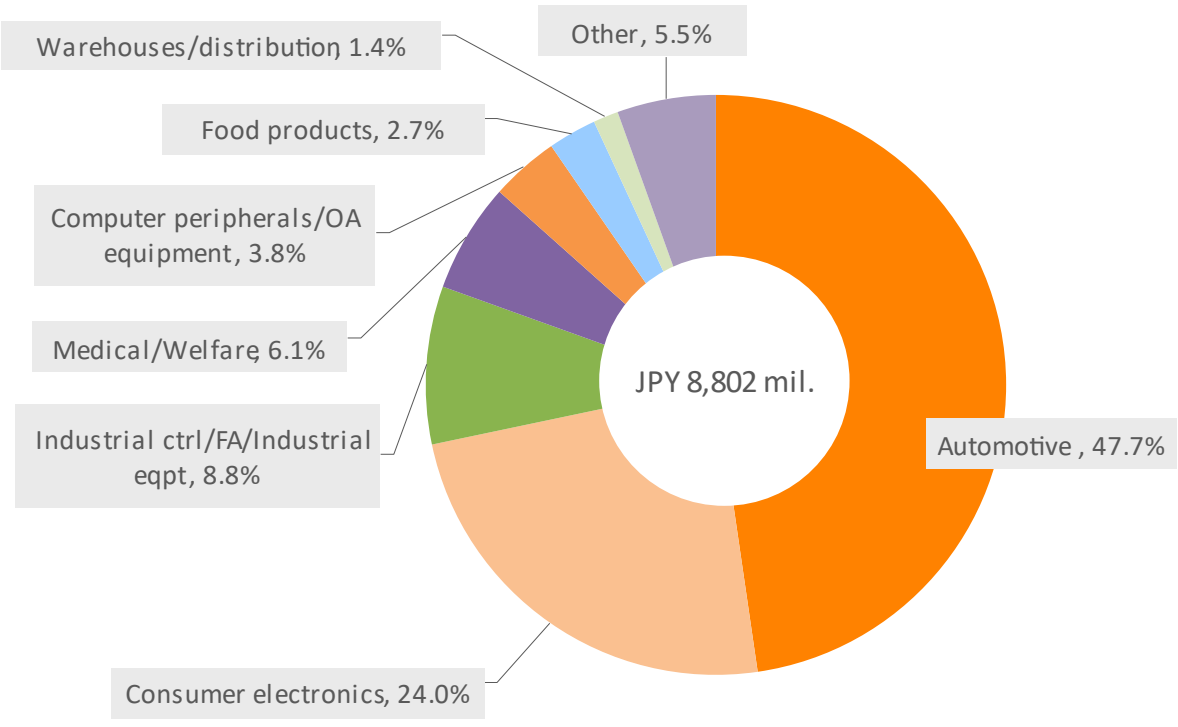


Sales by segments of customers (year-over-year)

*"Other" includes adjustments for consolidation



Q3 FY2023



Q3 FY2024

Shareholder Return (Dividend)

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%	-

Shareholder Return (Purchase of treasury stock)

Repurchased treasury stock on May 13 and cancelled on June 28 for the purpose of capital efficiency.

■ Number of shares cancelled

1,460,800 shares (Ratio to the total number of outstanding shares before cancellation: 6.81%)

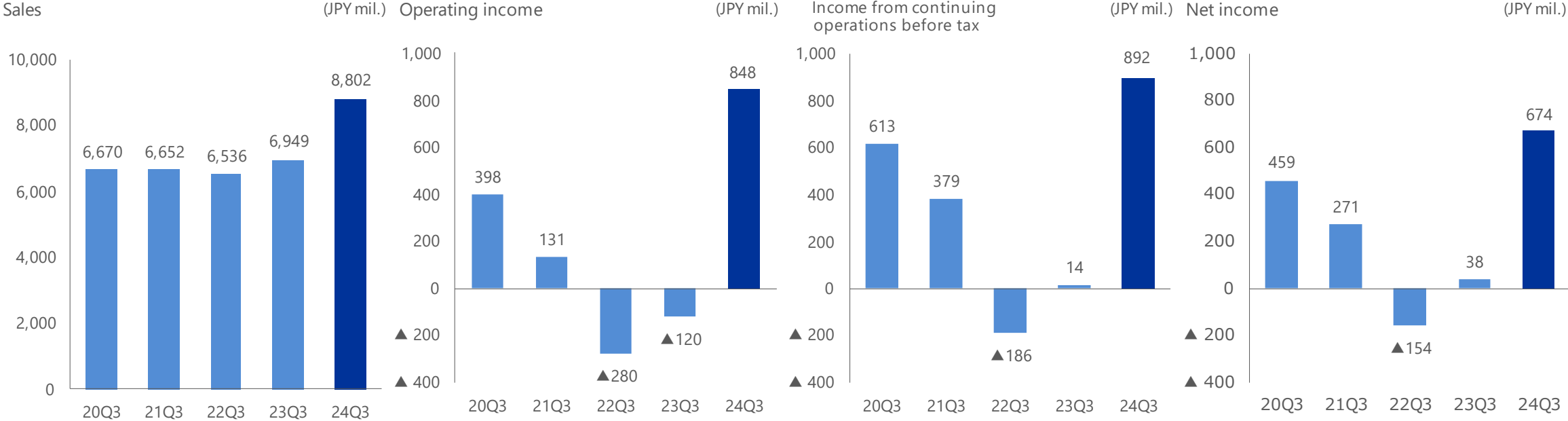
■ Earning per share

Earnings per share increased due to higher earnings and fewer shares issued

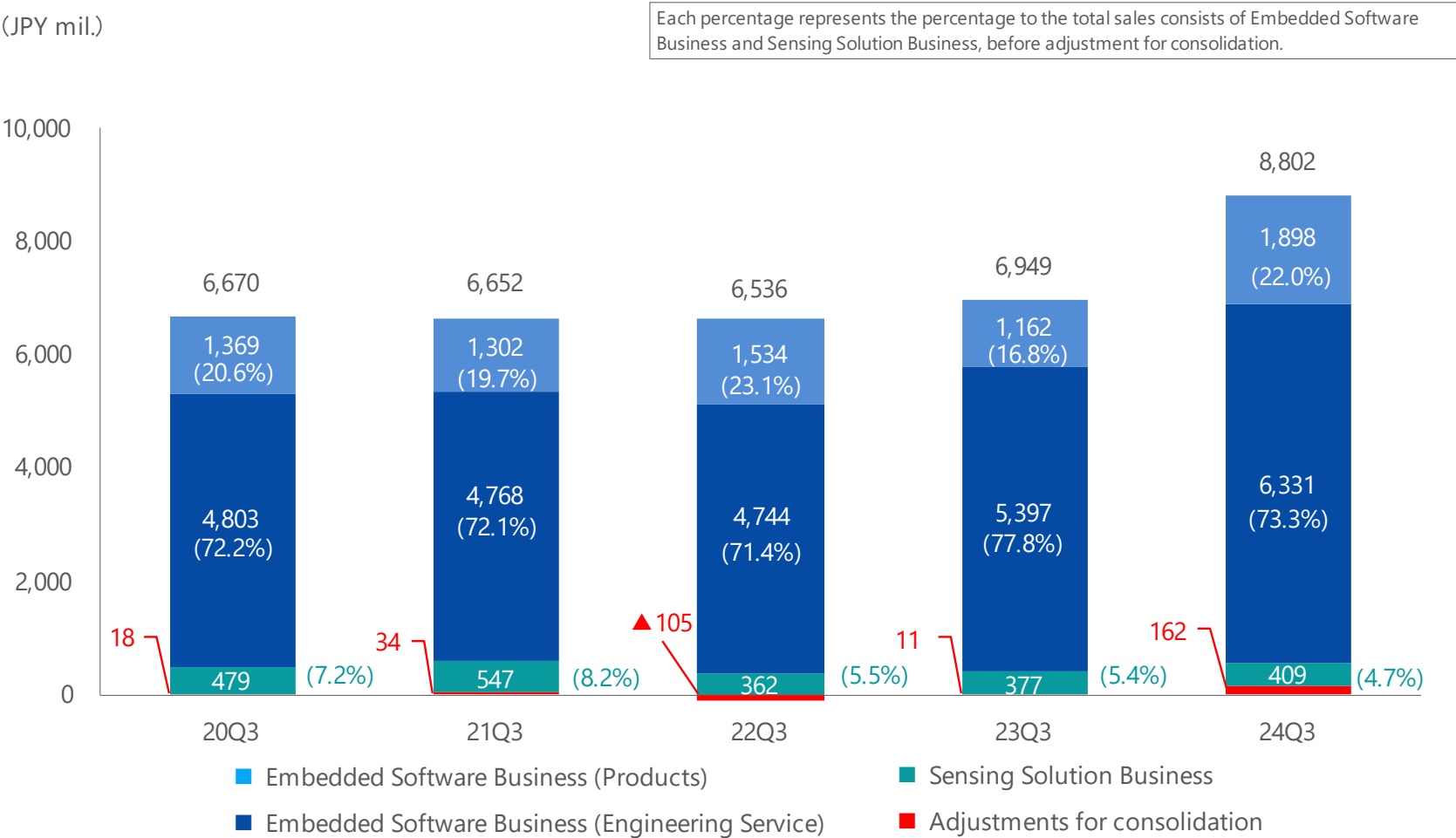
	(JPY)
	Earning per share
Q2 FY2024	34.29
Q2 FY2023	1.90

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.)				
	Q3 FY2020	Q3 FY2021	Q3 FY2022	Q3 FY2023	Q3 FY2024
R&D expenses	621	786	992	884	725
Revision up	235	502	414	194	405
R&D investment	856	1,288	1,406	1,078	1,131
Sales	6,670	6,652	6,536	6,949	8,802
Cost of goods sold	4,423	4,516	4,302	4,548	5,457
Revision up	235	502	414	194	405
Cost of goods sold (excluding Revision up)	4,187	4,013	3,888	4,353	5,051
Gross profit	2,247	2,136	2,233	2,401	3,344
Gross profit margin ratio	33.7%	32.1%	34.2%	34.6%	38.0%
Gross profit (excluding Revision up)	2,482	2,638	2,647	2,595	3,750
Gross profit margin ratio (excluding Revision up)	37.2%	39.7%	40.5%	37.4%	42.6%
SG&A	1,848	2,004	2,514	2,521	2,496
R&D expenses	621	786	992	884	725
SG&A (excluding R&D expenses)	1,227	1,218	1,522	1,637	1,771
Operating income	398	131	▲ 280	▲ 120	848
Operating income margin ratio	6.0%	2.0%	-	-	9.6%
Operating income (excluding R&D expenses)	1,255	1,420	1,125	958	1,979
Operating income margin ratio (excluding R&D expenses)	18.8%	21.3%	17.2%	13.8%	22.5%
Operating income (excluding R&D exenpses, including Revision up)	1,020	917	711	764	1,573
Operating income margin ratio (excluding R&D exenpses, including Revision up)	15.3%	13.8%	10.9%	11.0%	17.9%

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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