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April 21, 2025

Company name:	TOKAI Corp.
Name of representative:	Toshiaki Asai, Representative Director and President (Securities code: 9729; Prime Market Tokyo Stock Exchange)
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Notice Regarding the Recording of Extraordinary Losses and Revision of the Earnings Forecast

TOKAI Corp. (the “Company”) hereby announces that the following extraordinary losses are expected to be recorded in its financial results for the fiscal year ended March 31, 2025 and it has accordingly revised its consolidated earnings forecast for the full year ended March 31, 2025, announced on October 31, 2024, as shown below.

1. Regarding the Recording of Extraordinary Losses

The Company has decided to record an extraordinary loss of 1.87 billion yen due to impairment losses on fixed assets, including goodwill, related to certain stores in dispensing pharmacy business, the Kyushu Maintenance Center in elderly care equipment business, and mik japan Co., Ltd., after comprehensive consideration of future recoverability.

2. Revisions to consolidated financial results forecasts for the current fiscal year (April 1, 2024 to March 31, 2025)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Net profit per share
Previously announced forecasts (A)	Millions of yen 142,925	Millions of yen 7,695	Millions of yen 8,195	Millions of yen 5,578	Yen 158.51
Revised forecasts (B)	149,542	8,205	8,838	4,733	139.09
Change (B-A)	6,616	510	642	-844	—
Change (%)	4.6	6.6	7.8	-15.1	—
(Reference) Actual consolidated results for the previous fiscal year (Fiscal year ended March 31, 2024)	138,222	8,082	8,505	5,810	165.05

3. Rationale for Revising the Earnings Forecast

Regarding the full-year outlook, net sales are expected to exceed the previously announced consolidated earnings forecast due to the inclusion of the consolidated results of mik japan Co., Ltd., acquired in July 2024, and Kaigo Center Hanaoka Co., Ltd., acquired in December 2024, as well as the favorable performance of the core rental business. In terms of profits, operating profit and ordinary profit are both expected to exceed the previous forecast due to the favorable performance of the core rental business and efforts to optimize pricing. On the other hand, the profit attributable to owners of parent for the current fiscal year is expected to fall below the previously announced forecast due to impairment losses on fixed assets, including goodwill, related to certain stores in the dispensing pharmacy business, the Kyushu Maintenance Center in the elderly care equipment business, and mik japan Co., Ltd., as mentioned above.

Furthermore, the year-end dividend will remain unchanged at 29 yen per share as initially forecast, resulting in an annual dividend of 58 yen per share, including the interim dividend of 29 yen per share.

Note: Since an audit of extraordinary losses stated in this document has currently not yet been completed by the accounting auditor, actual losses may differ from the forecasted figures.
In addition, the above forecasts were prepared based on information that was available at the time of publishing this announcement. Actual results may differ from the forecasted figures due to a variety of factors.