

February 20, 2018

Dear Sir/Madam,

(Translation)

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
(Tel: +81 52 933 5419)

**Notice of Opinion of the Board of Directors concerning
the Extraordinary Shareholders Meeting and Shareholder Proposals**

As announced in a release dated January 31, 2018, titled “Notice of Request by Shareholder to Hold an Extraordinary Shareholders Meeting,” JP-HOLDINGS, INC. (the “Company”) dated on January 30, 2018 a written request to hold an extraordinary shareholders meeting from our shareholders: SSBF Consulting Services Co., Ltd., JC Technology Co., Ltd. and FS Co., Ltd. (hereinafter collectively referred to as the “Demanders”).

With this, as announced in a release dated February 1, 2018, titled “Notice of Establishment of a Record Date for the Convocation of Extraordinary Shareholders Meeting”, the Company started consideration and preparation for the extraordinary shareholders meeting to be held in late March. However, at the board of directors held today, the date, time, agenda items and other matters concerning this meeting were resolved in addition to the directors’ resolution to **oppose to the Demander’s proposal that will be submitted at the extraordinary shareholders meeting (hereinafter referred to as the “Shareholder Proposal”).**

1. Overview of the extraordinary shareholders meeting

(1) Date and time

March 23, 2018 (Friday) at 10:00 AM

(2) Location

Third floor of Hotel Mielparque NAGOYA (Sirius Room)
3-16-16 Aoi, Higashi-ku, Nagoya

(3) Proposal to be submitted

[Shareholder proposal] Termination of a director (the director in question: Kazuhiro Ogita)

2. Summary of the proposal and reasons and intent

[Shareholder proposal] Termination of a director (the director in question: Kazuhiro Ogita)

(Summary)

To terminate the director in question

(Reasons and intent of Proposal)

According to the investigation report by a third party committee (summary version; published on the Company’s website) dated November 16, 2017, the director, Kazuhiro Ogita, was deemed an inappropriate and inadequate person as an officer of the Company to conduct corporate governance. Therefore, he should be terminated as a director immediately.

3. Opinion of the Company’s board of directors concerning the proposal

The board of directors of the Company opposes to the Shareholder Proposal.

Reasons for opposition to the Shareholder Proposal

(1) There is no reason to terminate Director Kazuhiro Ogita

The Demanders submitted the Shareholders' Proposal based on the investigation report by a third party committee (summary version; published on the Company's website) dated November 16, 2017, which concluded that the actions by said director (hereinafter referred to as "Mr. Ogita") could be regarded as power harassment or sexual harassment.

However, as detailed in the "Notice Regarding Our Company's Response Based on an Investigative Report of a Third Party Committee" (hereinafter referred to as the "Press Release") of December 22, 2017, the report of a third party committee (hereinafter referred to as the "Report") only pointed out that Mr. Ogita's action could be considered as harassment depending on the situation and frequency. Therefore the Company is of the opinion that it is not possible to consider Mr. Ogita lacking in aptitude as a director based on the content of the Report.

Incidentally, as detailed within the Press Release, the Company took it very seriously that the Report pointed out those allegations as mentioned above, and has since been working to lay down new related provisions as well as clarifying the structure of whistle-blowing system so that our compliance is strengthened. In the future, with Mr. Ogita and the directors of the Company at the center, we will continue to advance all the measures detailed in the Press Release to create an environment in which harassment has absolutely no place.

(2) Mr. Ogita should not be terminated from the point of medium- to long-term improvement of the Company group's corporate value

At the Company group, the funds to open new nurseries are facilitated by borrowing from financial institutions.; therefore it is an important factor for the Company group's medium- to long-term growth to secure such funds at an appropriate timing. In regard to this point, the Company was notified by the several financial institutions with which the Company had had dealings that, in response to the request to hold the extraordinary shareholders meeting held on November 22, 2017 (hereinafter referred to as the "Last Extraordinary Shareholders Meeting"), they might not necessarily be able to offer long-term loans to us depending on the results of the Last Extraordinary Shareholders Meeting; however this situation improved due to the outcome of the Last Extraordinary Shareholders Meeting as well as the change in the shareholder composition of the Company. However, we have been notified again by the financial institutions in response to another request for the Extraordinary Shareholders Meeting that they might not necessarily be able to offer long-term loans to us, as there is a possibility that the current management structure will be altered, should the Shareholders' Proposal be approved at the Extraordinary Shareholders Meeting. If we were not able to secure such long-term loans, it would make it difficult to open new nurseries, which would affect the Company group's track records and financial status, potentially hindering the continuous growth of our corporate value.

Since becoming Representative Director, Mr. Ogita has been closely monitoring the Company group's continuous medium- to long-term growth strategies, and has been tirelessly working to resolve the matters that were previously not adequately tackled, such as improving the organizational structure; strengthening the safety management systems; creating a comfortable working environment; improving the profitability of each facility; and the measures for preventing nursery workers from leaving their jobs and increasing new employment, while also working to expand the new revenue base at the same time. For his activities in more detail, please refer to the Company's financial statement reports and the materials for the financial results briefings, as well as the document entitled "Comments on Reports issued by Proxy Advisory Firms Glass Lewis and ISS," published on the Company's website on November 16, 2017.

We believe it is essential that Mr. Ogita remains as a director so that he can continue and develop such endeavors, and improve the Company group's corporate value further.

For these reasons, Mr. Ogita should not be terminated from the point of the medium- to long-term improvement of the Company group's corporate value. Therefore the board of directors of the Company opposes the Shareholders' Proposal.