

October 17, 2017

(Translation)

Dear Sir/Madam,

Company: JP-HOLDINGS, INC.  
Representative: Kazuhiro Ogita,  
President and Representative Director  
(Stock Code: 2749, First Section of TSE)  
Contact: Mika Matsumiya,  
General Manager, Administration Division  
(Tel: +81 52 933 5419)

### **Notice of Establishment of Third Party Committee**

As announced in a press release dated October 17, 2017, titled “Notice of Opinion of the Board of Directors concerning the Extraordinary Shareholders Meeting and Shareholder Proposals” (hereinafter referred to as “the Opinion Statement of the Board of Directors of the Company”), the board of directors of JP-HOLDINGS, INC. (the “Company”) resolved today to hold an extraordinary shareholders meeting (hereinafter referred to as “extraordinary shareholders meeting”) on November 22, 2017 based on a request for an extraordinary shareholders meeting received on September 28, 2017 from Hiromi Yamaguchi (hereinafter referred to as “Mr. Yamaguchi”), the Company’s shareholder who is a former representative director and president of the Company.

In relation to the above, at the meeting of board of directors held today, the Company passed a resolution to establish a Third Party Committee for the purpose of assisting shareholders to reach decisions about voting at the extraordinary shareholders meeting.

#### **1. Reason for Establishing the Third Party Committee**

In connection with the submission of the shareholder proposals (hereinafter referred to as the “Shareholder Proposals”) Mr. Yamaguchi has stated that he has no intention of participating directly in the management of the Company. However, the Company has confirmed that Mr. Yamaguchi has repeatedly made statements up to the time these proposals were submitted in which his strong desire to be involved in the management of the Company could be observed. Furthermore, as shown in the Opinion Statement of the Board of Directors of the Company, the Shareholder Proposals include the immediate termination of the current directors without revealing the true intention of this proposal. Consequently, Mr. Yamaguchi’s above statements regarding the Shareholder Proposals lacks credibility and there are strong suspicions as to Mr. Yamaguchi attempting to conceal his true intention. In addition, Mr. Yamaguchi is still saying that the purpose of holding the Company’s stocks is “to be able to conduct acts of making important suggestion, etc. to the Company and take other actions

as the Company’s founder,” which is the purpose stated in his large shareholding report. As of October 5, 2017, Mr. Yamaguchi and the joint holders in his group (his “Group”) possesses 35.16% of the Company’s stocks and even recently his Group has been frequently and continuously buying more Company’s stocks. As a result, it is apparent that Mr. Yamaguchi, at the very least, is attempting to somehow become involved in the management of the Company.

However, as explained in the Opinion Statement of the Board of Directors of the Company, an investigation that took place immediately after Mr. Yamaguchi’s resignation revealed that he conducted serious sexual harassment (the “Incident”) during his tenure as the president of the Company. The Company has subsequently enacted measures to prevent sexual harassment so that incidents of this type do not occur again. Also, it is obvious that it is not appropriate for Mr. Yamaguchi, or other members of his Group whom are under Mr. Yamaguchi’s influence to participate in the management of the Company either directly or indirectly.

In addition to stating this position of the Company’s board of directors, the Company believes that more measures are needed from the standpoint of assisting shareholders reach decisions about their votes at the extraordinary shareholders meeting. The Company believes that shareholders should also be notified of the results of a more objective and fair examination from a third-party perspective and utmost consideration must be made in order to protect the interests of minority shareholders other than Mr. Yamaguchi and his Group.

**2. Objectives of the Third Party Committee**

- (1) Perform an independent investigation on the facts concerning the Incident and the relationship of the associated activities of Mr. Yamaguchi**
- (2) Based on the results of the investigation in above item (1), perform an examination and assessment of the status of the measures carried out in the Company to prevent reoccurrence of sexual harassment and other measures against sexual harassment**
- (3) Report the results of the investigation**

**3. Members of the Third Party Committee (random order)**

Chairperson	Mr. Kuninori Oku	Attorney, Oku Law Office
Member	Mr. Takahiro Ujihara	Attorney, Atago Law Office
Member	Ms. Atsuko Ohata	Attorney, Etoile Law Office

\* Members of the Third Party committee were selected in accordance with the Third Party Committee Guidelines for Company Scandals (revised December 15, 2010) of the Japan Federation of Bar Associations. There are no consulting contracts or other financial interests between the Company and the committee members

or their respective law offices. The personal histories of each member are provided on the following page.

#### **4. Upcoming actions**

Results of the Third Party Committee's examinations, facts that have been identified and other items will be announced while exercising care to protect the privacy of individuals involved. The Company will cooperate fully with the Third Party Committee's activities.

The Third Party Committee will decide when to announce the results of its examinations. However, since the purpose of the examinations is to assist shareholders in reaching a decision about their votes, the Company has informed the Third Party Committee of its opinion that it is desirable for the report results to be received prior to the date of the extraordinary shareholders meeting.

## Kunihori Oku, Attorney

### Oku Law Office

2F Imon Kayabacho Building, 2-4-8 Nihonbashi Kayabacho, Chuo-ku, Tokyo 103-0025

### Career:

Keio University, School of Law

2001 Registered as an attorney (Tokyo Bar Association)

### Significant positions:

Keio University, Graduate School, Law Research Department, Guest Lecturer (since October 2005)

Oita Bank, Business Improvement Plan, Etc. Supervision Committee member (October 2008-September 2010)

Tokyo Bar Association Legal Services Joint Center, Deputy Manager and Chairman of Third Party Committee

Tokyo Bar Association, Governor (April 2008-March 2009)

Japan Federation of Bar Associations, House of Delegates (March 2008-February 2009)

Japan Federation of Bar Associations, Board of Executive Governors (April 2014-March 2015)

## Takahiro Ujihara, Attorney

### Atago Law Office

6F Nishi-Shimbashi 2-chome Mori Building, 2-22-1 Nishi-Shimbashi, Minato-ku, Tokyo 105-0003

### Career:

Kagawa University, School of Law

2000 Registered as an attorney (Tokyo Bar Association)

### Significant positions:

Tokyo Bar Association Legal Services Joint Center, Deputy Manager and Secretariat Manager (Third Party Committee Team)

Tokyo Bar Association, Governor (April 2008-March 2009)

Japan Federation of Bar Associations, House of Delegates (March 2008-February 2009)

Japan Federation of Bar Associations, Board of Executive Governors (April 2013-March 2014)

## Atsuko Ohata, Attorney

### Etoile Law Office

405 Aios Gotanda Annex, 1-7-11 Higashi Gotanda, Shinagawa-ku, Tokyo 141-0022

### Career:

Keio University, School of Law

2000 Registered as an attorney (Tokyo Bar Association)

### Significant positions:

Tokyo District Court, Appraiser (since 2011)

Kyushu University, Guest Lecturer (Asset law special seminar) (since 2006)

Tokyo Bar Association Legal Services Joint Center (Third Party Committee Team)