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Securities identification code: 6197

June 8, 2026

Commencement of electronic provision: June 1, 2026

To our shareholders:

Toru Noda  
President and Representative Director CEO  
**Solasto Corporation**  
2-15-3, Konan, Minato-ku, Tokyo, Japan

## NOTICE OF THE 58TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

Solasto Corporation (the “Company”) will hold its 58th Ordinary General Meeting of Shareholders as described below.

You may exercise your voting rights by postal mail or via the Internet. After reviewing the attached Reference Documents for the General Meeting of Shareholders, please exercise your voting rights by postal mail or via the Internet to reach us no later than 5:30 p.m. on Monday, June 23, 2026 (Japan Standard Time).

In convening this Ordinary General Meeting of Shareholders, the Company has taken measures to provide the information including the reference materials for the General Meeting (Matters to be Provided in an Electronic Format) in an electronic format.

<b>Date and Time</b>	Wednesday, June 24, 2026 at 2:00 p.m. (reception will open at 1:30 p.m.) (Japan Standard Time)
<b>Venue</b>	THE GRAND HALL SHINAGAWA GRAND CENTRAL TOWER 3F 2-16-4, Konan, Minato-ku, Tokyo
<b>Purposes</b>	Items to be reported: 1. Business Report, Consolidated Financial Statements for the 58th Term (from April 1, 2025 to March 31, 2026), and Audit Reports for the Consolidated Financial Statements by Accounting Auditor and the Board of Corporate Auditors 2. Non-Consolidated Financial Statements for the 58th Term (from April 1, 2025 to March 31, 2026) Items to be resolved: Proposal: Election of Five (5) Directors

- In the event that any revision is made to the reference materials for the General Meeting (Matters to be Provided in an Electronic Format) , the matters before the revisions and after the revisions of the documents will be posted on the Company’s website.

The Company’s website: <https://www.solasto.co.jp/en/ir/stock/general/>

- If shareholders exercise voting rights both in writing and via the Internet, the exercise via the Internet shall be deemed valid. In addition, if shareholders exercise their voting rights more than once via the Internet, the last vote shall be deemed valid.

## Reference Documents for the General Meeting of Shareholders

### Proposal: Election of Five (5) Directors

The terms of office of all five (5) incumbent Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of the following five (5) Directors, including three (3) Outside Directors. The candidates for Director are as follows:

Candidate No.	Name	Gender, Age, No. of years as Director	Current Position	Attendance at the Board of Directors' Meetings in FY2025
1	<b>Toru Noda</b> Reelection	Male Age 65 5 years	President and Representative Director, Chief Executive Officer	94.1% 16/17
2	<b>Kazuhiro Mashihara</b> Reelection	Male Age 60 1 years	Senior Managing Corporate Officer, Chief Information Officer and General Manager of IT Strategy Division and In charge of Business Development	100% 13/13
3	<b>Kenji Chishiki</b> Reelection Outside Director Independent Officer	Male Age 63 5 years	Outside Director	100% 17/17
4	<b>Miki Mitsunari</b> Reelection Outside Director Independent Officer	Female Age 54 4 years	Outside Director	100% 17/17
5	<b>Miho Tanaka</b> Reelection Outside Director Independent Officer	Female Age 51 2 years	Outside Director	100% 17/17

Candidate No. <b>1</b>	<b>Toru Noda</b> (Date of birth: September 16, 1960) (Age 65)	Number of the Company's shares owned 117,120 shares
Reelection Male	<p><b>Career summary, position and responsibility in the Company</b></p> <p>Apr. 1984      Joined Mitsubishi Corporation</p> <p>Jul. 2003      Chairman, President &amp; CEO of Berlitz International, Inc. (currently: Berlitz Corporation)</p> <p>Jul. 2007      Executive vice president &amp; COO of Seiyu Corporation</p> <p>Feb. 2010      Representative partner &amp; CEO of Seiyu G.K. (currently: Seiyu Co., Ltd.) Representative partner &amp; CEO of Walmart Japan Holdings G.K. (currently: Seiyu Holdings Co., Ltd.)</p> <p>Aug. 2012      President and Representative Director of ALC PRESS INC.</p> <p>May 2016      Executive Officer of TAIYO SYSTEM TECHNOLOGY Co., Ltd. (currently: DIGITAL VORN CO., LTD.)</p> <p>Sep. 2016      Executive Vice President</p> <p>Jun. 2018      Chairman (Outside Director) of Softfront Holdings, Inc.</p> <p>Jan. 2019      Director of Taiyo System Technology Co., Ltd.</p> <p>Feb. 2019      Chairman and Representative Director of Softfront Holdings, Inc.</p> <p>Apr. 2019      President &amp; CEO</p> <p>Nov. 2020      Professor of MBA Program in International Business, Humanities and Social Sciences, Graduate School of Business Sciences at University of Tsukuba (incumbent)</p> <p>Jun. 2021      Outside Director of the Company</p> <p>Jun. 2021      Director of Softfront Holdings, Inc.</p> <p>Oct. 2023      Vice President and Representative Director of the Company</p> <p>Apr. 2024      President and Representative Director, Chief Executive Officer, and General Manager of Management Division</p> <p>Apr. 2025      President and Representative Director, Chief Executive Officer (incumbent)</p> <p><b>Significant concurrent positions outside the Company</b></p> <p>Professor of MBA Program in International Business, Humanities and Social Sciences, Graduate School of Business Sciences at University of Tsukuba</p> <p><b>Reasons for nomination as a candidate for Outside Director and expected roles</b></p> <p>As Representative Director, Mr. Noda has demonstrated strong leadership to drive the Company's growth and enhance its corporate value. Believing that he will be able to further enhance its corporate value by leveraging his extensive experience and broad insight as a corporate executive, the Company has renominated him as a candidate for Director.</p>	
	<b>Number of years as Outside Director:</b>	5 years
	<b>Attendance at Board of Directors' Meetings:</b>	16/17

Candidate No. <b>2</b>	<b>Kazuhiro Mashihara</b> (Date of birth: April 7, 1966) (Age 60)	Number of the Company's shares owned 53,798 shares
Reelection Male	<p><b>Career summary, position and responsibility in the Company</b></p> <p>Apr. 1991      Joined Toshiba Information Systems (Japan) Corporation</p> <p>Dec. 1994      Joined Grand Prix Co., Ltd. (currently: Yamaguchi Yellow Hat Ltd.)</p> <p>Apr. 1998      Joined Yellow Hat Ltd.</p> <p>Jul. 2005      Joined NITORI Co., Ltd. (currently: Nitori Holdings Co., Ltd.)</p> <p>Mar. 2013      Manager of Corporate Planning Promotion Office</p> <p>Aug. 2017      Corporate Officer and Deputy General Manager of Corporate Planning Division of the Company</p> <p>Apr. 2019      Managing Corporate Officer and General Manager of Corporate Planning Division</p> <p>Oct. 2020      Managing Corporate Officer, Chief Information Officer, General Manager of System Management Division</p> <p>Apr. 2023      Senior Managing Corporate Officer, Chief Information Officer, General Manager of System Management Division</p> <p>Apr. 2024      Senior Managing Corporate Officer, Chief Information Officer, General Manager of IT Strategy Division</p> <p>Jun. 2025      Director and Senior Managing Corporate Officer, Chief Information Officer, General Manager of IT Strategy Division</p> <p>Oct. 2025      Director and Senior Managing Corporate Officer, Chief Information Officer, General Manager of IT Strategy Division and In charge of Business Development (incumbent)</p> <p><b>Reasons for nomination as a candidate for Director</b></p> <p>Since joining the Company, Mr. Mashihara has leveraged his extensive experience and expertise in DX/ICT and corporate planning to lead company-wide DX initiatives to drive growth investments and integrate people with technology. He currently serves as Chief Information Officer, responsible for building the company-wide system infrastructure and promoting innovation. Believing that he will continue to contribute to the Company's growth and the further enhancement of its corporate value, the Company has renominated him as a candidate for Director.</p>	
	<b>Number of years as Director:</b>	1 years
	<b>Attendance at Board of Directors' Meetings:</b>	13/13

Candidate No. <b>3</b>	<b>Kenji Chishiki</b> (Date of birth: January 27, 1963) (Age 63)	Number of the Company's shares owned 0 shares
Reelection Male  Candidate for Outside Director  Independent Officer	<p><b>Career summary, position and responsibility in the Company</b></p> <p>Apr. 1985      Joined Kanebo Ltd.</p> <p>Apr. 1998      Representative Director of LISSAGE LTD.</p> <p>May 2004      Director, President and Representative Executive Officer, COO of Kanebo Cosmetics Inc.</p> <p>Jan. 2006      Representative Director, President and Executive Officer</p> <p>Jun. 2010      President and Representative Director of TAKE AND GIVE. NEEDS Co., Ltd.</p> <p>Aug. 2015      President and Representative Director of Nihon Kotsu Co., Ltd.</p> <p>Nov. 2018      Outside Director of SHIFT Inc.</p> <p>Nov. 2019      Outside Director and Audit &amp; Supervisory Committee Member of SHIFT Inc.</p> <p>Jun. 2020      Outside Director of Ishii Food CO., Ltd. (incumbent)</p> <p>May 2021      Outside Director of ONWARD HOLDINGS CO., LTD</p> <p>Jun. 2021      Outside Director of the Company (incumbent)</p> <p>May 2022      Director and Vice President of ONWARD HOLDINGS CO., LTD</p> <p>Jun 2025      Executive Vice President CSO of T-Gaia Corporation</p> <p>Apr 2026      President of T-Gaia Corporation (incumbent)</p> <p><b>Significant concurrent positions outside the Company</b>          President of T-Gaia Corporation          Outside Director of Ishii Food CO., Ltd.</p> <p><b>Reasons for nomination as a candidate for Outside Director and expected roles</b>          Mr. Chishiki has served as a representative director at multiple companies and possesses extensive experience as an outside director. Expecting that he will provide valuable advice based on his extensive experience and broad insight into organizational management including personnel development and corporate culture—as well as into establishing and strengthening management foundations, the Company has renominated him as a candidate for Outside Director. Upon his election, he is scheduled to serve as a member of the Nomination, Evaluation, and Compensation Committee and the Corporate Governance Committee, where he will be involved in selecting officer candidates, determining officer compensation, and building the corporate governance structure from an objective and neutral standpoint.</p>	
	<b>Number of years as Outside Director:</b>	5 years
	<b>Attendance at Board of Directors' Meetings:</b>	17/17

Candidate No. <b>4</b>	<b>Miki Mitsunari</b> (Date of birth: February 29, 1972) (Age 54)	Number of the Company's shares owned 4,993 shares
Reelection Female  Candidate for Outside Director  Independent Officer	<p><b>Career summary, position and responsibility in the Company</b></p> <p>Apr. 1994      Joined TOKYU LAND CORPORATION</p> <p>Feb. 2001      Joined Fuji Sogo Research Institute (currently, Mizuho Research &amp; Technologies, Ltd.)</p> <p>Sep. 2011      Established FINEV inc. and became the President (incumbent)</p> <p>Mar. 2020      Outside Director of Funai Soken Holdings Inc.</p> <p>Jun. 2020      Director of Japan Accreditation Board (incumbent)</p> <p>Jun. 2020      Outside Director of YAMADA HOLDINGS CO., LTD. (incumbent)</p> <p>Jun. 2022      Outside Director of the Company (incumbent)</p> <p>Jun. 2023      Outside Director of YUASA TRADING CO., LTD. (incumbent)</p> <p><b>Significant concurrent positions outside the Company</b></p> <p>President of FINEV inc.  Director of Japan Accreditation Board  Outside Director of YAMADA HOLDINGS CO., LTD.  Outside Director of YUASA TRADING CO., LTD.</p> <p><b>Reasons for nomination as a candidate for Outside Director and expected roles</b></p> <p>Ms. Mitsunari has served as representative director at a consulting firm focusing on the environment, climate change, and ESG/SDGs, and possesses extensive experience as an outside director at multiple companies. Expecting that she will provide valuable advice based on her deep knowledge and broad insight into environmental issues in real estate, disaster countermeasures, and risk management—which will benefit the Company as it aims to provide high-quality services through the integration of people and technology—the Company has renominated her as a candidate for Outside Director. Upon her election, she is scheduled to serve as Chairperson of the Nomination, Evaluation, and Compensation Committee and as a member of the Corporate Governance Committee, where she will be involved in selecting officer candidates, determining officer compensation, and building the corporate governance structure from an objective and neutral standpoint.</p>	
	<b>Number of years as Outside Director:</b>	4 year
	<b>Attendance at Board of Directors' Meetings:</b>	17/17

Candidate No. <b>5</b>	<b>Miho Tanaka</b> (Date of birth: December 1 1974) (Age 51)	Number of the Company's shares owned 337 shares
Reelection Female  Candidate for Outside Director  Independent Officer	<p><b>Career summary, position and responsibility in the Company</b></p> <p>Oct. 2004 Registered with the Daini Tokyo Bar Association Joined Asahi Koma Law Offices (currently: Nishimura &amp; Asahi)</p> <p>Feb. 2007 Joined TMI Associates</p> <p>May 2011 Graduated from The University of Michigan (US), Law School (LL.M.)</p> <p>Jun. 2015 Resigned from TMI Associates</p> <p>Jul. 2015 Partner of Shiba Management Legal Office (name changed to the Shiba &amp; Tanaka Law Offices in 2018) (incumbent)</p> <p>Feb. 2016 Supervisory Director of Marimo Regional Revitalization REIT, Inc. (incumbent)</p> <p>Sep. 2016 Supervisory Director of JINUSHI Private REIT Investment Corporation (incumbent)</p> <p>Jun. 2020 Outside Corporate Auditor of the Company</p> <p>Jun. 2021 Outside Director of Tokyo Century Corporation. (Incumbent)</p> <p>Jun. 2021 Outside Corporate Auditor of Pacific Porter, inc</p> <p>Jun. 2024 Outside Director of the Company (incumbent)</p> <p><b>Significant concurrent positions outside the Company</b></p> <p>Partner of Shiba &amp; Tanaka Law Office Supervisory Director of Marimo Regional Revitalization REIT, Inc. Supervisory Director of JINUSHI Private REIT Investment Corporation Outside Director of Tokyo Century Corporation.</p> <p><b>Reasons for nomination as a candidate for Outside Director and expected roles</b></p> <p>Ms. Tanaka is well-versed in corporate legal affairs and M&amp;A-related fields as an attorney-at-law, and possesses extensive experience and deep knowledge. Expecting that she will provide valuable advice to the Company based on her high level of expertise, the Company has renominated her as a candidate for Outside Director. Upon her election, she is scheduled to serve as a member of the Nomination, Evaluation, and Compensation Committee and as Chairperson of the Corporate Governance Committee, where she will be involved in selecting officer candidates, determining officer compensation, and building the corporate governance structure from an objective and neutral standpoint.</p>	
	<b>Number of years as Outside Director:</b>	2 year
	<b>Attendance at Board of Directors' Meetings:</b>	17/17

Notes:

1. No special conflicts of interest exist between the Company and the candidates for Directors.
2. Kenji Chishiki, Miki Mitsunari and Miho Tanaka are candidates for Outside Directors.
3. Miho Tanaka does not have any experience of being involved in corporate management except for serving as an outside officer. Even so, the Company has decided that Ms. Tanaka could adequately fulfill her duties as Outside Director as described in the reason for selection as a candidate for Outside Director.
4. The Company has concluded agreements with Kenji Chishiki, Miki Mitsunari and Miho Tanaka in accordance with Companies Act Article 427, paragraph 1 and its Article of Incorporation limiting the liability outlined in Companies Act Article 423, paragraph 1. The maximum liability set forth in these agreements is the minimum liability amount mandated by law. Furthermore, if these candidates for Directors are reelected, we intend to maintain said agreements. In addition, if the nomination of Miho Tanaka is approved, we plan to conclude similar liability limitation agreements with her.
5. The Company has concluded an Officers' Liability Insurance Contract with an insurance company pursuant to the provisions of Article 430-3, paragraph 1 of the Companies Act. An outline of the terms and conditions of the insurance contract is as set forth in "4. Directors and Corporate Auditors (3)Outline of Officers' liability insurance contract" of the Business Report. If each candidate is elected and assumes office as Director, he/she will be an insured person under the relevant insurance contract. The insurance is scheduled to be renewed at the next renewal with same conditions.
6. The age and years of service for each candidate for Director indicates the age and years of service as of the adjournment of this General Meeting of Shareholders.
7. Miho Tanaka's name in the family register is Miho Takahashi.
8. The Company has set its own Requirements for Independence of Outside Officers using provisions outlined by the Tokyo Stock Exchange as a reference. The Company believes that Kenji Chishiki, Miki Mitsunari and Miho Tanaka satisfies the requirements and has designated them as Independent Officers. If these candidates for Directors are reelected, we intend to continue their designation as Independent Officers. The Company has had an advisory contract with TMI Associates until August 2019, where Outside Corporate Auditor Miho Tanaka worked and resigned in June 2015. Please see for the Company Website.  
<https://www.solasto.co.jp/en/company/sustainability/governance/>
9. The Company had an advisory contract until August 2019 with TMI Associates, where Miho Tanaka worked and resigned in June 2015.
10. The Company has a business relationship with FINEV inc., where Miki Mitsunari serves as Representative Director. However, since the transaction amount with the company is small at around 1 million yen per year, the Company judges that there is no problem with her independence.
11. The number of Company shares held by each candidate for Director is the number of shares as of March 31, 2026. In addition, the number of the Company's shares held by each candidate for Director includes their equity interest in the Officers' Shareholding Association.
12. The number of times attending the Board of Directors' Meetings by each candidate for Director is the number of times in attendance at the Company's Board of Directors' Meetings convened during the fiscal year 2025 (April 1, 2025 – March 31, 2026) (total of 17 meetings held). The number of attendance for Kazuhiro Mashihara indicates the status after his appointment as Director on June 25, 2025.
13. The expertise and experience of each director candidate is described in "(Appendix) Structure of the Board of Directors and the Board of Corporate Auditors after the resolution of Proposal 1&2".

## Business Report (April 1, 2025 to March 31, 2026)

### 1. State of current fiscal year

#### (1) Business progress and results

<b>Net Sales</b>	<b>141.144 billion yen</b> Up 2.7% YoY	<b>Operating Profit</b>	<b>7.345 billion yen</b> Up 4.7% YoY
<b>Ordinary Profit</b>	<b>7.197 billion yen</b> Up 7.0% YoY	<b>Net Income</b>	<b>3.740 billion yen</b> Down 5.6% YoY

Environment surrounding our Group and the changes that took place during FY2025 under review were as follows.

- In the Medical Business, there was stable demand for medical administrative services generated by hospitals and other medical institutions.
- In the Elderly Care Business, demand for elderly care services is steadily increasing against the backdrop of an aging population. The population aged 75 and over in Japan reached 21.27 million in 2025, an increase of 490,000 compared to the previous year (Source: "Population Estimates" by the Ministry of Internal Affairs and Communications).
- Regarding the employment environment, the average effective job-to-applicant ratio in 2025 was 1.22 (seasonally adjusted), marking a reversal from the recovery trend that had been observed since 2024 and 0.03 percentage points decrease from the previous year (source: Ministry of Health, Labor and Welfare's Employment referrals for general workers). The timely and appropriate recruitment of personnel in the medical administration, elderly care and childcare sectors remains a key issue for the industry as a whole, with the job-to-applicant ratio in the elderly care sector being more than four times higher than the ratio in other sectors.

Under this business environment, the Group's net sales for FY2025 increased 2.7% year on year to 141,144 million yen, primarily due to the effect of price revisions in the Medical Business, as well as solid performance in both the Elderly Care Business and the Children Business. Regarding operating profit, we further strengthened strategic improvements in employee treatment for future growth beyond the initial plan and executed new IT investments as planned. Despite these proactive up-front investments, operating profit increased 4.7% year on year to 7,345 million yen, reversing the initial forecast of a profit decrease, thanks to the effects of price revisions in the Medical Business and steady growth in the Elderly Care Business. Ordinary profit increased 7.0% year on year to 7,197 million yen. Net income attributable to owners of parent decreased 5.6% year on year to 3,740 million yen, mainly due to the recording of impairment losses in the Elderly Care Business and the Children Business, as well as the recording of tender offer-related

expenses associated with the implementation of the MBO.

In addition, the "Smart Hospital Business," which was previously included in the "Other" category, is included in the "Medical Business" segment of the reportable segment. The figures for net sales and operating income by business segment in the table below are year-on-year comparisons using reference figures that reflect the segment changes in FY2025 based on the results for FY2024.

#### **Medical Outsourcing Business (Sales composition 52.3%)**

- + Main areas of business (as of March 31, 2026)
- ▶ Outsourcing and staffing for medical administration services including reception, accounting, processing of medical billing, clinical information management, management support services, and skill certification testing services and training services related to the above

<b>Net Sales</b>	<b>73.834 billion yen</b> Up 3.7% YoY	<b>Operating Profit</b>	<b>4.173 billion yen</b> Down 4.9% YoY
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Net sales increased 3.7% year on year to 73,834 million yen, mainly because negotiations for price revisions in existing contracted services progressed more than in the previous year. Operating profit decreased 4.9% year on year to 4,173 million yen; while the effects of price revisions exceeded those of the previous year, the results reflected the enhancement of improvements in treatment for the purpose of investing in the development of human resources and increasing employee satisfaction, as well as new IT investments.

#### **Elderly Care Business (Sales composition 39.7%)**

- + Main areas of business (as of March 31, 2026)
- ▶ Operating centers for day service, home help, group homes, care management planning, and nursing homes

<b>Net Sales</b>	<b>55.979 billion yen</b> Up 1.2% YoY	<b>Operating Profit</b>	<b>2.750 billion yen</b> Up 24.0% YoY
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Net sales increased 1.2% year on year to 55,979 million yen, reflecting steady day service operations and solid occupancy rates in facility-based services. Operating profit grew significantly to 2,750 million yen, up 24.0% year on year; while affected by the soaring cost of living including utilities and food expenses, this increase was primarily due to higher profits from the sales increase, reduction of various selling, general and administrative expenses, and reduction of the cost of outside workers such as temporary staff.

### **Children Business (Sales composition 8.0%)**

- + Main areas of business (as of March 31, 2026)
- ▶ Operation of licensed child care facilities and certified child care facilities

<b>Net Sales</b>	<b>11.286 billion yen</b> Up 4.2% YoY	<b>Operating Profit</b>	<b>0.411 billion yen</b> Up 2.5% YoY
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Net sales increased 4.2% year on year to 11,286 million yen, mainly due to a rise in unit prices following the revision of official prices and the Tokyo Metropolitan Government's program for free daycare for first children. Operating profit grew 2.5% year on year to 411 million yen; although affected by improvements in the treatment of childcare workers, increased recruitment costs to strengthen staffing, and higher facility expenses such as utilities, these were offset by the positive effects of the increase in sales.

## (2) Summary of consolidated income statement and consolidated balance sheet

		FY2022	FY2023	FY2024	FY2025
Net sales	(millions of yen)	131,088	135,139	137,435	141,144
EBITDA	(millions of yen)	9,462	8,856	10,127	10,446
EBITDA margin	(%)	7.2	6.6	7.4	7.4
Operating profit	(millions of yen)	6,325	5,517	7,017	7,345
Operating profit margin	(%)	4.8	4.1	5.1	5.2
Ordinary profit	(millions of yen)	6,747	5,564	6,726	7,197
Net income	(millions of yen)	3,172	2,257	3,960	3,740
EPS	(yen)	33.53	24.11	42.94	40.82
Total asset	(millions of yen)	69,852	75,199	70,097	66,209
Total net asset	(millions of yen)	21,572	20,485	22,684	23,459
BPS	(yen)	227.83	222.07	245.81	259.08
ROE	(%)	15.2	10.7	18.4	16.2
Net cash provided by operating activities	(millions of yen)	9,012	7,858	5,877	6,818
Net cash used in investing activities	(millions of yen)	-2,171	-2,762	347	-548
Net cash provided by (used in) financing activities	(millions of yen)	-5,211	-1,837	-7,335	-8,061
Cash and cash equivalents, end of the year	(millions of yen)	11,857	15,115	14,004	12,212
Free cash flows	(millions of yen)	6,840	5,096	6,224	6,269
DPS	(yen)	20.00	20.00	20.00	11.00
Dividend payout ratio	(%)	59.6	83.0	46.6	26.9

### Notes:

1. EBITDA = Operating profit + Depreciation costs + Amortization of goodwill
2. EPS is calculated based on the average total number of shares issued for the period, excluding treasury shares.  
BPS is calculated based on the total number of shares issued for the end of period, excluding treasury shares.
3. Free cash flows = Net cash provided by operating activities – Net cash used in investing activities

## **2. Challenges to be Addressed**

Guided by our Group's corporate philosophy, "People. Technology. Supporting comfortable living and energetic communities," we are aiming to create new businesses while reforming existing businesses through the integration of people and technology as we continue to contribute to solving social issues and providing valuable services through our business.

Under this corporate philosophy, Solasto has identified important issues that it should address with particular priority through its business activities, as sustainability themes to continue growing together with society going forward.

### **Sustainability Themes**

#### **[Initiatives to address social issues through business activities]**

##### **(1) Contributing to an Aging Society and Local Communities**

- Providing safe, reliable, and high-quality services
- Contributing to a super-aged society through "support for self-reliance of elderly people and total care services in each local areas"
- Realization of total care services and the integrated community care system

##### **(2) Innovation and Contribution to Optimizing Social Security Expenditures**

- Utilize ICT in all businesses and operations, dramatically improve customer satisfaction and productivity
- Expansion of ICT-centered businesses and creation of new businesses
- Realization of integrated community care system through ICT and data utilization
- Contributing to the rationalization of social security expenditures through scientific elderly care, preventive care, preventive medicine, etc. through the utilization of healthcare data

#### **[Management Foundation]**

##### **(1) Human Capital (Human Resource Development, Compensation Improvement, and Diversity)**

- Continuous efforts to develop human resources and improve retention rate, compensation, and employee satisfaction
- Promoting diversity in which 30,000 employees are active in their respective personalities and working styles

##### **(2) Compliance and Governance**

- Promoting compliance and strengthening corporate governance as the foundation for all business activities
- Ensuring the protection of personal information and fair trade

##### **(3) Consideration for Environment and Resources**

- Each employee is aware of issues such as energy and water resource use and food loss, and reflects in their actions
- Review and implement initiatives ahead of regulations for a carbon-free society

The Group announced its “Medium-term Business Plan FY2025-2029” on May 12, 2025. To realize our corporate philosophy, we aim to establish a corporate organization that achieves long-term, sustainable growth through responses to changes in the business environment and human resource development, while also having the ability to adapt, over the next five years outlined in this Medium-term Business Plan.

### **Medium-term Business Plan 2025-2029**

Aim: Achieving sustainable growth by responding to changes in the business environment and enabling the development of human resources.

- (1) Quantitative targets and shareholder return policy**  
Ensure shareholder return by pursuing quantitative targets and the shareholder return policy
- (2) Promptly respond to changes in the external environment to establish a company with a long, sustainable future**  
In order to respond to changes in the external environment, including the decrease of the working-age population, the continued rise of prices and wages, and changes to regulations, we will strive to increase wages and improve productivity using technology to establish a company with a long and sustainable future
- (3) Improve and upgrade services capable of responding to changes in the business environment**  
Identify the changing needs of customers accurately to enhance the value of the services provided
- (4) Build a sound financial foundation by maintaining discipline**  
Invest actively but prioritize discipline when making decisions to build a sound financial foundation
- (5) Facilitate human resource development to have a diverse, knowledgeable and competent workforce**  
Improve the quality of services through human resource development activities while also embracing the diversity of human resources

### [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

### [Quantitative targets and Shareholder Return Policy]

	FY2029 Target	CAGR (FY2024→FY2029)
Net Sales	175.5 billion yen	+5.0%
EBITDA	15.0 billion yen	+8.2%
Operating Profit	10.0 billion yen	+7.3%
ROE	20%	—
ROIC	15%	—
Payout Ratio	50% or more	—
Total Return Ratio	70% or more	—

Medium-term Business Plan 2025-2029: <https://www.solasto.co.jp/en/ir/library/library/>

### 3. Stock information (As of March 31, 2026)

(1) Number of shares authorized	339,000,000	Stocks
(2) Total shares issued	94,741,793	Stocks (including 4,191,169 treasury shares)
(3) Number of shareholders	9,221	
(4) Major shareholders (Top 10)		

Name	Number of shares held (stocks)	Holdings ratio (%)
Daito Trust Construction Co., Ltd.	31,805,100	35.12
NOMURA INTERNATIONAL PLC A/C JAPAN FLOW	7,046,949	7.78
The Master Trust Bank of Japan, Ltd. (Trust Account)	5,898,000	6.51
Morgan Stanley MUFG Securities Co., Ltd.	4,793,063	5.29
MSIP CLIENT SECURITIES	3,505,200	3.87
JP JPMSE LUX RE UBS AG LONDON BRANCH EQ CO	3,418,947	3.78
Custody Bank of Japan, Ltd. (Trust Account)	2,382,700	2.63
Solasto Employee Shareholding Association	2,346,340	2.59
Tokai Tokyo Securities Co., Ltd.	2,345,500	2.59
BANK JULIUS BAER & CO. LTD. FAO 2010005136	1,614,900	1.78

Note: The Company, which holds 4,191,169 shares of treasury stock, is excluded from the above list of major shareholders. Holdings ratio excludes treasury stock.

(5) Status of stock issued to Company Directors as compensation for business execution during the current fiscal year.

	No. of shares	Grantees
Directors (Excluding Outside Directors)	53,548	2

Note:

The details of equity compensation is described in "4. Directors and Corporate Auditors, (4) The compensation for Directors and Corporate Auditors".

(6) Status of share warrants, etc.

- (i) Status of share warrants retained by Directors as of the final day of the current fiscal Year  
Not applicable
- (ii) Status of share warrants issued to employees during the current fiscal year  
Not applicable
- (iii) Other important notes regarding share warrants  
Not applicable

## 4. Directors and Corporate Auditors

### (1) Directors and Corporate Auditors (as of March 31, 2026)

Position	Name	Responsibility in the Company and significant concurrent positions outside the Company
President and Representative Director	Toru Noda	President and Representative Director, Chief Executive Officer, Professor of MBA Program in International Business, Humanities and Social Sciences, Graduate School of Business Sciences at University of Tsukuba
Director	Kazuhiro Mashihara	Director and Senior Managing Corporate Officer, Chief Information Officer, General Manager of IT Strategy Division and In charge of Business Development
Director	Kenji Chishiki	Outside Director of Ishii Food CO., Ltd. Executive Vice President CSO of T-Gaia Corporation
Director	Miki Mitsunari	President of FINEV inc. Director of Japan Accreditation Board Outside Director of YAMADA HOLDINGS CO., LTD. Outside Director of YUASA TRADING CO., LTD.
Corporate Auditor	Miho Tanaka	Partner of Shiba & Tanaka Law Office Supervisory Director of Marimo Regional Revitalization REIT, Inc. Supervisory Director of JINUSHI Private REIT Investment Corporation Outside Director of Tokyo Century Corporation.
Full-time Corporate Auditor	Masami Nishino	—
Corporate Auditor	Hironori Yokote	Director of Hironori Yokote CPA Office Representative Partner of Miogi Audit Corporation. Outside Corporate Auditor of Suzuki Shokai K.K.
Corporate Auditor	Kanae Fukushima	Partner at Utsunomiya Shimizu & Haruki Law Office Outside Corporate Auditor of iXs Co., Ltd Outside Director (Audit & Supervisory Committee Member) of World Co., Ltd. Outside Auditor of Kachitas Co., Ltd.
Corporate Auditor	Tsukasa Okamoto	Director, Senior Executive Officer and General Manager of Management Department, CFO of Daito Trust Construction Co., Ltd.

Note:

- Directors Kenji Chishiki, Miki Mitsunari and Miho Tanaka are Outside Directors.
- Corporate Auditors Hironori Yokote, Kanae Fukushima and Tsukasa Okamoto are Outside Corporate Auditors.
- Corporate Auditor Hironori Yokote is a certified public accountant and tax attorney, and possesses significant knowledge related to finances and accounting.
- Corporate Auditor Tsukasa Okamoto is a certified public accountant, and possesses significant knowledge related to finances and accounting.
- Directors Miho Tanaka's name on her family registry is Miho Takahashi.
- Changes in Director and Corporate Auditor positions, responsibilities, and significant concurrent positions during the

current fiscal year are as follows.

- (i) Directors Masateru Kawanishi and Yukio Kubota retired due to the expiration of their terms of office at the 57th Ordinary General Meeting of Shareholders held on June 25, 2025.
  - (ii) Kazuhiro Mashihara was newly elected and assumed office as Director at the 57th Ordinary General Meeting of Shareholders held on June 25, 2025.
  - (iii) Director Kenji Chishiki assumed the office of Representative Director, Executive Vice President and CSO of T-Gaia Corporation as of June 1, 2025.
  - (iv) Corporate Auditor Kanae Fukushima assumed the office of Outside Corporate Auditor of Kachitas Co., Ltd. as of June 24, 2025. In addition, she retired from the office of Outside Corporate Auditor of IXIS Co., Ltd. as of March 31, 2026.
7. Changes in Director and Corporate Auditor positions, responsibilities, and significant concurrent positions after the end of the current fiscal year are as follows.
- (i) Corporate Auditor Tsukasa Okamoto resigned from the position of Corporate Auditor as of May 12, 2026.
  - (ii) Director Kenji Chishiki assumed the office of Representative Director and President of T-Gaia Corporation as of April 11, 2026.
8. We designated Outside Directors Kenji Chishiki, Miki Mitsunari and Miho Tanaka, and Outside Corporate Auditors Hironori Yokote and Kanae Fukushima as Independent Officers and registered them as such with the Tokyo Stock Exchange. The Company has had an advisory contract with TMI Associates until August 2019, where Outside Corporate Auditor Miho Tanaka worked and resigned in June 2015, however, the Company has determined it does not affect her independence with the reason that the amount of advisory fees and compensation was insignificant, amounting to less than 0.1% of the Company's net sales.

## **(2) Outline of agreements to limit Directors' liability**

The Company has concluded agreements with Outside Directors Kenji Chishiki, Miki Mitsunari and Miho Tanaka, Corporate Auditor Masami Nishino, and Outside Corporate Auditors Hironori Yokote, Kanae Fukushima and Tsukasa Okamoto in accordance with Companies Act Article 427, paragraph 1 and its Article of Incorporation, limiting the liability outlined in Companies Act Article 423, paragraph 1. The Company had concluded the agreement with Mr. Noda. However, the agreement has been terminated due to the change in his position from Outside Director to Vice President and Representative Director on October 23, 2023. The maximum liability set forth in these agreements is the minimum liability amount mandated by the law.

## **(3) Outline of Officers' liability insurance contract**

The Company has concluded an Officers' Liability Insurance Contract with an insurance company pursuant to the provisions of Article 430 paragraph 3, paragraph 1 of the Companies Act. The insured persons include officers and employees (managerial positions) of the Company and officers and employees (managerial positions) of consolidated subsidiaries of the Company, all of which are paid by the Company. The outline of the contents of the insurance contract is that the insurance company compensates for the damage that may be caused by the insured person being responsible for the execution of his/her duties or receiving a claim for the pursuit of such responsibility, and the contract is to be renewed every year. The insurance is scheduled to be renewed with same conditions at the next renewal.

## **(4) The compensation for Directors and Corporate Auditors**

- (i) Policy for determining the individual remuneration of Directors  
At the Board of Directors meeting held on May 25, 2021, we adopted a policy for determining the content of individual compensation for Directors. Prior to the resolution of the Board of Directors, the content to be resolved was consulted with and a report was received from the Nomination, Evaluation, and Compensation Committee. In addition, because it is considered appropriate for the Nomination, Evaluation, and Compensation Committee, which consists of a majority of Outside Directors, to decide on individual compensation for the current fiscal year, the Committee, delegated with the authority to determine individual compensation by the Board of Directors, has determined the compensation after going through deliberations including whether it is in line with the said determination policy.

[Members of the Nomination, Evaluation, and Compensation Committee]

Chairman	Miki Mitsunari	Outside Director
Members	Toru Noda	President and Representative Director, Chief Executive Officer, General Manager of Management Division
	Kenji Chishiki	Outside Director (Independent Officer)
	Miho Tanaka	Outside Director (Independent Officer)

[Details of authorities delegated to the Nomination, Evaluation, and Compensation Committee]

Matters concerning decisions on the details of remuneration, etc. paid to individual directors

[Reason for delegation, etc]

Because the majority of the Nomination, Evaluation, and Compensation Committee consists of Outside Directors, who are in a position to ensure greater transparency and objectivity, it is deemed appropriate for the Committee to make such decisions.

The details of the decision-making policy concerning the content of individual remuneration, etc. for Directors are as follows.

a. Basic Policy

The remuneration for the Directors is based on a remuneration system that functions sufficiently as an incentive to continuously improve corporate value, and the basic policy is to determine the remuneration of individual directors in consideration of the level of the Company's peers, performance, and the balance with the employees.

Remuneration for Directors (excluding Outside Directors) consists of basic remuneration, bonuses, and restricted stock remuneration. Basic remuneration consists of director remuneration and business execution remuneration, and is paid monthly. Bonuses are paid for director and execution at certain times in accordance with their roles. The business execution portion of the bonuses consists of fixed and variable remuneration. Variable remuneration is determined by the both qualitative evaluation and a quantitative evaluation linked to the company's performance (performance-linked remuneration). Remuneration for Outside Directors is limited to basic remuneration in light of their roles. Basic remuneration consists of director remuneration and committee allowances, and is paid monthly.

b. Policy on performance-linked remuneration, etc.

Performance-linked remuneration uses net sales and operating profit as performance indicators. The performance goal is to achieve the annual budget for each indicator, and the payment rate of performance-linked remuneration is determined based on the achievement rate. Directors in charge of specific business divisions have targets based on the indicators of their respective divisions, while other Directors, including the President, have targets based on consolidated indicators.

c. Policy on non-monetary compensation

Restricted stock remuneration provides an incentive to continuously improve corporate value and promotes further value sharing with shareholders. The amount is determined based on performance and their roles. In addition, certain transfer restriction period is to be stipulated by the Board of Directors shall be imposed on the shares to be granted.

d. Policy on determination of details of individual compensation for Directors

In order to supplement the functions of Board of Directors, compensation for each

Director is determined by the Nomination, Evaluation, and Compensation Committee after deliberation by the Committee. Final decisions on individual compensation can also be made discretionary to the President & Director. If delegated, President & Director must make the final decisions on individual compensation based on the results of deliberations by the Nomination, Evaluation, and Compensation Committee. Nomination, Evaluation, and Compensation Committee was established under the Board of Directors and is chaired by an Outside Director, Miki Mitsunari, and the other members are Directors Toru Noda, and Outside Directors Kenji Chishiki and Miho Tanaka.

The committee is operated with the majority of the Committee being composed of Outside Directors, incorporating the superior aspects of the structure of a company with a Nominating Committee.

e. Policy on the proportion of remuneration, etc.

The ratio of each Director's remuneration is determined by the Nomination, Evaluation, and Compensation Committee, with a structure in which the percentage of the bonus becomes higher for the higher position and the Director in charge of a specific business division.

Reference: The proportion of remuneration for Directors (excluding Outside Directors)

The composition ratio of remuneration for Directors (excluding Outside Directors) for the fiscal year is as shown below. Stock remuneration is determined by multiplying a certain percentage on the basic remuneration and bonus. Bonuses are calculated based on the base amount thus differs from the composition ratio of actual payments.

	Basic remuneration	Bonus	Stock remuneration
Director and President,	56%	22%	22%
Directors (Excluding Outside Directors)	61%	23%	16%

(ii) Total compensation for Directors and Corporate Auditors

Category	Total amount (million yen)	Compensation by types (million yen)			Paid personnel
		Basic compensation	Bonus	Non- monetary compensation	
Directors	151	99	37	14	7
(out of Outside Directors)	(36)	(36)	(-)	(-)	(4)
Corporate Auditors	29	29	-	-	3
(out of Outside Corporate Auditors)	(14)	(14)	(-)	(-)	(2)
Total	181	129	37	14	10
(out of Outside Directors and Outside Corporate Auditors)	(51)	(51)	(-)	(-)	(6)

Note:

- The table above includes two Directors who retired upon the conclusion of the 57th Ordinary General Meeting of Shareholders held on June 25, 2025. In addition, one uncompensated Outside Corporate Auditor is excluded from the number of Corporate Auditors subject to compensation.
- Performance-linked compensation is included in bonuses, and the performance indicators, calculation method, and payment rates related to performance-linked compensation are as described in "(a) Policy for Determining the Content of Individual Compensation, etc. for Directors, b. Policy on Performance-linked Compensation, etc." The reason for selecting these performance indicators is that they are indicators directly linked to the Company's goals

of achieving its sales and profit targets. In addition, the actual results of the performance indicators are as described in "1. Current Status of the Corporate Group, (1) Status of Business for the Current Fiscal Year, ① Progress and Results of Operations." Bonuses fluctuate within a range of 20% to 173% of the base amount, and this range varies depending on the position and responsibilities. Performance-linked compensation includes an individual assessment (qualitative evaluation) that evaluates each individual's efforts toward achieving performance targets.

3. The content of non-monetary compensation, etc. consists of common stock of the Company (restricted stock compensation), and the conditions and status of delivery are as described in "(a) Policy for Determining the Content of Individual Compensation, etc. for Directors, c. Policy on Non-monetary Compensation, etc." and "2. Current Status of the Company, (1) Status of Shares, ⑤ Status of Shares Delivered to Corporate Officers of the Company as Compensation for the Execution of Duties during the Current Fiscal Year." Non-monetary compensation, etc. for Directors includes the amount of expenses recognized during the current fiscal year related to the restricted stock compensation.
4. The maximum amount of compensation for Directors was resolved to be within 320 million yen per year (excluding the employee salary portion for Directors who concurrently serve as employees) at the 47th Ordinary General Meeting of Shareholders held on June 26, 2015. The number of Directors at the conclusion of the said General Meeting of Shareholders was seven. In addition, at the 53rd Ordinary General Meeting of Shareholders held on June 28, 2021, it was resolved that, separate from the above-mentioned compensation amount, the compensation to be granted to Directors (excluding Outside Directors) for the granting of restricted stock shall be monetary compensation receivables, and the total amount shall be within 100 million yen per year (excluding the employee salary portion for Directors who concurrently serve as employees). The number of Directors at the conclusion of the said General Meeting of Shareholders was eight (of which four were Outside Directors).
5. The maximum amount of compensation for Corporate Auditors was resolved to be within 30 million yen per year at the 38th Ordinary General Meeting of Shareholders held on June 29, 2006. The number of Corporate Auditors at the conclusion of the said General Meeting of Shareholders was four.
6. The amount of basic compensation for Outside Directors includes compensation as members of the special committee.

**(5) Matters concerning Outside Directors and Outside Corporate Auditors****(i) Status of important concurrent posts**

Category	Name	Status of concurrent posts and relations to other corporations, etc.
Director	Kenji Chishiki	Outside Director of Ishii Food CO., Ltd., and Representative Director, Executive Vice President and CSO of T-Gaia Corporation. There is no specific relationship between the Company and organizations where Mr. Chishiki holds a position.
Director	Miki Mitsunari	President of FINEV inc., Director (Part-time) of Japan Accreditation Board, Outside Director of YAMADA HOLDINGS CO., LTD., and Outside Director of Yuasa Trading Co., Ltd. There is no specific relationship between the Company and organizations where Ms. Mitsunari holds a position.
Director	Miho Tanaka	Partner of Shiba & Tanaka Business Law Office, Supervisory Director (Part-time) of Marimo Regional Revitalization REIT, Inc., Supervisory Director (Part-time) of JINUSHI Private REIT Investment Corporation, and Outside Director of Tokyo Century Corporation. There is no specific relationship between the Company and organisations where Ms. Tanaka holds a position.
Corporate Auditor	Hironori Yokote	Director of Hironori Yokote CPA Office, Representative Partner of Miogi Audit Corporation, and Outside Corporate Auditor of Suzuki Shokai K.K. There is no specific relationship between the Company and organisations where Mr. Yokote holds a position.
Corporate Auditor	Kanae Fukushima	Partner of Utsunomiya Shimizu & Haruki Law Office, Outside Corporate Auditor of iXs Co., Ltd, Outside Director (Audit & Supervisory Committee Member) of World Co., Ltd., and Outside Corporate Auditor of Kachitas Co., Ltd. There is no specific relationship between the Company and organisations where Ms. Fukushima holds a position.
Corporate Auditor	Tsukasa Okamoto	Director, Senior Executive Officer and General Manager of Management Department, CFO of Daito Trust Construction Co., Ltd., a shareholder retaining a total 35.12% of the Company's issued shares (excluding treasury shares).

(ii) Main activities of Outside Directors and Outside Corporate Auditors during current fiscal year

Category	Name	Attendance at Board of Directors' meetings	Major Activities
Director	Kenji Chishiki	100% 17/17	Mr. Chishiki has served as a representative director in a number of companies, as well as has a wealth of experience serving as an outside director, and he has utilized the expertise to play an appropriate role in ensuring the adequacy and appropriateness of decision-making at the Board of Directors. He has served as a member of the Nomination, Evaluation, and Compensation Committee and the Corporate Governance Committee, and participated in the selection of candidates for Directors, the determination of compensation for Directors, and the establishment of the governance system of the Company from an objective and neutral standpoint.
Director	Miki Mitsunari	100% 17/17	Ms. Mitsunari has served as the representative director of a consulting company related to the environment, climate change, ESG, and the SDGs, and has experience serving as an outside director for multiple companies and she has utilized the expertise to play an appropriate role in ensuring the adequacy and appropriateness of decision-making at the Board of Directors. She has served as a member of the Nomination, Evaluation, and Compensation Committee and the Corporate Governance Committee, and participated in the selection of candidates for Directors, the determination of compensation for Directors, and the establishment of the governance system of the Company from an objective and neutral standpoint.
Director	Miho Tanaka	100% 17/17	Ms. Tanaka has extensive expertise in corporate legal affairs and M&A, as well as significant experience serving as an Outside Director. Drawing on this background, she has played an appropriate role in ensuring the adequacy and appropriateness of decision-making at the Board of Directors. She has served as a member of the Nomination, Evaluation, and Compensation Committee and Chairperson of the Corporate Governance Committee, participating in the selection of candidates for Directors, determination of Directors' compensation, enhancement of the Board's effectiveness, and the establishment of the Company's governance system from an objective and neutral standpoint.

Category	Name	Attendance at Board of Directors' meetings	Attendance at Board of Corporate Auditors' meetings	Major Activities
Corporate Auditor	Hironori Yokote	100% 17/17	100% 22/22	Mr. Yokote has a wealth of knowledge and experience in accounting and taxation as a certified public accountant (CPA) and tax attorney, and he has utilized the expertise to make comments to ensure the adequacy and appropriateness of decision-making at the Board of Directors. At meetings of the Board of Corporate Auditors, he makes comments as necessary on the Company's compliance system, including internal controls, as appropriate. He has served as a Chairman of Corporate Governance Committee, and participated in the establishment of the governance system of the Company from an objective and neutral standpoint.
Corporate Auditor	Kanae Fukushima	88.2% 15/17	95.4% 21/22	Drawing on her extensive knowledge and experience as an attorney, Ms. Fukushima has made comments at meetings of the Board of Directors and the Board of Corporate Auditors to ensure the adequacy and appropriateness of decision-making and to strengthen internal controls. As a member of the Corporate Governance Committee, she has also contributed to enhancing the effectiveness of the Board and establishing the Company's governance system from an objective and neutral standpoint.
Corporate Auditor	Tsukasa Okamoto	82.3% 14/17	95.4% 21/22	Drawing on his extensive knowledge and experience as a certified public accountant, as well as his broad insight into corporate management gained through his role as a Director at a major construction company, Mr. Okamoto has made comments at meetings of the Board of Directors and the Board of Corporate Auditors to ensure the adequacy and appropriateness of decision-making and to strengthen internal controls.

**(6) Status of Accounting Auditor**

(i) Name: KPMG Azsa LLC.

(ii) Amount of compensation:

	Payment amount
Amount of compensation, etc. related to the accounting auditor for the current fiscal year	68 million yen
Total amount of fees and other asset-based income to be paid by the Company and subsidiaries to the accounting auditor.	68 million yen

Note:

1. The amount of compensation, etc. related to the accounting auditor for the current fiscal year is the total amount of audit compensation set forth in the Companies Act and audit compensation set forth in the Financial Securities Instrument and Exchange Act.
2. The Board of Corporate Auditors validated the appropriateness of the details of the audit plan presented by the auditing accountant, the status of accounting audit work, and the basis for compensation estimates before approving the amount of compensation, etc. related to the corporate audit performed by the accounting auditor.

(iii) Policy for Determining the Dismissal or Non-reappointment of the Accounting Auditor

The Company's Board of Corporate Auditors will dismiss the Accounting Auditor if it determines that the Accounting Auditor falls under any of the grounds specified in the items of Article 340, paragraph 1 of the Companies Act.

In addition to the above, taking into account the appropriateness and adequacy of the auditing activities of the Accounting Auditor, if the Board of Corporate Auditors determines that it is necessary to appoint a new Accounting Auditor from whom a more appropriate audit can be expected—such as when it is deemed difficult for the Accounting Auditor to properly execute its duties—the Board of Corporate Auditors will determine the content of a proposal concerning the dismissal or non-reappointment of the Accounting Auditor. Based on this determination, the Board of Directors will submit the said proposal to the General Meeting of Shareholders.

## **5. Policy on determining surplus dividends**

Our Group positions the maximization of corporate value for our shareholders as its most important corporate objective. In pursuing this goal, we have focused on the efficient and flexible utilization of capital. Under our "Medium-Term Management Plan FY2025-2029," we have set forth the strengthening of shareholder returns as part of our investment strategy, with a policy of distributing profits in line with our business performance.

In accordance with this policy, for fiscal year 2025, we paid an interim dividend of 11.0 yen per share. Regarding the year-end dividend, as announced in the "Notice Concerning Revision of Dividend Forecast for the Fiscal Year Ending March 31, 2026 (No Dividend)" dated March 24, 2026, we resolved not to pay a dividend, taking into consideration the tender offer for our common shares by MP-2605 Co., Ltd.

## 6. Consolidated Financial statements

### (1) Consolidated income statement

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
Net sales	137,435	141,144
Cost of sales	115,034	117,852
Gross profit	22,400	23,292
Selling, general and administrative expenses	15,383	15,946
Operating profit	7,017	7,345
Non-operating income		
Subsidy income	135	187
Compensation income	—	40
Other	109	158
Total non-operating income	245	385
Non-operating expenses		
Interest expenses	287	256
Loss on valuation of investment securities	—	84
Other	248	193
Total non-operating expenses	536	533
Ordinary profit	6,726	7,197
Extraordinary income		
Gain on redemption of investment securities	—	309
Total extraordinary income	—	309
Extraordinary losses		
Impairment losses	272	751
Tender offer-related expenses	—	397
Total extraordinary losses	272	1,148
Income before income taxes	6,454	6,358
Income taxes - current	2,374	2,662
Income taxes - deferred	118	-44
Total income taxes	2,493	2,618
Net income	3,960	3,740
Net income attributable to owners of parent	3,960	3,740
Net income	3,960	3,740
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	40	43
Total other comprehensive income	40	43
Comprehensive income	4,001	3,783
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,001	3,783
Comprehensive income attributable to non-controlling interests	—	—

## (2) Consolidated balance sheet

(Millions of yen)

As of March 31, 2025 As of March 31, 2026

	As of March 31, 2025	As of March 31, 2026
<b>Assets</b>		
Current assets		
Cash and deposits	14,004	12,212
Accounts receivable - trade	14,983	15,541
Supplies	142	116
Other	2,064	2,415
Allowance for doubtful accounts	-28	-15
Total current assets	31,166	30,270
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,881	8,450
Land	5,672	5,672
Leased assets, net	2,107	1,894
Other, net	352	363
Total property, plant and equipment	17,013	16,380
Intangible assets		
Goodwill	13,625	11,399
Other	1,190	1,185
Total intangible assets	14,816	12,585
Investments and other assets		
Investment securities	409	335
Leasehold and guarantee deposits	2,255	2,218
Deferred tax assets	3,290	3,340
Other	1,164	1,104
Allowance for doubtful accounts	-19	-26
Total investments and other assets	7,100	6,972
Total non-current assets	38,930	35,938
Total assets	70,097	66,209
<b>Liabilities</b>		
Current liabilities		
Current portion of long-term borrowings	4,782	4,782
Accounts payable - other	9,942	9,816
Income taxes payable	1,662	1,818
Accrued consumption taxes	1,220	1,337
Contract liabilities	1,159	1,170
Provision for bonuses	2,348	2,625
Provision for bonuses for directors (and other officers)	16	28
Other	1,229	1,026
Total current liabilities	22,362	22,605

(Millions of yen)

As of March 31, 2025 As of March 31, 2026

Non-current liabilities		
Long-term borrowings	15,160	10,377
Lease liabilities	3,134	2,957
Deferred tax liabilities	757	783
Loss on compensation for damage allowance	377	294
Other provisions	—	26
Retirement benefit liability	2,150	2,233
Asset retirement obligations	1,648	1,820
Other	1,820	1,651
Total non-current liabilities	25,050	20,143
Total liabilities	47,412	42,749
Net assets		
Shareholders' equity		
Share capital	686	686
Capital surplus	5,575	5,563
Retained earnings	17,745	19,553
Treasury shares	-1,444	-2,502
Total shareholders' equity	22,563	23,301
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	115	158
Total accumulated other comprehensive income	115	158
Share acquisition rights	5	—
Total net assets	22,684	23,459
Total liabilities and net assets	70,097	66,209

## (3) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2025	Fiscal year ended March 31, 2026
<b>Cash flows from operating activities</b>		
Profit before income taxes	6,454	6,358
Depreciation	1,452	1,459
Impairment losses	272	751
Amortization of goodwill	1,656	1,640
Tender offer-related expenses	—	397
Loss (gain) on redemption of investment securities	—	-309
Increase (decrease) in provision for bonuses	128	276
Increase (decrease) in provision for bonuses for directors (and other officers)	1	11
Increase (decrease) in retirement benefit liability	162	173
Interest expenses	287	256
Loss (gain) on valuation of investment securities	—	84
Decrease (increase) in trade receivables	34	-557
Decrease (increase) in inventories	-42	25
Decrease (increase) in prepaid expenses	-187	28
Increase (decrease) in accounts payable - other	-513	-117
Increase (decrease) in accrued consumption taxes	-448	119
Increase (decrease) in deposits received	-761	-178
Other, net	87	-484
Subtotal	8,585	9,935
Interest paid	-287	-255
Income taxes paid	-2,106	-2,456
Compensation paid for damage payment of Tender offer-related expenses	-6	-83
Payment related to the Employment of Persons with Disabilities	-179	—
Payments of business restructuring expenses	-164	—
Other, net	35	56
Net cash provided by (used in) operating activities	5,877	6,818
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	-415	-297
Proceeds from sale of property, plant and equipment	1	0
Purchase of intangible assets	-407	-496
Proceeds from sale of intangible assets	—	10
Proceeds from cancellation of money held in trust	1,107	—
Payments of leasehold and guarantee deposits	-56	-25
Proceeds from refund of leasehold and guarantee deposits	186	37
Proceeds from redemption of investment securities	—	310
Other, net	-68	-87
Net cash provided by (used in) investing activities	347	-548
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	-500	—
Repayments of long-term borrowings	-4,782	-4,782
Purchase of treasury shares	-0	-1,127
Dividends paid	-1,844	-1,932
Repayments of finance lease liabilities	-207	-217
Other, net	-1	-0
Net cash provided by (used in) financing activities	-7,335	-8,061
Net increase (decrease) in cash and cash equivalents	-1,111	-1,791
Cash and cash equivalents at beginning of period	15,115	14,004
Cash and cash equivalents at end of period	14,004	12,212

(Appendix)

Structure of the Board of Directors and the Board of Corporate Auditors after the resolution of Proposal 2&3

The structure of the Board of Directors and the Board of Corporate Auditors if Proposals 2 and 3 are approved as proposed at the Ordinary General Meeting of Shareholders is as follows

■ : Chairman □ : Member

● : possesses

Name	Committees to serve		Expertise and Experience						
	Nomination, Evaluation, and Compensation Committee	Corporate Governance Committee	Corporate Management	Organizational Management	Marketing/ Innovation	DX/ICT	Financial and Accounting/ M&A	Human Resources/ Human Resource Development	Risk Management/ Sustainability
Toru Noda	□	□	●	●	●	●	●		
Kazuhiro Mashihara		□		●		●	●		
Kenji Chishiki	□	□	●	●	●			●	
Miki Mitsunari	■	□			●	●			●
Miho Tanaka	□	■		●			●		●
Masami Nishino		□		●					●
Hironori Yokote		□					●		●
Kanae Fukushima		□						●	●
Tsukasa Okamoto			●	●			●		●

Notes: The above list does not represent all the expertise and experience possessed by directors and auditors

<Reason for selecting each skill items>

Corporate Management:	As the business environment surrounding us continues to change, we need the experience and achievements of corporate management in order to make appropriate management decisions and realize sustainable increases in corporate value.
Organizational Management:	In order for approximately 30,000 employees to demonstrate their high level of expertise and teamwork and continue to provide services on a stable manner, we need a high level of organizational management ability and experience.
Marketing/Innovation:	In order to lead the solution of social issues through our business, such as contributing to the declining birthrate and aging population and the optimization of social security expenditures, it is necessary to have a deep understanding of business and the knowledge to create customers and markets with new ideas that are different from the conventional ones.
DX/ICT:	In order to continue to support local communities where people live with peace of mind by integrating "people" and "technology," it is necessary to have a deep understanding of technology and knowledge to realize advanced and flexible utilization.
Financial Accounting/M&A:	In order to build a solid financial base and realize growth investments (new businesses, M&A) aimed at sustained improvement of corporate value, it requires solid knowledge and experience in the financial and accounting fields.
Human Resources/Human Resource Development:	Our greatest asset is "people," and in order to promote diversity in which approximately 30,000 employees can thrive in their respective personalities and working styles while maximizing their capabilities, we need a knowledge to formulate a human resource strategy and accomplish it.
Risk Management/Sustainability:	We are responsible for businesses with a high public profile, thus consider "grow together with society" to be particularly important, and need knowledge to risk management and sustainability in light of laws and compliance.