



March 8, 2022

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

Notice Concerning the Acquisition of Shares of Nanairo Co. Ltd., a Child Care Service Provider

Solasto Corporation (TSE: 6197, “the Company”) announces that its Board of Directors at their meeting today resolved to sign a contract to acquire all shares of Nanairo Co. Ltd. (“Nanairo”).

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. Details are as follows.

1. Reason for the acquisition

The child care business in the Company operates 47 licensed or certificated child care centers mainly in Tokyo. The addition of 19 licensed child care centers operated by Nanairo 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 Nanairo as a subsidiary. In addition, Nanairo’s managements have agreed to continue to manage Nanairo even after joining the Solasto Group.

The Company has been executing three M&A transactions in the Child Care Business FY2021, including this acquisition of a subsidiary. As a result, the number of licensed child care centers and other facilities operated by the Solasto Group will increase to 66, up significantly from 18 at the end of the previous fiscal year, FY2021. In addition, the number of licensed child care centers operated by the Solasto Group in Tokyo will be the seventh largest, with a capacity of 3,300 persons (according to our own research, based on the list of (licensed) child care centers on the website of the Bureau of Social Welfare and Public Health of the Tokyo Metropolitan Government).

Through a successful integration of the child care related expertise of the three new companies joining the Solasto Group, the company aims to become the preferred provider of choice based on its long-accumulated expertise in child care center management.

In addition, the annual sales of the Child Care Business will be on track to reach 10 billion yen (2.4 billion yen in FY2020). Taking advantage of this scale, over the medium term, the Company strives to expand its efforts to include synergies within the Solasto Group, such as in-hospital childcare services, and to expand its business domain beyond the operation of child care centers.

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2. Details of the company to be acquired

1. Company name	Nanairo Co., Ltd.
2. Address	Garden building 4 th floor, 1-12-3, Shinjuku, Shinjuku-ku, Tokyo
3. Representative	Atsushi Nomura
4. Business description	Child care business
5. Capital	5 million yen
6. Established	January, 2014
7. Operating results for the resent fiscal year	Net sales 2,395 million yen (For the fiscal year ended March 2021)

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

As the date of transfer of shares is scheduled on March 31, 2022, 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.

Investor Relations Office
ir@solasto.co.jp

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