

May 9, 2017

(Translation)

Dear Sir/Madam,

Company: JP-HOLDINGS, INC
Representative: Kazuhiro Ogita,
President and Representative Director
(Stock Code: 2749, First Section of TSE)

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Notice Concerning the Revision to the Medium-term Management Plan

JP-HOLDINGS, INC. has provided the consolidated forecasts for the fiscal year ending March 2018 in the medium-term management plan announced on May 10, 2016; however, the company has decided to revise the management plan as follows:

1. Background for the revision to the medium-term management plan

It is essential for the nursery service that the group offers to secure human resources with childcare qualifications. It has become even more difficult, however, to secure human resources due to the continuing shortage of childcare workers all across Japan. Under such circumstances, our corporate group had endeavored on a continuous basis to improve labor conditions of our childcare workers and enhance recruitment activities. Consequently, we attained success in securing the larger number of childcare workers than that in the average year and therefore are expecting that net sales will increase further following a growth in the number of children admitted to our facilities.

Meanwhile, it is anticipated that ordinary income will decrease because of an expected rise in expenses not only for improvement of labor conditions of our childcare workers and enhancement of recruitment activities but also for efforts in new services.

Considering this background, we have made the revisions as described below to the priority goals, measures, and estimated values for the final fiscal year of the medium-term management plan announced on May 10, 2016.

2. Details of the revised contents

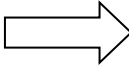
(1) Key Objectives

- ① Enhance security measures and further improve the quality of childcare
- ② Increase the number of children accepted by opening new facilities and increasing the number of nursery school teachers in existing facilities
- ③ Increase investment in human resources (strengthen recruitment activities, enhance human resource development and review the personnel assessment system)
- ④ Re-develop our business management structure (enhance our business risk management structure and strengthen group company cooperation)
- ⑤ Start work on new business aimed at expanding our revenue base

(2) Measures to Achieve the Key Objectives

- ① Further strengthen our safety management structure (promote cross-organizational structure enhancement)
- ② Successive employee salary rises
- ③ Introduce systems in each field (reduce workload and optimize business management)
- ④ Further enhance policies aimed at securing nursery school teachers (increase recruitment budget)
- ⑤ Expanding our revenue base with new business (private school clubs, consulting service, overseas child rear business, in-house nurseries operation)

(3) Estimated values (consolidated)

	FY3/18	After review	FY3/18
Sales forecast	24 billion yen		26.1 billion yen
Ordinary income forecast	1.9 billion yen		1.4 billion yen
Number of newly opened nursery schools	11		11
Number of newly opened school clubs and children's houses	7		8

(Note) The number of newly opened school clubs and children's houses does not include private school clubs.