

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

(Stock Exchange Code 2749)
June 8, 2017

To Shareholders with Voting Rights:

Kazuhiro Ogita
President and Representative Director
JP-HOLDINGS, INC.
3-15-31 Aoi, Higashi-ku, Nagoya City

**NOTICE OF
THE 25TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are cordially invited to attend the 25th Annual General Meeting of Shareholders of JP-HOLDINGS, INC. (the "Company"). The meeting will be held for the purposes as described below.

If you are unable to attend the meeting, you can exercise your voting rights, either in writing by postal mail or through the Internet. Please review the Reference Documents for the Annual General Meeting of Shareholders described hereinafter, and exercise your voting rights.

1. Date and Time: Thursday, June 29, 2017, at 10:00 a.m. Japan time

2. Venue: Sirius, 3rd Floor, Hotel Mielparque NAGOYA
3-16-16 Aoi, Higashi-ku, Nagoya City
The venue has changed from the previous Annual General Meeting of Shareholders.

3. Meeting Agenda:

- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 25th Fiscal Year (April 1, 2016 - March 31, 2017) and the results of audits by the Accounting Auditor and Audit and Supervisory Board of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 25th Fiscal Year (April 1, 2016 - March 31, 2017)

Proposals to be resolved:

<Company Proposals (Proposal 1 and Proposal 2)>

- Proposal 1:** Appropriation of Surplus
Proposal 2: Election of One (1) Audit and Supervisory Board Member

<Shareholder Proposals (Proposal 3 and Proposal 4)>

- Proposal 3:** Amendments to the Articles of Incorporation
Proposal 4: Election of One (1) Audit and Supervisory Board Member

For the outline of the proposals submitted by a shareholder (Proposal 3 and Proposal 4) (hereinafter referred to as "Shareholder Proposals") and the reasons for such proposals, please refer to the following Reference Documents for the Annual General Meeting of Shareholders.

4. Precautions upon Exercising Voting Rights

The Shareholder Proposals have been submitted for this Annual General Meeting of Shareholders. The contents of such proposals are described in the following Reference Documents for the Annual General Meeting of Shareholders as Proposal 3 and Proposal 4, **to which the Board of Directors is in opposition.**

It should be noted that the Articles of Incorporation of the Company contains a statement that the number of Audit and Supervisory Board Members of the Company shall not exceed more than five (5).

As Proposal 4 conflicts with Proposal 2 submitted by the Company, **please do not approve both proposals at the same time.**

5. Matters Decided upon Convocation

- (1) If you exercise your voting rights by submitting more than one Voting Rights Exercise Forms, the Voting Rights Exercise Form that arrives at the Company last shall be deemed as the valid exercise of voting rights.
- (2) If you wish to make a diverse exercise of your voting rights, please notify the Company in writing of your intention of making a diverse exercise of your voting rights and the reasons thereof at least three days prior to the date of the Annual General Meeting of Shareholders.
- (3) If you exercise your voting rights more than once via the Internet, the last exercise of voting rights shall be deemed as the valid exercise of voting rights.
- (4) If you exercise your voting rights both via the Internet and in writing (by submitting the Voting Rights Exercise Form), the exercise via the Internet shall be deemed as the valid exercise of voting rights.
- (5) If you indicate neither for nor against each proposal, your vote shall be treated as “for” in case of Company Proposals, and “against” in case of Shareholder Proposals.
- (6) If you cast your vote for both Proposal 2 and Proposal 4 on the Voting Rights Exercise Form, such votes shall be deemed invalid for both proposals.

Any revisions to the Reference Documents for the Annual General Meeting of Shareholders and the Business Report, the Non-consolidated Financial Statements and the Consolidated Financial Statements will be posted on the Company's Internet website at <http://www.ip-holdings.co.jp>.

Reference Documents for the Annual General Meeting of Shareholders

<Company Proposals (Proposal 1 and Proposal 2)>

Proposal 1: Appropriation of Surplus

With respect to the year-end dividends for the 25th fiscal year, we propose the appropriation of surplus as follows, comprehensively taking into account the performance of the fiscal year under review, the internal reserves necessary for future business expansion, as well as the enhancement of financial soundness, among other factors.

(i) Type of dividend assets

Cash

(ii) Matters concerning the allocation of dividend assets to shareholders and the total amount thereof

2.50 yen per share of the Company's ordinary shares

Total amount: 219,619,235 yen

(iii) Effective date of dividend of surplus

June 30, 2017

Proposal 2: Election of One (1) Audit and Supervisory Board Member

We propose to add one (1) Audit and Supervisory Board Member with the aim of strengthening and enhancing the audit system.

The consent of the Audit and Supervisory Board has been obtained in advance for this proposal. The candidate for Audit and Supervisory Board Member is as follows:

Name (Date of birth)	Past experience, positions and significant concurrent positions	Number of shares of the Company held
[New appointment] Toshihito Mori (October 7, 1950)	April 1973 August 2000 June 2008 April 2010 September 2016	11,800

(Note) No special interest exists between the candidate and the Company.

[Reasons for nomination as candidate for Audit and Supervisory Board Member]

The Company and its group companies (hereinafter referred to as the “Company Group”) have actively expanded childcare support facilities, and the number of which has increased over years. In addition, the Company Group has been promoting business development including overseas business development and consulting services for nursery service providers in order to expand revenue sources. The Company Group therefore believes that it is necessary to strengthen and enhance the audit system.

For that purpose, it is essential to add a full-time Audit and Supervisory Board Member who specializes in the childcare business of the Company Group and possesses the capabilities and network to gather corporate internal information appropriately, as well as basic knowledge of finance and accounting.

Mr. Mori, a candidate for Audit and Supervisory Board Member nominated by the Company, has business experience in an international planning department and audit division of the head office of a bank and thus has considerable knowledge and a wealth of experience of finance, accounting and auditing. Furthermore, in addition to his capability to collect various internal information, he has been well versed with the childcare business through his experience in auditing divisions and subsidiaries as General Manger of the Internal Audit Office.

If Mr. Mori is elected as an Audit and Supervisory Board Member, he is expected to serve as full-time Audit and Supervisory Board Member. We believe his appointment will contribute to strengthening and enhancing the audit system through the improved effectiveness of the Audit and Supervisory Board as a whole.

Based on the aforementioned reasons, we nominated Mr. Mori as a candidate for Audit and Supervisory Board Member.

<Shareholder Proposals (Proposal 3 and Proposal 4)>

Proposal 3 and Proposal 4 have been submitted by one (1) shareholder who exercised the shareholder proposal right (hereinafter referred to as “Proposer”; the number of voting rights held by the Proposer: 32, 191).

Proposal 3 Amendments to the Articles of Incorporation

- 1) Outline of proposal
The term of office of Director of the Company should be shortened from two (2) years to one (1) year (the term of office should expire at the closing of the Annual General Meeting of Shareholders of the latest fiscal year after within one (1) year from his or her election).
- 2) Reasons for proposal
The purpose of this proposal is to contribute to corporate governance by building a sense of tension among Directors during the fiscal year, to clarify management responsibilities and to establish a flexible management structure quickly adaptable to changes in the corporate environment.
- 3) Application
The amendments shall be applied to Directors to be elected at the 26th Annual General Meeting of Shareholders of the Company to be held in June 2018 and thereafter.

(Note by the Company)

The above description is an exact copy of the outline of proposal, reasons for proposal and application stated in the Shareholder Proposal Right Exercise Form submitted by the Proposer.

◆Opinion of the Company’s Board of Directors◆

The Board of Directors is in opposition to this proposal based on the following reasons.

We believe the period of at least 2 years is necessary in order for internal Directors and Outside Directors to plan, perform and review the business initiatives based on the characteristics of the business of the Company Group.

The details mentioned above are as follows.

(1) Environment surrounding the Company Group

The Company Group has achieved growth through nursery services mainly focused on operations of licensed nursery schools, school clubs and children’s houses.

The Company Group currently operates 270 childcare support facilities in total, including 10 licensed nursery schools, 8 school clubs and 1 private school club newly opened on April 1, 2017.

Currently, the problem of children on waiting lists remains serious especially in the Tokyo metropolitan area and prefectures with major cities including government-designated cities, and under the government-led countermeasures to reduce the number of children on waiting lists, the need for childcare support facilities will be even greater going forward.

Also, it is essential to secure qualified childcare teachers in order to solve the problem of children on waiting lists. However, the shortage of such staff has continued nationwide, making it more difficult to secure human resources.

Under such circumstances, the Company Group, with the corporate philosophy of “For the smiles of children...” and a corporate mission to continue to be a group that supports all the people engaged in childcare and the future of children, believes that our social responsibility is to work on reducing the number of children on waiting lists, a social problem of Japan, and to contribute to the further development of Japanese childcare. The Company Group believes that its efforts will lead to the benefits of all stakeholders including shareholders.

(2) Appropriate term of office of Directors based on the business characteristics of the Company Group

- 1) Period necessary for profitability assessment after the opening of a reliable and safe facility
 - (a) Period necessary to open a nursery school

The medium term perspective is important for the planning and operations of the childcare business, which requires government permits and licenses. The opening of a facility entails many preparatory efforts, including the selection of an area for the facility, securing land and building, submission of a plan to the local government and pre-screening thereof, building and interior construction after the permission and recruitment of nursery staff. It generally requires a period of 1 to 2 years before an opening. Furthermore, as reported by media recently, we often see cases where

an opening of a facility is called off mainly due to opposition to the premature plan from neighboring residents, where the opening of a facility was delayed because design changes were required or where the opening was delayed due to a shortage of nursery staff.

The Company Group implements its opening plan carefully over time while holding briefing sessions and obtaining understanding of residents in the vicinity under close coordination with the local community based on strong trust. It believes that such careful implementation will lead to an opening and operation of nursery schools in the most stable manner.

(b) Period necessary for profitability assessment

According to an official announcement made by Ministry of Health, Labour and Welfare, as far as the situation of children on waiting lists for nursery schools across Japan concerned, about 90 % are less than three years old and about 10 % are three years old or older. Childcare facilities for children in earlier ages are particularly needed.

Just as seen in nationwide, most of applicants to newly opened licensed nursery schools of the Company Group are children under three years old, and there are only few applicants who are three years old or older. Nevertheless, licensed nursery schools are required to set up the number of children for enrollment and prepare its structure for children aged 3 years or older as a place where children who are younger than three years old are able to grow until their graduation. The number of children aged 3 years or older does not reach the set-up number for enrollment at the opening of a facility, thus the Company Group cannot assess the profitability of nursery school appropriately. In short, the Company Group is able to assess its profitability appropriately only when children under three years old grow, and the number of children in all age groups reaches the enrollment limit; therefore, it takes about three years after opening of the facility.

2) Period necessary to recruit nursery school teachers

Currently, we continuously face a nationwide shortage of nursery staff for which the jobs-to-applicants ratio was 2.76 times on average nationwide and 5.66 times in Tokyo as of January 2017. Due to the increasingly serious shortage of nursery staff, we sometimes see cases where the opening of a facility is postponed because of the delay in recruitment or where a limited number of children are accepted.

The Company Group has not only reinforced its recruitment activities for securing nursery staff, but also undertaken following initiatives to secure human resources over several years. We believe the period of at least 2 years is necessary to assess the results of such initiatives.

(a) Benefit scholarships

In order to secure human resources, the Company Group grants scholarships to students who wish to become nursery staff but are unable to attend school for financial reasons.

(b) Education program for future nursery staff

In order to secure human resources, the Company Group hires persons without a license for nursery staff as its full-time employees, and provides them with support to obtain a license

(c) Support for kindergarten teachers to obtain the license of nursery staff

In order to secure human resources, the Company Group hires persons without a kindergarten teacher license as its full-time employees, and provides them with support to obtain a nursery staff license.

Given such characteristics of childcare businesses, a period of one year is too short for the assessment of execution of Directors' duties. The Company therefore considers that two years shall be entrusted from its shareholders to internal Directors and Outside Directors to plan, perform and review business initiatives, in order to ensure the common interest of shareholders. **Based on the aforementioned reasons, the Company is in opposition to the Proposal 3 "Amendments to the Articles of Incorporation" submitted by the Proposer.**

Proposal 4: Election of One (1) Audit and Supervisory Board Member

- 1) Outline of proposal
Mr. Masaharu Ebisu shall be elected as Audit and Supervisory Board Member of the Company.
Said Audit and Supervisory Board Member shall serve as Outside Audit and Supervisory Board Member.
- 2) Reasons for proposal
Mr. Masaharu Ebisu has served as Chairman of the Compliance Committee of the Company for 14 years since the listing of the Company, as well as legal counsel of the Company for a long time. Therefore, he is well-versed with the status of the Company's core business of childcare operations, the officers and employees of the head office and the management team, and thus I am confident that he is capable of performing audit operations appropriately.
- 3) Name and past experience of candidate
Name of candidate: Masaharu Ebisu
Date of birth: September 9, 1960
Past experience, etc.:

March 1983	Graduated from Department of Law, Faculty of Law, Meiji Gakuin University
1987	Registered as attorney-at-Law (Hyogo-ken Bar Association)
1994	Legal Counsel, JP-HOLDINGS, INC.
2002	Vice Chairman, Hyogo-ken Bar Association
April 2003	Chairman, Compliance Committee, JP-HOLDINGS, INC.
April 2004	Professor, Graduate Law School, Meiji Gakuin University
April 2009	Visiting Professor, National Graduate Institute for Policy Studies

(Note by the Company)

The above description is an exact copy of the outline of proposal, reasons for proposal and name and career summary of candidate stated in the Shareholder Proposal Right Exercise Form submitted by the Proposer.

◆Opinion of the Company's Board of Directors◆

The Board of Directors is in opposition to this Proposal based on the following reasons.

As Mr. Ebisu has had a business relationship with the Company for a long time as the Company's legal counsel, he does not satisfy the criteria of an outside officer who is required to be independent. In addition, we think that he is not eligible as Audit and Supervisory Board Member since he does not possess the expertise necessary to further improve the effectiveness of the Audit and Supervisory Board.

The details mentioned above are as follows.

- (1) Capabilities and attributes of Audit and Supervisory Board Member required by the Company

The Company has adopted the criteria where a person to be elected as Audit and Supervisory Board Member shall possess broad knowledge and insight in areas such as finance, accounting, corporate management and corporate legal affairs, and be capable of performing monitoring and supervision of the Board of Directors and providing appropriate advice and instructions thereto. We also believe that, in the case of an outside officer, it is important to select a person who meets the independence criteria of the Company in order to take into account general shareholders' interests.

The incumbent Outside Audit and Supervisory Board Members are highly independent as they meet the independence criteria prescribed by the Company and are registered as Independent Officers as provided for in the regulations of Tokyo Stock Exchange, Inc. Furthermore, they perform effective auditing by leveraging their advanced specialties and capabilities based on their respective experience and careers including experience in corporate management, knowledge of accounting, finance and legal expertise.

- (2) Reasons for opposition to election of candidate for Audit and Supervisory Board Member nominated by the Shareholder Proposal

- 1) Mr. Ebisu lacks independence.

The Company has determined to "elect Outside Directors and Outside Audit and Supervisory Board Members who are independent and do not cause potential conflicts of interests with general shareholders" as its basic governance policies. The Company has had a long-term business relationship

with Mr. Ebisu as a legal counsel of the Company, therefore, the election of Mr. Ebisu as Outside Audit and Supervisory Board Member is against our basic policies, and he does not meet the requirements of an outside officer who needs to be independent.

All of the three incumbent Outside Directors and three Outside Audit and Supervisory Board Members meet the independence criteria of the Company and are registered as Independent Officers as provided for in the regulations of Tokyo Stock Exchange, Inc.

- 2) The Company has already appointed an Outside Audit and Supervisory Board Member who is an Independent Officer and licensed as attorney-at-law.

In terms of auditing based upon legal insights, the Company has already appointed Ms. Oshimi, who specializes in corporate governance and compliance, as Outside Audit and Supervisory Board Member. Since Ms. Oshimi has provided sufficient and effective advice and proposals by leveraging his abundant knowledge and experience with respect to corporate legal affairs, we are of the opinion that Mr. Ebisu cannot be regarded as a candidate who will bring new perspectives and values.

- 3) Enhancement of Full-time Audit and Supervisory Board Member is necessary.

As stated in Proposal 2, the Company Group has actively expanded childcare support facilities, the number of which has increased over years. In addition, the Company has been promoting business development including overseas business development and consulting services for nursery service providers in order to expand its revenue sources. The Company Group therefore believes that it is necessary to strengthen and enhance the audit system by adding a full-time Audit and Supervisory Board Member.

Based on the aforementioned reasons, the Company is in opposition to the Proposal 4 “Election of One (1) Audit and Supervisory Board Member” submitted by the Proposer.

The Company tried to confirm Mr. Ebisu’s intention to accept the appointment. Although he replied that he would contact the Company within a certain period of time, the Company has not received any contact from him as of the day when this document is being prepared; thus, the Company has not confirmed his intention.