

November 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
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Notice of Receipt of Report on Results of Examinations by Third Party Committee

As announced in the “Notice of Establishment of Third Party Committee” dated October 17, 2017 and the progress announced in the “(Progress Report) Notice of the Timing of Reporting of Results of Examinations by the Third Party Committee” (This notice was only released in Japanese.) dated November 14, 2017, the Company established a Third Party Committee on October 17, 2017, to assist shareholders in reaching a decision about their votes in the extraordinary shareholders meeting to be held on November 22, 2017 (hereinafter referred to as “extraordinary shareholders meeting”) based on a request from the Company’s former Representative Director Hiromi Yamaguchi (hereinafter referred to as “Mr. Hiromi Yamaguchi”), the Company established a Third Party Committee on October 17, 2017, and the Third Party Committee then independently established the matters to examine and conducted examinations as follows.

- (1) Whether or not any harassment that would have a significant impact on the management of the company occurred within the Company in the past
- (2) Examination and assessment of the status of initiatives aimed at addressing harassment in the Company

The Company recently received a summary of the examination report (hereinafter referred to as “the Report”) from the Third Party Committee. (The detailed version of the examination report has not been received by the Company as of today.)

Please see the Attachment for details. The Report finds that Mr. Hiromi Yamaguchi conducted acts of illegal power harassment infringing upon the personal rights of officers and employees. There are strong concerns that the acts by Mr. Hiromi Yamaguchi will have effects such as:

- (i) the risk of litigation from persons subjected to harassment;
- (ii) the deterioration of the mental and physical health of persons subjected to harassment;
- (iii) the decline motivation, moral awareness and loyalty to the organization, and the decline of business performance as a result;

- (iv) the outflow of talented personnel (increased turnover); and
- (v) ruining the valuation and credibility of the Company.

As a result, it was found that the acts of power harassment by Mr. Hiromi Yamaguchi are deemed to be harassment that may have a significant impact on the management of the Company.

Furthermore, questions have been repeatedly or intermittently raised over the past several years about Mr. Hiromi Yamaguchi having close relationships with certain female employees. These relationships were backed by Mr. Hiromi Yamaguchi's absolute superiority over other officers and employees built using his position within the Company and methods akin to power harassment, and there are concerns that they will have effects such as:

- (i) the risk of litigation from persons subjected to harassment;
- (ii) the deterioration of the mental and physical health of persons subjected to harassment;
- (iii) the decline motivation, moral awareness and loyalty to the organization, and the decline of business performance as a result;
- (iv) the outflow of talented personnel (increased turnover); and
- (v) ruining the valuation and credibility of the Company.

Coupled with sexual behavior directed at female employees that is recognized to be sexual harassment, it was found that the creation of the above relationships may have a significant impact on the management of the Company.

As notified in the "Notice of Opinion of the Board of Directors concerning the Extraordinary Shareholders Meeting and Shareholder Proposals" dated October 17, 2017, it is true that Mr. Yamaguchi committed an act constituting serious sexual harassment while in office, and was indicated as being unfit to be involved in the management of the Company. However, in the examinations by the Third Party Committee, harassment that may have a significant impact on the management of the Company was also found to exist, providing considerable support for the indications made by the Company.

Meanwhile, the examination report also makes indications concerning the Company at present, and the Company will consider the necessary action to be taken with regard to these based on the content of the detailed version of the examination report to be received at a later date.