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(Stock Exchange Code 2749)  
March 8, 2018

**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 EXTRAORDINARY SHAREHOLDERS MEETING**

Dear Shareholders:

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

You are cordially invited to attend an Extraordinary Shareholders Meeting of JP-HOLDINGS, INC. (the "Company"). The meeting will be held as described on Page 2.

This Extraordinary Shareholders Meeting is held upon the request by shareholders and the proposal submitted is a proposal by the said shareholders.

The contents of the proposal are described in the Reference Documents for the Extraordinary Shareholders Meeting below. The Company's Board of Directors is in opposition to the proposal submitted by the shareholders ("Shareholder Proposal"). Please refer to Pages 4 to 5 for the views of the Company's Board of Directors on the Shareholder Proposal.

Exercising voting rights at shareholders meetings is an important right of shareholders.

Please review the Reference Documents for the Extraordinary Shareholders Meeting described below and exercise your voting rights, either in writing by postal mail or through the Internet. We request that you will endorse the opinions of the Company's Board of Directors.

**1. Date and Time:** Friday, March 23, 2018, at 10:00 a.m. Japan time

**2. Venue:** Sirius, 3rd Floor, Hotel Mielparque NAGOYA  
3-16-16 Aoi, Higashi-ku, Nagoya City

**3. Meeting Agenda:**

**Proposals to be resolved:**

**[Shareholder Proposal]**

**Proposal:** Termination of One (1) Director (Director subject to termination: Kazuhiro Ogita)

\*For the outline of the proposal and reasons for such proposal, please refer to the Reference Documents for the Extraordinary Shareholders Meeting below.

**4. Precautions upon Exercising Voting Rights**

**(1) Shareholder Proposal**

A Shareholder Proposal has been submitted for this Extraordinary Shareholders Meeting. The contents of the proposal are described in the Reference Documents for the Extraordinary Shareholders Meeting below. The Company's Board of Directors is in opposition to this proposal.

If you endorse the views of the Company's Board of Directors, please indicate "against" for the proposal in exercising your voting rights.

**(2) Deadline for the exercise of voting rights**

Votes exercised in writing (by submitting the Voting Rights Exercise Form) or via the Internet that arrive (are received) no later than 6:00 p.m. Japan time on Thursday, March 22, 2018 shall be accepted.

If you intend to exercise your voting rights in writing (by submitting the Voting Rights Exercise Form), you are requested to post the completed Voting Rights Exercise Form in good time as postal delivery of Voting Rights Exercise Forms takes longer than usual post.

If you intend to attend the Extraordinary Shareholders Meeting, you are not required to follow any procedures in advance. When attending the meeting, please bring your Voting Rights Exercise Form with you.

**5. Other Matters Decided upon Convocation**

- (1) If you exercise your voting rights by submitting more than one Voting Rights Exercise Form, the Voting Rights Exercise Form that arrives at the Company last shall be deemed as the valid exercise of voting rights.
- (2) 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.
- (3) 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.
- (4) If you indicate neither for nor against the proposal, your vote shall be treated as "against."
- (5) 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 therefor at least three days prior to the date of the Extraordinary Shareholders Meeting.
- (6) In the case that the results of the resolutions are unclear as a result of the exercise of voting rights by submission of Voting Rights Exercise Forms and via the Internet, votes on proposals shall be taken by means of a floor vote. In this case, if neither for nor against the proposal is indicated, such vote shall be treated as "against."
- (7) For individual shareholders to exercise voting rights by proxy, in principle, it is necessary to submit the following documents 1) to 3).
  - 1) Voting Rights Exercise Form of the proxy
  - 2) Document evidencing authority of the proxy (letter of attorney with the signature of the shareholder who assigns the power of attorney to the proxy or with the name of the shareholder who assigns the power of attorney to the proxy and the seal affixed)
  - 3) Voting Rights Exercise Form of the shareholder who assigns the power of attorney to the proxy or the seal registration certificate corresponding to the seal affixed to the letter of attorney, or a copy of an official document for identification of the shareholder who assigns the power of attorney to the proxy, including but not limited to a passport, a driver's license, and a health insurance card
- (8) For corporate shareholders to exercise voting rights by proxy, in principle, it is necessary to submit the following documents 1) and 2).

- 1) Document evidencing authority of the proxy (letter of attorney or notice of representation with the signature of the representative of the corporation or with the name of the representative of the corporation and the seal affixed)
- 2) Voting Rights Exercise Form of the shareholder who assigns the power of attorney to the proxy or the seal registration certificate corresponding to the seal affixed to the letter of attorney or the notice of representation
- (9) The number of proxies shall be one and the proxy shall be a shareholder with voting rights at this Extraordinary Shareholders Meeting, pursuant to Article 15, Paragraph 1 of the Company's Articles of Incorporation.

\*Any revisions to the Reference Documents for the Extraordinary Shareholders Meeting will be posted on the Company's website at <http://www.jp-holdings.co.jp>.

## **Reference Documents for the Extraordinary Shareholders Meeting**

This Extraordinary Shareholders Meeting will be held upon the request of SSBF Consulting Service Co., Ltd., JC Technology Co., Ltd. and FS Co., Ltd. (hereinafter the three companies are collectively referred to as the “Demanders”). The proposal below is one that the Demanders requested to be included in the meeting agenda at this Extraordinary Shareholders Meeting (the “Shareholder Proposal”).

### **[Shareholder Proposal]**

#### **Proposal: Termination of One (1) Director (Director subject to termination: Kazuhiro Ogita)**

##### **1. Outline of Reasons for the Proposal Made by the Demanders**

In light of the contents of an investigative report by a third party committee (key point summary version) dated November 16, 2017 (posted on the Company’s website), Director Kazuhiro Ogita is an inappropriate and ineligible person to serve as an officer responsible for the Company’s corporate governance and his appointment as the Company’s Director should be immediately terminated.

##### **2. Outline of the Proposal**

It is proposed that Director subject to termination be terminated.

#### **<<Opinion of the Company’s Board of Directors about the Proposal>>**

<b><u>The Company’s Board of Directors is “in opposition” to this proposal.</u></b>
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Reasons are as follows:

(1) There are no reasons for termination of appointment of Director Ogita

The Demanders made the above-stated proposal for the reason that, according to the investigative report by a third party committee (key point summary version) dated November 16, 2017 posted on the Company’s website, it is presumed there are acts committed by Director Kazuhiro Ogita (hereinafter referred to as “Director Ogita”) that can be considered as power harassment or sexual harassment.

However, as stated in the “Notice Regarding Our Company’s Response Based on an Investigative Report of a Third Party Committee” announced on December 22, 2017 (hereinafter referred to as the “Press Release about the Company’s Response”), the report of a third party committee (hereinafter referred to as the “Report”) only commented that the acts could be considered as harassment according to the frequency, situation, etc. of the acts, and the Company judges that it is inappropriate to determine that Director Ogita is not qualified to serve as a Director on the grounds of the statements of the Report.

As stated in the Press Release about the Company’s Response, it is with sincerity that the Company views the fact that it has received the above-stated comments and has already implemented measures, including establishment of related regulations for tightening compliance and clarification of the contact for the whistle-blowing system. Director Ogita and other executives of the Company will take the lead in developing an environment that will flatly deny any harassment, and the Company will continue to implement the measures stated in the Press Release about the Company’s Response.

(2) Appointment of Director Ogita should not be terminated from the viewpoint of enhancement of corporate value of the Group over the medium to long term.

The Group sources funds for capital investment required for the opening of new nursery schools by borrowings from financial institutions and other means. Therefore, financing in a timely manner is an important factor for the Group’s growth over the medium to long term. In this regard, following the demand for convocation of the Extraordinary Shareholders Meeting held on November 22, 2017 (hereinafter referred to as the “Previous Extraordinary Shareholders Meeting”), the Company received notifications from several financial institutions with which the Company had transactions that, depending on the result of the Previous Extraordinary Shareholders Meeting, it might become difficult to implement long-term lending. Reflecting the result of the Previous Extraordinary Shareholders Meeting, change of the composition of the Company’s shareholders, etc., such situation has improved. However, following the demand for convocation of this

Extraordinary Shareholders Meeting, the Company has received notifications from financial institutions that it may become difficult to implement long-term lending because the current management structure may change if the Shareholder Proposal were to be approved at this Extraordinary Shareholders Meeting. If it were to become difficult to secure long-term borrowing, it would become difficult to open new nursery schools. This would have an impact on the Group's business results and financial position and may be detrimental to sustainable enhancement of corporate value.

Since his assumption of office as Representative Director, Director Ogita has been striving to expand a new revenue base and has also addressed and resolved various issues that had previously not been sufficiently dealt with, including deployment of an organizational structure, strengthening of the safety management structure, realization of a good working environment, improvement of profitability of each facility, curbing of resignations and promotion of recruitment of nursery staff, with a view to sustainable growth of the Group over the medium to long term. For details of concrete measures, please refer to the Company's securities report and presentation materials on financial results, as well as the "Comments on Reports Issued by Proxy Advisory Firms Glass Lewis and ISS" posted on the Company's website on November 16, 2017 and other materials.

The Company believes that in order to maintain and develop such measures and further enhance the Group's corporate value, it is indispensable for Director Ogita to continue to execute duties as Director.

For the above-stated reasons, the Company's Board of Directors is in opposition to the "Proposal: Termination of One (1) Director (Director subject to termination: Kazuhiro Ogita)" by the Demanders.