

August 4, 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 of Administration Div.
(TEL +81-52-933-5419)

(Correction)

Notice Concerning Partial Correction to the “Summary of Business Results for the Third Quarter Ended December 31, 2016 [Japan GAAP] (Consolidated)”

JP-HOLDINGS, INC. announces that portions of the “Summary of Business Results for the Third Quarter Ended December 31, 2016 [Japan GAAP] (Consolidated)” released on February 2, 2017 have been corrected.

Underlined portions of this document indicate corrections.

1. Reason for Correction

As for the reason for the correction, please refer to the “Notice Concerning the Errors Relating to Consolidated Financial Statements for Prior Years” released on July 18, 2017.

2. Details of Correction

(Summary information)

(Rounded down to million yen)

1. Consolidated business results for the nine months ended December 2016

(April 1, 2016 through December 31, 2016)

(1) Consolidated results of operations

(% change from the previous corresponding period)

(Before correction)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 2016	<u>16,720</u>	<u>11.1</u>	<u>743</u>	<u>-30.1</u>	<u>883</u>	<u>-22.3</u>	<u>514</u>	<u>-26.2</u>
Nine months ended Dec. 2015	15,049	13.7	<u>1,064</u>	<u>-4.8</u>	<u>1,136</u>	<u>-5.1</u>	<u>697</u>	<u>-7.5</u>

(Note) Comprehensive income

Nine months ended December 2016: 552 million yen (-15.3%)

Nine months ended December 2015: 651 million yen (-20.1%)

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
Nine months ended Dec. 2016	<u>6.13</u>	-	-	-
Nine months ended Dec. 2015	<u>8.36</u>	-	-	-

(After correction)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 2016	<u>16,720</u>	<u>11.1</u>	<u>669</u>	<u>-32.0</u>	<u>809</u>	<u>-23.4</u>	<u>466</u>	<u>-30.2</u>
Nine months ended Dec. 2015	15,049	13.7	984	-6.4	1,056	-6.6	667	-5.1

(Note) Comprehensive income

Nine months ended December 2016: 503 million yen (-19.0%)

Nine months ended December 2015: 622 million yen (-18.7%)

	Net income per share		Diluted net income per share	
	Yen	Yen	Yen	Yen
Nine months ended Dec. 2016	<u>5.56</u>	-	-	-
Nine months ended Dec. 2015	<u>8.00</u>	-	-	-

(2) Consolidated financial position

(Before correction)

	Total assets		Net assets		Shareholders' equity ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of Dec. 31, 2016	<u>25,822</u>	<u>6,950</u>	<u>6,950</u>	<u>26.9</u>		
As of Mar. 31, 2016	<u>21,519</u>	<u>6,570</u>	<u>6,570</u>	<u>30.5</u>		

(Reference) Shareholders' equity

As of December 31, 2016: 6,946 million yen

As of March 31, 2016: 6,566 million yen

(After correction)

	Total assets		Net assets		Shareholders' equity ratio	
	Million yen	Million yen	Million yen	Million yen	%	%
As of Dec. 31, 2016	<u>25,650</u>	<u>6,611</u>	<u>6,611</u>	<u>25.8</u>		
As of Mar. 31, 2016	<u>21,126</u>	<u>6,279</u>	<u>6,279</u>	<u>29.7</u>		

(Reference) Shareholders' equity

As of December 31, 2016: 6,607 million yen

As of March 31, 2016: 6,275 million yen

3. Forecast of consolidated business results for the fiscal year ending March 2017

(April 1, 2016 through March 31, 2017)

(Before correction)

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
Year ending Mar. 2017	22,726	10.6	1,053	<u>-42.6</u>	1,235	<u>-34.4</u>	503	<u>-57.9</u>	5.99	5.99

(After correction)

(% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen	Yen
Year ending Mar. 2017	22,726	10.6	1,053	<u>-39.2</u>	1,235	<u>-30.6</u>	503	<u>-53.0</u>	5.99	5.99

1. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

(Before correction)

For the above reasons, for the third quarter of the consolidated fiscal year ending March 2017, net sales were 16,720 million yen (up 11.1% year on year), operating income was 743 million yen (down 30.1% year on year), ordinary income was 883 million yen (down 22.3% year on year), and net income attributable to owners of parent was 514 million yen (down 26.2% year on year).

(After correction)

For the above reasons, for the third quarter of the consolidated fiscal year ending March 2017, net sales were 16,720 million yen (up 11.1% year on year), operating income was 669 million yen (down 32.0% year on year), ordinary income was 809 million yen (down 23.4% year on year), and net income attributable to owners of parent was 466 million yen (down 30.2% year on year).

(2) Financial Position

(Before correction)

Assets, Liabilities and Net Assets

The total assets as of the end of the third quarter of the consolidated fiscal year ending March 2017 amounted to 25,822 million yen, up 4,303 million yen from the end of the previous fiscal year. Current assets totaled 9,737 million yen (up 2,783 million yen from the end of the previous fiscal year), mainly because cash and deposits increased by 3,090 million yen while accounts receivable - other decreased by 264 million yen, and other accounts such as deferred tax assets etc. decreased by 120 million yen.

Fixed assets totaled 16,084 million yen (up 1,519 million yen from the end of the previous fiscal year), mainly because buildings and structures, goodwill, long-term loans receivable, investment securities, other intangible fixed assets, tools, and furniture and fixtures increased by 1,465 million yen, 296 million yen, 282 million yen, 271 million yen, 122 million yen, and 53 million yen respectively, while construction in progress decreased by 1,018 million yen.

Total liabilities amounted to 18,871 million yen, up 3,923 million yen from the end of the previous fiscal year.

Current liabilities totaled 7,325 million yen (up 1,375 million yen from the end of the previous fiscal year), mainly because short-term loans payable increased by 1,000 million yen, other current liabilities increased by 797 million yen, and current portion of long-term loans payable increased by 456 million yen, while income taxes payable decreased by 303 million yen, accounts payable - other decreased by 269 million yen, reserve for bonuses decreased by 206 million yen, and notes and accounts payable-trade decreased by 61 million yen.

Fixed liabilities totaled 11,546 million yen (up 2,547 million yen from the end of the previous fiscal year), mainly because long-term loans payable, asset retirement obligation, and net defined benefit liability increased by 2,354 million yen, 78 million yen, and 69 million yen respectively.

Total net assets as of the end of the third quarter of the consolidated fiscal year ending March 2017 totaled 6,950 million yen (up 380 million yen from the end of the previous fiscal year), mainly because retained earnings increased by 75 million yen and valuation difference on available-for sale securities increased by 31 million yen, while treasury stock decreased by 267 million yen.

(After correction)

Assets, Liabilities and Net Assets

The total assets as of the end of the third quarter of the consolidated fiscal year ending March 2017 amounted to 25,650 million yen, up 4,523 million yen from the end of the previous fiscal year. Current assets totaled 9,610 million yen (up 2,994 million yen from the end of the previous fiscal year), mainly because cash and deposits increased by 3,090 million yen while accounts receivable - other decreased by 264 million yen, and other accounts such as deferred tax assets etc. decreased by 123 million yen.

Fixed assets totaled 16,040 million yen (up 1,529 million yen from the end of the previous fiscal year), mainly because buildings and structures, goodwill, long-term loans receivable, investment securities, other intangible fixed assets, tools, and furniture and fixtures increased by 1,476 million yen, 296 million yen, 282 million yen, 271 million yen, 122 million yen, and 53 million yen respectively, while construction in progress decreased by 1,018 million yen.

Total liabilities amounted to 19,038 million yen, up 4,191 million yen from the end of the previous fiscal year.

Current liabilities totaled 7,492 million yen (up 1,644 million yen from the end of the previous fiscal year), mainly because short-term loans payable increased by 1,000 million yen, other current liabilities increased by 797 million yen, and current portion of long-term loans payable increased by 456 million yen, while income taxes payable decreased by 192 million yen, accounts payable – other decreased by 268 million yen, reserve for bonuses decreased by 206 million yen, and notes and accounts payable-trade decreased by 61 million yen.

Fixed liabilities totaled 11,546 million yen (up 2,547 million yen from the end of the previous fiscal year), mainly because long-term loans payable, asset retirement obligation, and net defined benefit liability increased by 2,354 million yen, 78 million yen, and 69 million yen respectively.

Total net assets as of the end of the third quarter of the consolidated fiscal year ending March 2017 totaled 6,611 million yen (up 331 million yen from the end of the previous fiscal year), mainly because retained earnings increased by 27 million yen and valuation difference on available-for sale securities increased by 31 million yen, while treasury stock decreased by 267 million yen.

[Quarterly Consolidated Financial Statements]

[Quarterly Consolidated Balance Sheet]

(Before correction)

(Thousand yen)

	Previous Fiscal Year (March 31, 2016)	Current Third Quarter (December 31, 2016)
Assets		
Current assets		
Cash and deposits	3,777,936	6,868,117
Notes and accounts receivable-trade	41,839	50,426
Investment securities	21,027	-
Inventories	98,453	23,550
Deferred tax assets	<u>442,078</u>	<u>321,655</u>
Accounts receivable - other	1,770,729	1,506,406
Other	<u>802,493</u>	<u>968,042</u>
Allowance for doubtful accounts	-549	-632
Total current assets	<u>6,954,010</u>	<u>9,737,568</u>
Fixed assets		
Tangible fixed assets		
Buildings and structures	8,404,192	10,349,462
Accumulated depreciation and impairment loss	<u>-2,448,271</u>	<u>-2,928,049</u>
Buildings and structures, net	<u>5,955,921</u>	<u>7,421,412</u>
Machinery, equipment and vehicles	9,148	9,148
Accumulated depreciation	-4,130	-4,839
Machinery, equipment and vehicles, net	5,017	4,308
Tools, furniture and fixtures	484,281	602,769
Accumulated depreciation and impairment loss	<u>-284,812</u>	<u>-350,006</u>
Tools, furniture and fixtures, net	<u>199,469</u>	<u>252,763</u>
Land	980,894	980,894
Construction in progress	1,759,076	740,336
Total tangible fixed assets	<u>8,900,378</u>	<u>9,399,715</u>
Intangible fixed assets		
Goodwill	-	296,263
Other	12,135	134,297
Total intangible fixed assets	12,135	430,560
Investments and other assets		
Investment securities	313,534	584,668
Long-term loans receivable	2,881,772	3,164,706
Guarantee deposits	1,628,547	1,658,134
Deferred tax assets	<u>164,472</u>	<u>173,091</u>
Other	<u>679,407</u>	<u>690,412</u>
Allowance for doubtful accounts	-15,213	-16,298
Total investments and other assets	<u>5,652,521</u>	<u>6,254,714</u>
Total fixed assets	<u>14,565,035</u>	<u>16,084,990</u>
Total assets	<u>21,519,046</u>	<u>25,822,558</u>

(Thousand yen)

	Previous Fiscal Year (March 31, 2016)	Current Third Quarter (December 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	191,107	129,940
Short-term loans payable	-	1,000,000
Current portion of long-term loans payable	2,935,368	3,392,097
Accounts payable – other	<u>691,961</u>	<u>422,637</u>
Income taxes payable	<u>364,677</u>	61,296
Accrued consumption taxes	67,491	<u>49,082</u>
Reserve for bonuses	334,000	127,162
Asset retirement obligation	23,892	4,392
Other	1,341,386	2,139,028
Total current liabilities	<u>5,949,884</u>	<u>7,325,636</u>
Fixed liabilities		
Long-term loans payable	8,457,330	10,811,977
Deferred tax liabilities	2,240	1,532
Net defined benefit liability	377,714	447,097
Long-term accounts payable - other	4,950	3,700
Asset retirement obligation	156,505	234,563
Other	-	47,247
Total fixed liabilities	<u>8,998,740</u>	<u>11,546,118</u>
Total liabilities	<u>14,948,625</u>	<u>18,871,755</u>
Net assets		
Shareholders' equity		
Capital	1,603,955	1,603,955
Capital surplus	1,449,544	1,449,544
Retained earnings	<u>4,798,586</u>	<u>4,874,202</u>
Treasury stock	-1,208,168	-940,620
Total shareholders' equity	<u>6,643,918</u>	<u>6,987,080</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-52,792	-20,929
Deferred gains or losses on hedges	-	-1,762
Remeasurements of defined benefit plans	-24,742	-17,583
Total accumulated other comprehensive income	<u>-77,534</u>	<u>-40,275</u>
Non-controlling interests	4,036	3,997
Total net assets	<u>6,570,420</u>	<u>6,950,803</u>
Total liabilities and net assets	<u>21,519,046</u>	<u>25,822,558</u>

(After correction)

(Thousand yen)

	Previous Fiscal Year (March 31, 2016)	Current Third Quarter (December 31, 2016)
Assets		
Current assets		
Cash and deposits	3,777,936	6,868,117
Notes and accounts receivable-trade	41,839	50,426
Investment securities	21,027	-
Inventories	98,453	23,550
Deferred tax assets	<u>426,131</u>	<u>302,785</u>
Accounts receivable - other	1,770,729	1,506,406
Other	<u>480,184</u>	<u>859,667</u>
Allowance for doubtful accounts	-549	-632
Total current assets	<u>6,615,754</u>	<u>9,610,322</u>
Fixed assets		
Tangible fixed assets		
Buildings and structures	8,404,192	10,349,462
Accumulated depreciation and impairment loss	<u>-2,576,335</u>	<u>-3,045,143</u>
Buildings and structures, net	<u>5,827,856</u>	<u>7,304,318</u>
Machinery, equipment and vehicles	9,148	9,148
Accumulated depreciation	-4,130	-4,839
Machinery, equipment and vehicles, net	<u>5,017</u>	<u>4,308</u>
Tools, furniture and fixtures	484,281	602,769
Accumulated depreciation and impairment loss	<u>-285,659</u>	<u>-350,590</u>
Tools, furniture and fixtures, net	<u>198,621</u>	<u>252,179</u>
Land	980,894	980,894
Construction in progress	1,759,076	740,336
Total tangible fixed assets	<u>8,771,467</u>	<u>9,282,037</u>
Intangible fixed assets		
Goodwill	-	296,263
Other	12,135	134,297
Total intangible fixed assets	<u>12,135</u>	<u>430,560</u>
Investments and other assets		
Investment securities	313,534	584,668
Long-term loans receivable	2,881,772	3,164,706
Guarantee deposits	1,628,547	1,658,134
Deferred tax assets	<u>208,818</u>	<u>213,572</u>
Other	<u>709,905</u>	<u>722,919</u>
Allowance for doubtful accounts	-15,213	-16,298
Total investments and other assets	<u>5,727,363</u>	<u>6,327,702</u>
Total fixed assets	<u>14,510,966</u>	<u>16,040,301</u>
Total assets	<u>21,126,721</u>	<u>25,650,623</u>

(Thousand yen)

	Previous Fiscal Year (March 31, 2016)	Current Third Quarter (December 31, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	191,107	129,940
Short-term loans payable	-	1,000,000
Current portion of long-term loans payable	2,935,368	3,392,097
Accounts payable – other	<u>701,478</u>	<u>432,545</u>
Income taxes payable	<u>253,518</u>	61,296
Accrued consumption taxes	67,491	<u>206,394</u>
Reserve for bonuses	334,000	127,162
Asset retirement obligation	23,892	4,392
Other	1,341,386	2,139,028
Total current liabilities	<u>5,848,243</u>	<u>7,492,857</u>
Fixed liabilities		
Long-term loans payable	8,457,330	10,811,977
Deferred tax liabilities	2,240	1,532
Net defined benefit liability	377,714	447,097
Long-term accounts payable - other	4,950	3,700
Asset retirement obligation	156,505	234,563
Other	-	47,247
Total fixed liabilities	<u>8,998,740</u>	<u>11,546,118</u>
Total liabilities	<u>14,846,984</u>	<u>19,038,975</u>
Net assets		
Shareholders' equity		
Capital	1,603,955	1,603,955
Capital surplus	1,449,544	1,449,544
Retained earnings	<u>4,507,903</u>	<u>4,535,046</u>
Treasury stock	-1,208,168	-940,620
Total shareholders' equity	<u>6,353,234</u>	<u>6,647,924</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-52,792	-20,929
Deferred gains or losses on hedges	-	-1,762
Remeasurements of defined benefit plans	-24,742	-17,583
Total accumulated other comprehensive income	<u>-77,534</u>	<u>-40,275</u>
Non-controlling interests	4,036	3,997
Total net assets	<u>6,279,737</u>	<u>6,611,647</u>
Total liabilities and net assets	<u>21,126,721</u>	<u>25,650,623</u>

[Quarterly Consolidated Statement of Income and Quarterly Statement of Comprehensive Income]
[Quarterly Consolidated Statement of Income]
[Third Quarter of FY3/17]
(Before correction)

	(Thousand yen)	
	Previous Third Quarter (April 1, 2015– December 31, 2015)	Current Third Quarter (April 1, 2016– December 31, 2016)
Net sales	15,049,033	<u>16,720,891</u>
Cost of sales	<u>12,648,574</u>	<u>14,163,201</u>
Gross profit	<u>2,400,459</u>	<u>2,557,690</u>
Selling, general and administrative expenses	<u>1,336,084</u>	<u>1,814,070</u>
Operating income	<u>1,064,374</u>	<u>743,619</u>
Non-operating revenues		
Interest income	42,232	57,560
Guarantee commission received	-	49,157
Subsidy income	45,991	65,587
Other	12,302	12,347
Total non-operating revenues	<u>100,526</u>	<u>184,653</u>
Non-operating expenses		
Interest expenses	27,551	34,188
Other	868	10,932
Total non-operating expenses	<u>28,419</u>	<u>45,120</u>
Ordinary income	<u>1,136,480</u>	<u>883,151</u>
Extraordinary loss		
Loss on retirement of non-current assets	1,596	398
Loss on impairment long-lived asset of facilities	<u>22,152</u>	-
Loss on impairment long-lived asset of Tokyo branch	45,943	-
Total extraordinary loss	<u>69,693</u>	398
Income before income taxes and others	<u>1,066,787</u>	<u>882,753</u>
Corporate, inhabitant and enterprise taxes	<u>356,781</u>	<u>247,983</u>
Income taxes-deferred	<u>12,432</u>	<u>119,955</u>
Total income taxes	<u>369,213</u>	<u>367,938</u>
Net income	<u>697,574</u>	<u>514,814</u>
Net loss attributable to non-controlling interests	-62	-38
Net income attributable to owners of parent	<u>697,636</u>	<u>514,853</u>

(After correction)

	(Thousand yen)	
	Previous Third Quarter (April 1, 2015– December 31, 2015)	Current Third Quarter (April 1, 2016– December 31, 2016)
Net sales	15,049,033	<u>16,720,268</u>
Cost of sales	<u>12,709,731</u>	<u>14,217,613</u>
Gross profit	<u>2,339,302</u>	<u>2,502,654</u>
Selling, general and administrative expenses	<u>1,355,103</u>	<u>1,832,953</u>
Operating income	<u>984,198</u>	<u>669,700</u>
Non-operating revenues		
Interest income	42,232	57,560
Guarantee commission received	-	49,157
Subsidy income	45,991	65,587
Other	12,302	12,347
Total non-operating revenues	<u>100,526</u>	<u>184,653</u>
Non-operating expenses		
Interest expenses	27,551	34,188
Other	868	10,932
Total non-operating expenses	<u>28,419</u>	<u>45,120</u>
Ordinary income	<u>1,056,305</u>	<u>809,232</u>
Extraordinary loss		
Loss on retirement of non-current assets	1,596	398
Loss on impairment long-lived asset of facilities	<u>19,899</u>	-
Loss on impairment long-lived asset of Tokyo branch	45,943	-
Total extraordinary loss	<u>67,440</u>	398
Income before income taxes and others	<u>988,864</u>	<u>808,834</u>
Corporate, inhabitant and enterprise taxes	<u>326,470</u>	<u>215,749</u>
Income taxes-deferred	<u>-5,494</u>	<u>126,742</u>
Total income taxes	<u>320,976</u>	<u>342,491</u>
Net income	<u>667,888</u>	<u>466,342</u>
Net loss attributable to non-controlling interests	-62	-38
Net income attributable to owners of parent	<u>667,951</u>	<u>466,381</u>

[Quarterly Consolidated Statement of Comprehensive Income]

[Third Quarter of FY3/17]

(Before correction)

	(Thousand yen)	
	Previous Third Quarter (April 1, 2015– December 31, 2015)	Current Third Quarter (April 1, 2016– December 31, 2016)
Net income	<u>697,574</u>	<u>514,814</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	-49,045	31,863
Deferred gains or losses on hedges	-	-1,762
Remeasurements of defined benefit plans	3,171	7,158
Total other comprehensive income	<u>-45,873</u>	<u>37,259</u>
Comprehensive income	<u>651,700</u>	<u>552,074</u>
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	<u>651,763</u>	<u>552,113</u>
Comprehensive income attributable to non-controlling interests	-62	-38

(After correction)

	(Thousand yen)	
	Previous Third Quarter (April 1, 2015– December 31, 2015)	Current Third Quarter (April 1, 2016– December 31, 2016)
Net income	<u>667,888</u>	<u>466,342</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	-49,045	31,863
Deferred gains or losses on hedges	-	-1,762
Remeasurements of defined benefit plans	3,171	7,158
Total other comprehensive income	<u>-45,873</u>	<u>37,259</u>
Comprehensive income	<u>622,014</u>	<u>503,601</u>
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	<u>622,077</u>	<u>503,640</u>
Comprehensive income attributable to non-controlling interests	-62	-38