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 (Securities Code: 6197 TSE PRIME)

## Posting of Extraordinary Losses and Notice of Difference between Forecast and Actual Results

Solasto Corporation (TSE: 6197, "Solasto") announces that it has recorded extraordinary losses in FY2022 (April 1, 2022 to March 31, 2023). Details are as follows. In addition, it has announced that there was a difference between the forecast of consolidated financial results for FY2022, which was announced on May 11, 2022, and the actual results announced today.

### 1. Details of extraordinary loss

#### (1) Recording of impairment loss

Due mainly to changes in the economic environment caused by the impact of the seventh and eighth wave of COVID-19 pandemic, Solasto determined that the profitability of elderly care facilities and child care centers in the Elderly Care Business and the Children Business declined and that recovery of investment was unlikely. As a result, Solasto recorded an impairment loss of 664 million yen.

### 2. Difference between the consolidated forecasts and actual results for FY2022

(Millions of yen)

	Net sales	Operating profit	Ordinary profit	Net income	Net income per share (yen)
Previous forecasts (A)	127,700	6,780	7,100	4,000	42.34
Actual results (B)	131,088	6,325	6,747	3,172	33.53
Increase/Decrease (B-A)	+3,388	-454	-352	-827	—
Change (%)	+2.7%	-6.7%	-5.0%	-20.7%	—
(Reference) results of previous fiscal year (FY2021)	117,239	6,319	6,297	3,502	37.08

### 3. Reasons for the difference

Net sales exceeded forecasts due to an increase in the sales of COVID-related services in Medical Outsourcing Business. Regarding profits, operating profit and ordinary profit fell short of

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forecasts due to the impacts of COVID-19 pandemic which resulted in the increased expenses for countermeasures and declined service users in Elderly Care Business. Net income also fell short of the forecast on the back of the impairment loss of 664 million yen as explained in “1.Details of extraordinary loss” as well as a provision for loss on compensation for damage of 505 million yen and other factors.

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