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Securities identification code: 6197
June 6, 2019

To our shareholders:

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

NOTICE OF THE 51ST ORDINARY GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 51st 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 26, 2019 (Japan Standard Time).

1. Date and Time: Thursday, June 27, 2019 at 10:00 a.m. (reception will open at 9:30 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 51st Term (from April 1, 2018 to March 31, 2019), and Audit Reports for the Consolidated Financial Statements by Accounting Auditor and the Board of Corporate Auditors
2. Non-Consolidated Financial Statements for the 51st Term (from April 1, 2018 to March 31, 2019)

Items to be resolved:

Proposal 1: Election of Nine (9) Directors
Proposal 2: Election of Three (3) Corporate Auditors
Proposal 3: Election of One (1) Substitute Corporate Auditor

4. Matters concerning Internet Disclosure

- Of those documents that would require appending to this notice, The Notes to the Consolidated Financial Statements and The Notes to the Financial Statements as the parts of the Financial Statements have been made available on the Company's website in accordance with relevant laws and regulations, and as prescribed in Article 14 of the Company's Articles of Incorporation, and are therefore not presented in this notice.
- As such, the documents provided with this convening notice are part of the documents that were subject to the audit by Accounting Auditor and the Board of Corporate Auditors for the purpose of preparation of the audit report and accounting audit report.
- In the event that any revision is made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-consolidated Financial Statements, the revised matters of these documents will be posted on the Company's website.
  The Company's website: https://www.solasto.co.jp/ir/en/stock/general.html

Reference Documents for the General Meeting of Shareholders

Proposal 1: Election of Nine (9) 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 nine (9) Directors, including one (1) additional Director and four (4) Outside Directors. The candidates for Director are as follows:

Candidate No.	Name	Current Position	Attendance at the Board of Directors' Meetings in FY2018
1	**Yoshikazu Fujikawa** Reelection	President and Representative Director, CEO	100% 15/15
2	**Junichi Arai** Reelection	Chairman and Director	93.3% 14/15
3	**Masumi Tamai** New election	Senior Managing Corporate Officer and General Manager of Medical Business Division	—
4	**Shigeru Fukushima** New election	Senior Managing Corporate Officer and General Manager of Elderly Care Business Division	—
5	**Masateru Kawanishi** New election	Senior Managing Corporate Officer, General Manager of Human Resources and General Affairs Department, Chief Talent Officer, and Director of Career Center	—
6	**Ko Sekiguchi** Reelection Outside Director Independent Director	Outside Director	100% 15/15
7	**Tsutomu Une** Reelection Outside Director Independent Director	Outside Director	100% 15/15
8	**Yukio Kubota** New election Outside Director	—	—
9	**Kanitsu Uchida** New election Outside Director	—	—

Candidate No. 1	**Yoshikazu Fujikawa**	(Date of birth: January 27, 1957) (Age 62)	Number of the Company's shares owned 384,900 shares

Reelection

Career summary, position and responsibility in the Company

Apr. 1976	Joined Japan Golden Pioneer
Nov. 1978	Joined McDonald's Company (Japan), Ltd.
Sep. 2003	Joined Japan Tobacco Inc.
Sep. 2004	Joined McDonald's Holdings Company (Japan), Ltd.
Oct. 2005	Joined Lotteria Co., Ltd.
Apr. 2010	Corporate Adviser of Burger King Japan Co., Ltd.
Jun. 2010	President and Representative Director, CEO of Burger King Japan Co., Ltd.
Feb. 2014	Senior Managing Corporate Officer and General Manager of Welfare Business (currently: Elderly Care Business) Division of the Company
Jan. 2016	Director, Senior Managing Corporate Officer and General Manager of Elderly Care Business Division
Jan. 2018	Vice President and Director, and General Manager of Elderly Care Business Division
Jun. 2018	Vice President and Representative Director, and General Manager of Elderly Care Business Division
Apr. 2019	President and Representative Director (incumbent)

Reasons for nomination as a candidate for Director

Mr. Fujikawa, since joining the Company in 2014, has made significant contributions to the growth of the business as the person in charge of our Elderly Care Business. In addition, he has been contributing towards the growth of the Company with his wealth of experience, extensive insight and strong leadership, since being appointed as President and Representative Director, CEO in April of this year. We believe that he is an essential person for the Company to pursue further and stronger growth in the corporate value. Therefore, the Company has again nominated him as a candidate for Director.

Number of years as Director:	3 years and 5 months
Attendance at Board of Directors' Meetings:	15/15

Candidate No. 2	**Junichi Arai**	(Date of birth: March 23, 1950) (Age 69)	Number of the Company's shares owned 1,200,600 shares

Reelection

Career summary, position and responsibility in the Company

Apr. 1973	Joined the Company
Jun. 1994	Director (retired in March 1997)
Apr. 1997	Representative Director of Pfercos Co., Ltd.
Jun. 2000	Managing Director of the Company
Apr. 2005	Senior Managing Director
Jun. 2007	Director of Nihon Kyodo System Co., Ltd. (incumbent)
Jul. 2007	Director and Senior Managing Corporate Officer of the Company
Apr. 2010	President and Representative Director
Aug. 2015	Chairman and Representative Director
Jun. 2018	Chairman and Director (incumbent)

Reasons for nomination as a candidate for Director

Since being appointed as Director in 2000, Mr. Arai has been responsible for the management of the Company and the Group over many years. Furthermore, he has utilized his wealth of experience and industry knowledge to play an important role in providing supports and advices to the Company's management team. Therefore, the Company has again nominated him as a candidate for Director.

Number of years as Director:	19 years
Attendance at Board of Directors' Meetings:	14/15

Candidate No. 3	**Masumi Tamai**	(Date of birth: December 9, 1960) (Age 58)	Number of the Company's shares owned 126,000 shares

New election

Career summary, position and responsibility in the Company

May 1985	Joined the Company
Apr. 1995	Tokyo Branch Manager, Metropolitan Area , Medical Business Division
Apr. 1999	Manager of Worker Dispatch Business Division
Apr. 2005	Manager of Education Business Division
Apr. 2009	Corporate Officer and Manager of the Tokai Block
Apr. 2013	Corporate Officer and Manager of the Eastern Japan Block
Apr. 2015	Managing Corporate Officer and General Manager of the Eastern Japan Block
Aug. 2015	Managing Corporate Officer and General Manager of Medical Business Division
Oct. 2017	Senior Managing Corporate Officer and General Manager of Medical Business Division (incumbent)

Reasons for nomination as a candidate for Director

Mr. Tamai has many years of experience in Medical Outsourcing Business. In addition, he has greatly contributed to the growth of our Medical Outsourcing Business by demonstrating strong leadership as the General Manger of Medical Business Division since 2015. We believe that he is a person we need for the management of the Company because of his wealth of experience and achievements. Therefore, the Company has newly nominated him as a candidate for Director.

Candidate No. 4	**Shigeru Fukushima**	(Date of birth: February 12, 1960) (Age 59)	Number of the Company's shares owned 0 shares

New election

Career summary, position and responsibility in the Company

Apr. 1984	Joined McDonald's Company (Japan), Ltd.
Sep. 2007	Manager of Corporate Planning Department, Corporate Strategy Division
Jul. 2009	Assistant to the CEO, Corporate Development Division
Jul. 2011	East Japan District Manager of Field Operations Division
Jun. 2015	Manager of Customer Satisfaction Department and Risk Management Department
Jul. 2018	Senior Managing Corporate Officer and Deputy General Manager of Elderly Care Business Division of the Company
Apr. 2019	Senior Managing Corporate Officer and General Manager of Elderly Care Business Division (incumbent)

Reasons for nomination as a candidate for Director

Mr. Fukushima has utilized his wealth of experience in a major restaurant chain to drive forward our Elderly Care Business as Deputy General Manager of Elderly Care Business Division since joining the Company and as General Manager of Elderly Care Business Division since April of this year. We believe he is a person we need for the further growth of our Elderly Care Business because of his extensive insights and leadership. Therefore, the Company has newly nominated him as a candidate for Director.

Number of shares under stock acquisition rights in the Company	3,000

Candidate No. 5	**Masateru Kawanishi**	(Date of birth: May 22, 1963) (Age 56)	Number of the Company's shares owned 0 shares

New election

Career summary, position and responsibility in the Company

Apr. 1986	Joined Nippon Life Insurance Company
Oct. 1989	Joined Digital Equipment Corporation Japan (currently: Hewlett-Packard Japan, Ltd.)
May 2004	Corporate Officer and General Manager of Human Resources Division
Jan. 2006	Corporate Officer and General Manager of Human Resources & Human Resources Development Division of The Daiei, Inc.
Mar. 2007	Manager of Human Resources Department of PricewaterhouseCoopers Aarata LLC
Mar. 2008	Corporate Officer and Manager of Human Resources & General Affairs Division of EMC Japan K.K.
Mar. 2015	Corporate Officer andl Manager of Human Resources Department of Thomson Reuters Markets KK (currently: Thomson Reuters Japan KK)
Oct. 2017	Senior Managing Corporate Officer, General Manager of Human Resources & General Affairs Department and Chief Talent Officer of the Company
Apr. 2018	Senior Managing Corporate Officer, General Manager of Human Resources & General Affairs Department, Chief Talent Officer and Director of Career Center (incumbent)

Reasons for nomination as a candidate for Director

Mr. Kawanishi has utilized his extensive experience in Japanese-owned and foreign-owned companies and demonstrated an outstanding ability in executing measures and leading reformation of our personnel processes on a company-wide basis as General Manager of Human Resources & General Affairs Division since joining the Company. We believe we need to continue improving our measures toward people to further strengthen our management base. Therefore, the Company has newly nominated him as a candidate for Director.

Number of shares under stock acquisition rights in the Company	3,000

Candidate No. 6	**Ko Sekiguchi**	(Date of birth: May 4, 1948) (Age 71)	Number of the Company's shares owned 99,900 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	Manager of Sterrad Business Division of Joined Johnson & Johnson Medical K.K. (currently: Johnson & Johnson K.K. Medical Company)
Nov. 1998	President and Representative Director of Janssen-Kyowa Co., Ltd. (currently: Janssen Pharmaceutical K.K.)
Jul. 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.
Mar. 2018	Outside Director of Otsuka Holdings Co., Ltd. (incumbent)

Significant concurrent positions outside the Company

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 Outside Director: 7 years and 2 months

Attendance at Board of Directors' Meetings: 15/15

Candidate No. 7	**Tsutomu Une**	(Date of birth: December 11, 1947) (Age 71)	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.
Jun. 1999	Director of Daiichi Pharmaceutical Co., Ltd.
Sep. 2005	Director of Daiichi Sankyo Co. Ltd.
Apr. 2007	Director, Senior Executive Officer of Daiichi Sankyo Co., Ltd.
Jul. 2015	Senior Corporate Advisor of GCA Savvian Corporation (currently: GCA Corporation)
Jun. 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.

Reasons for nomination as a candidate for Outside Director

Mr. 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 Outside Director: 3 years

Attendance at Board of Directors' Meetings: 15/15

Candidate No. 8	**Yukio Kubota**	(Date of birth: October 7, 1949) (Age 69)	Number of the Company's shares owned 0 shares

New election

Candidate for Outside Director

Career summary, position and responsibility in the Company

Apr. 1974	Joined Sony Corporation
Jun. 1997	Executive Vice President and Corporate Executive Officer
Sep. 2001	Outside Director of J-Phone Communications Co., Ltd.
Apr. 2003	President of Sony Ericsson Mobile Communications Inc. (currently: Sony Mobile Communications Inc.)
Aug. 2009	President and CEO of WILLCOM, Inc. Co., Ltd.
Apr. 2010	Senior Advisor of Carlyle Japan L.L.C. (incumbent)
Jan. 2011	Outside Corporate Auditor of Broadleaf Co., Ltd.
Mar. 2012	Outside Corporate Auditor of Qualicaps Co., Ltd.
Jan. 2013	Outside Director of Diversey, Inc. (currently: CxS Corporation)
Sep. 2013	Outside Director of the Company (retired in January 2016)
May 2015	Outside Director of ARUHI Corporation
Sep. 2016	Outside Director of WingArc1st Inc.

Significant concurrent positions outside the Company

Senior Advisor of Carlyle Japan L.L.C

Reasons for nomination as a candidate for Outside Director

Mr. Kubota has a wealth of experience and extensive knowledge as the Director including Representative Director among plural companies. Therefore, the Company has newly nominated him with expectation that he will use this experience to supervise and support management toward improving our corporate value as a candidate for Outside Director.

Candidate No. 9	**Kanitsu Uchida**	(Date of birth: May 2, 1965) (Age 54)	Number of the Company's shares owned 0 shares

New election

Candidate for Outside Director

Career summary, position and responsibility in the Company

Aug. 1987	Joined Daito Trust Construction Co., Ltd.
Apr. 2012	Executive Officer and General Manager of Cost Management Department
Apr. 2013	Executive Officer and General Manager of Design Management Department
Jun. 2014	Director and Executive Officer, General Manager of Design Management Department
Apr. 2016	Director and General Manager of Design Business Headquarters
Apr. 2017	Director and General Manager of Subsidiary Management Department, in charge of Nursing Care and Childcare Businesses and Overseas Business (incumbent)

Significant concurrent positions outside the Company

Director and General Manager of Subsidiary Management Department, in charge of Nursing Care and Childcare Businesses and Overseas Business

Reasons for nomination as a candidate for Outside Director

Mr. Uchida currently serves as a director at a major construction company and has a wealth of experience and extensive insight in the planning of new business development and in the development of new technologies. The Company has newly nominated him as a candidate for Outside Director with the expectation that he will use this experience to supervise and support management toward improving our corporate value as Outside Director.

Notes:

1. No special conflicts of interest exist between the Company and the candidates for Directors.
2. Ko Sekiguchi, Tsutomu Une, Yukio Kubota and Kanitsu Uchida are candidates for Outside Directors.
3. The Company has concluded agreements with Ko Sekiguchi and Tsutomu Une in accordance with Companies Act Article 427, paragraph 1 and its Article of Incorporation 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 two (2) candidates for Directors are reelected, we intend to maintain said agreements. In addition, if the nominations of Yukio Kubota and Kanitsu Uchida are approved, we plan to conclude similar liability limitation agreements with them.
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. Junichi Arai will be in the office as Director for 21 years and 9 months as of the adjournment of this General Meeting of Shareholders.
6. Yukio Kubota has been an Outside Director of the Company in the past.
7. We have designated and registered Ko Sekiguchi and 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.
8. The above-mentioned number of Company shares held by each candidate for Director is the number of shares as of March 31, 2019.
9. The above-mentioned number of times attending the 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 2018 (April 1, 2018 – March 31, 2019) (total of 15 meetings held).

Proposal 2: Election of Three (3) Corporate Auditors

The terms of office of all three (3) incumbent Corporate Auditors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of the following three (3) Corporate Auditors including two (2) Outside Corporate Auditors.

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

The candidate for Corporate Auditor is as follows.

Candidate No.	Name	Current Position	Attendance at the Board of Directors' Meetings in FY2018	Attendance at the Corporate Auditors' Meetings in the FY2018
1	**Osamu Akiyama** Reelection	Full-time Corporate Auditor	100% 15/15	100% 21/21
2	**Junko Utsunomiya** Reelection Outside Corporate Auditor, Independent Corporate Auditor	Outside Corporate Auditor	100% 15/15	100% 21/21
3	**Hironori Yokote** Reelection Outside Corporate Auditor, Independent Corporate Auditor	Outside Corporate Auditor	100% 15/15	100% 21/21

Candidate No. 1	**Osamu Akiyama**	(Date of birth: March 6, 1949) (Age 70)	Number of the Company's shares owned 30,000 shares

Reelection

Career summary, position and responsibility in the Company

Apr. 1971	Joined The Yasuda Mutual Life Insurance Company (currently Meiji Yasuda Life Insurance Company)
Apr. 2000	Manager of Hokkaido Operation Development Department
Apr. 2001	Seconded to the Company as Deputy Chief of Corporate Planning Office
Apr. 2004	Manager of Corporate Planning Department and Manager of Related Business Management Office
Jun. 2004	Director
Jun. 2006	Retired from the position of Director
Jul. 2006	Corporate Officer and Manager of Related Business Division of the Company
Jun. 2009	Director and Corporate Officer
Jun. 2010	Full-time Corporate Auditor (incumbent)

Reasons for nomination as a candidate for Corporate Auditor

Mr. Akiyama served as Director of the Company on two different occasions. After that, with his extensive experience in engaging in the practical work of management, he has been elected as a Full-time Corporate Auditor since 2010 to help the Company to enhance and improve corporate governance. We expect that he will continue to bear responsibility for the audit functions in relation to the management of the Company. Therefore, the Company has again nominated him as a candidate for Corporate Auditor.

Number of years as Corporate Auditor:	9 years
Attendance at Board of Directors' Meetings:	15/15
Attendance at the Corporate Auditors' Meetings:	21/21

Candidate No. 2	**Junko Utsunomiya**	(Date of birth: June 21, 1971) (Age 48)	Number of the Company's shares owned 0 shares

Reelection

Outside Corporate Auditor

Independent Corporate Auditor

Career summary, position and responsibility in the Company

Apr. 2000	Joined Nagashima Ohno & Tsunematsu
Oct. 2007	Seconded to the Tokyo Stock Exchange, Inc.
Nov. 2011	Established Utsunomiya General Law Office (changed name to Utsunomiya & Shimizu in 2015)
Jun. 2012	Outside Corporate Auditor of START TODAY CO., LTD. (currently ZOZO, Inc.) (incumbent)
Apr. 2013	Outside Corporate Auditor of the Company (incumbent)
Sep. 2013	Outside Director of Adventure, Inc. (incumbent)
Feb. 2018	Established Utsunomiya Shimizu & Haruki and became a Partner (incumbent)
Oct. 2018	Outside Corporate Auditor of RAKSUL INC. (incumbent)

Significant concurrent positions outside the Company

Partner of Utsunomiya Shimizu & Haruki
Outside Corporate Auditor of ZOZO, Inc.
Outside Director of Adventure, Inc.
Outside Corporate Auditor of RAKSUL INC.

Reasons for nomination as a candidate for Outside Corporate Auditor

Ms. Utsunomiya has experience of being seconded to the Tokyo Stock Exchange in addition to her wealth of experience and professional views as a lawyer. The Company has again nominated her with the expectation that she will independently audit the execution of the duties of the Directors as an Outside Corporate Auditor based on her perspective from the experience and insight as a professional that she has gained through her career.

Number of years as Outside Corporate Auditor:	6 years 2 month
Attendance at Board of Directors' Meetings:	15/15
Attendance at the Corporate Auditors' Meetings:	21/21

Candidate No. 3	**Hironori Yokote**	(Date of birth: January 18, 1974) (Age 45)	Number of the Company's shares owned 0 shares

Reelection

Outside Corporate Auditor

Independent Corporate Auditor

Career summary, position and responsibility in the Company

Oct. 1999	Joined Ota Showa Auditing Co. (currently Ernst & Young ShinNihon LLC)
Feb. 2006	Seconded to the Tokyo Stock Exchange, Inc.
Jun. 2016	Established Hironori Yokote CPA Office (incumbent)
Mar. 2017	Outside Corporate Auditor (Provisional) of the Company
Jun. 2017	Outside Corporate Auditor (incumbent)
Dec. 2017	Outside Corporate Auditor of Panair, Inc. (incumbent)
Nov. 2018	Outside Corporate Auditor of PinT, Inc. (incumbent)

Significant concurrent positions outside the Company

Director of the Hironori Yokote CPA Office
Outside Corporate Auditor of Panair, Inc.
Outside Corporate Auditor of PinT, Inc.

Reasons for nomination as a candidate for Outside Corporate Auditor

Mr. Yokote has a wealth of knowledge and experience in accounting and taxation as a certified public accountant (CPA) and tax attorney. In addition, he has experience of being seconded over many years to the Listing Department of the Tokyo Stock Exchange, so he is also familiar with the practical business of listed companies. Accordingly, the Company expects that he will be able to give useful advice to further strengthen the corporate governance of the Company. Therefore, the Company has again nominated him as Outside Corporate Auditor.

Number of years as Corporate Auditor:	2 years
Attendance at Board of Directors' Meetings:	15/15
Attendance at the Corporate Auditors' Meetings:	21/21

Notes:
1. No special conflicts of interest exist between the Company and the candidates for Corporate Auditors.
2. Junko Utsunomiya and Hironori Yokote are candidates for Outside Corporate Auditors.
3. Junko Utsunomiya and Hironori Yokote have no experience of being involved in management of companies except as Outside Officers. However, as stated in their reasons for nomination as candidates for Outside Corporate Auditors, we believe that they will be able to appropriately perform their duties as Outside Corporate Auditors.
4. The Company has concluded agreements with Osamu Akiyama, Junko Utsunomiya and Hironori Yokote in accordance with Companies Act Article 427, Paragraph 1 and its Article of Incorporation 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 three (3) candidates for corporate auditors are reelected, we intend to maintain said agreements.
5. The age and years of service for each candidate for Corporate Auditor indicates the age and years of service as of the adjournment of this General Meeting of Shareholders.
6. Junko Utsunomiya's name in the family register is Junko Morita.
7. We have designated and registered Junko Utsunomiya and Hironori Yokote as Independent Corporate Auditors in accordance with the provisions outlined by the Tokyo Stock Exchange. Furthermore, if these two (2) candidates for Corporate Auditors are reelected, we intend to maintain their status as Independent Corporate Auditors.
8. The above-mentioned number of Company shares held by each candidate for Corporate Advisory is the number of shares as of March 31, 2019.
9. The above-mentioned number of times attending the Board of Directors' Meetings and the Corporate Auditors' Meetings by each candidate for Corporate Auditors is the number of times in attendance at the Company's Board of Directors' Meetings (total of 15 meetings held) and the Corporate Auditors' Meetings (total of 21 meetings held) convened during the fiscal year 2018 (April 1, 2018 – March 31, 2019).

Proposal 3: Election of One (1) Substitute Corporate Auditor

The effectiveness of the election of Miho Tanaka, who was elected as a substitute Corporate Auditor at the 50th Ordinary General Meeting of Shareholders held on June 28, 2018, expires at the start of this General Meeting of Shareholders. Therefore, 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 44)	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.) Jul. 2015 Partner of Shiba Management Legal Office (name changed to the Shiba & Tanaka Law Offices in 2018) (incumbent) Feb. 2016 Supervisory Director of Marimo Regional Revitalization REIT, Inc. (incumbent) **Significant concurrent positions outside the Company** Partner of Shiba & Tanaka Law Office Supervisory Director of Marimo Regional Revitalization REIT, Inc. **Reasons for nomination as a candidate for substitute Outside Corporate Auditor** We believe that MihoTanaka can audit the execution 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. There are no special interests between Miho Tanaka and the Company.
2. Miho Tanaka is a candidate for substitute Outside Corporate Auditor.
3. 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.
4. The Company will conclude agreements with Miho Tanaka in accordance with Companies Act Article 427, paragraph 1 and our Article of Incorporation limiting the liability outlined in Companies Act Article 423, paragraph 1 if she is appointed as a Corporate Auditor. The maximum liability set forth in these agreements is the minimum liability amount mandated by law.
5. The age for Miho Tanaka indicates her age as of the adjournment of this General Meeting of Shareholders.
6. Miho Tanaka meets the requirements of an Independent Officer under the provisions of the Tokyo Stock Exchange. Therefore, we plan to designate her as an Independent Officer if she is appointed as Corporate Auditor. The Company entered into a consulting agreement with TMI Associates, which Miho Tanaka retired from in June 2015, but the consulting fee and remuneration for that is a small amount equivalent to less than 0.1% of the Company's consolidated sales. Therefore, we believe that this will have no effect on her independence.
7. The number of Company shares held by Miho Tanaka is current as of March 31, 2019.

Business Report (April 1, 2018 to March 31, 2019)

1. State of current fiscal year

(1) Business progress and results

During the consolidated fiscal year under review, the following conditions and changes were seen in the operating environment impacting our Group.

- -The medical outsourcing business saw stable demand for medical clerical services among hospitals and other medical institutions.
- -Revisions to the elderly care reimbursement system were enacted in April 2018, with an overall increase of 0.54%. The Japanese population of people age 75 and older reached 17.96 million people in 2018, an increase of 0.5 million people compared to the previous year. Population aging is driving steady increases in elderly care demand.
- -The selection ratio in Japan remains high. While conditions vary depending on factors such as region and recruitment timing, the timely hiring of appropriate human resources remains a core issue across the medical outsourcing, elderly care, and child care industries.

Amid such an environment, our initiatives aimed at improving productivity and quality resulted in positive outcomes for our Group. The steady focus on human resource training, improving motivation, and the use of ICT resulted in continuous improvements to retention rates. We have worked aggressively to expand the elderly care business, mainly through M&A. The performance of companies and offices we acquired in FY2017 greatly contributed to the growth achieved by our elderly care business in FY2018. In FY2018, we conducted six M&A and expect to see full-scale contributions to earnings beginning from FY2019.

Thanks to these initiatives, we successfully achieved growth in both revenues and operating profit for six consecutive years. Net sales were favorable for both the medical outsourcing business and the elderly and child care business, up 13.3% YoY to 84,251 million yen. Operating profit increased by 20.1% to 5,030 million yen on increased income from both businesses. Op profit margin also increased by 0.4 points to 6.0% on increased profitability for both businesses. Ordinary income increased by 20.3% to 5,011 million yen and net income increased 29.4% to 3,506 million yen.

The status by business segments is as follows.

Medical outsourcing business

+ Main areas of business (as of March 31, 2019)

- Outsourcing and staffing for medical clerical services including reception, accounting, processing of medical billing, clinical information management, and management support services

In FY2018, we further enhanced training aimed at improving productivity and quality. We expanded training to include branch managers, hospital managers, and hospital department leaders. Thanks to the benefits of those initiatives expanded/permeating into more hospitals, we saw an increase in the regions where service quality improvements resulted in sales growth. We also are making advancements in introducing the initial visit registration system developed in collaboration with Oki Electric Industry Co.,Ltd. into contracted hospitals.

As a result, net sales increased by 3.8% YoY to 55,640 million yen. Operating profit increased by 9.0% YoY to 6,105 million yen. Op profit margin increased by 0.6 points over the previous year to 11.0%, representing the first time we reached 11%.

Elderly and child care business

+ Main areas of business (as of March 31, 2019)

- Elderly care business: operating centers for day care, home help, group homes, care management planning, nursing homes
- Child care business: operation of certified child care facilities and authorized child care facilities

In the elderly care business, the post-merger integration process for companies and offices acquired in FY2017 largely proceeded according to plan, and these acquisitions made significant contributions to sales and profit growth in FY2018. Overall, for the elderly care business we focused on appropriately responding to the elderly care reimbursement revisions enacted in April 2018, on increasing operating rates and user numbers, and on developing and securing human resources. As a result, elderly care business net sales increased by 41.8% and operating profit increased by 86.1%. In regard to M&A, in FY2018 we acquired six companies and in April 2019 we made Nagoyaka CareLink Co,.Ltd. (hereinafter, Nagoyaka CareLink) a subsidiary.

In the child care business, number of children in our facility care increased thanks to shifting the status of three facilities from certified child care facility to authorized child care facility in April 2018. As a result, child care business net sales increased by 11.4% and operating profit increased by 25.8%. In April 2019, we opened two new authorized child care facilities and shifted the status of three facilities from certified child care facility to authorized child care facility.

As a result, elderly care and child care business net sales increased by 39.6% YoY to 28,058 million yen. Operating profit increased by 78.6% YoY to 1,869 million yen. Op profit margin increased by 1.5 points to 6.7%.

Others（Education business, Corporate expenses）

+ Main areas of business (as of March 31, 2019)

- Providing seminars on medical clerical services and elderly care to corporations, group customers, and individuals
- Certification testing related to the above

Net sales decreased by 12.6% YoY to 552 million yen due to a decline in the number of seminar students in the education business.
Group support departments proactively engaged in IT-related investments aimed at improving productivity and increasing information security. As a result, we recorded operating losses of 2,944 million yen on increased expenses across the Group.

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

		FY2015	FY2016	FY2017	FY2018
Net sales	(¥ in millions)	63,070	65,413	74,329	84,251
Operating profit	(¥ in millions)	3,311	3,654	4,188	5,030
Operating profit margin	(%)	5.3	5.6	5.6	6.0
Ordinary Income	(¥ in millions)	3,308	3,626	4,164	5,011
Net income	(¥ in millions)	1,993	2,473	2,710	3,506
EBITDA	(¥ in millions)	3,908	4,233	5,195	6,544
EPS	(yen)	23.50	28.51	29.53	37.50
Total asset	(¥ in millions)	22,541	23,802	37,665	45,798
Total equity	(¥ in millions)	8,475	10,257	11,871	13,936
BPS	(yen)	99.94	112.55	127.15	148.00
ROE	(%)	23.4	26.4	24.5	27.2
Net cash provided by operating activities	(¥ in millions)	1,959	3,086	5,068	5,153
Net cash used in investing activities	(¥ in millions)	-224	-832	-6,375	-2,404
Net cash used in financing activities	(¥ in millions)	-3,511	-2,119	3,018	-1,215
Cash and cash equivalents, end of the year	(¥ in millions)	5,831	5,966	7,678	9,211
Free cash flows	(¥ in millions)	1,735	2,253	-1,306	2,748
DPS	(yen)	11.80	14.33	15.00	19.00
Dividend payout ratio	(%)	50.2	50.3	50.8	50.7

Notes:
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. We have conducted stock splits of common shares involving a 1:300 split on January 26, 2016, and a 1:3 split on July 1, 2018. PER, BPS, and DPS are calculated based on the conversion for if those stock splits had been conducted at the beginning of FY2018..
3. Incidental to the application of the Partial Amendments to Accounting Standards for Tax Effect Accounting, etc., from the start of FY2018, the figures for FY2017 total equity is retroactively revised.
4. EBITDA = operating profit + depreciation costs + amortization of goodwill
5. Free cash flows = net cash provided by operating activities – net cash used in investing activities

(Reference) FY2019 consolidated earnings forecast

We are forecasting net sales to increase by 13.1% YoY to 95,300 million yen on increased revenues from M&A in the elderly care business, new contracts for the medical outsourcing business, and sales growth from existing hospitals. In April 2019, we made Nagoyaka CareLink a subsidiary in the elderly care business. Combined with the six M&A conducted in FY2018, we are forecasting increased revenues of approximately 7.0 billion yen.
We are forecasting operating profit to increase by 13.3% to 5,700 million yen on productivity improvements in each business, revenue contributions from the elderly care business attributable to M&A conducted in FY2018 and the acquisition of Nagoyaka CareLink.

We also are forecasting extraordinary income of 2,198 million yen in the first quarter on the transfer of ownership of Group fixed assets (Akihabara Bldg.). As a result, we forecast net income increase by 42.6% to 5,000 million yen.

▸Consolidated earnings forecast

(¥ in millions)

	FY2018 (Results)	FY2019 (Forecast)	YoY
Net sales	84,251	95,300	+13.1%
Operating profit	5,030	5,700	+13.3%
Ordinary income	5,011	5,600	+11.7%
Net income	3,506	5,000	+42.6%

▸Consolidated earnings forecast by segments

(¥ in millions)

Segments	＜Net sales＞ FY2018 (Results)	FY2019 (Forecast)	YoY	＜Operating profit＞ FY2018 (Results)	FY2019 (Forecast)	YoY
Medical outsourcing business	55,640	57,500	+3.3%	6,105	6,500	+6.5%
Elderly and child care business	28,058	37,200	+32.6%	1,869	2,600	+39.1%
Others*	552	600	+8.6%	-2,944	-3,400	—
Total	84,251	95,300	+13.1%	5,030	5,700	+13.3%

* Education business, Corporate expenses

2.Challenges to be Addressed

We embrace the Corporate Philosophy of promoting enriched lifestyles and working with customers towards the realization of a promising future by contributing to healthy people, healthy partnerships, and a healthy society. The following Management Vision serves as a concrete strategy for the realization of our Corporate Philosophy and as our outlook for the future.

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

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 FY2019

We will promote the following initiatives towards realizing our Management Vision.

(1) Accelerate growth through aggressive M&A activities
- -Aggressively use M&A to promote growth for all businesses
- -Achieve early synergy through appropriate resource distribution to post-merger integration processes

(2) Use ICT to improve productivity and quality
- -Promote IT integration in all businesses and processes, including main office divisions
- -Reform processes to significantly improve work efficiency

(3) Improve retention
- -Continue and enhance comprehensive initiatives related to people
- -Promote creation of comfortable and motivating work environments

(4) Enhance Management Structure
- -Strengthen organization, governance and management capability continuously

On May 14, 2019, the Company's Medical Business Division in Chubu district was investigated by the Fair Trade Commission for alleged violations of Antimonopoly Act for the Medical Outsourcing Business and the medical reimbursement review operations. The Company will give its fullest cooperation to the investigation of the Fair Trade Commission.

3. Stock information (As of March 31, 2019)

(1) Number of shares authorized	339,000,000	stocks
(2) Total shares issued	94,125,600	stocks (including 114 treasury shares)
(3) Number of shareholders	7,306	

(4) Major shareholders (Top 10)

Name	Number of shares held (stocks)	Holdings ratio (%)
Daito Trust Construction Co., Ltd.	31,805,100	33.79
TOHO HOLDINGS CO., LTD.	9,709,500	10.32
Japan Trustee Services Bank, Ltd. (Trust Account)	4,341,300	4.61
The Master Trust Bank of Japan, Ltd. (Trust Account)	3,079,900	3.27
INFOCOM CORPORATION	2,545,200	2.70
J.P. MORGAN BANK LUXEMBOURG S.A. 380577	2,371,600	2.52
JP MORGAN CHASE BANK 380634	2,365,500	2.51
JP MORGAN CHASE BANK 385174	1,921,600	2.04
JP MORGAN CHASE BANK 385632	1,767,500	1.88
Solasto Employee Shareholding Association	1,345,100	1.43

Note: Holdings ratio excludes treasury shares (114 stocks).

(5) Status of share warrants, etc.

① Status of share warrants retained by Directors as of the final day of the current fiscal year

-Type and number of applicable shares: Commons stock 310,500 shares
(900 shares per share warrant)

Name (Date of vote on issuance)	No. of units	No. of shares	Exercise price (per share)	Issue price	Exercise period	Category	Owners
2nd share warrants (Issued on March 7, 2013)	45	40,500	56 yen	Non-compensated	From March 8, 2015 to March 7, 2023	Directors	1
11th share warrants (Issued on November 1, 2015)	300	270,000	123 yen	Non-compensated	From November 2, 2017 to November 1, 2025	Directors	1

Notes:
1. We have conducted stock splits of common shares involving a 1:300 split on January 26, 2016, and a 1:3 split on July 1, 2018. As such, we have made adjustments to "Number of applicable shares", "No. of shares", and "Exercise price".
2. Directors classified under "Category" does not include Outside Directors.
3. Conditions for exercising share warrants are outlined in the share warrant allocation agreement concluded between the Company and the share warrant holder.

② Status of share warrants issued to employees during the current fiscal year

-Type and number of applicable shares: Commons stock 25,000 shares
(100 shares per share warrant)

Name (Date of vote on issuance)	No. of units	No. of shares	Exercise price (per share)	Issue price	Exercise period	Category	Owners
2018 1st share warrants (Issued on September 28, 2018)	250	25,000	1,393 yen	Non-compensated	From October 16, 2020 to October 15, 2025	Employees	11

Notes:
1. Employees classified in “Category” does not include those who serve as Directors
2. Conditions for exercising share warrants are outlined in the share warrant allocation agreement concluded between the Company and the share warrant holder.

③ Other important notes regarding share warrants

Not applicable

4. Directors and Corporate Auditors

(1)Directors and Corporate Auditors (as of March 31, 2019)

Position	Name	Responsibility in the Company and significant concurrent positions outside the Company
Chairman and Director	Junichi Arai	
President and Representative Director	Yasuhiko Ishikawa	Chief Executive Officer
Vice President and Representative Director	Yoshikazu Fujikawa	Executive Vice President and General Manager of Elderly Care Business Division
Executive Vice President	Akihiko Haruyama	
Director	Takaomi Tomioka	Managing Director of Carlyle Japan L.L.C.
Director	Ko Sekiguchi	Outside Director of Otsuka Holdings, Co.,Ltd.
Director	Shuji Kawai	Managing Director, General Manager of Corporate Management Headquarters and General Manager of Subsidiary Business Headquarters of Daito Trust Construction Co., Ltd.
Director	Tsutomu Une	
Full-time Corporate Auditor	Osamu Akiyama	
Corporate Auditor	Junko Utsunomiya	Partner at Utsunomiya Shimizu & Haruki Outside Corporate Auditor of ZOZO Inc. Outside Director of Adventure Inc. Outside Corporate Auditor of RAKSUL INC.
Corporate Auditor	Hironori Yokote	Director of Hironori Yokote CPA Office Outside Corporate Auditor of Panair, Inc. Outside Corporate Auditor of PinT, Inc.

Note:

1. Directors Takaomi Tomioka, Ko Sekiguchi,Shuji Kawai and Tsutomu Une are Outside Directors.
2. Corporate Auditors Junko Utsunomiya and Hironori Yokote are Outside Corporate Auditors.
3. Corporate Auditors Hironori Yokote is a certified public accountant and tax attorney, and possesses significant knowledge related to finances and accounting.
4. Corporate Auditor Junko Utsunomiya's name on her family registry is Junko Morita.
5. Changes in Director and Corporate Auditor positions, responsibilities, and key managerial duties during the current fiscal year are as follows.
   ①Junichi Arai's position changed from Chairman and Representative Director to Chairman and Director as of June 28, 2018.
   ②Yoshikazu Fujikawa's position changed from Executive Vice President to Vice President and Representative Director as of June 28, 2018.
   ③Director Ko Sekiguchi retired from the position of Outside Director of Kenedix, Inc. on March 26, 2019.
   ④Corporate Auditor Junko Utsunomiya assumed the position of Outside Corporate Auditor of RAKSUL INC. on October 18, 2018.
   ⑤Corporate Auditor Hironori Yokote became Outside Corporate Auditor of PinT, Inc. as of November 22, 2018.
6. As of April 1, 2019, Director positions have changed as follows.

Position	Name
President and Representative Director	Yoshikazu Fujikawa
Director	Yasuhiko Ishikawa
Director	Akihiko Haruyama

7. We designated Outside Directors Ko Sekiguchi and Tsutomu Une, and Outside Corporate Auditors Junko Utsunomiya and Hironori Yokote as Independent Officers and registered them as such with the Tokyo Stock Exchange.

(2)Total compensation for Directors and Corporate Auditors

Category	Paid personnel	Amount (¥ in millions)
Directors	6	190
(out of Outside Directors)	(2)	(14)
Corporate Auditors	3	19
(out of Outside Corporate Auditors)	(2)	(7)
Total	9	210
(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 maximum amount for compensation for Directors was approved at the 47th Ordinary General Meeting of Shareholders held on June 26, 2015 for the annual amount of 320 million yen or less (not including employee wages). Separate from the abovementioned amount for compensation, etc., the annual amount of 30 million yen was approved at the 42nd Ordinary General Meeting of Shareholders held on June 25, 2010, as compensation, etc. related to share warrants for the issuance of stock options.
3. The maximum amount for compensation for Corporate Auditors was approved at the 38th Ordinary General Meeting of Shareholders held on June 29, 2006 for the annual amount of 30 million yen or less. Separate from the abovementioned amount for compensation, etc., the annual amount of up to 6 million yen was approved as compensation, etc. related to share warrants for the issuance of stock options.
4. The above compensation amounts include the following.

   Compensation as executive bonuses

   No. of Director : 4

   Compensation : 50 million yen

(3) Matters concerning Outside Directors and Outside Corporate Auditor

①Status of important concurrent posts

Category	Name	Status of concurrent posts and relations to other corporations, etc.
Director	Takaomi Tomioka	Managing Director of Carlyle Japan L.L.C., the Japanese advisory company for The Carlyle Group. There is no specific relationship between this Company and company where Mr. Tomioka holds a position.
Director	Ko Sekiguchi	An Outside Director of Otsuka Holdings Co., Ltd. There is no specific relationship between this Company and company where Mr. Sekiguchi holds a position.
Director	Shuji Kawai	Executive Managing Director, Business Management Division General Manager, and General Manager of related businesses at Daito Trust Construction Co., Ltd., a shareholder retaining a total 33.8% of this Company's issued shares.
Director	Tsutomu Une	Nothing in particular.
Corporate Auditor	Junko Utsunomiya	Partner at Utsunomiya Shimizu & Haruki, Outside Corporate Auditor of ZOZO Inc., Outside Director of Adventure Inc., and Outside Corporate Auditor of RAKSUL INC. There is no specific relationship between this Company and company where Ms. Utsunomiya holds a position.
Corporate Auditor	Hironori Yokote	Director of Hironori Yokote CPA Office, Outside Corporate Auditor of Panair, Inc. and PinT, Inc. There is no specific relationship between this Company and company where Mr. Yokote holds a position.

②Main 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	86.7% 13/15	—
Director	Ko Sekiguchi	100% 15/15	—
Director	Shuji Kawai	73.3% 11/15	—
Director	Tsutomu Une	100% 15/15	—
Corporate Auditor	Junko Utsunomiya	100% 15/15	100% 21/21
Corporate Auditor	Hironori Yokote	100% 15/15	100% 21/21

(4) Status of Accounting Auditor

①Name KPMG Azsa LLC.

②Amount of compensation, etc.

	Payment amount
Amount of compensation, etc. related to the accounting auditor for the current fiscal year	58 million yen
Total amount of fees and other asset-based income to be paid by the Company and subsidiaries to the accounting auditor.	88 million yen

Note:

1. The amount of compensation, etc. related to the accounting auditor for the current fiscal year is the total amount of audit compensation set forth in the Companies Act and audit compensation set forth in the Financial Securities Instrument and Exchange Act.
2. The Board of Corporate Auditors validated the appropriateness of the details of the audit plan presented by the auditing accountant, the status of accounting audit work, and the basis for compensation estimates before approving the amount of compensation, etc. related to the corporate audit performed by the accounting auditor.

③Details of non-audit work

We pay compensation to KPMG Azsa LLC. for advisory work related to international financial reporting standards (IFRS).

5. Policy on determining surplus dividends

We position maximizing corporate value for our shareholders as one of our highest priority corporate objectives. Pursuit of this objective results in a focus on the efficient and dynamic use of capital. As a result, our current basic policy entails shareholder returns equivalent to approximately 50% of our consolidated net income. Moving forward, we will flexibly evaluate our capital policies includes evaluating shareholder dividends in case of having appropriate opportunity to expand corporate value such as large-scale M&A.

Based on this policy, the year-end dividend for FY2018 is set to the amount of 11 yen per share. Combined with the interim dividend of 8 yen per share, this results in a full-year dividend amount of 19 yen per share. As a result, our consolidated dividend payout ratio is 50.7%.

For FY2019 dividends, we are forecasting an annual dividend of 19.5 yen per share, representing a consolidated dividend payout ratio of 36.7%. In FY2019, we are forecasting a significant increase in consolidated net income on extraordinary income related to the transfer of ownership of fixed assets (Akihabara Bldg.). Capital earned from the sale of fixed assets will be allocated towards growth investments as we aim to further increase our corporate value. As such, in FY2019, we plan to allocate approximately 50% of consolidated net income, excluding extraordinary gains/losses, towards dividends. Furthermore, the adjusted consolidated dividend payout ratio based on this calculation method is 51.8%.

6. Consolidated Financial statements

(1) Consolidated income statement

(¥ in millions)	FY2015	FY2016	FY2017	FY2018	FY2019 Estimate
Net sales					
Medical outsourcing business	49,492	50,817	53,601	55,640	57,500
Elderly and child care business	12,825	13,862	20,095	28,058	37,200
Others[*1]	752	733	632	552	600
Total net sales	63,070	65,413	74,329	84,251	95,300
Cost of sales	52,466	54,246	61,347	69,094	—
Gross profit	10,604	11,166	12,981	15,156	—
Selling,general and administrative expenses	7,292	7,512	8,792	10,126	—
Operating profit					
Medical outsourcing business	4,766	4,950	5,601	6,105	6,500
Elderly and child care business	665	884	1,046	1,869	2,600
Others[*1]	(295)	(226)	112	89	100
Corporate expenses[*1,*2]	(1,825)	(1,953)	(2,570)	(3,033)	(3,500)
Total operating profit	3,311	3,654	4,188	5,030	5,700
Non-operating income					
Interest income	2	0	0	4	—
Dividend income	0	2	1	1	—
Insurance income	20	23	41	42	—
Subsidy income	20	30	13	46	—
Others	29	13	18	31	—
Total non-operating income	75	70	75	126	—
Non-operating expenses					
Interest expense	58	46	61	99	—
Going public expenses	15	46	—	—	—
Compensation for damage	—	—	14	12	—
Others	4	6	24	34	—
Total non-operating expenses	78	98	100	146	—
Ordinary income	3,308	3,626	4,164	5,011	5,600
Special gain					
Subsidy income	—	—	—	173	—
Others	20	26	2	17	—
Total special gain	20	26	2	191	—
Special losses					
Loss on reduction of fixed assets	—	—	—	173	—
Impairment loss	142	—	—	56	—
Others	14	12	66	17	—
Total special losses	156	12	66	248	—
Income before taxes	3,171	3,639	4,100	4,954	—
Total income taxes	1,178	1,166	1,390	1,447	—
Net income	1,993	2,473	2,710	3,506	5,000
EBITDA[*3]	3,918	4,233	5,195	6,544	7,555
Depreciation[*4]	472	432	605	770	856
Amortization of goodwill	134	146	400	742	998
CAPEX	65	269	571	832	—
M&A Investment	160	658	5,786	1,840	—
Per share data[*5] (yen)					
Net income[*6]	23.50	28.51	29.53	37.50	53.12
Dividends	11.80	14.33	15.00	19.00	19.50
Total equity	99.94	112.55	127.15	148.00	—

*1. Others indicates education business, etc. 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." Furthermore, FY2017 figures were created to reflect this change in segmentation.

*2. Corporate expenses indicated as reconciliation in the earning summary.

*3. Operating profit + Depreciation + Amortization of goodwill

*4. Cost of sales + Selling,general and administrative expenses

*5. We conducted a 1: 300 stock split on January 26 2016, and 1: 3 stock split on July 1, 2018. Per share information for the past year indicates figures adjusted to reflect the stock split.

*6. Net income per share forecast for FY2019 = Net income forecast for FY2019 ÷ number of shares issued on March 31, 2019, adjusted stock splits

(2) Consolidated balance sheet

(¥ in millions)	Mar. 31 2016	Mar. 31 2017	Mar. 31 2018	Mar. 31 2019
Current assets				
Cash and time deposits	5,831	5,979	7,678	9,211
Notes and accounts receivable	7,146	7,614	9,608	10,296
Inventory	107	94	58	53
Others	687	700	862	1,032
Total current assets	13,773	14,389	18,208	20,594
Fixed assets				
Tangible fixed assets	4,405	4,390	8,421	9,194
Buildings and structures-net	2,716	2,612	5,730	5,981
Land	929	918	1,267	1,247
Others	759	859	1,423	1,965
Intangible fixed assets	2,344	2,869	8,123	9,826
Goodwill	2,085	2,491	7,724	9,332
Others	259	378	399	493
Investments and other assets	2,018	2,152	2,912	6,184
Total fixed assets	8,767	9,412	19,456	25,204
Total assets	22,541	23,801	37,665	45,798

(¥ in millions)	Mar. 31 2016	Mar. 31 2017	Mar. 31 2018	Mar. 31 2019
Current liabilities				
Short-term debt	—	—	—	506
Current portion of long-term debt	1,250	2,189	2,705	3,192
Accounts payable-other	4,320	4,686	5,887	6,479
Others	3,215	3,307	5,389	6,403
Total current liabilities	8,785	10,183	13,981	16,582
Long-term liabilities				
Long-term debt, less current portion	3,375	1,256	8,626	9,088
Lease obligations	632	746	1,250	1,781
Liability for retirement benefits	1,095	1,145	1,193	1,317
Others	176	212	741	3,093
Total fixed liabilities	5,279	3,361	11,812	15,280
Total liabilities	14,065	13,544	25,793	31,862
Equity				
Shareholder's equity	8,588	10,335	11,841	13,901
Common stock	300	478	548	572
Capital surplus	5,203	5,381	5,447	5,471
Retained earning	3,084	4,475	5,845	7,857
Treasury stock	—	—	(0)	(0)
Accumulated other comprehensive income	(112)	(78)	28	29
Subscription rights to shares	—	—	1	5
Total equity	8,475	10,257	11,871	13,936
Total liabilities and equity	22,541	23,801	37,665	45,798

*1. Incidental to the application of the Partial Amendments to Accounting Standard for Tax Effect Accounting, etc., from Q1 FY2018, we offset deferred tax assets and deferred tax liabilities and record the amount under Other Investments Assets or Fixed Liabilities. Furthermore, we retroactively revised figures for March 31, 2016, March 31, 2017 and March 31, 2018.

(3) Consolidated statements of cash flows

(¥ in millions)	FY2015	FY2016	FY2017	FY2018
Net cash provided by operating activities				
Income before income taxes and minority interests	3,171	3,639	4,100	4,954
Depreciation	472	432	605	770
Amortization of goodwill	134	146	400	742
Increase (decrease) in reserve for bonuses	116	(93)	133	(11)
Increase (decrease) in liability for retirement benefits	74	98	98	79
Interest expenses	58	46	61	99
(Increase) decrease in notes and accounts receivable – trade	(137)	(378)	(673)	(384)
(Increase) decrease in prepaid expenses	8	(22)	(36)	(24)
Increase (decrease) in notes and accounts payable – other	56	157	694	176
Increase (decrease) in accrued consumption taxes	(1,026)	35	372	99
Increase (decrease) in deposits received	0	(4)	486	15
Others	199	202	98	142
Total Adjustment	3,129	4,262	6,343	6,660
Interest and dividends received	6	2	1	—
Interest paid	(57)	(44)	(62)	(99)
Income taxes paid	(1,131)	(1,159)	(1,274)	(1,610)
Others	12	26	61	202
Net cash provided by operating activities	1,959	3,086	5,068	5,153
Net cash used in investing activities				
Purchases of tangible fixed assets	(94)	(60)	(417)	(613)
Proceeds from sales of tangible fixed assests	4	20	39	313
Purchases of intangible fixed assets	(24)	(145)	(190)	(131)
Payments for lease and guarantee deposits	(23)	(46)	(82)	(198)
Proceeds from collection of lease and guarantee deposits	20	24	22	29
Payments for transfer of business	(160)	(413)	(1,169)	(537)
Cash decrease due to acquisition of controlling interest in a company	—	(245)	(4,616)	(1,303)
Others	54	34	38	36
Net cash used in investing activities	(224)	(832)	(6,375)	(2,404)
Net cash used in financing activities				
Proceeds from short-term debt	—	—	2,850	7,427
Repayment of short-term debt	(210)	—	(3,030)	(7,449)
Proceeds from long-term debt	—	—	10,075	3,500
Repayment of long-term debt	(1,250)	(1,307)	(5,558)	(3,010)
Proceeds from issuance of common stock	—	356	140	48
Purchases of treasury stock	—	—	(0)	—
Dividends paid	(1,999)	(1,080)	(1,340)	(1,494)
Repayments of going public expenses	(10)	(50)	—	—
Repayments of lease obligations	(40)	(36)	(54)	(82)
Others	—	(0)	(63)	(153)
Net cash provided by (used in) financing activities	(3,511)	(2,119)	3,018	(1,215)
Net increase (decrease) in cash and cash equivalents	(1,776)	134	1,711	1,533
Cash and cash equivalents, beginning of year	7,608	5,831	5,966	7,678
Cash and cash equivalents, end of year	5,831	5,966	7,678	9,211