

May 24, 2023

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

Notice Concerning the Acquisition of Shares of POSSIBLE MEDICAL SCIENCE, an Elderly Care Service Provider

Solasto Corporation (TSE: 6197, "Solasto") announces on May 24, 2023 that its Board of Directors at their meeting today has resolved to sign a contract to acquire the shares of Possible Medical Science, Ltd. ("POSSIBLE MEDICAL SCIENCE") to make it a subsidiary. Details are as follows.

1. Reason for the acquisition

Mission of Solasto's Elderly Care Business is to support the self-reliance of elderly people and provide total care services in local area* to respond to the increasing needs of an aging society. Solasto is working to expand its business areas and the services that it provides within those areas so that it can provide multiple services for users while they live in their familiar neighborhoods.

In order to achieve these goals, Solasto will expand to achieve sales of 150 billion yen by 2030 and provide elderly care services in 300 areas, approximately three times its current size. Solasto's long-term vision is to operate at least one of each of the services it provides, including home help services, day services, care management planning, group home services, nursing home services, and other services in each of the areas. Solasto is actively pursuing merger and acquisition activities to rapidly expand its business areas and the services provided within those areas.

POSSIBLE MEDICAL SCIENCE is a group company of West Japan Railway Company and operates 57 business centers (including 24 business centers under franchisees) centering on rehabilitation-type day services mainly in Kansai area. Under the concept of "active support for self-reliance," the company aims to provide services based on scientific evidence to elderly people who require relatively low levels of elderly care. By welcoming POSSIBLE MEDICAL SCIENCE in to the Solasto Group, we believe it can contribute to the realization of total care services in local areas by providing seamless services in the event of deterioration in the level of elderly care needs, and fostering the franchise business. For these reason, Solasto has decided to acquire the shares of the company and make it a subsidiary.

* Total care services in local areas: The concept aims to meet the needs of the elderly by providing multiple services in one local area. Local area is defined as the living area of a typical elderly person, an area with a diameter of 5-20 km depending on the geographical size or population of the town or city.

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2. Details of the company to be acquired

1. Company name	POSSIBLE MEDICAL SCIENCE Kabushikigaisha			
2. Address	2-1-6, Mikuriyahigashi, Higashiosaka-shi, Osaka			
3. Representative	Representative Director and President, Atsurou Ida			
4. Business description	Home care business, care prevention business, franchise business, etc.			
5. Capital	100 million yen			
6. Established	February 12, 1999			
7. Shareholders	West Japan Railway Company 96.63% Inter Reha Co., Ltd. 3.33%			
8. Relationship between the listed company and the relevant company	Capital relationship	Not applicable		
	Human relationship	Not applicable		
	Business relationship	Not applicable		
9. Operating results and financial position of the company in the past three years (millions of yen)				
	Fiscal year ended	January 2021	January 2022	January 2023
	Net assets	203	261	305
	Total assets	790	785	765
	Net sales	1,789	1,864	1,913
	Operating profit	-35	35	38
	Ordinary profit	-30	66	41
	Net income	-47	58	43
	Dividends per share (yen)	—	—	—

3. Seller information

1. Company name	West Japan Railway Company
2. Address	2-4-24, Shibata, Kita-ku, Osaka
3. Representative	President, Representative Director, and Executive Officer, Kazuaki Hasegawa
4. Business description	Transport business, Distribution business, Real estate business, and Others
5. Capital	226,136 million yen (March 31, 2023)
6. Established	April 1, 1987
7. Net assets	1,144,309 million yen (March 31, 2023)
8. Total assets	3,735,507 million yen (March 31, 2023)
9. Shareholders (March 31, 2022)	The Master Trust Bank of Japan, Ltd. (Trust Account) 16.29% Custody Bank of Japan, Ltd. (Trust Account) 4.64% Sumitomo Mitsui Banking Corporation 1.84% MUFG Bank, Ltd. 1.81%

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	Nippon Life Insurance Company 1.64%	
8. Relationship between the listed company and the relevant company	Capital relationship	Not applicable
	Human relationship	Not applicable
	Business relationship	Not applicable
	Status as a related party	Not applicable

4. Number of shares acquired, acquisition price, and status of shares owned before and after the acquisition

1. Number of shares owned before acquisition	Common stock 0 shares (Number of voting rights: 0) (Percentage of voting rights owned: 0%)
2. Number of shares to be acquired	Common stock 14,339 shares (Number of voting rights: 14,339)
3. Acquisition price	Common Stock: 1,314 million yen Advisory fees and other costs (estimate): 21 million yen Total (estimate): 1,335 million yen
4. Number of shares owned after acquisition	Common stock 14,339 shares (Number of voting rights: 14,339) (Percentage of voting rights owned: 96.63%)
5. Methods applied for the calculation of acquisition price	The evaluation of business value is conducted using methods such as the EBITDA multiple approach and the DCF approach based on the information obtained through due diligence by third party experts in finance, tax affairs, and legal affairs. The acquisition price is determined based on the results of those evaluations.

5. Schedule

1. Date of resolution at the Board of Directors meeting	May 24, 2023
2. Date of contract	May 24, 2023
3. Date of transfer of shares	July 3, 2023 (plan)

6. Outlook

POSSIBLE MEDICAL SCIENCE is scheduled to be reflected in Solasto's consolidated financial results from the second quarter of FY2023. The forecast for FY2023 announced on May 11, 2023 includes a certain impacts of new M&A activities to be executed in FY2023 and no revisions have been made to the forecasts at this time. If any matter arises that should be disclosed, Solasto will announce it promptly.

Investor Relations Office
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(Reference) M&A announced in 2023
(Click to see the announcement)

January 18, 2023

[Notice Concerning the Acquisition of Shares of Morishin, an Elderly Care Service Provider](#)

February 28, 2023

[Notice Concerning the Acquisition of Shares of Mitsui Sumitomo Insurance Care Network, an Elderly Care Service Provider](#)

April 11, 2023

[Notice Concerning the Acquisition of Shares of Medical Lifecare, an Elderly Care Service Provider](#)

April 28, 2023

[Notice Concerning the Acquisition of Shares of Sogo Care Network, an Elderly Care Service Provider](#)

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