



July 8, 2025

Company Name: Solasto Corporation
Representative: Toru Noda
President and Representative
Director, CEO
(Securities Code: 6197 TSE PRIME)

Notice of Company Split of Children Business through a Simplified Absorption-Type Company Split and Establishment of Subsidiary (Preparatory Company)

Solasto Corporation (the “Company”) announces that a meeting of its Board of Directors meeting held today resolved to proceed with a company split of the Company's Children Business and to establish a preparatory company effective as of April 1, 2026. Details are as follows.

Since the company split is a simplified absorption-type company split (the “absorption-type company split”), in which a newly established wholly owned subsidiary of the Company (the “preparatory company”) will be the successor company, certain disclosure items have been omitted. The absorption-type company split will be implemented subject to obtaining the necessary approvals and licenses from the relevant government authorities.

1. Purpose of the Absorption-type Company Split

Under its corporate philosophy, “People. Technology. Supporting comfortable living and energetic communities,” the Company committed to addressing social issues and delivering valuable services through all its business activities.

Within this framework, the Children Business has operated licensed daycare centers primarily in Tokyo, guided by the principle “Everything we do is for children who live there.” We have provided support for childcare by serving as a parenting partner to guardians and by operating daycare centers that are open to the community.

In recent years, the environment surrounding the childcare business has undergone significant changes due to factors such as declining birthrates, diversifying childcare needs, and challenges in securing and retaining qualified childcare staff. To respond flexibly and swiftly to these changes and to continue to meet the expectations of local communities and guardians, we have determined that it is essential to establish a structure that enables the Children Business to make autonomous decisions and implement site-specific initiatives promptly. Accordingly, we have decided to proceed with an absorption-type company split. Even after the split, we remain committed to maintaining a stable and reliable operation

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while further improving the quality of our childcare services, so that parents can continue to use them with confidence.

2. Outline of the Preparatory Company

(1) Name	Solasto KIDS NEXT Corporation (temporary)
(2) Location	12F, Shinagawa Intercity Building C, 2-15-3 Konan, Minato-ku, Tokyo
(3) Title and name of representative	Etsuko Yashiro, President and Representative Director, CEO
(4) Business	Operation of licensed childcare facilities and certified childcare facilities
(5) Share capital	10 million yen
(6) Date of establishment	July 2025 (scheduled)
(7) Number of shares outstanding	1,000 shares
(8) Accounting period	Closing at the end of March
(9) Major shareholders and shareholding ratio	Solasto Corporation: 100%
(10) Relationship with Solasto Corporation	Capital ties: The company will be established as a wholly owned subsidiary of Solasto Corporation. Personal: Corporate officers and Auditors will be dispatched from Solasto Corporation. Trade: There is no business relationship with Solasto Corporation since it has not started operations.

3. Summary of the Absorption-type Company Split

(1) Dates of company split

Board of Directors resolution regarding the implementation of the company split and the establishment of Preparatory Company	July 8, 2025
Establishment of Preparatory Company	July 2025 (scheduled)
Board of Directors resolution approving the company split agreement	Mid-January 2026 (scheduled)
Execution of the company split agreement	Mid-January 2026 (scheduled)
Effective date of the company split	April 1, 2026 (scheduled)

Note: The absorption-type company split falls under the category of an Absorption-Type Company Split as defined in Article 784, Paragraph 2 of the Companies Act. Accordingly, it is scheduled to be executed without obtaining approval at a general meeting of shareholders.

(2) Method of the company split

An absorption-type company split with the Company as the splitting company and the Preparatory Company as the successor company

(3) Details of allotment of shares related to the company split

As the absorption-type company split will be conducted between the Company and its wholly owned subsidiary, no monetary or other property consideration will be provided in connection with the split.

(4) Handling of stock acquisition rights and bonds with stock acquisition rights in connection with the company split

Not applicable.

(5) Increase/decrease in capital due to the company split

There will be no increase or decrease in company capital as a result of the company split.

(6) Rights and obligations to be succeeded to by the successor company

The preparatory company, acting as the successor company in the absorption-type company split, is scheduled to succeed, within the scope defined in the absorption-type company split agreement, the assets, liabilities, contractual positions, obligations, and other associated rights and duties related to the Children Business.

(7) Prospect of obligation fulfillment

We have determined that there will be no issues regarding the fulfillment of obligations by the Company and the preparatory company following the effective date of this absorption-type company split.

4. Parties to the Company Split

	Splitting company	Successor company
(1) Name	Solasto Corporation	Solasto KIDS NEXT Corporation (temporary)
(2) Location	12F, Shinagawa Intercity Building C, 2-15-3 Konan, Minato-ku, Tokyo	12F, Shinagawa Intercity Building C, 2-15-3 Konan, Minato-ku, Tokyo
(3) Title and name of representative	Toru Noda, President and Representative Director, CEO	Etsuko Yashiro, President and Representative Director, CEO
(4) Business	Outsourcing and staffing for medical administration services including reception, accounting, processing of medical billing, clinical information management, management support	Operation of licensed childcare facilities and certified childcare facilities

	services, and skill certification testing services and training services related to the above Operating centers for day service, home help, group homes, care management planning, and nursing homes Operation of licensed childcare facilities and certified childcare facilities Provision of remote medical administrative services (agency services of medical administrative services such as remote receipt checks and online-based billing)		
(5)	Share capital	686 million yen	10 million yen
(6)	Date of establishment	October 2, 1968	July, 2025 (planned)
(7)	Number of shares outstanding	94,741,793 shares	1,000 shares
(8)	Accounting period	Closing at end of March	Closing at end of March
(9)	Major shareholders and shareholding ratio	Daito Trust Construction Co., Ltd. 34.47% Custody Bank of Japan, Ltd. 9.77% (Trust Account) The Master Trust Bank of Japan, Ltd. 8.56% (Trust Account) TOHO HOLDINGS CO., LTD. 5.10% Solasto Employee Shareholding Association 2.49% Nomura Securities Co., Ltd 2.46% NORTHERN TRUST CO. (AVFC) 2.22% RE IEDU UCITS CLIENTS GOLDMAN SACHS INTERNATIONAL 2.22% JP Morgan Securities Japan Co., Ltd. 1.79%	Solasto Corporation 100%

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	Custody account (for Junichi Arai) 1.30% Custodian SMBC Trust Bank Ltd.	
(10) Financial position and results of operations for the immediately preceding fiscal year (ended March 31, 2025)		
Net Assets	16,535 million yen	Since the fiscal year ending July 2025 is the first year of establishment, there is no information on financial position or operating results for the immediately preceding fiscal year
Total Assets	65,563 million yen	
Net Assets per share	179.17 yen	
Net sales	109,575 million yen	
Operating profit	5,057 million yen	
Ordinary profit	4,879 million yen	
Net income	3,271 million yen	
Net income per share	35.47 yen	

5. Outline of the Business Division to Be Split

(1) Business of the division to be split

Children Business: Operation of licensed childcare facilities and certified childcare facilities

(2) Financial results of the division to be split (ended March 31, 2025)

Net Sales	6,598 Million Yen
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(3) Items and book values of assets and liabilities to be transferred (as of March 31, 2025)

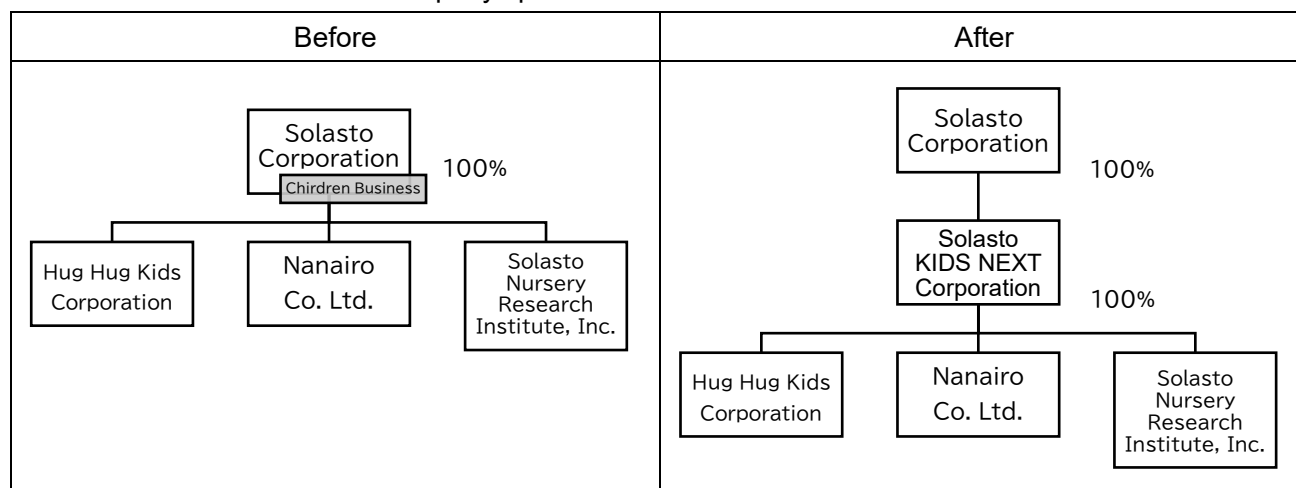
Assets (Millions of Yen)		Liabilities (Millions of Yen)	
Current assets	1,582	Current liabilities	324
Fixed assets	6,080	Fixed liabilities	850
Total	7,662	Total	1,174

Note: The above figures reflect the status as of March 31, 2025. The actual amounts of assets and liabilities to be transferred will be adjusted to reflect any changes up to the effective date of the split.

6. Situation After the Company Split

There will be no changes to the name, location, title and name of representative, business, share capital, or accounting period of either the splitting company or the successor company as a result of the absorption-type company split.

Reference: Situation after the company split



7. Outlook

The absorption-type company split involves only the Company and its wholly owned subsidiaries, and will have little impact on the Company's consolidated financial results.

Investor Relations Office
ir@solasto.co.jp