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December 8, 2025

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Notice Concerning Revisions to the Full-Year Earnings Forecast for the Fiscal Year Ended December 31, 2025 (Upward Revision) and to the Year-End Dividend Forecast (Increase)

Soliton Systems K.K. (the "Company") hereby announces that, in light of recent trends in its business performance, it has decided to revise the consolidated earnings forecasts released on February 14, 2025, as set forth below. In addition, although the Company did not disclose non-consolidated earnings forecasts at the time of the announcement of the "Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 (Japanese GAAP)" on February 14, 2025, it now expects the forecast figures to exceed the thresholds for timely disclosure when compared with the previous fiscal year's results, and is therefore making such disclosure at this time. Further, in conjunction with the above, the Company hereby announces that it has resolved to revise the year-end dividend forecast as set forth below.

1. Revision to Earnings Forecast
   (1) Revision to the Consolidated Earnings Forecasts for the Fiscal Year Ending December 31, 2025 (January 1, 2025 – December 31, 2025)

(Millions of yen)

	Net Sales	Operating Profit	Ordinary Profit	Net Income Attributable to Owners of Parent	Net Income per Share (yen)
Previous Forecast (A)	19,500	2,200	2,200	1,750	94.41
Revised Forecast (B)	19,760	2,800	2,870	2,100	113.28
Change (B–A)	260	600	670	350	
Rate of Change (%)	1.3	27.3	30.5	20.0	
(Reference) Results for FY 2024	18,606	2,043	2,156	1,725	93.11

(2) Non-Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 – December 31, 2025)

(Millions of yen)

	Net Sales	Ordinary Profit	Net Income	Net Income per Share (yen)
Previous Forecast (A)	—	—	—	—
Revised Forecast (B)	19,340	2,880	2,030	109.5
Change (B–A)	—	—	—	
Rate of Change (%)	—	—	—	
(Reference) Results for FY 2024	17,842	2,197	1,627	87.83

2. Reasons

(1) Reasons for the Revision to the Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2025

In our core IT security business, Soliton Shanghai, which has annual sales of approximately 500 million yen, has been excluded from the scope of consolidation. However, owing to the acquisition of large-scale projects in the defense and disaster-prevention fields and the expansion of sales in the education field related to school-administration DX, net sales are expected to exceed the forecast as of the beginning of the fiscal year by 1.3%. In addition, sales of our company-developed products and services with high gross profit margins continue to perform strongly, and the operating profit margin is expected to improve from 11.0% in the previous fiscal year to 14.2% in the current forecast, with operating income expected to increase by 27.3% from the forecast as of the beginning of the fiscal year. Furthermore, due to the recognition of foreign exchange gains, interest income, and other factors, ordinary profit is expected to increase from the forecast as of the beginning of the fiscal year by 30.5%, and accordingly, net income attributable to owners of parent is expected to exceed the forecast as of the beginning of the fiscal year by 20.0%.

Cybersecurity has become a critical issue directly connected to national security and corporate credibility. The government is accelerating its initiatives to strengthen cyber defense, and companies are redefining security from a mere cost to a strategic investment that supports business continuity and reliability. As a domestic cybersecurity vendor, we will continue to provide high-quality proprietary products and services that address these market needs and strive for sustainable growth and the enhancement of corporate value.

(2) Regarding the Non-Consolidated Earnings Forecast for the Fiscal Year Ending December 31, 2025

The non-consolidated earnings forecast is expected to show a 31.1% increase in ordinary profit compared with the previous fiscal year's results and is therefore expected to exceed the thresholds for timely disclosure. Accordingly, it is disclosed as stated above.

3. Revision to the Year-End Dividend Forecast

	Dividend per Share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Full-year
Previous Forecast	Yen —	Yen —	Yen —	Yen 26.00	Yen 52.00
Revised Forecast	—	—	—	28.00	54.00
Results for Current FY	—	26.00	—		
Results for FY 2024	—	13.00	—	39.00	52.00

(Reason for Revision)

Our basic policy concerning profit distribution is to continue stable dividend payments while securing the internal reserves necessary for future business development and for strengthening our financial base and management foundation. For dividends, we use approximately a 50.0% consolidated dividend payout ratio or approximately an 8.0% consolidated dividend on equity as indicators.

In light of the revisions to the earnings forecast described above, we have decided to increase the year-end dividend for the fiscal year ending December 31, 2025, by 2.00 yen per share, to 28.00 yen. Accordingly, we revise the full-year dividend forecast from 52.00 yen to 54.00 yen. As a result of this increase, the consolidated dividend payout ratio for the fiscal year ending December 31, 2025, is expected to be 47.7% (FY2024: 55.8%), and the consolidated dividend on equity is expected to be 7.7% (FY2024: 8.1%).

(Note)

The above forecasts are based on information currently available and on certain assumptions considered reasonable. Actual results may differ from these forecasts due to various factors.