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FY 2025 Q2 Consolidated Financial Results [Japanese GAAP]

November 12, 2025

Company name: Solasto Corporation

Stock exchange listings: Tokyo Stock Exchange

Stock code: 6197

URL: <https://www.solasto.co.jp/en/ir/>

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Scheduled date for dividend payment:

November 25, 2025

Preparation of supplementary material on financial results:

Yes

Holding of financial results briefing for financial results:

Yes

(For institutional investors and analysts)

(Amounts of less than one million yen are rounded down.)

1. FY2025 Q2 Consolidated Financial Results (April 1, 2025 to September 30, 2025)

(1) Consolidated Results of Operations

(% : Changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2025 Q2	70,033	2.4	3,506	△4.7	3,517	1.8	2,360	21.9
FY2024 Q2	68,388	2.1	3,678	46.5	3,455	39.1	1,935	△50.2

(Note) Comprehensive income:

FY2025 Q2 2,351 million yen (22.2%) FY2024 Q2 1,923 million yen (-50.4%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
FY2025 Q2	25.60	-
FY2024 Q2	20.99	-

(2) Consolidated financial positions

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
FY2025 Q2	68,875	23,905	34.7
FY2024	70,097	22,684	32.4

(Reference) Shareholder's equity: FY2025 Q2 23.899 million yen FY2024 22,678 million yen

2. Dividends

	Dividend per share				
	End of second quarter	End of second quarter	End of third quarter	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
FY2024	-	10.00	-	10.00	20.00
FY2025	-	11.00			
FY2025 (Forecast)			-	11.00	22.00

(Note) Revisions to the most recently announced dividend forecast: None

3. Forecast of Consolidated Financial Results for FY2025 (April 1, 2025 to March 31, 2026)

(%: YoY changes)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	140,740	2.4	6,720	-4.2	6,670	-0.8	4,050	2.3	44.23

(Note) Revisions to the most recently announced earnings forecast: Yes

Please refer to the "Notice Concerning Revision of Forecast" released today (November 12, 2025) for details of the revision to the consolidated earnings forecast.

As disclosed in the "Notice regarding Stock Buy back" released August 12, 2025, the Company has resolved to repurchase its treasury stock. The basic earnings per share forecast announced this time takes into account the impact of the repurchase of treasury stock.

(Notes)

(1) Changes in significant subsidiaries during the period (changes in specific subsidiaries resulting in changes in the scope of consolidation): None

(2) Adoption of special accounting methods for preparation of consolidated statements: Yes

(Note) Please refer to "2. Consolidated Financial Statements and Supplementary Notes (4) Notes to Consolidated Statements (Notes on Special Accounting Methods for Preparation of Consolidated Statements)" in P.8 of the Attached Material.

(3) Changes in accounting policies and changes or restatement of accounting estimates

- (i) Changes in accounting policies due to revision of accounting standards: None
- (ii) Changes in accounting policies other than the (i) above: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement of revisions: None

(4) Number of shares outstanding (common shares)

- (i) Number of shares outstanding at the end of the period, including treasury stock
- (ii) Number of treasury stock at the end of the period
- (iii) Average number of shares during the period (quarterly cumulative)

FY2025 Q2	94,741,793 shares	FY2024	94,741,793 shares
FY2025 Q2	2,912,940 Shares	FY2024	2,482,666 shares
FY2025 Q2	92,202,445 Shares	FY2024 Q2	92,216,644 shares

*Review of the accompanying consolidated financial statements by a certified public accountant or auditing firm: None

* Explanations and other special notes concerning the appropriate use of business performance forecasts

- (1) The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and on certain assumptions deemed to be reasonable, and do not constitute guarantees by the Company of future performance. Actual results may differ materially from the forecast depending on a range of factors. Please refer to "1. Analysis of Operating Results and Financial Position (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements" in P.4 of the Attached Materials for the assumptions on which the forecasts are based and notes for using the forecasts.

- (2) The supplementary materials for the financial results and the presentation materials for the financial results briefing (live webcast) scheduled for Thursday, November 13, 2025, for institutional investors and analysts will be promptly posted on our website together with the financial results report for this period..

(Company website URL)

<https://www.solasto.co.jp/en/ir/>

Index of the Attachment

1. Analysis of Operating Results and Financial Position	2
(1) Analysis of Operating results	2
(2) Analysis of Financial Position	4
(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements	4
2. Consolidated Financial Statements and Supplementary Notes	5
(1) Consolidated Balance Sheet	5
(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income	6
(3) Consolidated Statements of Cash Flows	7
(4) Notes to Consolidated Financial Statements	8
(Notes on Going Concern Assumptions)	8
(Notes in the Event of Significant Changes in the Amount of Shareholders' Equity)	8
(Notes on Special Accounting Methods for Preparation of Consolidated Statements)	8
(Segment information)	8

1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating results

During the second quarter under review (April - September 2025), net sales of the Group increased 2.4% year on year, to 70,033 million yen, a new record-high quarterly net sales result. This primarily reflected the good start made by the Medical Business due to the effect of price revisions, which exceeded the forecast, as well as the solid performance of both the Elderly Care Business and the Children Business. Operating profit decreased 4.7% year on year, to 3,506 million yen, mainly due to the improvement in employee treatment made as planned and new IT investments, including the introduction of a next-generation IT platform, partially offset by higher profits from the sales increase. Ordinary profit increased 1.8% year on year, to 3,517 million yen. Net income increased 21.9% year on year, to 2,360 million yen.

Results in the second quarter of FY2025

	FY2024 Q2	FY2025 Q2	YoY Change	YoY(%)	(Reference) FY2024
Net sales	68,388	70,033	+1,644	+2.4%	137,435
Operating profit	3,678	3,506	-171	-4.7%	7,017
Margin	5.4%	5.0%			5.1%
Ordinary profit	3,455	3,517	+62	+1.8%	6,726
Margin	5.1%	5.0%			4.9%
Net income	1,935	2,360	+424	+21.9%	3,960
Margin	2.8%	3.4%			2.9%

Business Segment Information

In addition, the "Smart Hospital Business," which was previously included in the "Other" category, is included in the "Medical Business" segment of the reportable segment. The figures for net sales and operating income by business segment in the table below are year-on-year comparisons using reference figures that reflect the segment changes in FY2025 based on the results for FY2024.

Medical Business

Net sales increased 3.0% year on year, to 36,617 million yen, mainly because progress in negotiations for price revisions in existing contracted services exceeded expectations. Operating profit decreased 10.8% year on year, to 2,083 million yen. While progress in price revisions for existing contracted services exceeded expectations, the result reflected the enhancement of measures to improve the treatment with the aim of improving employee satisfaction, which was implemented as planned.

Elderly Care Business

Net sales increased 1.0% year on year, to 28,066 million yen, reflecting steady day service operations and a solid increase in the number of facility-based service users. Operating profit, which was affected by the soaring cost of living, including high utilities and food expenses, came to 1,458 million yen, a year-on-year increase of 15.9%, mainly due to the positive effects of an increase in sales and the reduction of various selling, general and administrative expenses.

Children Business

Net sales increased 5.8% year on year, to 5,327 million yen, mainly due to a rise in unit prices that resulted from the revision of official prices. On the profit and loss front, an operating loss of 39 million yen was posted, mainly attributable to improvements in the treatment of child care workers, increased recruitment costs to strengthen staffing, and higher facility expenses such as utilities.

Net sales

(Million yen)

	FY2024 Q2	FY2025 Q2	YoY Change	YoY(%)	(Reference) FY2024
Medical Business	35,548	36,617	+1,069	+3.0%	71,214
Elderly Care Business	27,782	28,066	+283	+1.0%	55,337
Children Business	5,034	5,327	+293	+5.8%	10,836
Other	23	22	-1	-5.2%	46
Total	68,388	70,033	+1,644	+2.4%	137,435

Operating profit

(Million yen)

	FY2024 Q2	FY2025 Q2	YoY Change	YoY(%)	(Reference) FY2024
Medical Business Margin	2,336 6.6%	2,083 5.7%	-253	-10.8%	4,388 6.2%
Elderly Care Business Margin	1,258 4.5%	1,458 5.2%	+200	+15.9%	2,218 4.0%
Children Business Margin	78 1.6%	-39 —	-117	—	401 3.7%
Other Margin	4 19.1%	3 15.1%	-1	-25.1%	9 19.2%
Total Margin	3,678 5.4%	3,506 5.0%	-171	-4.7%	7,017 5.1%

(Note) "Net sales" in "Business Segment Information" above is "Net sales to customers" in "2. Consolidated Financial Statements and Supplementary Notes (4) Notes to Consolidated Statements (Segment Information)."

Numbers of elderly care centers and childcare centers

	End of September 2024	End of March 2025	End of September 2025
Number of Elderly care centers	715	709	694
Number of Childcare centers	67	67	67

(Note) In addition to the above, there are 24 franchise locations.

(2) Analysis of Financial Position

Assets

Current assets as of the end of the second quarter were 31,067 million yen, a decrease of 99 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 3,014 million yen in cash and deposits, offsetting an increase of 2,102 million yen in accounts receivable - trade. Fixed assets were 37,808 million yen, a decrease of 1,121 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease in goodwill of 821 million yen.

As a result, total assets amounted to 68,875 million yen, a decrease of 1,221 million yen compared to the end of the previous fiscal year.

Liabilities

Current liabilities at the end of the second quarter were 22,465 million yen, a decrease of 102 million yen compared to the end of the previous fiscal year. This was mainly due to an increase of 312 million yen in provision for bonuses, offsetting a decrease of 230 million yen in accounts payable - other. Long-term liabilities were 22,505 million yen, a decrease of 2,545 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease of 2,391 million yen in long-term debt.

As a result, total liabilities amounted to 44,970 million yen, a decrease of 2,442 million yen compared to the end of the previous fiscal year.

Net assets

Net assets at the end of the second quarter were 23,905 million yen, an increase of 1,221 million yen compared to the end of the previous fiscal year. This was mainly due to net income attributable to owners of parent of 2,360 million yen and dividends paid of 922 million yen.

(3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements

The Company has revised the earnings forecast announced on May 12, 2025, according to recent earnings trends. Please refer to the "Notice Concerning Revision of Forecast" announced on November 12, 2025 for more information.

2. Consolidated Financial Statements and Supplementary Notes
(1) Consolidated Balance Sheet

(Million yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	14,004	10,989
Accounts receivable	14,983	17,085
Inventory	142	150
Others	2,064	2,862
Allowance for doubtful accounts	-28	-21
Total current assets	31,166	31,067
Fixed assets		
Property, plant, and equipment		
Buildings and structures, net	8,881	8,610
Land	5,672	5,672
Others, net	2,459	2,426
Property asset, plant and equipment	17,013	16,709
Intangible assets		
Goodwill	13,625	12,804
Others	1,190	1,231
Total intangible assets	14,816	14,035
Investment and other assets		
Investment and other assets	7,120	7,083
Allowance for doubtful accounts	-19	-18
Total investments and other assets	7,100	7,064
Total fixed assets	38,930	37,808
Total assets	70,097	68,875
Liabilities		
Current liabilities		
Current portion of long-term borrowings	4,782	4,782
Accounts payable-other	9,942	9,712
Income taxes payable	1,662	1,868
Provision for bonuses	2,348	2,661
Provision for directors' bonuses	16	11
Others	3,609	3,428
Total current liabilities	22,362	22,465
Long-term liabilities		
Long-term borrowings	15,160	12,768
Provision for loss on compensation for damages	377	377
Obligations for retirement pay	2,150	2,219
Asset retirement obligations	1,648	1,663
Others	5,713	5,476
Total long-term liabilities	25,050	22,505
Total liabilities	47,412	44,970
Net assets		
Shareholders' equity		
Capital	686	686
Capital surplus	5,575	5,563
Retained earnings	17,745	19,183
Treasury Stock	-1,444	-1,640
Total shareholders' equity	22,563	23,793
Other accumulated comprehensive income		
Remeasurements of defined benefit plans	115	105
Total other accumulated comprehensive income	115	105
Stock acquisition rights	5	5
Total net assets	22,684	23,905
Total liabilities and net assets	70,097	68,875

(2) Consolidated Statements of Income and Consolidated Statements of Comprehensive Income
(Consolidated Statements of Income)

(Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net sales	68,388	70,033
Cost of sales	57,053	58,721
Gross profit	11,335	11,311
Selling, general and administrative expenses	7,656	7,805
Operating profit	3,678	3,506
Non-operating profit		
Subsidy income	43	88
Others	42	117
Total non-operating profit	86	206
Non-operating expenses		
Interest expenses	147	132
Others	161	62
Total non-operating expenses	309	194
Ordinary profit	3,455	3,517
Extraordinary gains		
Gain on redemption of investment securities	—	309
Total extraordinary profit	—	309
Income before income taxes	3,455	3,827
Income taxes	1,519	1,467
Net income	1,935	2,360
Net income attributable to owners of parent	1,935	2,360

(Consolidated Statements of Comprehensive Income)

(Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net income	1,935	2,360
Other comprehensive income		
Remeasurements of defined benefit plans	-12	-9
Total other comprehensive income	-12	-9
Comprehensive income	1,923	2,351
(Breakdown)		
Comprehensive income attributable to owners of the parent	1,923	2,351
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statements of Cash Flows

(Million yen)

	Six months ended September 30, 2024	Six months ended September 30, 2025
Net cash provided by (used in) operating activities		
Income before income taxes	3,455	3,827
Depreciation and amortization	711	713
Amortization of goodwill	828	821
Loss (gain) on redemption of investment securities	—	-309
Increase (decrease) in provision for bonuses	297	312
Increase (decrease) in provision for directors' bonuses	-4	-5
Increase (decrease) in liability for defined benefit plans	58	68
Interest expenses	147	132
Decrease (Increase) in trade receivables	-222	-2,102
Decrease (Increase) in inventory	7	-7
Decrease (Increase) in prepaid expenses	-454	-442
Increase (decrease) in accounts payable - other	-1,125	-220
Increase (decrease) in accrued consumption taxes	-536	-35
Increase (decrease) in deposits received	-878	168
Others	-434	-501
Subtotal	1,851	2,419
Interest expenses paid	-147	-131
Income taxes paid	-1,003	-1,270
Payment of levy for employment of persons with disabilities	-179	—
Payments for restructuring charges	-158	—
Others	20	26
Net cash provided by (used in) operating activities	381	1,043
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	-210	-150
Proceeds from sales of property, plant and equipment	0	0
Purchase of intangible assets	-263	-242
Proceeds from cancellation of monetary held in trust	1,107	—
Payments of lease and guarantee deposits	-43	-12
Proceeds from refund of leasehold and guarantee deposits	171	21
Proceeds from redemption of investment securities	—	310
Others	-41	-39
Net cash provided by (used in) investing activities	720	-113
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term borrowings	-500	—
Repayment of long-term borrowings	-2,391	-2,391
Purchase of treasury stock	-0	-239
Decrease increase in deposit paid for repurchase of treasury stock	—	-283
Dividends paid	-919	-922
Repayments of finance lease liabilities	-100	-107
Others	-0	-0
Net cash provided by (used in) financing activities	-3,912	-3,944
Net increase (decrease) in cash and cash equivalents	-2,810	-3,014
Cash and cash equivalents, beginning of year	15,115	14,004
Cash and cash equivalents, end of year	12,305	10,989

(4) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumptions)

Not applicable.

(Notes in the Event of Significant Changes in the Amount of Shareholders' Equity)

Not applicable.

(Notes on Special Accounting Methods for Preparation of Consolidated Statements)

(Calculation of tax expense)

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting to income before income taxes and minority interests for the consolidated fiscal year, including the current interim period, and multiplying income before income taxes and minority interests by such estimated effective tax rate.

(Segment information)

I Six months ended September 30, 2024 (April 1, 2024 to September 30, 2024)

1. Information on net sales, income or loss, assets, and other items by reportable segment and breakdown of revenue

(Million yen)

	Reportable segments				Other (Note) 1	Consolidated (Note) 2
	Medical Business	Elderly Care Business	Children Business	Total		
Net sales						
Medical: Contracted service	31,346	—	—	31,346	—	31,346
Medical: Worker dispatching	3,421	—	—	3,421	—	3,421
Elderly Care	—	27,701	—	27,701	—	27,701
Children	—	—	5,034	5,034	—	5,034
Others	780	77	—	858	1	859
Income from contracts with customers	35,548	27,778	5,034	68,361	1	68,362
Other income	—	3	—	3	22	26
Net sales to customers	35,548	27,782	5,034	68,365	23	68,388
Intersegment sales	—	—	—	—	—	—
Total	35,548	27,782	5,034	68,365	23	68,388
Segment profit	2,336	1,258	78	3,673	4	3,678

(Note) 1. The "Others" category includes real estate leasing and non-life insurance agency operations that are not included in the reportable segments.

2. Segment profit is reconciled to operating profit in the Consolidated Statements of income.

2. Information on impairment losses on fixed assets or goodwill, etc. by reportable segment

Not applicable.

II Six months ended September 30, 2025 (April 1, 2025 to September 30, 2025)

1. Information on net sales, income or loss, assets, and other items by reportable segment and breakdown of revenue

(Million yen)

	Reportable segments				Other (Note) 1	Consolidated (Note) 2
	Medical Business	Elderly Care Business	Children Business	Total		
Net sales						
Medical: Contracted service	32,516	—	—	32,516	—	32,516
Medical: Worker dispatching	3,191	—	—	3,191	—	3,191
Elderly Care	—	28,002	—	28,002	—	28,002
Children	—	—	5,327	5,327	—	5,327
Other	909	58	—	967	0	968
Income from contracts with customers	36,617	28,061	5,327	70,006	0	70,007
Other income	—	5	—	5	21	26
Net sales to customers	36,617	28,066	5,327	70,011	22	70,033
Intersegment sales	—	—	—	—	—	—
Total	36,617	28,066	5,327	70,011	22	70,033
Segment profit	2,083	1,458	-39	3,502	3	3,506

(Note) 1. The "Others" category includes real estate leasing and non-life insurance agency operations that are not included in the reportable segments.

2. Segment profit (loss) is reconciled to operating profit in the Consolidated Statements of income.

2. Matters related to changes in the reportable segments, etc.

Following the organizational restructuring effective April 1, 2025, the "Smart Hospital Business," which was previously included in the "Other" category, is included in the "Medical Business" segment of the reportable segment.

The segment information for the six months ended September 30, 2024 is disclosed based on the measurement method after the change.

3. Information on Impairment Loss on Fixed Assets and Goodwill by the reportable segment
Not applicable.