FY2025 Q2YTD Financial Results

November 12, 2025

Solasto Corporation

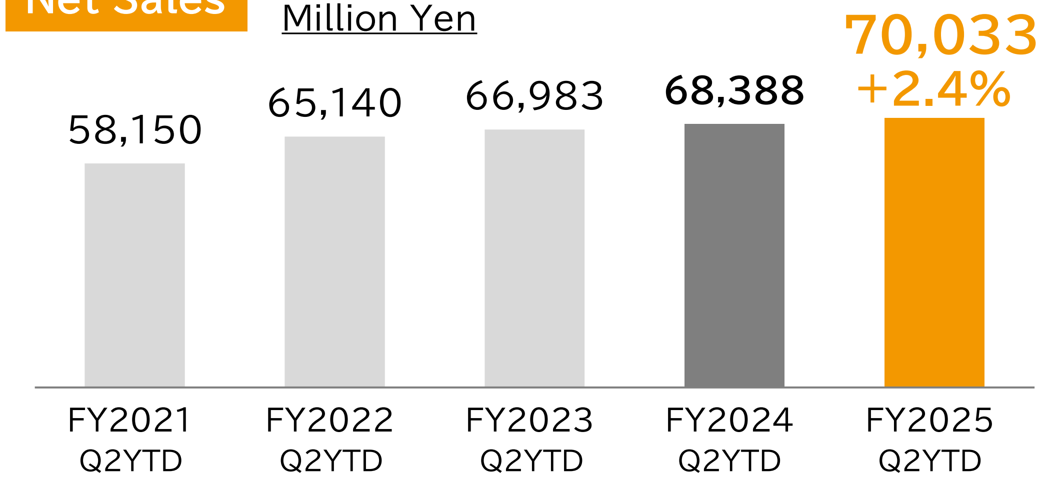
01

FY2025 Q2YTD Financial Results

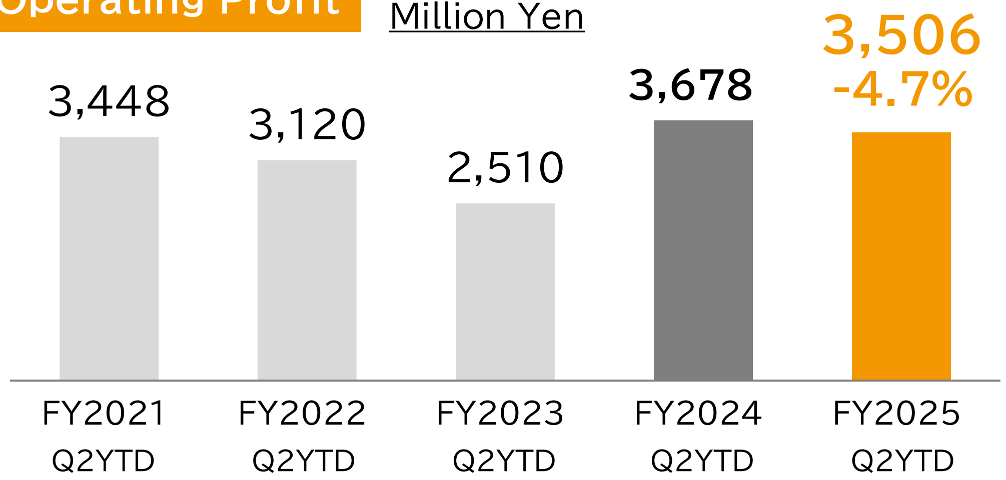
Financial Highlights

- Net sales increased 2.4% YoY, exceeding 70 billion yen for the first time in terms of sales for the interim period.
- Operating profit decreased 4.7% YoY, reflecting the improvement in employee treatment that was achieved as planned and the implementation of new IT investments.
- Progress was made because all types of profit were significantly higher than initially planned.

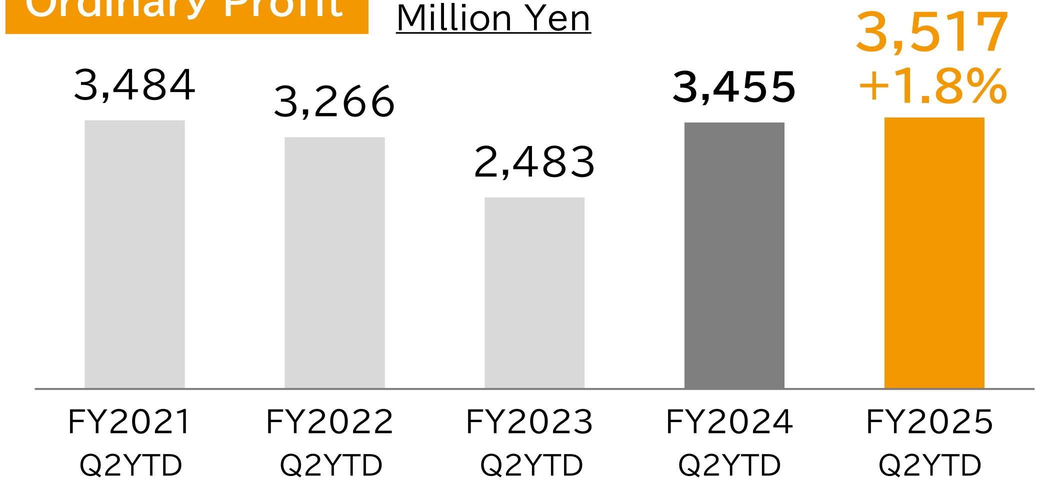
Net Sales Million Yen



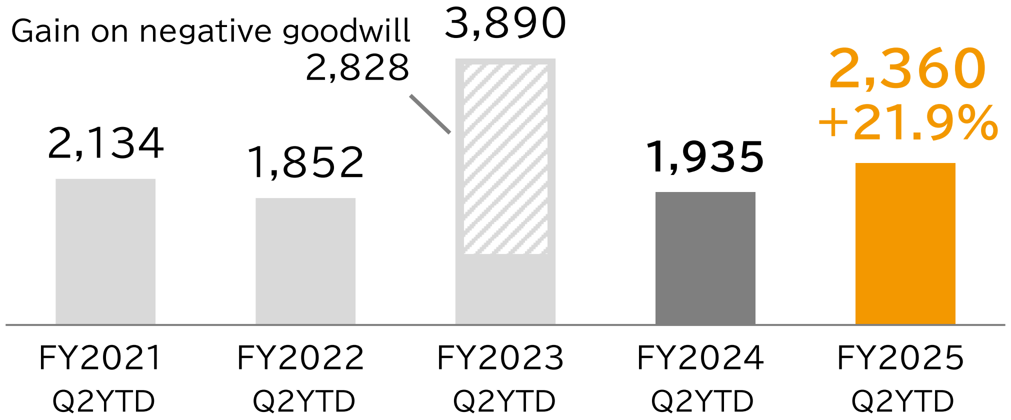
Operating Profit Million Yen



Ordinary Profit Million Yen



Net Income Million Yen



Financial Highlights by Segments

- Achieved YoY sales growth across all businesses.
- Profit in the Medical Business and the Children Business decreased as initially forecast. Even so, all businesses continued to perform strongly, as in Q1, exceeding their initial plans.

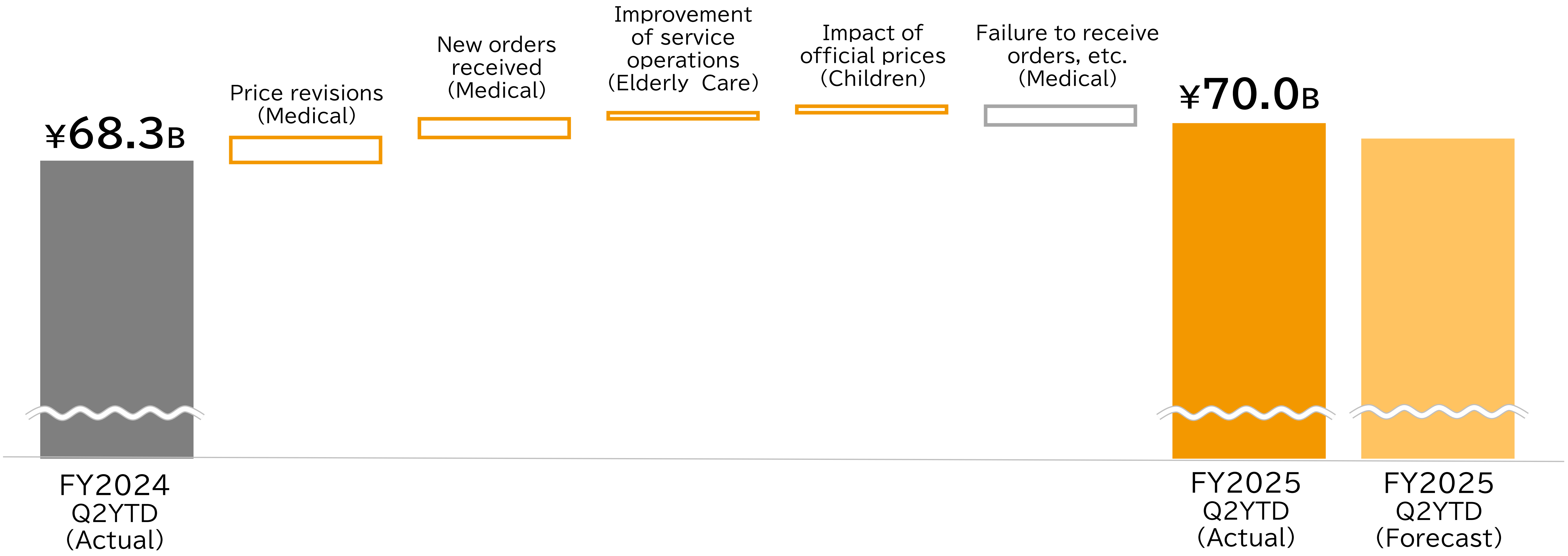
Million Yen	Net Sales				EBITDA (Margin)				Operating Profit (Margin)			
	FY24 Q2YTD	FY25 Q2YTD	YoY	YoY (%)	FY24 Q2YTD	FY25 Q2YTD	YoY	YoY (%)	FY24 Q2YTD	FY25 Q2YTD	YoY	YoY (%)
Medical Business*	35,548	36,617	+1,069	+3.0%	2,520 (7.1%)	2,272 (6.2%)	-247 (-0.9p)	-9.8%	2,336 (6.6%)	2,083 (5.7%)	-253 (-0.9p)	-10.8%
Elderly Care Business	27,782	28,066	+283	+1.0%	2,368 (8.5%)	2,557 (9.1%)	+188 (+0.6p)	+8.0%	1,258 (4.5%)	1,458 (5.2%)	+200 (+0.7p)	+15.9%
Children Business	5,034	5,327	+293	+5.8%	324 (6.5%)	208 (3.9%)	-116 (-2.5p)	-35.9%	78 (1.6%)	-39 (-)	-117 (-)	-

*In FY2025, the Smart Hospital Business, which was previously included in Others, is included in the Medical Business.
The figures are year-on-year comparisons using reference figures that reflect the segment change based on the results for FY2024.

Companywide Analysis of Increase/Decrease in Net Sales(Q2YTD)

Increase Factors: In the Medical Business, progress in price revisions for existing contracted services exceeded expectations and new orders received.

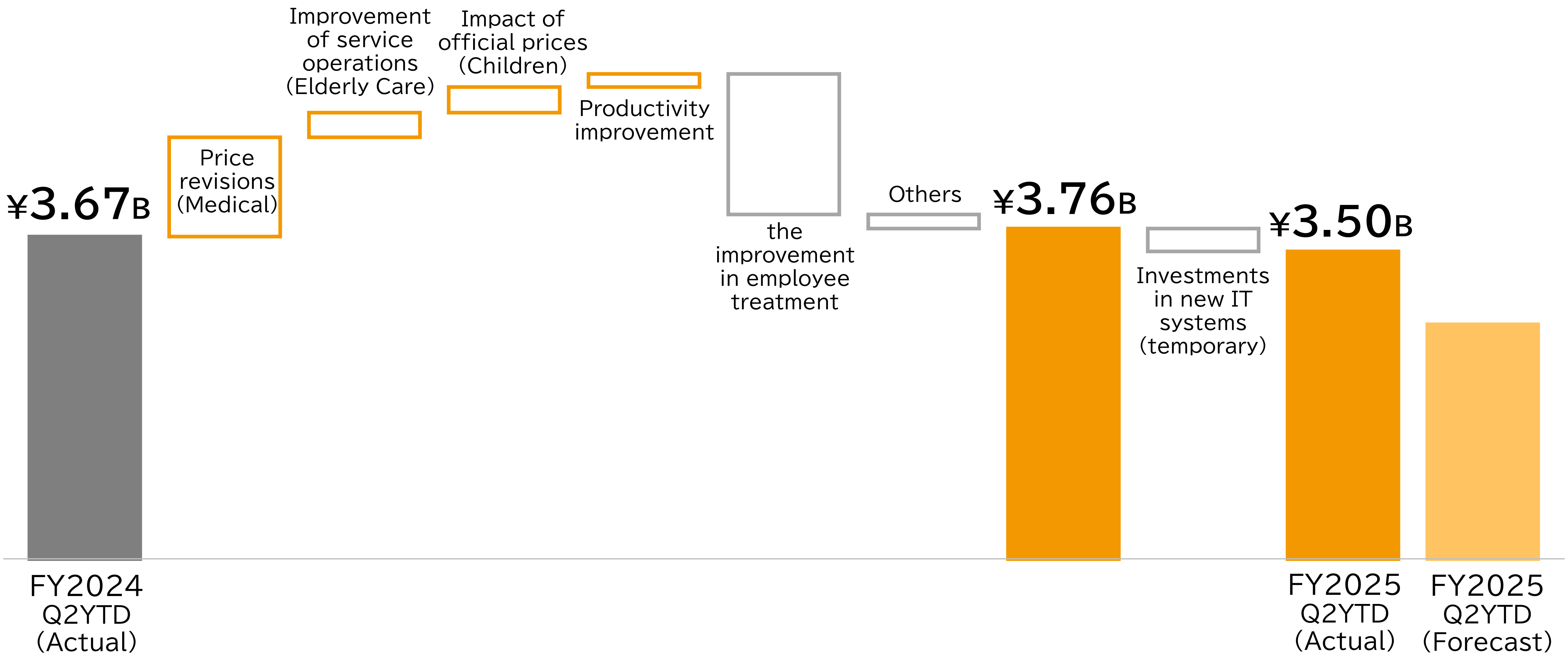
Decrease Factors: In the Medical Business, there were some cases of a failure to receive an order due to aggressive price negotiations.



Companywide Analysis of Increase/Decrease in Operating Profit(Q2YTD)

Increase Factors: Mainly due to the effect of price revisions, which exceeded the forecast in the Medical Business.

Decrease Factors: Enhanced the improvement in employee treatment which was implemented as planned, investments in new IT systems (temporary).



Medical Business: Financial Highlights (YoY)

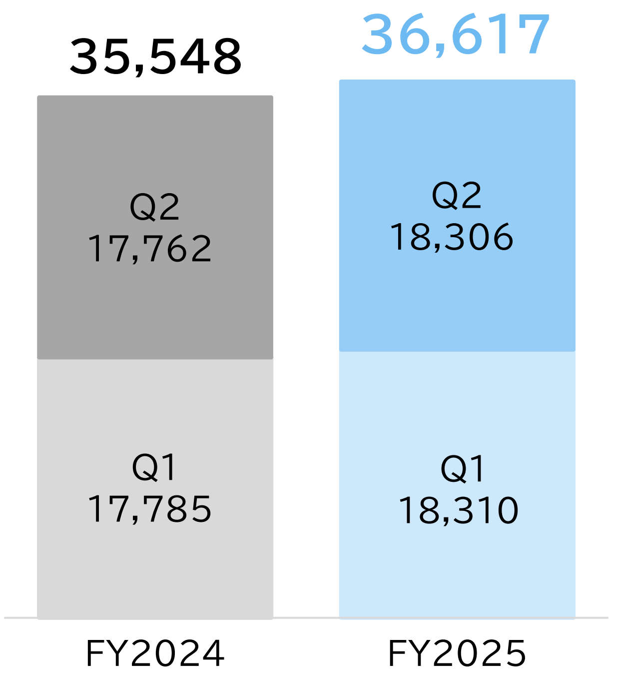
Net Sales: Increased 3.0%, reflecting favorable price revisions.

Operating Profit: Decreased 10.8%, reflecting the enhancement of measures to improve the treatment with the aim of improving employee satisfaction, which was implemented as planned.

Million Yen

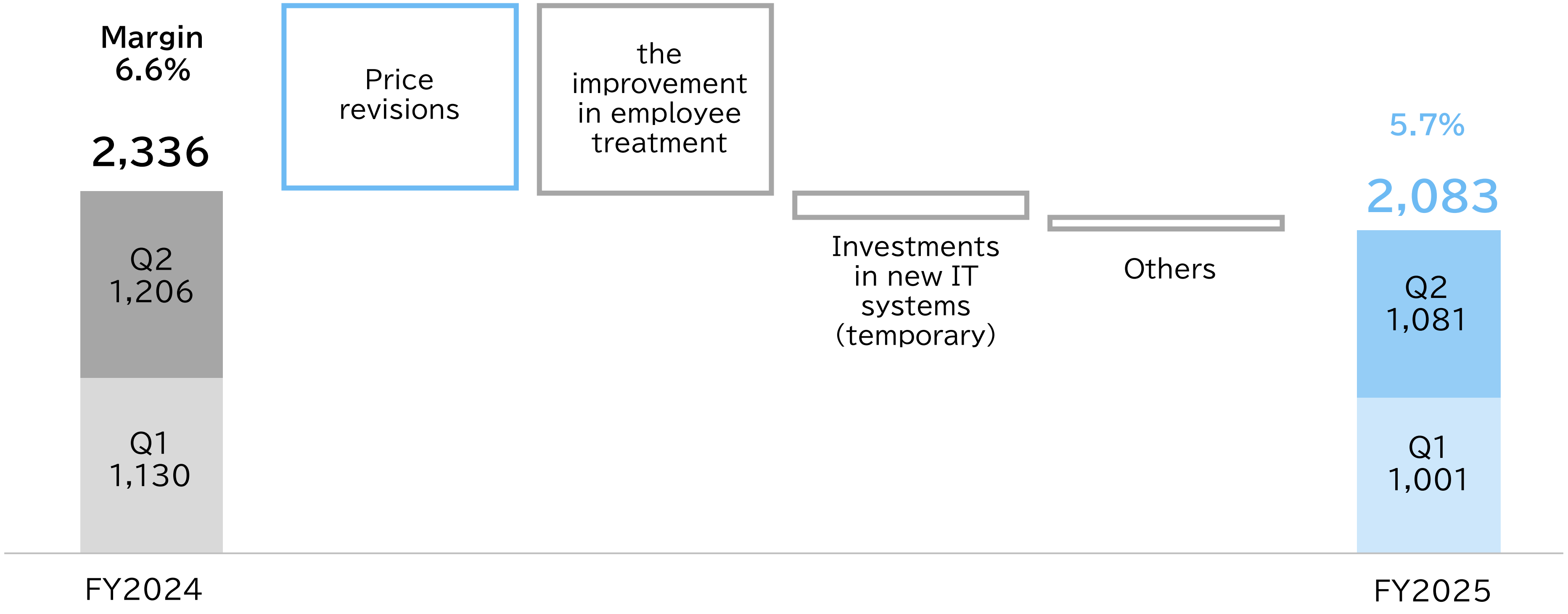
Net Sales

YoY + 3.0%



Operating Profit

YoY -10.8%



*In FY2025, the Smart Hospital Business, which was previously included in Others, is included in the Medical Business.
The figures are year-on-year comparisons using reference figures that reflect the segment change based on the results for FY2024.

Elderly Care Business: Financial Highlights (YoY)

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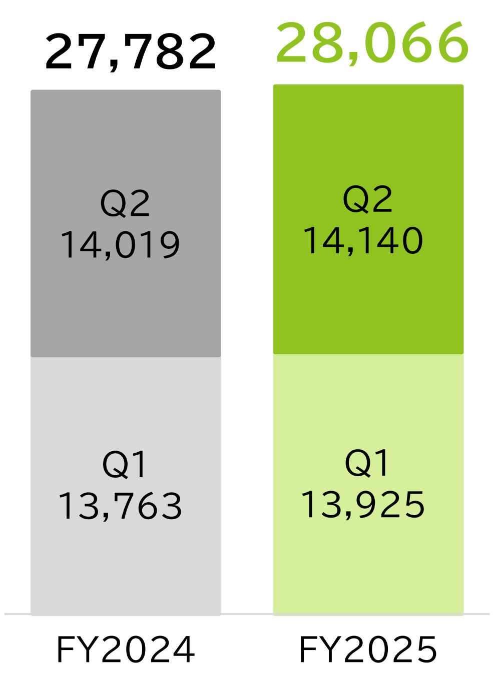
Net Sales: Increased 1.0%, reflecting steady day service operations and a solid increase in the number of facility-based service users.

Operating Profit: Increased 15.9%; although affected by the soaring cost of living, including high utilities, this was mainly due to the positive effects of an increase in sales and the reduction of various selling, general and administrative expenses.

Million Yen

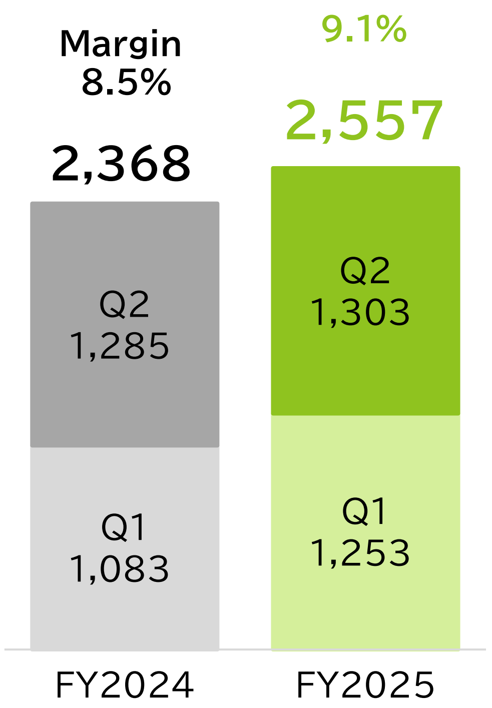
Net Sales

YoY +1.0%



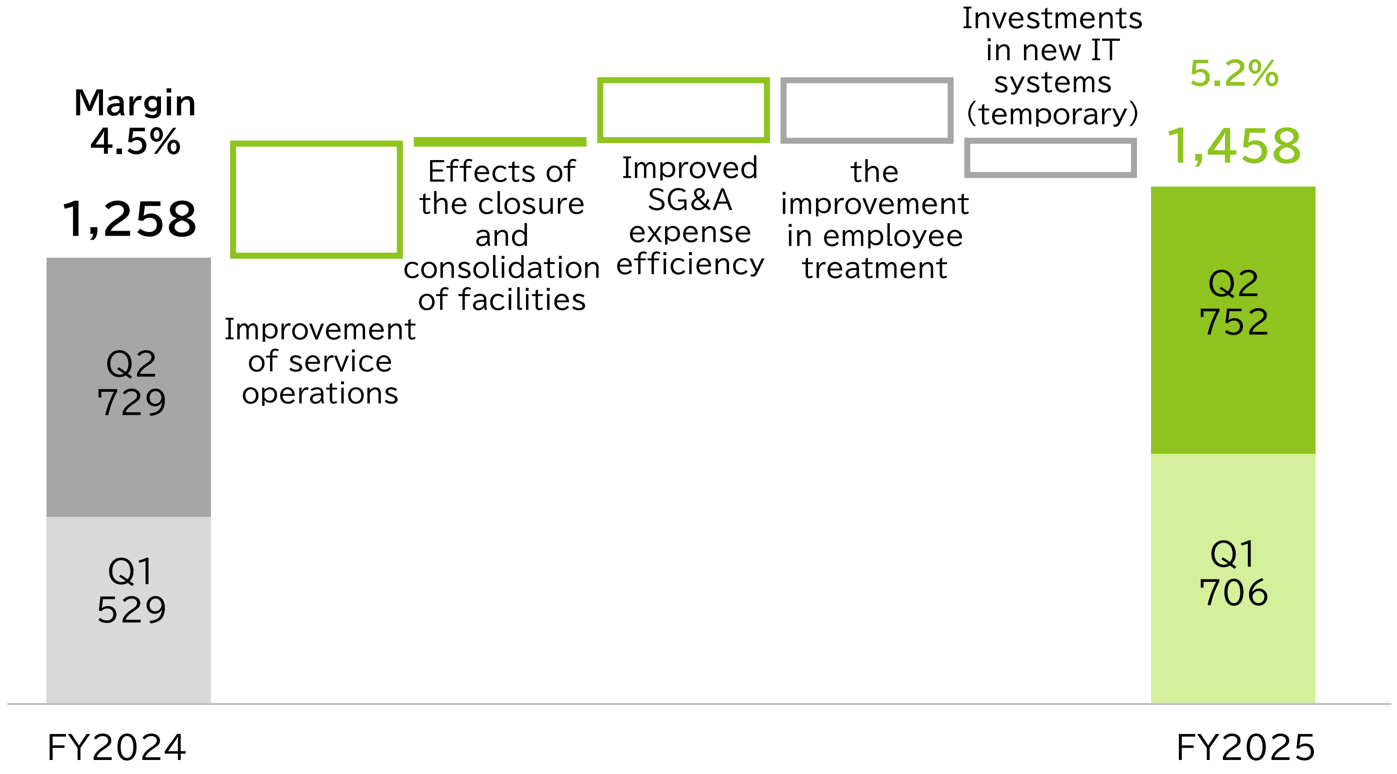
EBITDA

YoY +8.0%



Operating Profit

YoY +15.9%

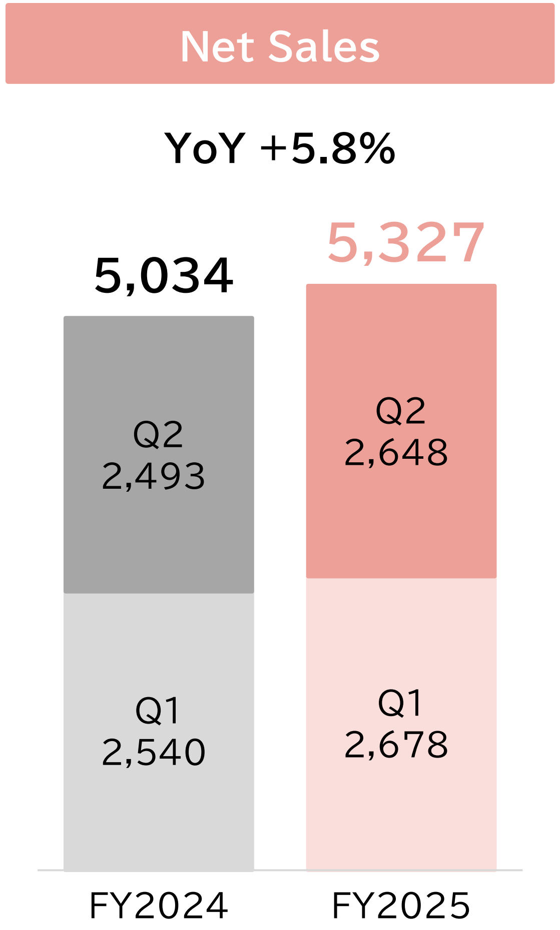


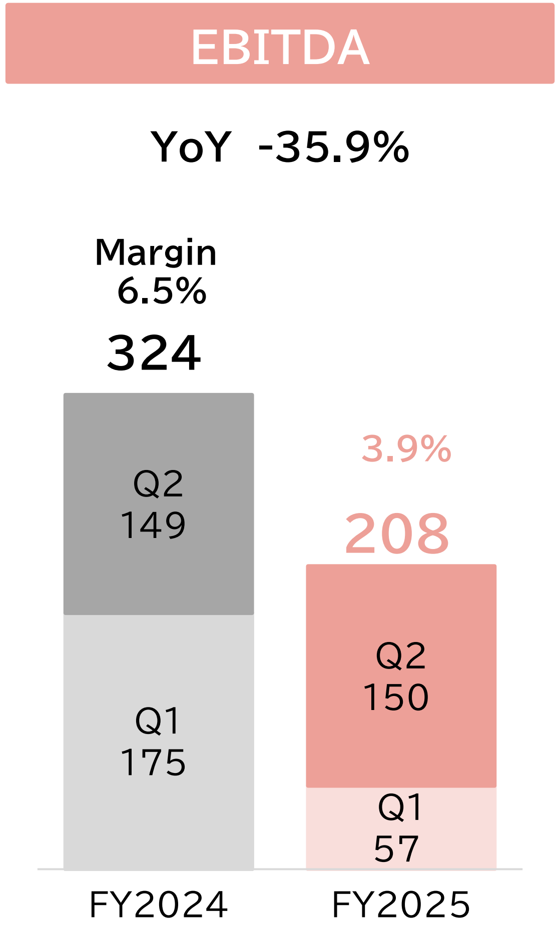
Children Business: Financial Highlights (YoY)

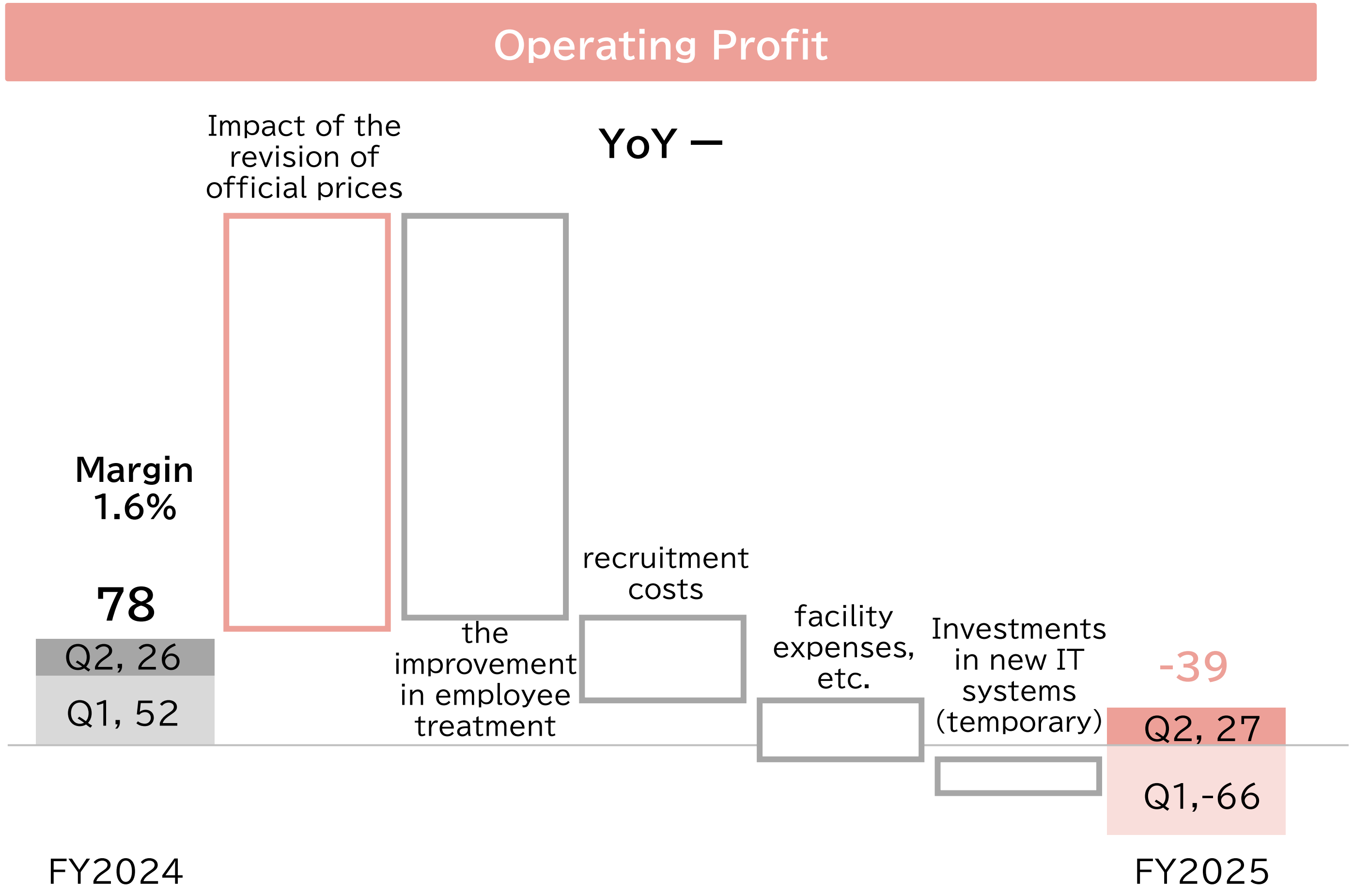
Net Sales: Increased 5.8%, mainly due to a rise in unit prices that resulted from the revision of official prices.

Operating Loss: Posted an operating loss, mainly attributable to improvements in the treatment, increased recruitment costs in Q1 to strengthen staffing, and higher facility expenses.

Million Yen







02

Progress of Medium-term Business Plan FY2025-2029

Priority Strategies

Combine enhanced human capital management and technology to prepare ourselves for the decrease in the population

Medical Business

- Develop a next-generation outsourcing business
- Upgrade the solution business
- Reinforce human resource development to facilitate the improvement of quality
- Optimize prices and actively improve compensation

Elderly Care Business

- Improve profitability with elderly care BPR
- Improve utilization and occupancy rates
- Implement carefully selected M&A activities

Children Business

- Improve the quality of childcare and implement a differentiation strategy
- Take measures to improve the retention rate and productivity

Companywide Measures

- Invest in new IT systems, including new next-generation IT infrastructure
- Enhance ESG Initiatives
- Build a sound financial foundation
- Actively invest in business

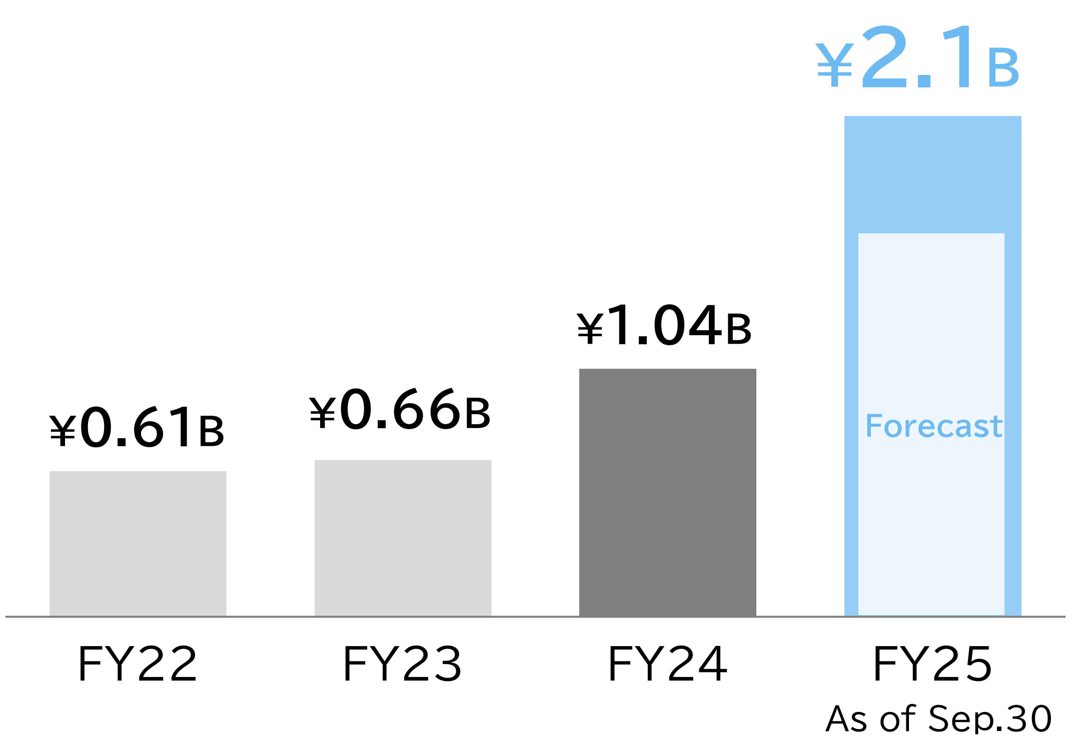
*Repost of the Medium-term Business Plan FY2025-2029

Medical Business Strategies:

Progress of Price Negotiations

- As of the end of Q2, the effect of price revisions was a confirmed total of 2.1 billion yen for the fiscal year under review.
- We will seek to further increase revenue in the second half by continuing to accelerate negotiations.

Impact on Operating Profit (Full-year)



A Virtuous Circle that Improves both Customer and Employee Satisfaction

Improving the quality of services

- Improve customer satisfaction
- Establish sustainable relationships

Secure funds for Compensation improvement

- Negotiate contracts in accordance with the pricing strategy guidelines
- Improve productivity by implementing DX and Kaizen initiatives

Establish a competitive advantage

- Ensure adequate staffing by improving retention rate and reduce overtime
- Maximize the effects of productivity improvements through resource management measures

Compensation improvement and workstyles

- Increase employee satisfaction by improving employee treatment and providing a work environment that ensures a healthy work-life balance
- Secure high-quality human resources by increasing starting wages

*Repost of the Medium-term Business Plan FY2025-2029

Registered

Thoughts Reflected in the Brand

The solasto+ plus brand has been created with the concept of adding further value to the services provided by Solasto Corporation.

Solasto Corporation will not only contribute to the growth of medical institutions, but it will also facilitate the evolution and expansion of its services.

Upgrade the Solution Business

- We have created the solasto+ plus brand featuring management, education and medical administration support services to rebuild the solution provision system.
- Management support has added the post-opening support service, which provides comprehensive support throughout the entire process, including the opening of clinics and operations.

Existing Services | New Service

Market	Management Support	Educational Support	Operational Support	Contracted Medical Administration	Temporary Staffing	Recruitment Support
Public Hospital ~1,500 facilities	Management Support Service Navigation Series Support Series	terrace studio Study Support Service ・ Book Selling ・ Lecture Dispatch Service	ソラスト診療報酬算定ナレッジアプリ solabell Medical Fee Knowledge App RPA	Outsourced Medical Office Work	Temporary Staffing (Individuals, Teams and Medical Clerks)	Staff Referral and Employment Placement Dispatching
Private Hospitals ~6,700 facilities						
Clinic ~102,000 facilities	Post-opening support service		Remote Medical Administration (Receipt inspection)	Remote Medical Administration (Medical billing (Reimbursement))		
Service Brands	solasto+plus					

Progress of the Solution Business

- Contracts for management support and remote medical administration services have been concluded steadily thanks to strengthened coordination in the provision of solutions.
- Notably, we secured approximately 130 contracts for solabell in just two months after the start of external sales, reflecting strong initial inquiries for the service.

Management Support

New orders remained strong in the first half and prices per contract increased.

We began introducing a high added-value partner-type support service.

No. of new contracts	Price per contract (Million Yen)
34 (+20)	2.4M (+0.7M)

Remote Medical

As a result of strengthened coordination in the provision of solutions, the number of contracts increased 1.5-fold YoY.

Both net sales and profit increased. We started to implement price revisions in August.

Total No. of contracts	Net Sales (Million Yen)	Operating Profit (Million Yen)
150 (+50)	141M (+0.4M)	38M (+75M)

solabell

We started external sales in September. Initial inquiries were extremely strong.

Contracts were secured with 131 medical institutions in just two months.

Total No. of contracts	Total No. of IDs registered
131 (-)	306ID (-)

terrace studio

We changed our pricing plans to subscription-based plans in April.

Contracts were secured with 78 medical institutions in six months.

Total No. of contracts	Total No. of IDs registered
78 (-)	748ID (-)

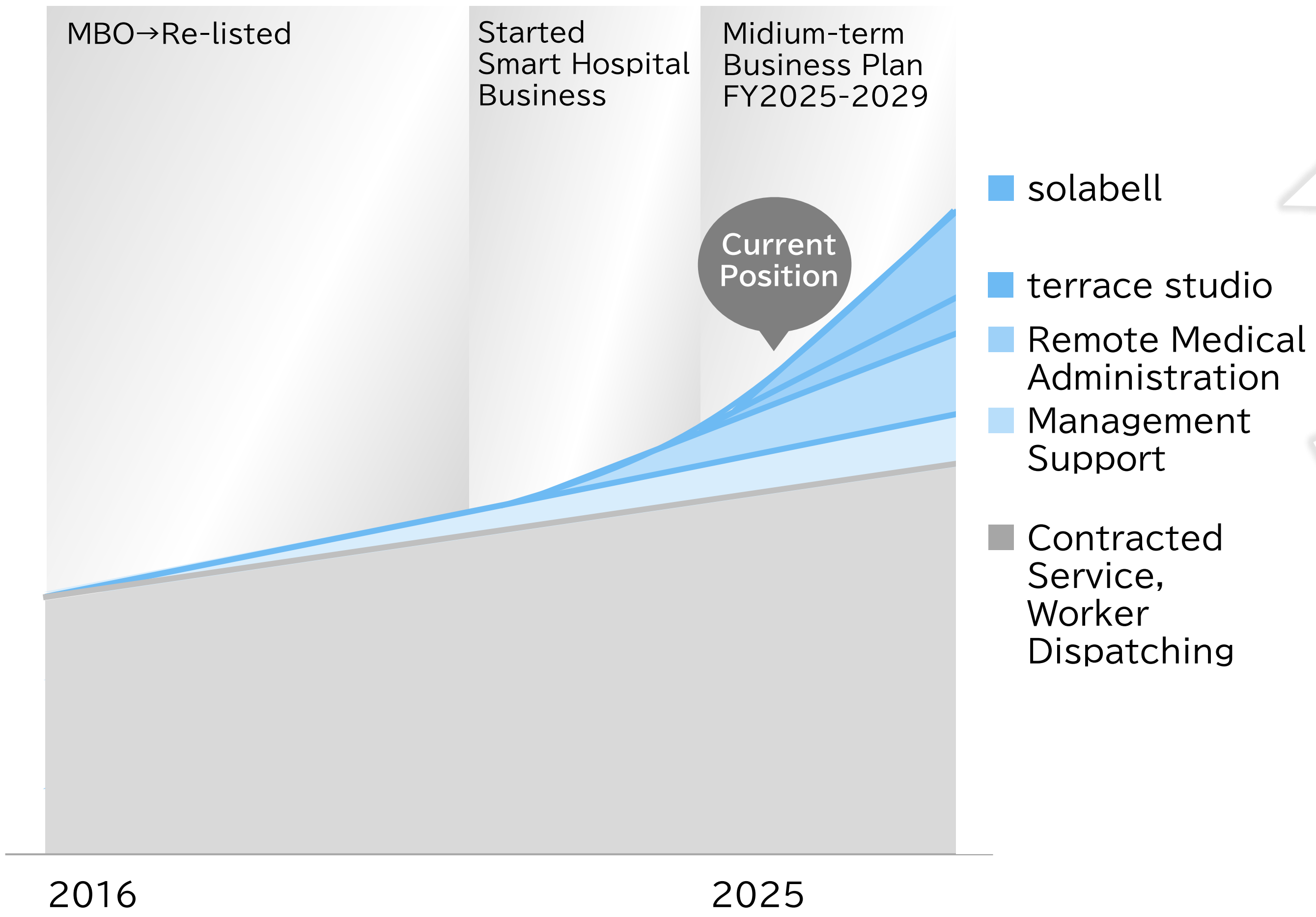
*()YoY

Medical Business Strategies:

Future Outlook of the Solution Business

- The number of customer medical institutions is rising rapidly due to the solution business. Efforts will be made to convert them into customers for next-generation outsourcing services in the future.
- We will continue promotions for the time being, while simultaneously proceeding with the development of a supply system in the solution business.

No. of Contracted Medical Institutions



Continuation of Active Promotion

Exposure in the media

Discount campaigns

Participation in exhibitions, etc.

Development of a Supply System in the Solution Business

Double the number of management support personnel in five years

Development and flexible reassignment of personnel

~600 persons
High-skilled human resources

~50 persons
Management support personnel

~100 persons
Management support personnel

Implement the low-risk expansion of medical administration centers

Use parts of facilities as remote medical administration centers

Offices of our branches nationwide

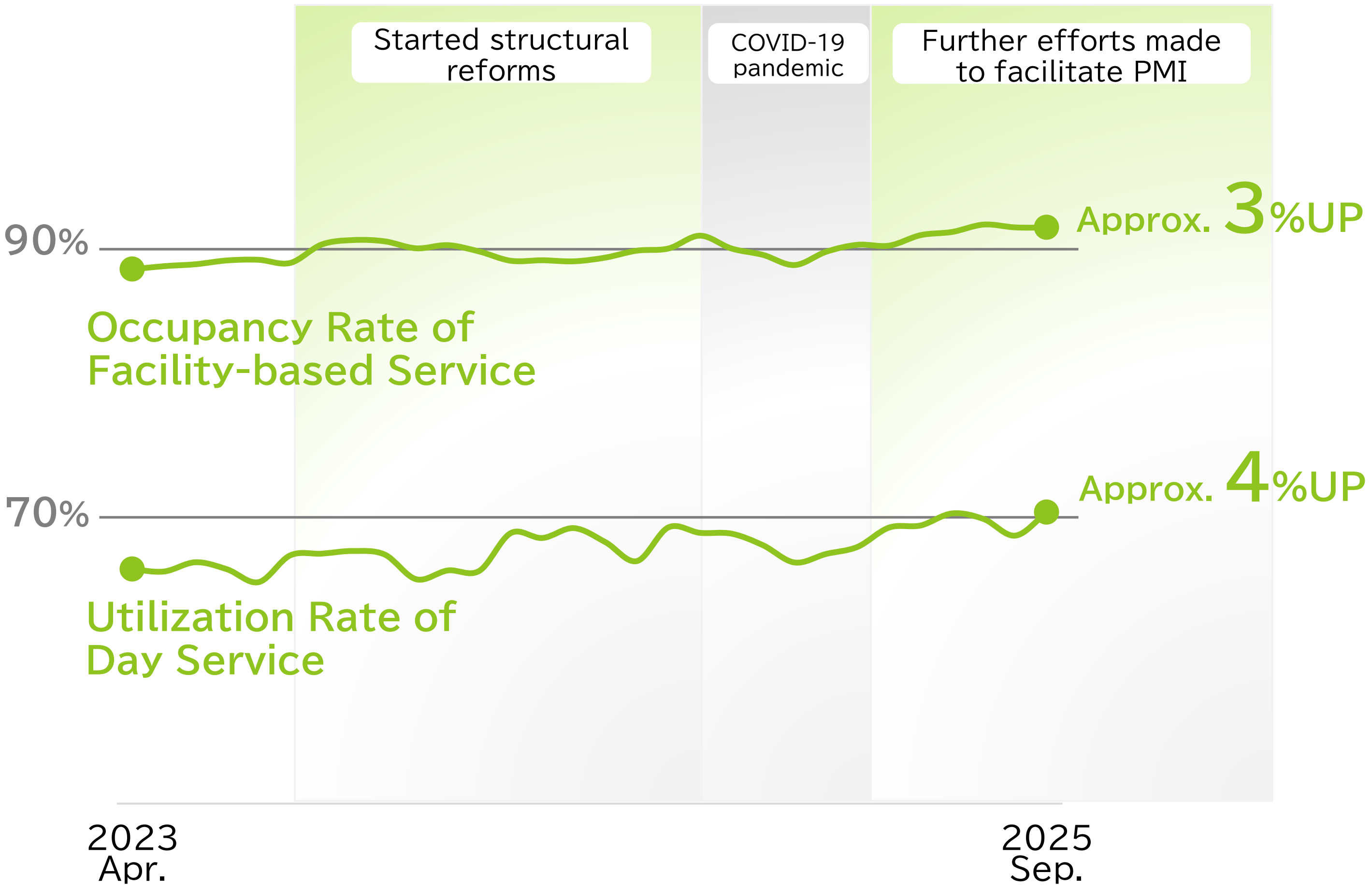
Elderly Care Business Strategies:

Initiatives to Improve Utilization and Occupancy Rates

solasto

- There were steady improvements in the utilization rate and occupancy rate of day service and facility-based service.
- We will apply best practices for business operations in other services to further encourage the acquisition of additional payments.

Utilization and Occupancy Status



Priority Initiatives

- Share best practices implemented at excellent facilities in other services to further encourage the acquisition of additional payments (functional training, oral care, etc.).
- Actively renovate facilities to increase occupancy rates.
- Ensure prices reflect the high cost of living, including food and utility expenses.

(Functional Training)

2017M&A
Best Care Kabushikigaisha

2023M&A
Possible Medical Science, Ltd.

Elderly Care Business Strategies:

Opening of New Facilities and Strategic Actions Related to Home Help

- A group home and a nursing home are scheduled to be opened in October 2026 and June 2027, respectively.
- We identified home help providers planning to exit the market at an early stage and continued to provide services by hiring their staff members and taking on their customers.

Opening of New Group Home and Nursing Home

Service	Group home
Area	Tama area, Tokyo
Capacity	18 residents (2 units)
Scheduled Opening	October 2026

Service	Nursing home
Area	Eastern 23 Wards, Tokyo
Capacity	60 residents
Scheduled Opening	June 2027 Renewal opening

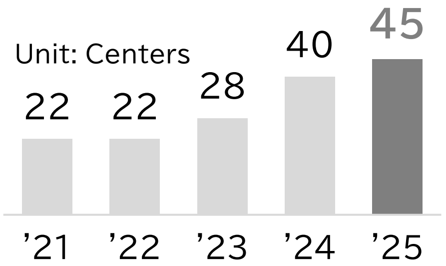
Hiring of the Personnel and Taking on of the Customers of Home Help Providers Exiting the Market

Challenging Market Environment

Significant difficulty in hiring helpers

Pressure on profits due to the negative revision of Reimbursement

Record high number of bankruptcies



Home help provider bankruptcies during the Jan.-Jun, period (Tokyo Shoko Research)

Our Strategic Actions

Obtain information about operators exiting the market at an early stage.

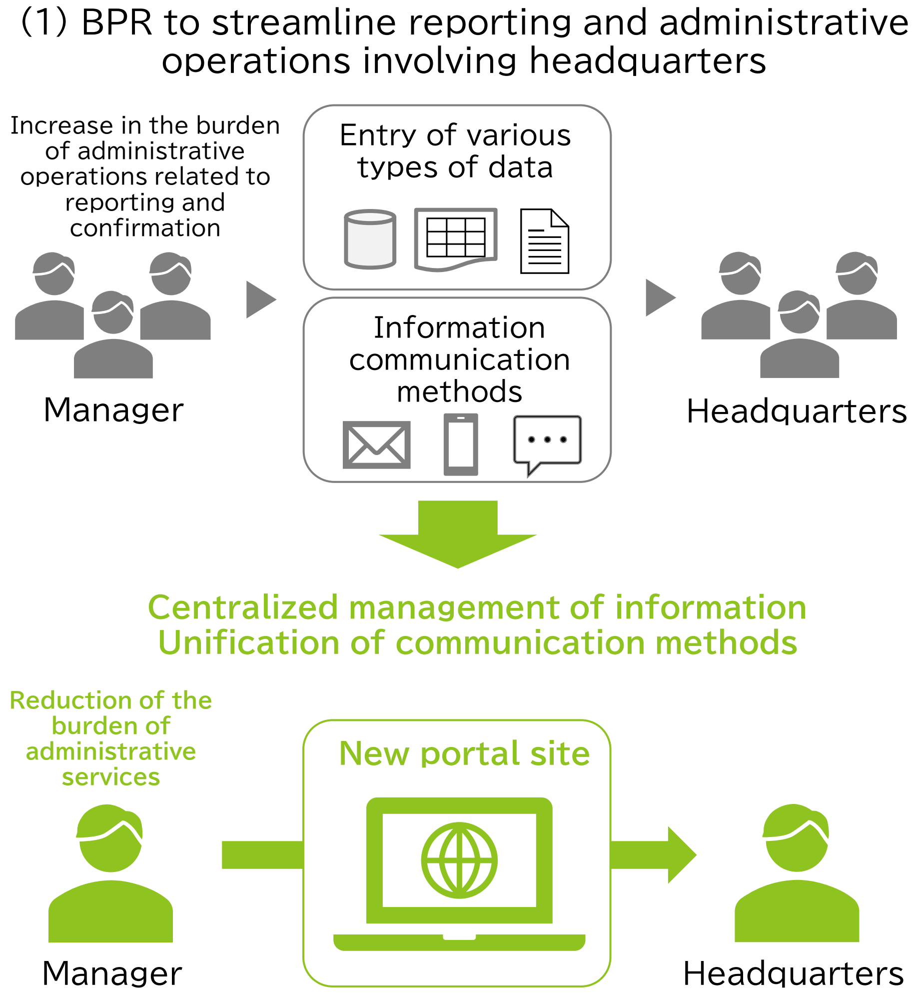
Quickly hire personnel and take on customers

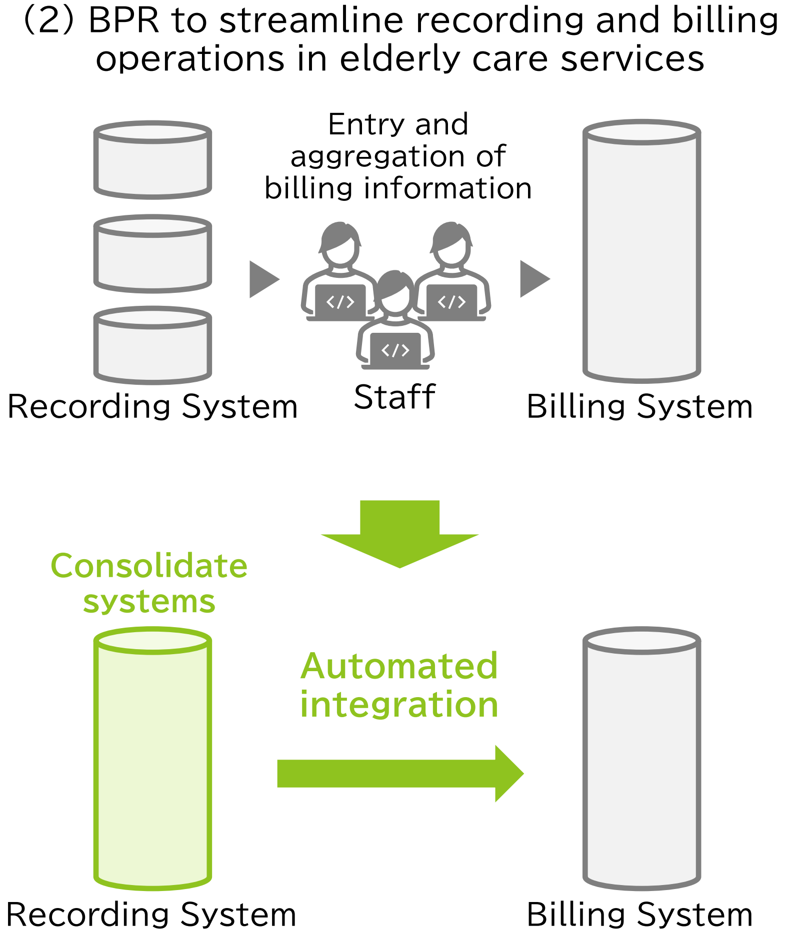
Seize the Opportunity to Increase Our Market Share

Progress of Elderly Care BPR (1)

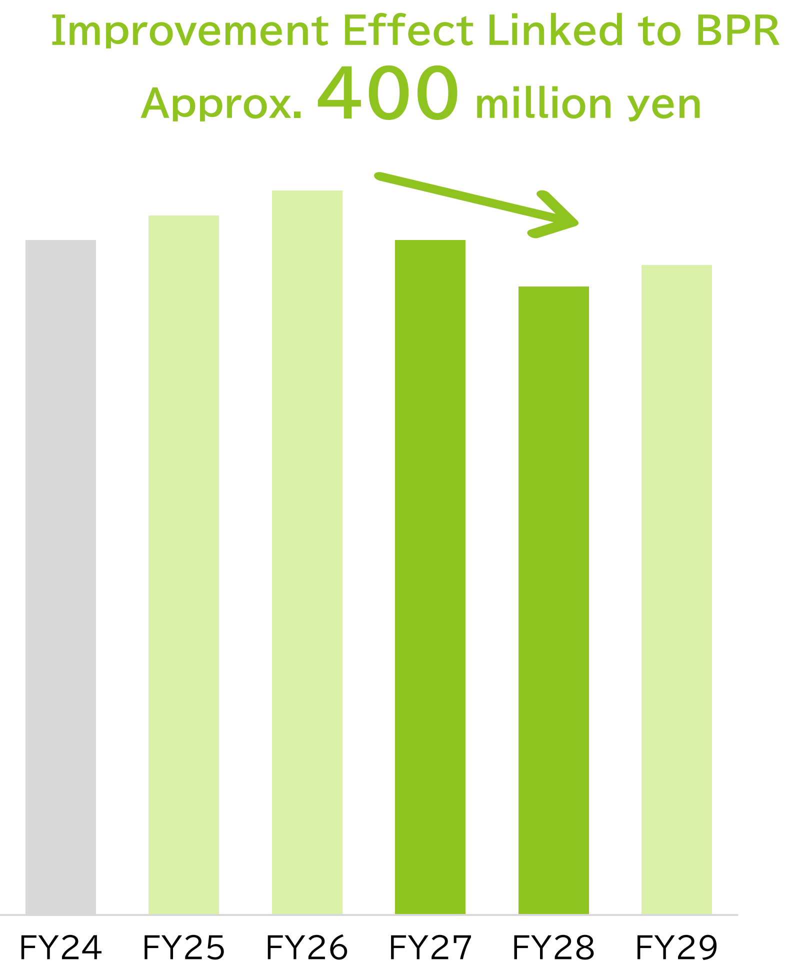
- Improve the efficiency of support operations through the development of a new portal site, the consolidation of recording and billing systems, and the integration of group companies' functions.

Major Elderly Care BPR Service Menu Items





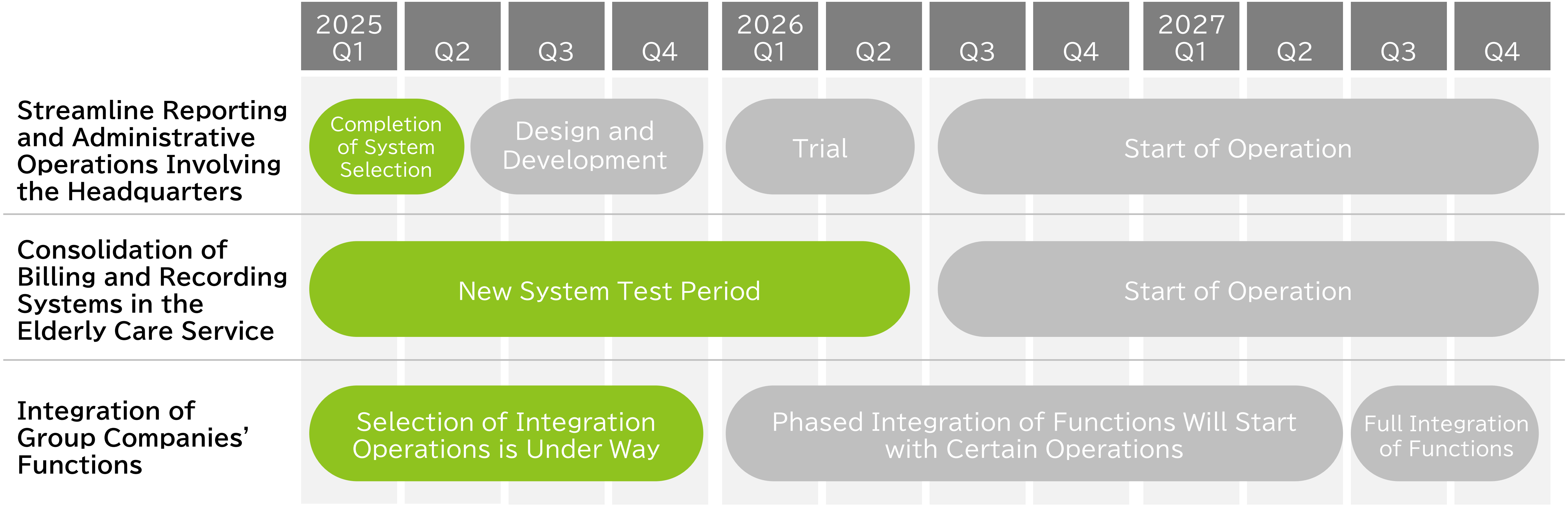
SG&A Expenses for Support Operations



Elderly Care Business and IT strategy:

Progress of Elderly Care BPR (2)

- Progress is being made in each BPR service menu item as planned.
- We will start to operate new systems in phases in 2026, and shift to more profitable operation models.



Elderly Care Business Strategies:

Future Strategy for Elderly Care M&A Activities

- Wielding the weapon of a highly profitable operation model, which will be established through BPR, we will elevate M&A activities to the next stage.

Sourcing Evolution

Carefully select excellent deals while simultaneously expanding the scope of consideration

Use a highly profitable operation model established through BPR as a benchmark to refine integration synergies.

PMI Evolution

Accelerate value enhancement

Build a system in which value can be swiftly enhanced by adopting the above model as a standard process.

Elevate M&A Activities to the Next Stage

Realize integrated management and enable the targets of M&A activities to contribute to profit as quickly as possible.

Balance sourcing and PMI will evolve to re-accelerate M&A activities and achieve high profitability.

03

Revisions to Financial Results Forecast for FY2025

Revisions to Financial Results Forecast

- Both net sales and profit at each level were revised upward.
- In the second half, we anticipate that additional employee treatment improvement measures will be implemented due to greater-than-expected minimum wage increases and one-time expenses associated with new IT investments.

Million Yen	FY2024 Actual	FY2025 Initial forecast	FY2025 Revised forecast	Revised YoY	Revised YoY(%)
Net Sales	137,435	139,450	140,740 +1,290	+3,304	+2.4%
EBITDA	10,127	9,000	9,720 +720	-407	-4.0%
(EBITDA Margin)	7.4%	6.5%	6.9% +0.4p	-0.5p	-
Operating Profit	7,017	6,000	6,720 +720	-297	-4.2%
(OP Margin)	5.1%	4.3%	4.8% +0.5p	-0.3p	-
Ordinary Profit	6,726	5,800	6,670 +870	-56	-0.8%
Net Income	3,960	3,400	4,050 +650	+89	+2.3%

Revised Forecast by Segment

Net Sales: The results mainly reflect an upswing in the Medical Business due to the effect of the price revisions.

Operating Profit: It is expected that all businesses will exceed the initial forecasts.

Million Yen	Net Sales					Operating Profit				
	FY24 Actual	FY25 Initial forecast	FY25 Revised forecast	Revised YoY	Revised YoY(%)	FY24 Actual	FY25 Initial forecast	FY25 Revised forecast	Revised YoY	Revised YoY(%)
Medical Business*	71,214	72,210	73,570 +1,360	+2,355	+3.3%	4,388	3,540	3,840 +300	-548	-12.5%
Elderly Care Business	55,337	56,260	55,950 -310	+612	+1.1%	2,218	2,140	2,540 +400	+321	+14.5%
Children Business	10,836	10,950	11,180 +230	+343	+3.2%	401	310	330 +20	-71	-17.8%
Others	46	30	40 +10	-6	-14.5%	9	10	10 +0	+0	+11.0%

Appendix

Financial Indicators

	FY2022	FY2023	FY2024	FY2025 Q2YTD	FY2025 Revised forecast
ROE	15.2%	10.7%	18.4%	–	17.1%
ROIC	9.1%	7.9%	10.3%	–	10.5%
WACC*1	6.1%	5.1%	5.9%	–	–
Net debt/EBITDA*2 (x)	1.5	1.5	0.9	1.0	–
Debt/equity ratio*3 (x)	1.2	1.4	1.0	0.9	–
Free cash flow (Million yen)	6,840	5,096	6,224	930	–
Earnings per share(Yen)	33.53	24.11	42.94	25.60	44.23
Dividend per share(Yen)	20.00	20.00	20.00	11.00	22.00
Consolidated dividend payout ratio	59.6%	83.0%	46.6%	–	49.7%

*1 Estimated values as of the end of March each fiscal year

*2 Net debt = Interest- bearing debt (including lease obligations) – Cash and time deposits

*3 Debt/equity ratio = Interest- bearing debt (including lease obligations) / Net assets

Consolidated Income Statement

Million yen	FY2022 Q2YTD	FY2023 Q2YTD	FY2024 Q2YTD	FY2025 Q2YTD	YoY(%)	FY2025 Revised forecast
Net Sales	65,140	66,983	68,388	70,033	+2.4%	140,740
EBITDA	4,692	4,141	5,218	5,041	-3.4%	9,720
Margin	7.2%	6.2%	7.6%	7.2%		6.9%
Operating Profit	3,120	2,510	3,678	3,506	-4.7%	6,720
Margin	4.8%	3.7%	5.4%	5.0%		4.8%
Ordinary Profit	3,266	2,483	3,455	3,517	+1.8%	6,670
Net Income	1,852	3,890	1,935	2,360	+21.9%	4,050

Consolidated Balance Sheets

Million Yen	Mar.31, 2025	Sep.30, 2025
Current assets		
Cash and deposits	14,004	10,989
Accounts receivable – trade	14,983	17,085
Others	2,178	2,991
Total current assets	31,166	31,067
Non-current assets		
Buildings and structures-net	8,881	8,610
Land	5,672	5,672
Goodwill	13,625	12,804
Others	10,751	10,721
Total non-current assets	38,930	37,808
Total assets	70,097	68,875

	Mar.31, 2025	Sep.30, 2025
Current liabilities		
Short-term borrowings	—	—
Current portion of long-term borrowings	4,782	4,782
Accounts payable-other	9,942	9,712
Others	7,637	7,970
Total current liabilities	22,362	22,465
Non-current liabilities		
Long-term borrowings	15,160	12,768
Others	9,890	9,737
Total non-current liabilities	25,050	22,505
Total liabilities	47,412	44,970
Total net assets	22,684	23,905
Total liabilities and net assets	70,097	68,875
(Bank loan)	19,942	17,551

Consolidated Statement of Cash Flows

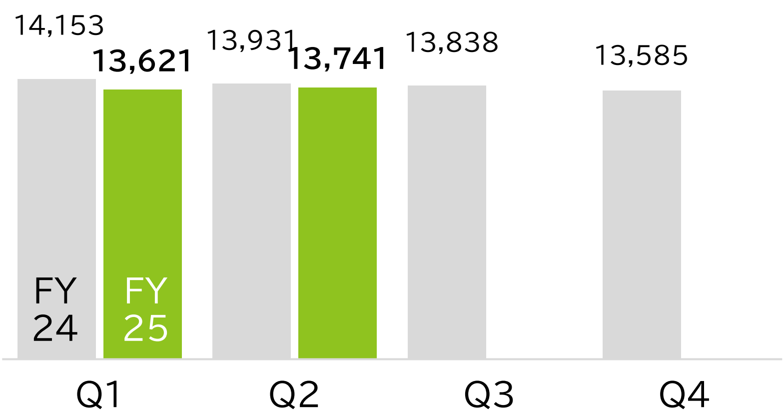
Million Yen	FY2024 Q2YTD	FY2025 Q2YTD
Profit before income taxes	3,455	3,827
Depreciation	711	713
Amortization of goodwill	828	821
Income taxes paid	-1,003	-1,270
Others	-3,609	-3,048
Net cash provided by operating activities	381	1,043
Purchase of property, plant and equipment	-210	-150
Purchase of intangible assets	-263	-242
Proceeds from cancellation of money held in trust	1,107	—
Proceeds from redemption of investment securities	—	310
Others	86	-30
Net cash used in investing activities	720	-113

	FY2024 Q2YTD	FY2025 Q2YTD
Short-term borrowings (borrowed-return)	-500	—
Long-term borrowings (borrowed-return)	-2,391	-2,391
Dividends paid	-919	-922
Others	-101	-630
Net cash used in financing activities	-3,912	-3,944
Net increase (decrease) in cash and cash equivalents	-2,810	-3,014
Cash and cash equivalents at beginning of period	15,115	14,004
Cash and cash equivalents at end of period	12,305	10,989
Free cash flows	1,102	930
(Depreciation and Amortization)	1,540	1,534
(CAPEX)	454	410
(M&A)	—	—
(Investment total)	454	410

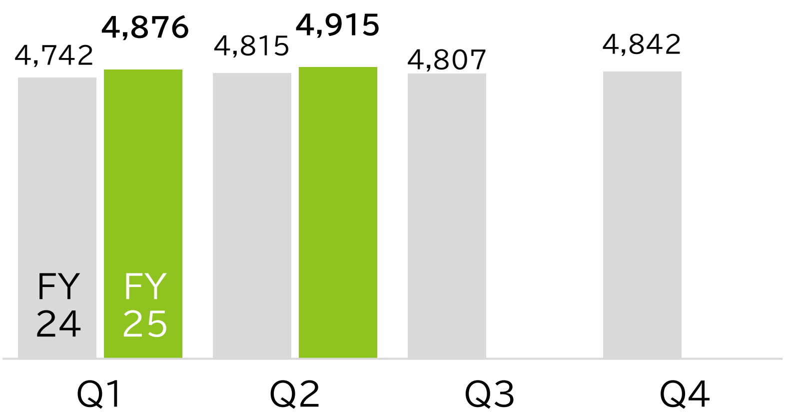
Elderly Care Business: Status of Service Usage (as of end of month)

solasto

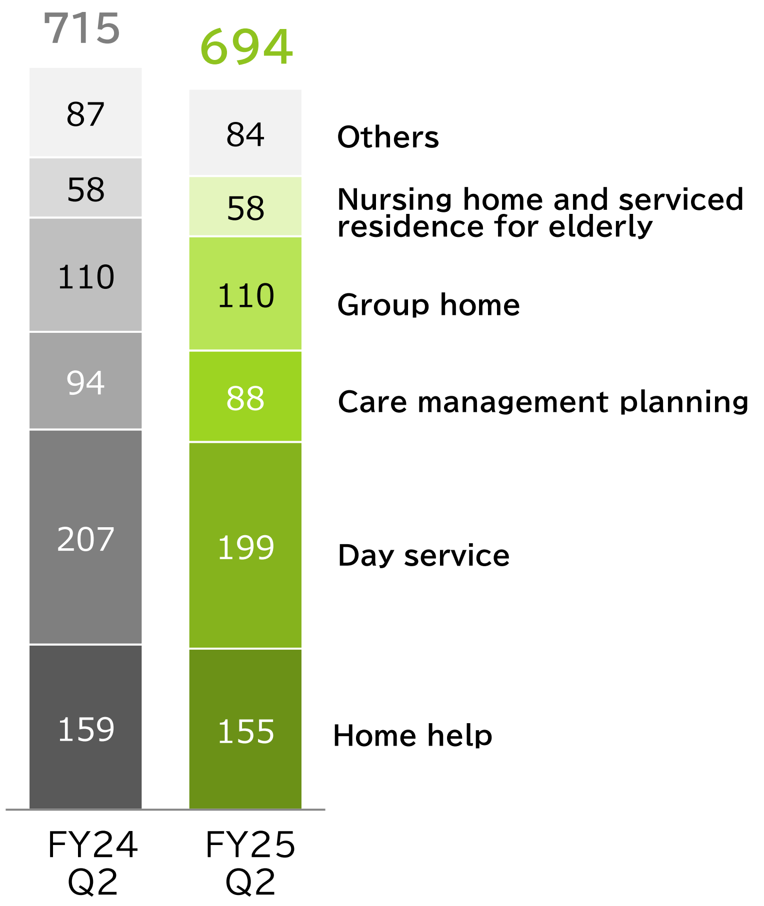
Number of home help service users



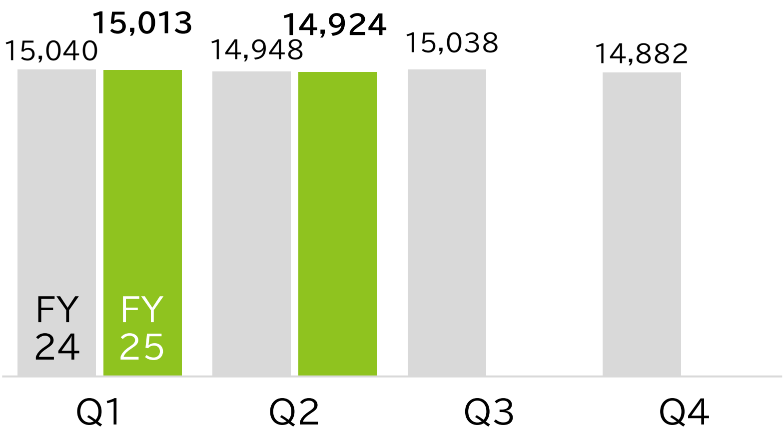
Number of facility-based service *1 users



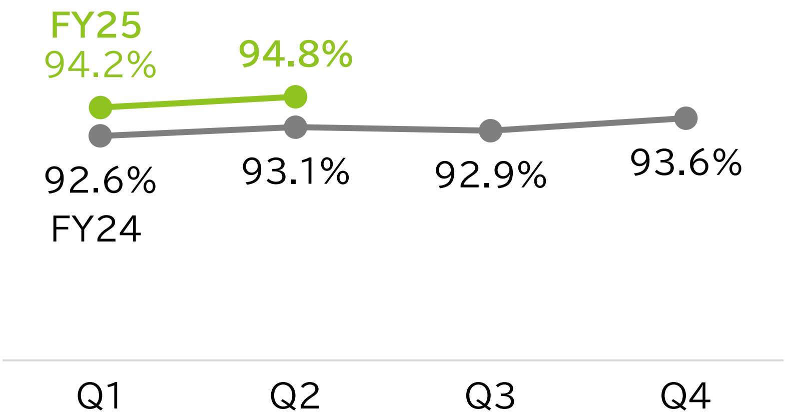
Number of Centers by Service *2



Number of day service users



Occupancy Rate of Facility-based Service



*1 Group home + Nursing home + Serviced residence for elderly

*2 In addition, there are 24 other franchises

- **Cautionary statement regarding forward-looking information**
  This material includes forward-looking statements based on a number of assumptions and beliefs in light of the information currently available to management and subject to significant risks and uncertainties. Actual financial results may differ materially depending on a number of factors.

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