

Medium-term Management Plan

(FY2026~FY2028)

Soliton Systems K.K.
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Soliton[®]

Performance Targets (FY2026-FY2028)

Growth Strategy



Outlook on Changes in the External Environment During the Mid-Term Period (FY2026–FY2028)

As AI adoption and digitalization become prerequisites for corporate activities, it will be increasingly important how we can adapt to these changes and evolve into the one that support the digital transformation (DX) of our society while ensuring strong security and safety.

External Environment (FY2026-FY2028)

Declining Workforce

Promoting labor-saving and automation in anticipation of the “2030 problem”; growing shortage of security professionals

Economic Security

Continued U.S.–China tensions and geopolitical risks; strengthening semiconductor supply chains is essential

AI Transformation

Transition to the implementation phase of generative AI; acceleration of AI Transformation (AX) as an extension of DX.

Stronger Regulations

Clearer management responsibility for cyberattack damage and stricter data privacy regulations.

IT Security

- Increased sophistication and acceleration of cyberattacks driven by AI
- Transition to the full-scale operational phase of Zero Trust
- Expansion of demand for SASE (Secure Access Service Edge)
- Early adoption of PQC (Post-Quantum Cryptography)*
- Security needs associated with AX (AI Transformation)

Mobile Video Communication

- Expansion of demand for remote monitoring and remote operation (driven by workforce decline and DX)
- Demand for high-definition and real-time AI-based monitoring
- Increased demand in public safety sectors
- Growing importance of video transmission technologies due to the expansion of drone markets

Eco Innovative Business

- Rapid growth in demand for edge AI
- Structural changes in the semiconductor market due to the AI boom (including deepening power-supply issues)
- Expansion of the drone and robotics markets



※ PQC (Post-Quantum Cryptography): Next-generation cryptographic technologies designed to remain secure even against attacks using quantum computers.

I What We Aim to Be in FY2028

Move Beyond Niche Markets and
Become a Company that Supports the Foundations of DX

Investment in next-generation growth drivers + sustainable profit growth

Advanced Authentication Technologies

Video Transmission

Semiconductor Design

Revenue JPY24.5B CAGR 7.4% (FY26~FY28)

Operating Profit JPY 5.0B CAGR 20.6% (FY26~FY28)

Operating Margin 20.4%

Secure a high share in niche markets based on Japan-developed proprietary technologies and years of achievements and trust

What we aim to achieve

Provide the foundation for a safe and reliable information society


Support DX promotion through ICT utilization across diverse organizations

Innovate real-time, high-quality video transmission and support business operations

Contribute to next-generation social infrastructure through the creation of advanced technologies

I Performance Targets

Over the next three years, we aim to expand revenue while improving the profitability of our business investments, thereby achieving a high level of profit growth.

	FY25 Results	FY26 Target	FY27 Target	FY28 Target	CAGR
Revenue	¥19.7B	¥21.2B	¥22.3B	¥24.5B	7.4%
Operating Profit	¥2.8B	¥3.1B	¥3.9B	¥5.0B	20.6%
Operating Margin	14.4%	14.8%	17.5%	20.4%	-
EPS	¥123	¥126	¥144	¥184	14.0%
ROE	18.0%	16.9%	17.5%	20.0%	- 

Note: EPS and ROE are calculated based on the number of shares outstanding and net assets as of December 31, 2025.

I Business Segment Targets

For the IT Security segment, by promoting the shift to a stock-based business model, we aim to achieve 14% operating profit growth.

	Revenue: upper row / Operating Profit: lower row			Growth Overview	
	FY25 Results	FY28 Target	CAGR		
IT Security	¥18.5B ¥ 3.7B	¥22.5B ¥5.5B	7% 14%	Enhancing usability centered on "authentication" to move to the next stage of growth	<ul style="list-style-type: none"> Expand sales centered on high-share authentication product lines and secure access products Increase stock-type revenue through cloud services and improve operating margins
Mobile Video Communication	¥1.05B △ ¥0.11B ※	¥1.65B ¥0.17B	16% -	Deepening video transmission technologies and promoting globalization	<ul style="list-style-type: none"> Expand share in the public sector Expand new customers through remote control and overseas businesses Improve profitability through revenue growth
Eco Innovative Business	¥0.19B △ ¥0.18B	¥0.35B △ ¥0.16B	22% -	Launch of analog edge AI chips	<ul style="list-style-type: none"> Launch analog edge AI chips and establish mass production Achieve profitability of business investments
HQ Expenses	¥0.58B ※	¥0.51B			

※ Note: A review of segment composition is planned from FY2026. Expenses for fundamental researches related to remote driving currently included in head office expenses will be allocated to this segment. From FY2026 onward, these R&D expenses will be recorded under the Mobile Video Communication segment. For comparison with FY2028 targets, the FY2025 figures are presented with necessary adjustments.

Long-Term Vision and Growth Drivers

Preparation Period for Takeoff

Takeoff Phase **Soliton 2.0**

FY2031

Mid-Term Management Plan

50th Anniversary

FY2028

Revenue ¥24.5B
Operating Profit ¥5.0B

FY2025

Revenue ¥19.7B
Operating Profit ¥2.8B

Improve and strengthen the earnings foundation of the second and third business segments

Provide new value that forms the foundation of DX

Strengthen business foundations and invest for growth (including M&A)

Promote global business expansion

Analog Edge AI Chip Development Investment

■ Launch

■ miniaturization

Establish as a pillar of the business

R&D Investment

■ Cloud enablement of IT security products and functional enhancements

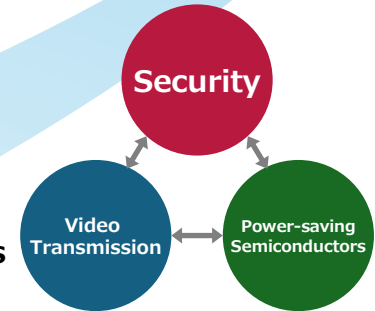
Higher value-added offerings and improved profitability

Human Capital Investment

■ Compensation Improvements ■ Education and training investment

■ AI utilization

Improved productivity



Foundation of Growth

Initiatives Related to Human Capital Investment

Improving Employee Compensation Levels

- Average salary increased by approx. 13%※
(※ Comparison between 2020 and 2024)

Office Layout Updates

- Improvements and updates to the office environment, centered on the HQ building
- Introduction of a free-address system to support diverse work styles
- Establishment of a new employee lounge



Review and Reform of the Personnel Evaluation System

- Introduction of a new evaluation system reflecting “Pay for Value”
- Promotion of HR DX aligned with the new system

Promotion of Human Capital Investment

Initiatives Related to R&D

- **Development lab activities**
Allocate 10–20% of working hours for new R&D
- **Lightning talk Sessions**
An open, cross-departmental information-sharing community

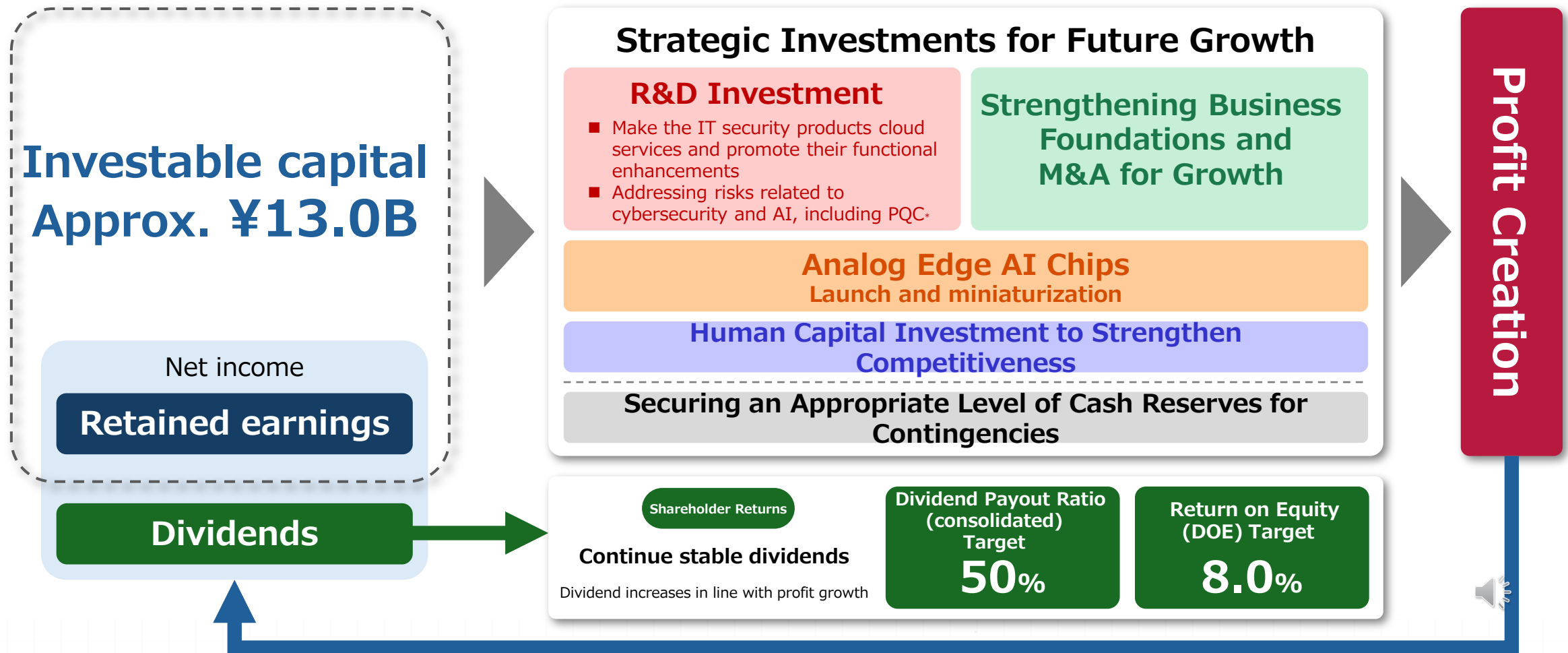
Initiatives Related to ES Promotion

- **Establishment of a new ES promotion department**
Establish of ES promotion department under President. Promote employee health and enhance benefits to improve ES
- **Direct dialogue with management**
Company-wide town hall meetings for exchanging views directly with executives
- **Creating a work environment where employees can thrive**
promote the creation of a workplace environment where employees can thrive and work comfortably, including obtaining “Eruboshi” certification.
- **Efforts to expand employee training programs, etc.**



I Basic Approach to Cash Allocation

Implementation of strategic investments for future growth and continuation of stable dividends



※ PQC: Post-Quantum Cryptography, next-generation cryptographic technology designed to remain secure even against attacks by quantum computers.



【Caution Regarding Forward-Looking Statements】

The forward-looking statements contained in this document, including future outlooks, plans, and management targets, are based on information currently available to the company and certain assumptions that the company considers reasonable. These statements are not intended to be a guarantee by the company to achieve them. Actual results may differ materially due to various factors.