



May 11, 2023

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## **Announcement of Change in Equity Affiliate (Share Transfer) and Appropriation of Extraordinary Income, and Earnings Forecast Revision**

LITALICO, Inc. ("LITALICO," below) has announced that it is expected to record extraordinary gains (gain on sale of investment securities) as a result of today's decision to transfer all shares of Olive Union Inc. ("Olive Union," below), and equity-method affiliate held by LITALICO.

As a result of this share transfer, Olive Union will no longer be an equity-method affiliate of LITALICO and will be excluded from the scope of consolidation.

Accordingly, revisions have been made to the earnings forecast for the fiscal year ending March 31, 2024, which was announced on May 8, 2023.

### **1. Appropriation of Extraordinary Income (Gain on Sale of Investment Security)**

#### **(1) Reason for Share Transfer:**

Under the vision of "creating an obstacle-free society," LITALICO, which has developed services nationwide that support the employment of people with disabilities and the education of children with disabilities, had acquired shares in Olive Union which develops an innovative smart hearing device "Olive," with aims to offer solutions to "hearing" problems world-wide. Olive Union became an equity-method affiliate in October 2019, however, with a renewed M&A fortification strategy at LITALICO, this equity transfer was decided upon from an asset allocation perspective.

#### **(2) Name of Equity-Method Affiliate to be Transferred: Olive Union Inc.**

(3) Timing of Share Transfer: May, 2023

(4) Gain on Sale of Investment Securities: Approximately 1 billion yen (estimate)

(Note) The name of the transferee and the transfer price is undisclosed due to confidentiality agreements between participating parties.

## 2. Revision of Earnings Forecast

Revision of consolidated earnings forecasts for the fiscal year ending March 31, 2024

(April 1, 2023 ~ March 31, 2024)

	Sales	Operating Profit	Ordinary Profit	Net Profit Attributable to Owners of Parent Company	Net Profit per Share
Previous Forecast (A)	Million yen 30,000	Million yen 3,750	Million yen 3,400	Million yen 2,100	Yen 58.92
Revised Forecast (B)	30,000	3,750	3,700	3,300	92.59
Change (B-A)	-	-	300	1,200	-
Change Rate (%)	-	-	8.8	57.1	-
FY 2022 Results	24,170	3,121	2,809	1,644	46.15

## 3. Reason for Revision

As a result of this share transfer, the company's equity method investment loss factored into the previous forecast, will no longer be recorded. The full-year consolidated earnings forecast announced on May 8, 2023 was revised accordingly, as above.

Furthermore, given the above extraordinary income is expected to be appropriated in the first quarter of the fiscal year ending March 31, 2024, ordinary income and net profit attributable to owners of the parent company are expected to exceed forecasts.

There is no change in the year-end dividend forecast for the fiscal year ending March 31, 2023.

(Note) The above forecasts have been calculated based on information available as of the publication date of this material. Actual performance may differ based on various future factors.