

July 18, 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)

Notice Concerning the Errors Relating to Consolidated Financial Statements for Prior Years

JP-HOLDINGS, INC. announces that it has become apparent that there are errors in the consolidated financial statements etc. that we have reported for prior years.

We are now working on correcting the Summary of Business Results and Securities Reports for prior years and are announcing today the latest situation, so far as can be determined on the basis of the information currently available.

1. Background to and Reasons for Corrections

During the course of the work to prepare the financial results for the first quarter of the fiscal year ending March 2018, it has become apparent that some errors had been made in the fiscal category applicable for consumption tax relating to commission fee income for the operation of licensed nursery schools (public-private management) operated by the company. Therefore, it is necessary to correct the consumption tax during the period from the fiscal year ended March 2013 to the fiscal year ended March 2017.

2. Impact of Corrections on Business Results for Prior Years

At the present time we estimate that there is a possibility that, as a result of the above mentioned errors, the total amount of sum of the net income in the consolidated income statement for the period from the fiscal year ended March 2013 to the fiscal year ended March 2015, and of the net income attributable to owners of parent in the consolidated income statement for the period from the fiscal year ended March 2016 to the fiscal year ended March 2017 may be reduced by an amount totaling between 250 million yen and 350 million yen, and we shall immediately disclose the final amount as soon as it is confirmed.

We sincerely apologize for this inconvenience and for any concerns raised as a result of these corrections to all of our stakeholders including shareholders and investors.