



February 17, 2022

Yoshikazu Fujikawa
President and Representative Director, CEO
Solasto Corporation
(Securities Code: 6197 TSE First Section)

Notice Concerning the Acquisition of Shares of Hug Hug Kids Corporation, a Child Care Service Provider

Solasto Corporation (TSE: 6197, "the Company") hereby announces that it acquired all shares of Hug Hug Kids Corporation ("Hug Hug Kids") on February 17, 2022, to become its subsidiary.

Although this case does not fall under the criteria for timely disclosure, the Company has determined that it is useful information and is voluntarily disclosing it. Therefore, some of the items and contents required for timely disclosure have been omitted.

1. Reason for the Acquisition

The child care business in the Company operates 37 licensed or certificated child care centers mainly in Tokyo. The addition of 10 licensed or certificated child care centers operated by Hug Hug Kids will enable the Company to expand its market share in Tokyo, and promote the growth of the Company's child care business. Accordingly, the Company has decided to acquire all shares and make Hug Hug Kids as a subsidiary.

Yumie Konishi, the founder and president of Hug Hug Kids, has agreed to continue to manage Hug Hug Kids as its president even after joining the Solasto Group.

2. Details of the company to be acquired

1. Company name	Hug Hug Kids Corporation
2. Address	3-30-11, Sanno, Ota-ku, Tokyo
3. Representative	Representative Director, Yumie Konishi
4. Business description	Child care business, Education business (English classes and After-school care), HUG Mate business (online community activities)
5. Capital	10 million yen
6. Established	October, 2010
7. Operating results for the resent fiscal year	Net sales 1,076 million yen (For the fiscal year ended March 2021)

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document, the Japanese original shall prevail.

3. Seller information

The Company does not disclose the Seller information. The Company does not have any capital, personal, or business relationships to be noted with this shareholder. In addition, the Company is also not a related party.

4. Outlook

The impact of this event on the forecast for FY2021 announced on May 13, 2021 is insignificant. If any matter arises that should be disclosed, the Company will announce it promptly.

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