

November 7, 2025

Consolidated Financial Results for the Nine Months Ended September 30, 2025 (Under Japanese GAAP)

Company name: SOLITON SYSTEMS K.K.
 Listing: Tokyo Stock Exchange
 Securities code: 3040
 URL: <https://www.soliton.co.jp>
 Representative: Osamu Kamata, President
 Inquiries: Takao Misu, Senior Vice President
 Telephone: +81-3-5360-3801
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the Nine Months ended September 30, 2025 (from January 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative) (Percentage reflects the change compared to the same period of the preceding year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine Months ended								
September 30, 2025	13,904	5.0	1,864	79.0	1,913	78.0	1,415	95.0
September 30, 2024	13,244	(3.2)	1,041	(38.3)	1,074	(45.3)	725	(44.8)

Note: Comprehensive income For the nine months ended September 30, 2025: ¥1,327 million [87.8%]
 For the nine months ended September 30, 2024: ¥706 million [(41.7) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
September 30, 2025	76.36	-
September 30, 2024	39.16	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	23,782	12,411	52.2
December 31, 2024	23,286	12,283	52.7

Reference: Equity
 As of September 30, 2025: ¥12,402 million
 As of December 31, 2024: ¥12,271 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	13.00	-	39.00	52.00
Fiscal year ending December 31, 2025	-	26.00			
Fiscal year ending December 31, 2025 (Forecast)				26.00	52.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

(Percentage reflects the change compared to the same period of the preceding year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Fiscal year ending December 31, 2025	19,500	4.8	2,200	7.7	2,200	2.0	1,750	1.4	94.41

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Excluded: 1 company (Soliton Network Systems (Shanghai) Co., Ltd.)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	19,738,888 shares
As of December 31, 2024	19,738,888 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	1,197,454 shares
As of December 31, 2024	1,201,787 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2025	18,538,783 shares
Nine months ended September 30, 2024	18,532,686 shares

* Review of the Japanese-language originals of the attached semi-annual consolidated financial statements by certified public accountants or an audit firm: None

* Cautions on forecast of consolidated financial results for the fiscal year

The forecast of consolidated financial results for the fiscal year above is based on the judgement made in accordance with the information currently available. The forecast therefore includes risks and uncertainties. The forecast is not intended to be a guarantee or a commitment by the Company to achieve the projected results. Actual financial results may differ from the forecast due to subsequent changes in the circumstances.

Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of December 31, 2024	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	14,692	9,359
Notes receivable – trade	2	-
Electronically recorded monetary claims – operating	1,068	1,161
Accounts receivable – trade	2,477	2,383
Contract assets	16	-
Securities	-	6,000
Investments in leases	128	105
Merchandise and finished goods	601	940
Work in process	27	52
Raw materials and supplies	49	52
Prepaid expenses	1,571	1,543
Other	283	95
Allowance for doubtful accounts	(25)	(15)
Total current assets	20,897	21,679
Non-current assets		
Property, plant and equipment	742	709
Intangible assets		
Software	313	252
Software in progress	107	66
Other	14	14
Total intangible assets	435	333
Investments and other assets		
Investment securities	56	13
Guarantee deposits	386	379
Deferred tax assets	261	209
Other	506	457
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,210	1,059
Total non-current assets	2,388	2,102
Total assets	23,286	23,782

	As of December 31, 2024	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable – trade	913	1,044
Short-term borrowings	63	58
Lease liabilities	31	31
Accounts payable – other	413	484
Income taxes payable	1	219
Contract liabilities	8,536	8,870
Provision for bonuses	493	314
Provision for bonuses for directors (and other officers)	13	-
Other	379	263
Total current liabilities	10,845	11,286
Non-current liabilities		
Lease liabilities	97	73
Other	59	10
Total non-current liabilities	156	83
Total liabilities	11,002	11,370
Net assets		
Shareholders' equity		
Share capital	1,326	1,326
Capital surplus	1,405	1,406
Retained earnings	11,070	11,280
Treasury shares	(1,314)	(1,310)
Total shareholders' equity	12,486	12,703
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	0	0
Foreign currency translation adjustment	(215)	(300)
Total accumulated other comprehensive income	(215)	(300)
Non-controlling interests	11	8
Total net assets	12,283	12,411
Total liabilities and net assets	23,286	23,782

Quarterly Consolidated Statement of Income

(Millions of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Net sales	13,244	13,904
Cost of sales	7,519	7,447
Gross profit	5,725	6,457
Selling, general and administrative expenses	4,683	4,593
Operating profit	1,041	1,864
Non-operating income		
Interest income	0	21
Dividend income	18	20
Foreign exchange gains	12	11
Reversal of allowance for doubtful accounts	0	-
Recoveries of written off receivables	-	2
Other	5	8
Total non-operating income	37	64
Non-operating expenses		
Interest expenses	0	0
Loss on retirement of non-current assets	2	0
Provision of allowance for doubtful accounts	-	0
Loss on investments in investment partnerships	1	13
Other	0	0
Total non-operating expenses	3	15
Ordinary profit	1,074	1,913
Extraordinary income		
Gain on sale of investment securities	11	-
Gain on sale of non-current assets	0	44-
Total extraordinary income	12	44-
Extraordinary losses		
Loss on valuation of investment securities	8	16
Loss on sale of investment in affiliates	-	105
Total extraordinary losses	8	122
Profit before income taxes	1,078	1,835
Income taxes – current	165	369
Income taxes – deferred	198	52
Income taxes for prior periods	(8)	-
Total income taxes	356	421
Profit	722	1,413
Loss attributable to non-controlling interests	(3)	(2)
Profit attributable to owners of parent	725	1,415

Quarterly Consolidated Statement of Comprehensive Income

(Millions of yen)

	Nine months ended September 30, 2024	Nine months ended September 30, 2025
Profit	722	1,413
Other comprehensive income		
Valuation difference on available-for-sale securities	(3)	(0)
Foreign currency translation adjustment	(11)	(85)
Total other comprehensive income	(15)	(86)
Comprehensive income	706	1,327
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	710	1,330
Comprehensive income attributable to non-controlling interests	(3)	(2)

(Notes on Segment Information, Etc.)
Segment Information

I. Changes to reporting segments

From the first quarter of the current fiscal year, due to organizational changes, the video streaming core technology development team, which previously belonged to the "Eco Innovative BU" was changed to the "Mobile Video Communication BU." In accordance with the segment change, the segment information for the nine months of the previous fiscal year is based on the segment classification after the change.

II. The nine months of the previous fiscal year (January 1, 2024 to September 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Millions of yen)

	Reporting Segments			Total
	IT Security BU	Mobile Video Communication BU	Eco Innovative BU	
Sales				
Products	4,651	227	71	4,950
Maintenance	4,110	36	-	4,146
Cloud services	1,706	61	-	1,767
Services and other revenues	2,025	349	5	2,380
Revenue generated from customer contracts	12,493	674	77	13,244
Revenues from external customers	12,493	674	77	13,244
Transactions with other segments	5	32	16	55
Total	12,498	706	94	13,300
Segment profit (loss)	1,994	(57)	(139)	1,798

2. The difference between the total amount of profit or loss of the reported segment and the amount recorded in the Semi-annual consolidated statements of income and the key details of the difference (matters related to adjustment of differences)

(Millions of yen)

Benefit	Amount of Money
Total Reporting Segments	1,798
Company-wide Expenses (Note)	(757)
Operating Income in Quarterly Consolidated Statements of Income	1,041

Note: Company-wide expenses are the difference in the allocation of related departmental expenses, which are mainly borne by reporting segment.

3. Information on impairment losses or goodwill on fixed assets by reporting segment: Not applicable.

III. The nine months of the current fiscal year (January 1, 2025 to September 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment, as well as information on the breakdown of revenues

(Millions of yen)

	Reporting Segments			Total
	IT Security BU	Mobile Video Communication BU	Eco Innovative BU	
Sales				
Products	4,958	229	93	5,280
Maintenance	4,069	42	-	4,111
Cloud services	1,936	71	-	2,008
Services and other revenues	2,147	296	59	2,503
Revenue generated from customer contracts	13,112	639	152	13,904
Revenues from external customers	13,112	639	152	13,904
Transactions with other segments	8	6	13	28
Total	13,121	645	166	13,933
Segment profit (loss)	2,528	(37)	(125)	2,364

2. The difference between the total amount of profit or loss of the reporting segment and the amount recorded in the quarterly consolidated statements of income and the key details of the difference (matters related to adjustment of differences)

(Millions of yen)

Benefit	Amount of Money
Total Reporting Segments	2,364
Company-wide Expenses (Note)	(500)
Operating Income in Semi-annual Consolidated Statements of Income	1,864

Note: Company-wide expenses are the difference in the allocation of related departmental expenses, which are mainly borne by reporting segment.

3. Information on impairment losses or goodwill on fixed assets by reporting segment: Not applicable.