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Securities identification code: 6197
June 8, 2018

To our shareholders:

Yasuhiko Ishikawa
President and Representative Director
Solasto Corporation
1-7-18 Konan, Minato-ku, Tokyo, Japan

NOTICE OF THE 50TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 50th Ordinary General Meeting of Shareholders of Solasto Corporation (the "Company"), which will be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights by postal mail. After reviewing the attached Reference Documents for the General Meeting of Shareholders, please return it by postal mail to reach us no later than 5:30 p.m. on Wednesday, June 27, 2018 (Japan Standard Time).

1. Date and Time: Thursday, June 28, 2018 at 10:00 a.m. (reception will open at 9:00 a.m.) (Japan Standard Time)

2. Venue: Osaki Bright Core Hall, Osaki Bright Core, 3F, 5-5-15, Kitashinagawa, Shinagawa-ku, Tokyo

3. Purposes:

Items to be reported:

1. Business Report, Consolidated Financial Statements for the 50th Term (from April 1, 2017 to March 31, 2018), and Audit Reports for the Consolidated Financial Statements by Accounting Auditor and Board of Corporate Auditors
2. Non-Consolidated Financial Statements for the 50th Term (from April 1, 2017 to March 31, 2018)

Items to be resolved:

Proposal 1: Election of Eight (8) Directors

Proposal 2: Election of One (1) Substitute Corporate Auditor

4. Matters concerning Internet Disclosure

Of the documents to be provided in relation to the convening notice of the General Meeting of Shareholders, the following items have been posted on the Company's website and thus have been omitted from documents provided with the convening notice, in accordance with the relevant laws and regulations and the provisions of Article 14 of the Company's Articles of Incorporation.

(1) Notes to Consolidated Financial Statements, (2) Notes to Individual Financial Statements

As such, the documents provided with this convening notice are part of the documents that were subject to the audit by Accounting Auditor and Board of Corporate Auditors for the purpose of preparation of the audit report and accounting audit report.

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Eight (8) Directors

The terms of office of all eight (8) incumbent Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of the following eight (8) Directors, including four (4) Outside Directors. The candidates for Director are as given on pages 3 to 7.

Candidate No.	Name	Current Position	Attendance at Board of Directors' Meetings in the Fiscal Year Ended March 31, 2018
1	**Junichi Arai** Reelection	Chairman and Representative Director	100% 17/17
2	**Yasuhiko Ishikawa** Reelection	President and Representative Director	100% 17/17
3	**Akihiko Haruyama** Reelection	Executive Vice President	94.1% 16/17
4	**Yoshikazu Fujikawa** Reelection	Executive Vice President	100% 17/17
5	**Takaomi Tomioka** Reelection Outside Director	Outside Director	82.4% 14/17
6	**Ko Sekiguchi** Reelection Outside Director Independent Director	Outside Director	94.1% 16/17
7	**Shuji Kawai** Reelection Outside Director	Outside Director	82.4% 14/17
8	**Tsutomu Une** Reelection Outside Director Independent Director	Outside Director	100% 17/17

Candidate No. 1	**Junichi Arai**	(Date of birth: March 23, 1950) (Age 68)	Number of the Company's shares owned 400,200 shares

Reelection

Career summary, position and responsibility in the Company

Apr. 1973	Joined the Company
June 1994	Director
Apr. 1997	Representative Director of Pfercos Co., Ltd.
June 2000	Managing Director of the Company
Apr. 2005	Senior Managing Director of the Company
June 2007	Director of Nihon Kyodo System Co., Ltd. (incumbent)
July 2007	Director and Senior Managing Officer of the Company
Apr. 2010	President and Representative Director
Aug. 2015	Chairman and Representative Director (incumbent)

Reasons for nomination as a candidate for Director

Since being appointed as Director in 2000, Mr. Arai has spent many years involved in the management of the Company and its group companies and has contributed to increasing our corporate value. Mr. Arai has played significant roles in our material management decisions as well as supervision of the business of other Directors, applying his vast experience and performance, and we have therefore nominated him for the position of Director.

Number of years as Director: 18

Attendance at Board of Directors' Meetings: 17/17

Candidate No. 2	**Yasuhiko Ishikawa**	(Date of birth: July 12, 1956) (Age 61)	Number of the Company's shares owned 145,100 shares

Reelection

Career summary, position and responsibility in the Company

Apr. 1981	Joined Nissho Iwai Corporation (currently: Sojitz Corporation)
Oct. 1988	Joined GE Japan Inc.
Oct. 1995	Joined GE Plastics Japan Ltd.
Apr. 1997	General Manager of the Six Sigma Divisions of GE Plastics Japan Ltd.
Oct. 2001	Vice President and Supervisor for Asia of GE Medical Systems and GE Information Technology
Feb. 2003	Joined Medtronic Japan Co., Ltd.
May 2005	Vice President
Sept. 2010	Director of Stryker Japan K.K.
Jan. 2012	Managing Director
Feb. 2013	Director, Senior Managing Officer and Executive General Manager of Medical Business Division of the Company
June 2014	Vice President and Representative Director, and Executive General Manager of Medical Business Division
Aug. 2015	President and Representative Director (incumbent)

Reasons for nomination as a candidate for Director

Mr. Ishikawa is again nominated as a candidate for Director because, as the Company's President and Representative Director, he exhibited strong leadership and was deeply involved in decision making regarding material management decisions. We believe he is an appropriate candidate and will be aggressively pursuing further improvements to our corporate value.

Number of years as Director: 5 years and 4 months

Attendance at Board of Directors' Meetings: 17/17

Candidate No. 3	**Akihiko Haruyama**	(Date of birth: September 12, 1955) (Age 62)	Number of the Company's shares owned 108,400 shares

Reelection

Career summary, position and responsibility in the Company

Apr. 1979	Joined ITOCHU Corporation
July 1990	Joined Long-Term Credit Bank of Japan
Apr. 1999	Joined NTT Mobile Communications Network, Inc. (currently: NTT DOCOMO, Inc.)
Sept. 2003	Managing Director and CFO of Jupiter Telecommunications Co., Ltd.
Sept. 2006	Vice President of The Japan Times, Ltd.
Apr. 2009	Executive Officer and CFO of RISA Partners, Inc.
Dec. 2013	Director, Senior Managing Officer and General Manager of Administrative Management Department of the Company
Jan. 2018	Executive Vice President (incumbent)

Reasons for nomination as a candidate for Director

Mr. Haruyama has been involved with the Corporate Planning Division since joining the Company and has assisted the President in management in general as Executive Vice President since January of this year. We believe he is the appropriate person to formulate and promote the management strategy in the Company. Therefore, the Company has again nominated him as a candidate for Director.

Number of years as Director: 4 years and 6 months

Attendance at Board of Directors' Meetings: 16/17

Candidate No. 4	**Yoshikazu Fujikawa**	(Date of birth: January 27, 1957) (Age 61)	Number of the Company's shares owned 143,400 shares

Reelection

Career summary, position and responsibility in the Company

Apr. 1976	Joined Japan Golden Pioneer
Nov. 1978	Joined McDonald's Company (Japan), Ltd.
Sept. 2003	Joined Japan Tobacco Inc.
Sept. 2004	Joined McDonald's Holdings Company (Japan), Ltd.
Oct. 2005	Joined Lotteria Co., Ltd.
Apr. 2010	Corporate Adviser of Burger King Japan Co., Ltd.
June 2010	President and Representative Director, CEO of Burger King Japan Co., Ltd.
Feb. 2014	Senior Managing Officer and Executive General Manager of the Welfare Business (currently: Elderly Care Business) Division of the Company
Jan. 2016	Director, Senior Managing Officer and Executive General Manager of Elderly Care Business Division
Jan. 2018	Executive Vice President and Executive General Manager of the Elderly Care Business Division (incumbent)

Reasons for nomination as a candidate for Director

Mr. Fujikawa has contributed to the expansion and management in general of our Elderly Care Business with his wealth of experience, extensive insight and strong leadership as the person in charge of our Elderly Care Business since joining the Company and as Executive Vice President since January of this year. We believe he is the appropriate person to promote the growth strategy of the Company. Therefore, the Company has again nominated him as candidate for Director.

Number of years as Director: 2 years and 5 months

Attendance at Board of Directors' Meetings: 17/17

Candidate No. 5	**Takaomi Tomioka**	(Date of birth: October 23, 1961) (Age 56)	Number of the Company's shares owned 0 shares

Reelection

Candidate for Outside Director

Career summary, position and responsibility in the Company

Apr. 1985	Joined Long-Term Credit Bank of Japan
May 1998	Joined GE Capital Japan Corp.
Dec. 2003	Joined Carlyle Japan LLC
Jan. 2005	Outside Director of AZ Electronic Materials Co., Ltd.
Oct. 2005	Outside Director of Shionogi Qualicaps Co., Ltd. (currently: Qualicaps Co., Ltd.)
Jan. 2007	Managing Director of Carlyle Japan LLC (incumbent)
Apr. 2009	Outside Director of Moncler Japan Co., Ltd.
Apr. 2012	Outside Director of the Company (incumbent)
Aug. 2014	Outside Director of Oyatsu Company, Ltd. (incumbent)
Dec. 2014	Outside Director of Sunsho Pharmaceutical Co. Ltd (incumbent)
July 2016	Outside Director of Kyushu GGC Ltd. (currently: Meisui Bijin Factory Co., Ltd.) (incumbent)

Significant concurrent positions outside the Company
Managing Director of Carlyle Japan LLC

Reasons for nomination as a candidate for Outside Director
Mr. Tomioka has a wealth of experience and wide-ranging insight relating to management strategy formulation and investment activities. The Company has again nominated him as candidate for Outside Director with the expectation that he will use this experience and insight to oversee and support management toward improving corporate value as an Outside Director.

Number of years as Director: 6 years and 2 months

Attendance at Board of Directors' Meetings: 14/17

Candidate No. 6	**Ko Sekiguchi**	(Date of birth: May 4, 1948) (Age 70)	Number of the Company's shares owned 35,300 shares

Reelection

Candidate for Outside Director

Independent Director

Career summary, position and responsibility in the Company

Apr. 1973	Joined Mitsubishi Corporation
May 1990	Joined The Boston Consulting Group
Jan. 1996	Joined Johnson & Johnson Medical K.K. (currently: Johnson & Johnson K.K. Medical Company) General Manager of Sterrad Business Division
Nov. 1998	President and Representative Director of Janssen-Kyowa Co., Ltd. (currently: Janssen Pharmaceutical K.K.)
July 2009	Chairman and Director
Oct. 2009	Supreme Advisor
Aug. 2010	Professor of Graduate School of Business Breakthrough University (incumbent)
Jan. 2011	Representative Director of DIA Japan (currently: SH DIA Japan)
Apr. 2012	Outside Director of the Company (incumbent)
Mar. 2014	Outside Director of Kenedix, Inc. (incumbent)
Mar. 2018	Outside Director of Otsuka Holdings Co., Ltd. (incumbent)

Significant concurrent positions outside the Company
Outside Director of Kenedix, Inc.
Outside Director of Otsuka Holdings Co., Ltd.

Reasons for nomination as a candidate for Outside Director
Mr. Sekiguchi is again nominated as a candidate for Outside Director because he has vast management experience in the medical industry and expert knowledge as a graduate school professor. We believe that, in addition to his vast experiences, we can expect his management supervision and support from an independent perspective towards improving our corporate value.

Number of years as Director: 6 years and 2 months

Attendance at Board of Directors' Meetings: 16/17

Candidate No. 7	**Shuji Kawai**	(Date of birth: January 22, 1967) (Age 51)	Number of the Company's shares owned 0 shares

Reelection

Candidate for Outside Director

Career summary, position and responsibility in the Company

Apr. 1989	Joined Daito Trust Construction Co., Ltd.
Apr. 2011	General Manager of Corporate Planning Division of Daito Trust Construction Co., Ltd.
Apr. 2012	Executive Officer, General Manager of Corporate Planning Division of Daito Trust Construction Co., Ltd.
June 2012	Director, Executive Officer, and General Manager of Corporate Planning Division of Daito Trust Construction Co., Ltd.
Apr. 2013	Director, Executive Officer, and General Manager of Subsidiaries Business Headquarters, General Manager of Corporate Planning Division of Daito Trust Construction Co., Ltd. Representative Director & President of DAITO ASIA DEVELOPMENT (MALAYSIA) SDN. BHD.
Apr. 2014	Director, Managing Executive Officer, and General Manager of Corporate Management Headquarters of Daito Trust Construction Co., Ltd.
Jan. 2016	Outside Director of the Company (incumbent)
Apr. 2016	Managing Director and General Manager of Corporate Management Headquarters of Daito Trust Construction Co., Ltd.
Apr. 2017	Managing Director, General Manager of Corporate Management Headquarters and General Manager of Subsidiaries Business Headquarters of Daito Trust Construction Co., Ltd. (incumbent)

Significant concurrent positions outside the Company

Managing Director, General Manager of Corporate Management Headquarters and General Manager of Subsidiary Business Headquarters of Daito Trust Construction Co., Ltd.

Reasons for nomination as a candidate for Outside Director

Mr. Kawai is again nominated as a candidate for Outside Director because he has vast experience and diverse knowledge related to corporate planning and business administration. We believe that, in addition to his vast experiences, we can expect his management supervision and support from towards improving our corporate value.

Number of years as Director:	2 years and 5 months
Attendance at Board of Directors' Meetings:	14/17

Candidate No. 8	**Tsutomu Une**	(Date of birth: December 11, 1947) (Age 70)	Number of the Company's shares owned 0 shares

Reelection

Candidate for Outside Director

Independent Director

Career summary, position and responsibility in the Company

Apr. 1970	Joined Daiichi Pharmaceutical Co., Ltd.
June 1999	Director of Daiichi Pharmaceutical Co., Ltd.
Sept. 2005	Director of Daiichi Sankyo Co. Ltd.
Apr. 2007	Director, Senior Executive Officer of Daiichi Sankyo Co., Ltd.
July 2015	Senior Corporate Advisor of GCA Savvian Corporation (currently: GCA Corporation) (incumbent)
June 2016	Outside Director of the Company (incumbent)
Aug. 2016	Executive Advisor of FunPep Co., Ltd. (incumbent)
Oct. 2016	Corporate Advisor of Fuji Pharma Co., Ltd. (incumbent)

Reasons for nomination as a candidate for Outside Director

Dr. Une is again nominated as a candidate for Outside Director because, as a business manager, he has advanced knowledge concerning business management and we can expect his management supervision and support from an independent perspective towards improving our corporate value.

Number of years as Director: 2 years

Attendance at Board of Directors' Meetings: 17/17

Notes:

1. No special conflicts of interest exist between the Company and the candidates for Directors.
2. Messrs. Takaomi Tomioka, Ko Sekiguchi, Shuji Kawai, and Dr. Tsutomu Une are candidates for Outside Directors.
3. The Company has concluded agreements with Messrs. Takaomi Tomioka, Ko Sekiguchi, Shuji Kawai, and Dr. Tsutomu Une in accordance with Companies Act Article 427, paragraph 1 limiting the liability outlined in Companies Act Article 423, paragraph 1. The maximum liability set forth in these agreements is the minimum liability amount mandated by law. Furthermore, if these four (4) candidates for Directors are reelected, we intend to maintain said agreements.
4. The age and years of service for each candidate for Director indicates the age and years of service as of the adjournment of this General Meeting of Shareholders.
5. Mr. Junichi Arai will be in the office as Director for 20 years and 9 months as of the adjournment of this General Meeting of Shareholders.
6. We have designated and registered Mr. Ko Sekiguchi and Dr. Tsutomu Une as Independent Directors in accordance with the provisions outlined by the Tokyo Stock Exchange. Furthermore, if these two (2) candidates for Directors are reelected, we intend to maintain their status as Independent Directors.
7. The above-mentioned number of Company shares held by each candidate for Director is the number of shares as of March 31, 2018.
8. The above-mentioned number of times attending Board of Directors' Meetings by each candidate for Director is the number of times in attendance at the Company's Board of Directors' Meetings convened during the fiscal year 2017 (April 1, 2017 – March 31, 2018) (total of 17 meetings held).

Proposal 2: Election of One (1) Substitute Corporate Auditor

The effectiveness of the election of the current substitute Corporate Auditor expires at the start of this General Meeting of Shareholders. The Company again proposes the nomination of one (1) substitute Corporate Auditor to prepare for situations in which the number of Corporate Auditors falls short of that stipulated by law.

The Board of Corporate Auditors has given its consent to this proposal.

The candidate for substitute Corporate Auditor is as follows.

	Miho Tanaka	(Date of birth: December 1, 1974) (Age 43)	Number of the Company's shares owned 0 shares
Candidate for Substitute Outside Corporate Auditor	**Career summary** Oct. 2004 Registered with the Daini Tokyo Bar Association Joined Asahi Koma Law Offices (currently: Nishimura & Asahi) Feb. 2007 Joined TMI Associates May 2011 Graduated from The University of Michigan (US), Law School (LL.M.) July 2015 Partner of Shiba Management Legal Office (incumbent) Feb. 2016 Supervisory Director of Marimo Regional Revitalization REIT, Inc. (incumbent) **Significant concurrent positions outside the Company** Partner of Shiba Management Legal Office Supervisory Director of Marimo Regional Revitalization REIT, Inc. **Reasons for nomination as a candidate for substitute Outside Corporate Auditor** We believe that Ms. Tanaka can audit the performance of the duties of the Directors from an objective and fair position because of her extensive knowledge and experience as a lawyer familiar with the corporate law and M&A related fields. Therefore, the Company has nominated her as substitute Outside Corporate Auditor.		

Notes:

1. Ms. Miho Tanaka is a candidate for substitute Outside Corporate Auditor.
2. Ms. Miho Tanaka has no experience of being directly involved in company management but, based on the above reasons, we believe that she can appropriately execute the duties of Outside Corporate Auditor.
3. There are no special interests between Ms. Miho Tanaka and the Company.
4. Ms. Miho Tanaka meets the requirements of an Independent Director under the provisions of the Tokyo Stock Exchange. Therefore, we plan to designate her as an Independent Director if she is appointed as Corporate Auditor. The Company entered into a consulting agreement with TMI Associates, which Ms. Miho Tanaka retired from in June 2015, but that consulting fee and remuneration does not count as a significant amount of money. Therefore, we believe that this will have no effect on her independence.
5. The number of Company shares held by Ms. Miho Tanaka is current as of March 31, 2018.
6. The age for Ms. Miho Tanaka indicates her age as of the adjournment of this General Meeting of Shareholders.
7. If the election of Ms. Miho Tanaka is approved and she assumes the office as Corporate Auditor, the Company will conclude an agreement in accordance with Companies Act Article 427, paragraph 1 limiting the liability outlined in Companies Act Article 423, paragraph 1. The maximum liability set forth in this agreement will be the minimum liability amount mandated by law.

Business Report (April 1, 2017 to March 31, 2018)

1. State of current fiscal year

(1) Business progress and results

(million yen, ():yoy)

Net Sales	Operating Profit	Ordinary Income	Net Income
74,329 (+13.6%)	4,188 (+14.6%)	4,164 (+14.8%)	2,710 (+9.6%)

While the Japanese labor market is facing a growing labor shortage, some labor issues such as long work hours, unpaid overtime, power harassment, and sexual harassment are more frequently surfaced both in private and public sectors, and they are now recognized as social issues. These issues could impact our performance as a company through our employee's motivation towards work and their royalty to the company. How we address, or more importantly prevent these issues is critically important and reflects our dignity as an organization. Therefore we put our first priority to 'people issues' and take various actions in the area of communication, recognition, work environment, and compensations. In the course of 2017, we made a good progress.

For example:

A) We treat long work hour as a serious labor compliance issue. We took various actions in every operating unit and we successfully reduced the incidents to virtually zero.

B) We worked on fair compensations and work-life balance. We tried to eliminate low-value and unproductive work to reduce long work hour and overtime, and at the same time to improve productivity. We shared the result with employees by increasing salaries and wages.

C) We treat these compliance issues very seriously and as such, we always discuss them as the first agenda of our meetings.

These initiatives together with all other actions on people issues had a positive impact to our employees and it was started to be seen by increased scores of the employee satisfaction survey and constantly declining turnover rate.

With a rapidly aging population, the elderly care market in Japan continues to grow fast. To leverage this opportunity, we are aggressively acquiring elderly care companies and assets, utilizing the cash generated by our medical outsourcing business. In last fiscal year, we completed nine acquisitions, about 9 billion yen in revenue. As a result, our elderly care business became 1.8 times bigger than last year in revenue. At the same time, we secured the revenue and profit growth for the following year.

As a result of these initiatives, we successfully achieved the record high revenue and operating profit. Net sales grew by 13.6% to 74,329 million yen, and the operating profit increased by 14.6% to 4,188 million yen. Op profit margin was maintained at 5.6%. It declined in the elderly care business mainly because of M&A

related one time costs such as due diligence expenses and brokerage fees. However, op profit margin of the medical outsourcing business increased and offset the decline of the elderly care. Ordinary income increased by 14.8% to 4,164 million yen and net income increased by 9.6% to 2,710 million yen.

With a very strong performance of all of our businesses, we felt confident that the numerical targets stipulated in our management vision would be achieved as planned. This made us feel that we need a new stretch target and some image what we would like to be in 10 years ahead; a new vision. Consequently in February 2018 we adopted a new Management Vision with 300 billion yen in net sales and 20 billion yen in operating profit as targets.

The status by business segments is as follows.

Medical outsourcing business

Following up on FY2016, we continued working to improve productivity and quality and accelerated the momentum of the activities. There are various ways to improve productivity and quality including
(A) to improve competences of individual people,
(B) to improve team processes, and
(C) to utilize ICT and other productivity tools.

We have been working on all of them, but in last year we achieved great results mainly through A and B above.

As all of our services are provided directly by our people, we believe the quality and productivity of our services can be improved by people training. We positioned training as a part of our business operation. Each month we conducted training for over 500 leadership talents, which includes Block General Managers, Branch Managers, and Hospital Managers. Through these trainings the operation processes were improved, which in turn led to improved productivity and a higher op profit margin. We shared the results with our employees by increasing the salaries and wages. We have to admit that the compensation has to be further improved. However, all the initiatives started to have a positive chain effect; ie higher productivity to higher profit margin, which in turn to higher compensation, and then to higher employee motivation.

All of our initiatives resulted in good operation results. Net sales increased by 5.5% to 53,601 million yen, operating profit increased by 13.1% to 5,601 million yen, and op margin increased by 0.7 points to 10.4%.

Elderly and child care business

In FY2017, we conducted nine M&As in the elderly care business. Best Care acquired at the end of October 2017 and Japan CareLink acquired at the end of November 2017, were the largest acquisitions we made so far and effectively expanded our business size significantly. As it is critically important to quickly realize synergies, immediately following the acquisitions, we began the process of post merger integration.

In elderly care business in which the upfront operations are very fragmented and so many of them it is important to pay a close management attention to details. We track the detailed status of each operation on a monthly basis so that we can take a quick actions to problems and issues. We categorize the operations by acquired year (vintage) and ensure each vintage operations are in line with our plan. In this regard, the operations acquired in FY2016 were in line with plan and the post merger integration process worked fine. The operations acquired before FY2015 showed a reasonable growth by increasing users, especially home help service.

In the child care business, we are converting the facility status from 'Ninsho' to 'Ninka'. 'Ninka' requires more stringent local government requirements. On the other hand, the user recruitment is the government responsibility and the capacity is larger. In 2017 we converted 3 facilities to be ready as Ninka in 2018. As a result the business's operating profit decreased.

As a result of the above, net sales of the elderly and child care businesses increased by 45.0% to 20,095 million yen. Operating profit increased by 18.3% to 1,046 million yen, absorbing the due diligence expenses and one-time expenses for brokerage fees incidental to M&A activities. Op profit margin decreased by 1.2 points to 5.2% due to the above-mentioned increase in one-time expenses.

Others（Solasto career center, etc.）

Net sales of the education business decreased by 13.8% to 632 million yen. This was mainly due to a decline in the number of people taking certification tests.

Career Center further enhanced measures related to human resource hiring and development. Expenses increased due to the proactive implementation of hiring process improvement investments and training, resulting in operating losses of 328 million yen.

(2) Summary of consolidated income statement and consolidated balance sheet

		the 47th Term FY2014	the 48th Term FY2015	the 49th Term FY2016	the 50th Term FY2017
Net sales	(million yen)	60,181	63,070	65,413	74,329
Operating profit	(million yen)	2,622	3,311	3,654	4,188
Operating profit margin	(%)	4.4	5.3	5.6	5.6
Ordinary Income	(million yen)	2,673	3,308	3,626	4,164
Net income	(million yen)	1,451	1,993	2,473	2,710
EPS	(yen)	51.35	70.51	85.53	88.59
Total asset	(million yen)	24,759	22,541	23,802	37,703
Total equity	(million yen)	8,584	8,475	10,257	11,871
BPS	(yen)	303.66	299.82	337.64	381.45
ROE	(%)	16.5	23.4	26.4	24.5
Net cash provided by operating activities	(million yen)	2,175	1,959	3,086	5,068
Net cash used in investing activities	(million yen)	△2,730	△224	△832	△6,375
Net cash used in financing activities	(million yen)	356	△3,511	△2,119	3,018
Cash and cash equivalents, end of the year	(million yen)	7,608	5,831	5,966	7,678
DPS	(yen)	122.09	35.39	43.00	45.00
Dividend payout ratio	(%)	237.8	50.2	50.3	50.8

(Note)

1. EPS is calculated based on the average total number of shares issued for the period, excluding treasury shares. BPS is calculated based on the average total number of shares issued for the period, excluding treasury shares.
2. On January 26, 2016, we conducted a stock split involving a 1:300 split of common shares. PER, BPS, and DPS are calculated based on the conversion for if this split had been conducted at the beginning of the 47th accounting period (FY2014).

2. Challenges to be Addressed

New Management Vision

The Solasto story has begun.

To provide global quality service in medical outsourcing, elderly and child care

To create professional career for Japanese working women.

VISION 2030

- An innovation leader in medical outsourcing, elderly care and child care, with strong focus on client needs and service quality
- Transforming to a digital company of service industry constantly renewing service model leveraging state of the art ITs
- Contributing to local communities and all our stakeholders (clients, employees, shareholders, business partners) through continuous growth and strong business performance
- Through talent development and 2X compensation, supporting employees on work-life balance and to build professional life-time careers
- Culture with a value for care, reliability, compliance suited for medical, elderly care and child care

(Numerical target)

Net sales	300 billion yen	Operating profit	20 billion yen
(breakdown)			
Medical outsourcing business	100 billion yen		
Elderly care business	150 billion yen		
New business	50 billion yen		

Main initiatives of FY2018

We will focus on the following initiatives to realize our Management Vision.

1) To improve quality and productivity through training

-Quality and productivity can be improved through training

・Monthly training for over 500 personnel in leadership positions

・Continuous improvements to training contents and methods, elevating our training knowhow

2) To improve quality and productivity through promoting the use of ICTs

・Aggressively incorporate IT tools and move away from reliance on number of heads

・Utilize IT in all processes, including HQ functions

・Strictly evaluate investment efficacy and effectiveness

3) To expand business through M&A

・Aggressively engage opportunities with focus on elderly care business

・Achieve early synergy through appropriate resource distribution to post-merger integration processes

4) To create new businesses

・Explore new businesses that enable us to grow beyond the limit of medical outsourcing and elderly care businesses

3. Stock information (As of March 31, 2018)

(1) Total shares issued 31,116,900 stocks (including 38 treasury shares)

(2) Number of shareholders 6,535

(3) Major shareholders (Top 10)

Name	Number of shares held (stocks)	Holdings ratio (%)
Daito Trust Construction Co., Ltd.	10,601,700	34.07
TOHO HOLDINGS CO., LTD.	3,236,500	10.40
Japan Trustee Services Bank, Ltd. (Trust Account)	1,713,400	5.51
RE FUND 116—CLIENT AC	1,150,676	3.70
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,054,200	3.39
INFOCOM CORPORATION	848,400	2.73
JP MORGAN CHASE BANK 380634	786,400	2.53
JP MORGAN CHASE BANK 385632	618,400	1.99
MSCO CUSTOMER SECURITIES	598,610	1.92
THREADNEEDLE INVESTMENT FUNDS ICVC —JAPAN FUND	565,500	1.82

(Note) Holdings ratio excludes treasury shares (38 stocks).

4. Total compensation for Directors and Corporate Auditors

Category	Paid personnel	Amount (million yen)
Directors	6	197
(out of Outside Directors)	(2)	(14)
Corporate Auditors	3	19
(out of Outside Corporate Auditors)	(2)	(7)
Total	9	216
(out of Outside Directors and Outside Corporate Auditors)	(4)	(21)

(Note)

1. Directors receiving compensation excludes the 2 directors registered as uncompensated outside directors.
2. The above compensation amounts include the following.

   Compensation as executive bonuses

   No. of Director: 4

   Compensation : 61 million yen

5. Main activities of Outside Directors and Outside Corporate Auditor during current fiscal year

Category	Name	Attendance at Board of Directors' meetings	Attendance at Board of Corporate Auditors' meetings
Director	Takaomi Tomioka	82.4% 14/17	—
Director	Ko Sekiguchi	94.1% 16/17	—
Director	Shuji Kawai	82.4% 14/17	—
Director	Tsutomu Une	100% 17/17	—
Corporate Auditor	Junko Utsunomiya	94.1% 16/17	100% 26/26
Corporate Auditor	Hironori Yokote	100% 17/17	100% 26/26

6. Policy on determining surplus dividends

We position maximizing corporate value for our shareholders as our highest priority corporate objective. At the same time, it is critical to use the capital most efficiently. With these in mind, we set the dividend payout ratio at around 50% at this moment. Moving forward, we will flexibly evaluate and change our capital policies including the dividend payout ratio if we have an opportunity such as large M&As to increase the corporate value and changing the capital policy is appropriate to realize this.

Based on this policy, we will pay 24 yen per share as the year-end dividend for the previous fiscal year. The full-year dividend will be 45 yen per share, including 21 yen per share interim dividend. As a result, our dividend payout ratio is 50.8%.

Based on our current earnings forecasts, for the current fiscal year we currently plan a full-year dividend of 48 yen per share, with the dividend payout ratio of 50.9%.

7. Consolidated Financial statements

(1) Consolidated income statement

(Millions of yen)	FY2014	FY2015	FY2016	FY2017	FY2018 Estimate
Net sales					
Medical outsourcing business	49,491	49,492	50,817	53,601	55,600
Elderly and child care business	9,630	12,825	13,862	20,095	27,337
Others[*1]	1,060	752	733	632	693
Total net sales	60,181	63,070	65,413	74,329	83,630
Cost of sales	50,544	52,466	54,246	61,347	—
Gross profit	9,637	10,604	11,166	12,981	—
Selling, general and administrative expenses	7,015	7,292	7,512	8,792	—
Operating profit					
Medical outsourcing business	4,504	4,766	4,950	5,601	6,000
Elderly and child care business	59	665	884	1,046	1,894
Others[*1]	△269	△295	△226	△328	83
Corporate expenses[*1,*2]	△1,671	△1,825	△1,953	△2,130	△3,234
Total operating profit	2,622	3,311	3,654	4,188	4,743
Non-operating income					
Interest income	4	2	0	0	—
Dividend income	0	0	2	1	—
Insurance income	24	20	23	41	—
Subsidy income	66	20	30	13	—
Others	26	29	13	18	—
Total non-operating income	123	75	70	75	—
Non-operating expenses					
Interest expense	56	58	46	61	—
Going public expenses	—	15	46	—	—
Compensation for damage	—	—	—	14	—
Others	15	4	6	24	—
Total non-operating expenses	71	78	98	100	—
Ordinary income	2,673	3,308	3,626	4,164	4,687
Special gain					
Others	3	20	26	2	—
Total special gain	3	20	26	2	—
Special losses					
Impairment loss	27	142	—	—	—
Others	18	14	12	66	—
Total special losses	45	156	12	66	—
Income before taxes	2,630	3,171	3,639	4,100	—
Total income taxes	1,179	1,178	1,166	1,390	—
Net income	1,451	1,993	2,473	2,710	2,933
EBITDA[*3]	3,171	3,918	4,233	5,195	6,350
Depreciation[*4]	519	472	432	605	872
Amortization of goodwill	29	134	146	400	734
CAPEX	424	65	269	571	—
M&A Investment	2,289	160	658	5,786	—
Per share data[*5]					
Net income (yen)[*6]	51.35	70.51	85.53	88.59	94.26
Dividends (yen)[*7]	122.09	35.39	43.00	45.00	48.00
Total equity (yen)	303.66	299.82	337.64	381.45	—

*1. In accordance with organizational changes implemented on April 1, 2018, from FY2018 specialist employee hiring and development operations, which previously were included under "Others", will be recorded under "Corporate expenses."
*2. Corporate expenses indicated as reconciliation in the earning summary.
*3. EBITDA = Operating profit + Depreciation + Amotization of goodwill
*4. Cost of sales + Selling,general and administrative expenses
*5. Figures are adjusted to reflect the 1:300 stock split on common shares conducted with the effective date of January 26, 2016.
*6. Net income per share (FY2018 forecast) = Net income (forecast) ÷ number of shares issued on March 31, 2018.
*7. Year-end dividend in FY2017 (24 yen) is the plan as of May 9, 2018.

(2) Consolidated balance sheet

(Millions of yen)	Mar. 31 2015	Mar. 31 2016	Mar. 31 2017	Mar. 31 2018
Current assets				
Cash and time deposits	7,608	5,831	5,979	7,678
Notes and accounts receivable	7,009	7,146	7,614	9,608
Inventory	138	107	94	58
Others	1,205	1,253	1,271	1,617
Total current assets	15,961	14,339	14,960	18,963
Fixed assets				
Tangible fixed assets	4,742	4,405	4,390	8,421
Buildings and structures-net	2,955	2,716	2,612	5,730
Land	929	929	918	1,267
Others	858	759	859	1,423
Intangible fixed assets	2,562	2,344	2,869	8,123
Goodwill	2,243	2,085	2,491	7,724
Others	319	259	378	399
Investments and other assets	1,492	1,452	1,581	2,195
Total fixed assets	8,798	8,201	8,841	18,740
Total assets	24,759	22,541	23,802	37,703

(Millions of yen)	Mar. 31 2015	Mar. 31 2016	Mar. 31 2017	Mar. 31 2018
Current liabilities				
Short-term debt	210	—	—	—
Current portion of long-term debt	1,250	1,250	2,189	2,705
Accounts payable-other	4,311	4,320	4,686	5,887
Others	4,015	3,215	3,308	5,389
Total current liabilities	9,787	8,785	10,183	13,981
Long-term liabilities				
Long-term debt, less current portion	4,625	3,375	1,256	8,626
Lease obligations	669	632	746	1,250
Liability for retirement benefits	893	1,095	1,145	1,193
Others	200	176	212	779
Total fixed liabilities	6,388	5,279	3,361	11,849
Total liabilities	16,175	14,065	13,545	25,831
Equity				
Shareholder's equity	8,594	8,588	10,335	11,841
Common stock	6,275	300	478	548
Capital surplus	—	5,203	5,381	5,447
Retained earning	2,319	3,084	4,475	5,845
Treasury stock	—	—	—	△0
Accumulated other comprehensive income	△10	△112	△78	28
Subscription rights to shares	—	—	—	1
Total equity	8,584	8,475	10,257	11,871
Total liabilities and equity	24,759	22,541	23,802	37,703

(3) Consolidated statements of cash flows

(Millions of yen)	FY2014	FY2015	FY2016	FY2017
Net cash provided by operating activities				
Income before income taxes and minority interests	2,630	3,171	3,639	4,100
Depreciation	519	472	432	605
Loss on impairment of long-lived assets	27	142	—	—
Amortization of goodwill	29	134	146	400
Increase (decrease) in reserve for bonuses	0	116	△93	133
Increase (decrease) in Reserve for directors' bonuses	△1	2	23	17
Increase (decrease) in liability for retirement benefits	79	74	98	98
Increase (decrease) in allowance for doubtful accounts	△3	△1	△2	△1
Interest expenses	56	58	46	61
(Increase) decrease in notes and accounts receivable－trade	△278	△137	△378	△673
(Increase) decrease in inventories	△88	31	13	38
(Increase) decrease in prepaid expenses	△308	8	△22	△36
Increase (decrease) in notes and accounts payabel－other	△143	56	157	694
Increase (decrease) in accrued consumption taxes	1,187	△1,026	35	372
Increase (decrease) in deposits received	7	0	△4	486
Others	△23	25	168	43
Total Adjustment	3,691	3,129	4,262	6,343
Interest and dividends received	4	6	2	1
Interest paid	△59	△57	△44	△62
Income taxes paid	△1,513	△1,131	△1,159	△1,274
Others	51	12	26	61
Net cash provided by operating activities	2,175	1,959	3,086	5,068
Net cash used in investing activities				
Purchases of tangible fixed assets	△280	△94	△60	△417
Proceeds from sales of tangible fixed assests	—	4	20	39
Purchases of intangible fixed assets	△156	△24	△145	△190
Proceeds from redemption of investment securities	—	50	—	—
Payments for lease and guarantee deposits	△37	△23	△46	△82
Proceeds from collection of lease and guarantee deposits	23	20	24	22
Payments for transfer of business	△48	△160	△413	△1,169
Cash decrease due to acquisition of controlling interest in a company	△2,241	—	△245	△4,616
Others	10	4	34	38
Net cash used in investing activities	△2,730	△224	△832	△6,375
Net cash used in financing activities				
Proceeds from short-term debt	—	—	—	2,850
Repayment of short-term debt	—	△210	—	△3,030
Proceeds from long-term debt	3,000	—	—	10,075
Repayment of long-term debt	△651	△1,250	△1,307	△5,558
Proceeds from issuance of common stock	—	—	356	140
Purchases of treasury stock	△1	—	—	△0
Dividends paid	△1,951	△1,999	△1,080	△1,340
Repayments of going public expenses	—	△10	△50	—
Repayments of lease obligations	△38	△40	△36	△54
Others	—	—	△0	△63
Net cash provided by (used in) provided financing activities	356	△3,511	△2,119	3,018
Net increase (decrease) in cash and cash equivalents	△198	△1,776	134	1,711
Cash and cash equivalents, beginning of year	7,806	7,608	5,831	5,966
Cash and cash equivalents, end of the year	7,608	5,831	5,966	7,678