



eSOL Co., Ltd.

Report 2025 Second Quarter Results

August 8 , 2025



Plan summary

- Plans to increase revenue mainly from engineering services in the embedded software business.
- Profits will decrease due to the absence of unrealized gains and other one-time accounting items associated with the dissolution of an equity-method affiliate (AUBASS) in 2024, but substantial growth will continue in the ordinary business areas

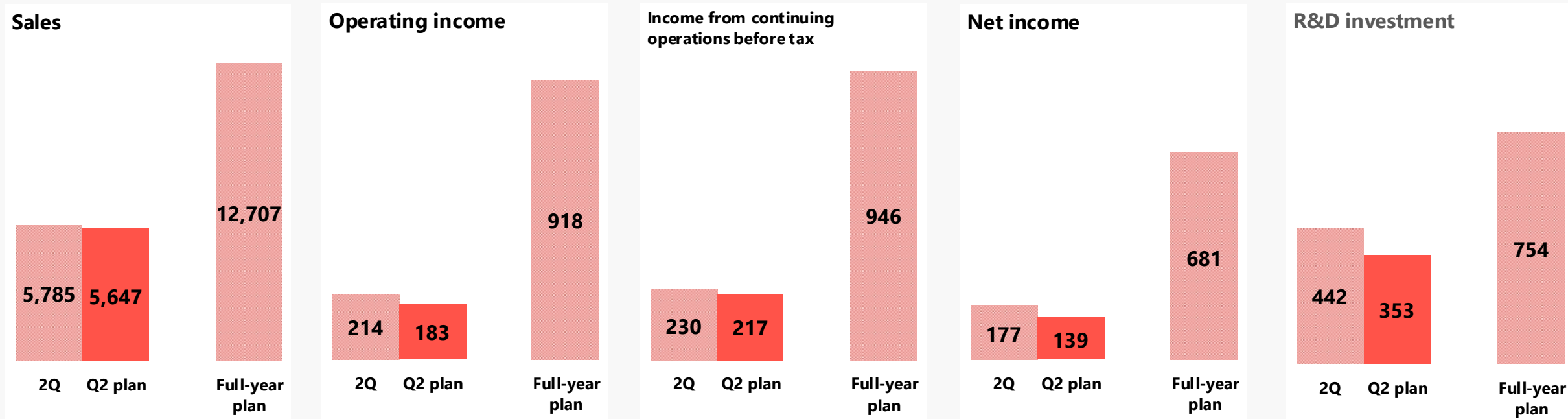
(JPY mil.)						
	FY2024	FY2025 (PLAN)	△	YoY	Fist half	Second half
Sales	11,908	12,707	+799	+6.7%	5,785	6,921
Operating income	1,113	918	▲194	▲17.5%	214	703
Income from continuing operations before tax	1,163	946	▲217	▲18.7%	230	716
Net income	892	681	▲210	▲23.6%	177	503

Progress of planned value

Revenue and profit fell slightly short of the plan due to factors such as a portion of sales being shifted to the second half. The full-year plan remains unchanged.

(JPY mil.)

	PLAN	RESULT	△	YoY
Sales	5,785	5,647	▲138	▲2.4%
Operating income	214	183	▲31	▲14.7%
Income from continuing operations before tax	230	217	▲13	▲5.7%
Net income	177	139	▲38	▲21.6%



Year-over-year

Engineering services grew significantly, nearly offsetting the temporary profit factors from the previous period (license revenue and unrealized gains). Excluding these factors, revenue increased substantially.

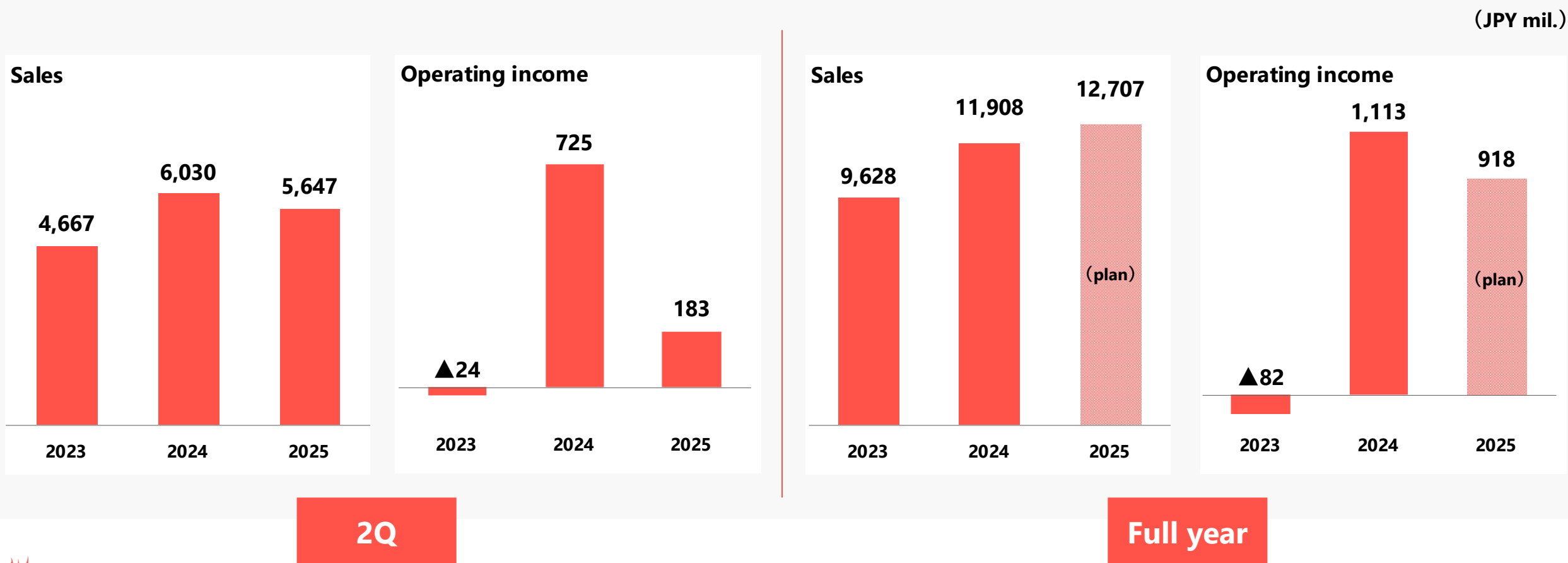
	(JPY mil.)			
	Q2 FY 2024	Q2 FY 2025	△	YoY
Sales	6,030	5,647	▲383	▲6.4%
Cost of goods sold	3,605	4,023	+418	+11.6%
Revision up	301	128	▲173	▲57.5%
Gross profit	2,425	1,623	▲801	▲33.1%
SG&A	1,700	1,440	▲259	▲15.3%
R&D expenses	528	225	▲303	▲57.4%
Operating income	725	183	▲542	▲74.7%
Income from continuing operations before tax	760	217	▲543	▲71.4%
Net income	570	139	▲430	▲75.5%

	(JPY mil.)			
Sales				
by segment	Q2 FY 2024	Q2 FY 2025	△	YoY
Embedded Software Business	5,558	5,380	▲177	▲3.2%
Embedded Software Products	1,462	715	▲747	▲51.1%
Engineering Services	4,095	4,665	+569	+13.9%
Sensing Solution Business	308	266	▲41	▲13.5%
Adjustments for consolidation	164	-	▲164	-

	(JPY mil.)			
Operating income				
by segment	Q2 FY 2024	Q2 FY 2025	△	YoY
Embedded Software Business	544	194	▲350	▲64.3%
Sensing Solution Business	11	▲11	▲22	-
Adjustments for consolidation	168	-	▲168	-

Comparison over the last three years

Stable profitability for two consecutive fiscal years

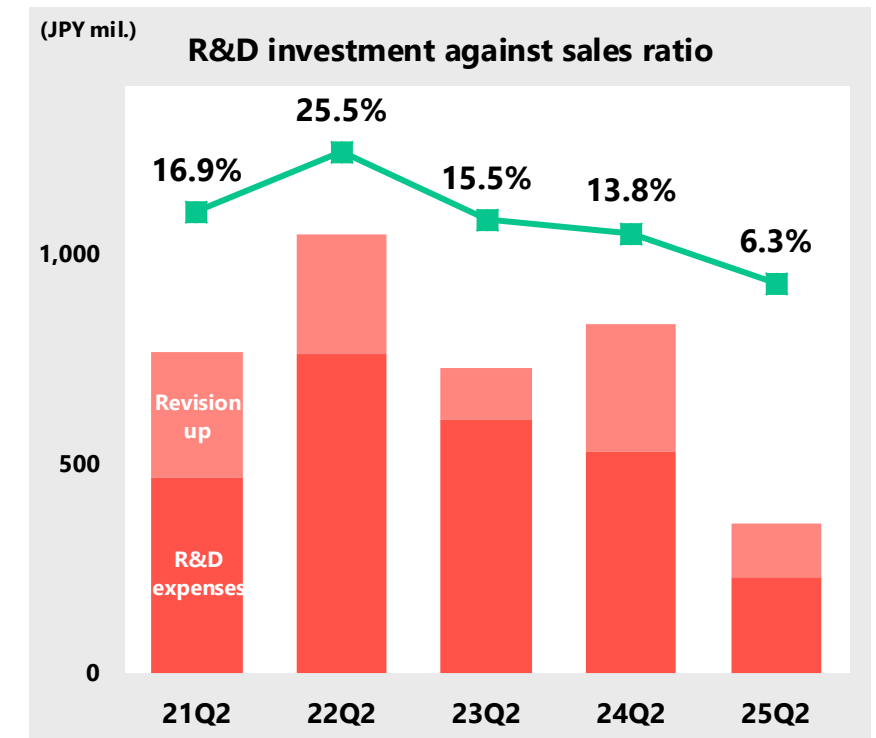


R&D investment

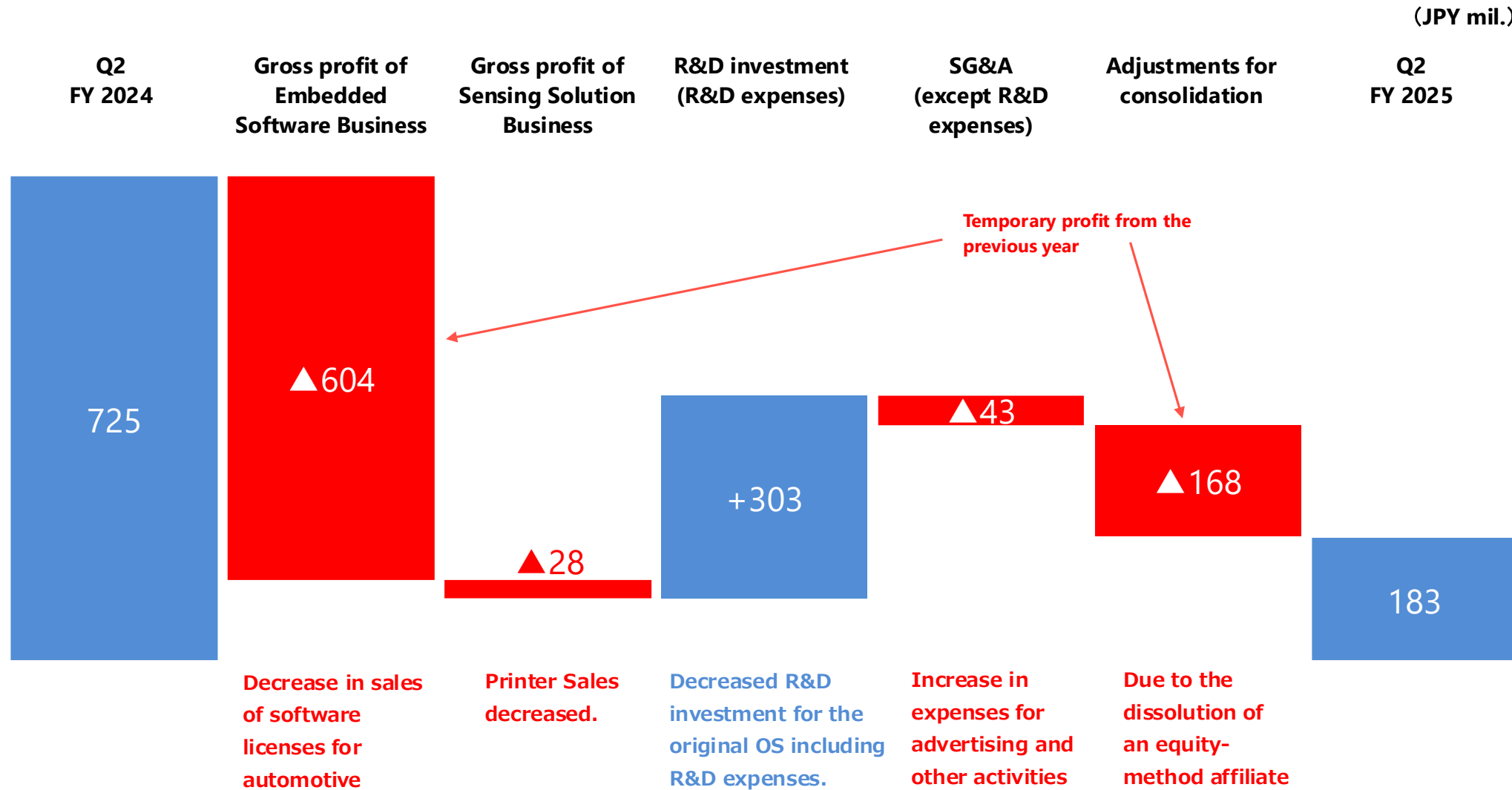
R&D expenses was reduced this fiscal year due to increase in funding-like engineering services from strategic customers resulting in the net advancement in the product features.

	(JPY mil.)			
	Q2 FY 2024	Q2 FY 2025	△	YoY
Sales	6,030	5,647	▲383	▲6.4%
R&D investment	829	353	▲476	▲57.4%
R&D expenses	528	225	▲303	▲57.4%
Revision up	301	128	▲173	▲57.5%
Investment against sales ratio	13.8%	6.3%	-	-

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

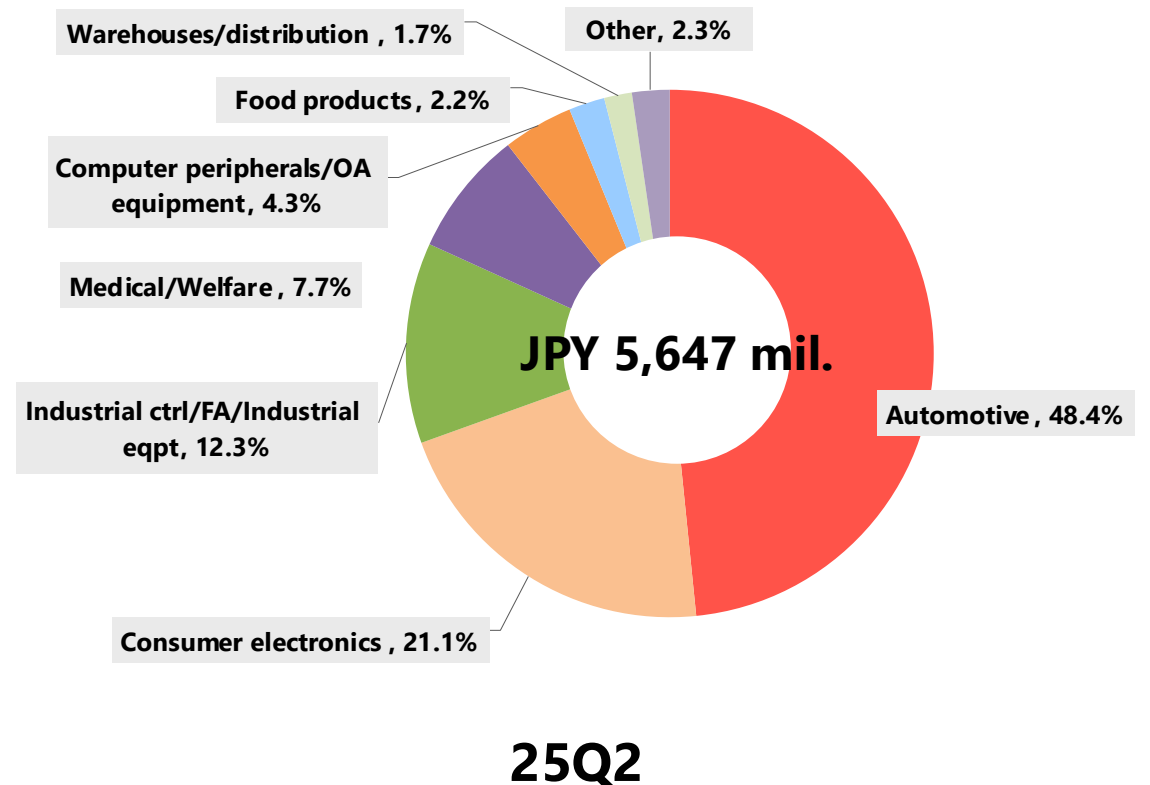
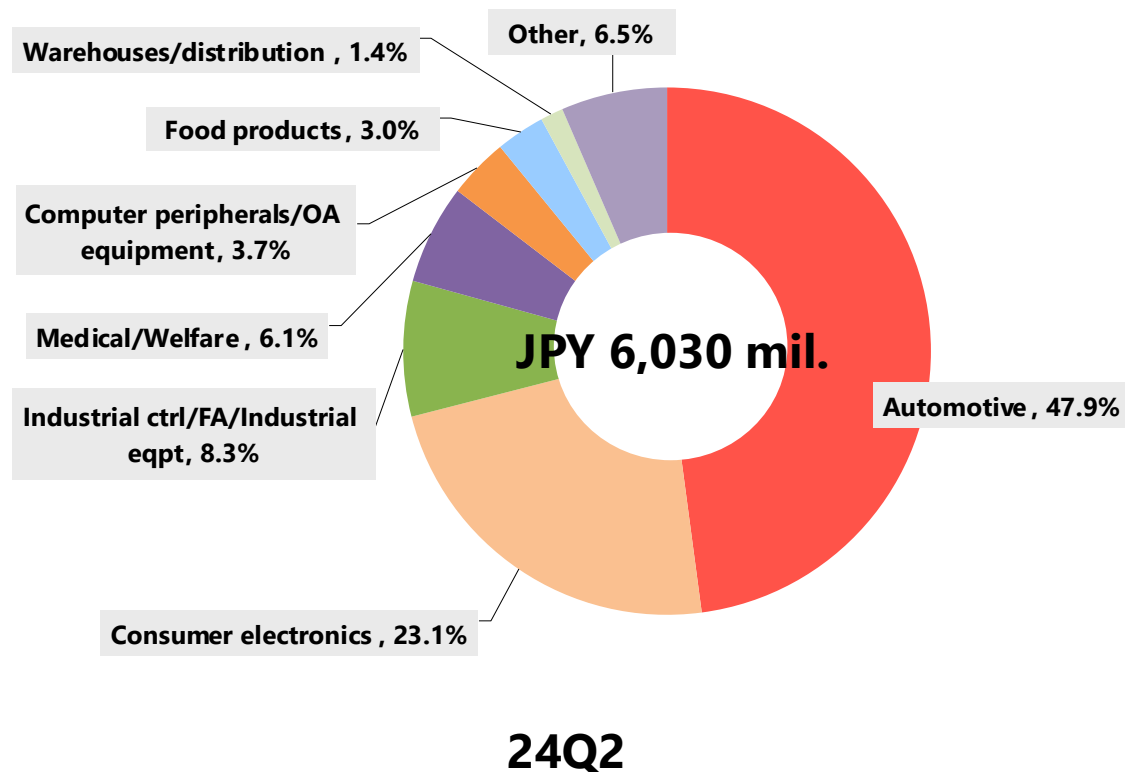


Walk of operating income



Sales by segments of customers

Stable, with about 50% of sales in the automotive sector and the remaining 50% in a wide range of sectors



Shareholder Return

The dividend policy will continue under the existing policy for the time being, but a review is under consideration in line with the Strategic Business plan announced on April 30, 2025.

- The dividend policy for the current fiscal year is based on stabilization of the financial base, stable dividends, and investment in measures to increase corporate value through retained earnings.
- Dividends are planned to be the same amount as the previous fiscal year.
- Considering review of dividend policy in line with growth strategy for the future

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
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	55.8%	-	82.1%	12.0%	15.3%

PLAN

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https://www.esol.com/press/press_182.html

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Contact

IR, CEO Office,

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

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



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