

(Translation)



December 19, 2022

Dear Sir/Madam,

Company: JP-HOLDINGS, INC.
Representative: Tohru Sakai,
President and Representative Director
(Stock Code: 2749, Prime Market of TSE)
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**Notice of the Establishment of “Bilingual Nursery Schools”
as a New Business Model Based on Our New Growth Strategy**

Today, Japan Nursery Service Inc. (hereinafter “Japan Nursery Service”), which is one of our group companies and operates nursery schools, school clubs, and children’s houses, has decided to open 3 “bilingual nursery schools” in the Tokyo metropolitan area, which specialize in the English language for the first time in our corporate group in April 2023, as described below.

1. Background for the establishment of “Asc Bilingual Nursery School” as a new business model

It is assumed that the outlook for the business environment surrounding our corporate group will remain uncertain, due to the accelerated decrease of children due to the rapid drop in birthrate, the lingering shortage of nursery staff, and the decrease of children on waiting lists for childcare services caused by COVID-19 with no sign of subsiding. Under these circumstances, we are required to transform our nursery schools and facilities into the ones that would be selected by customers by improving the quality of our childcare support services to adapt to the changes in the social environment and meet the needs from guardians rather than prioritizing quantitative expansion through the opening of new nursery schools and facilities.

In response to such changes in the social environment, we have enriched our early childhood learning programs, including English, exercise, eurhythmics, and dancing, and put them into practice in over 200 nursery schools throughout Japan, in order to develop nursery schools and facilities that would be continuously selected by customers and gain competitive advantages.

In particular, English programs are highly demanded by guardians, as English education became mandatory in elementary school, and Tokyo licensed nursery schools operated by Japan Nursery Service offer a “development program” with advanced learning contents in addition to ordinary programs, and it received favorable response.

Considering such needs from child-rearing families, Japan Nursery Service will transform a total of 3 facilities: a licensed nursery school and two Tokyo licensed nursery school in the Tokyo Metropolitan Area into “bilingual nursery schools” specializing in the English language, based on the know-how for English programs offered by our corporate group.

In “bilingual nursery schools,” native English lecturers who possess a great deal of teaching experience are stationed to offer language immersion programs* for the Japanese and English languages,

differentiating them from other nursery schools. With this, we aim to increase the number of enrolled children further.

Our corporate group will promote “the development of nursery schools and facilities that would be continuously selected by customers” in response to changes in the social environment and needs from guardians, to expand our business and improve revenues.

*Language immersion is a bilingual language education technique initiated in Canada in the 1960s. This means that students are immersed in a certain language to master it. Students are expected to use a foreign language in their daily lives and master it while honing their proficiency in their mother tongue.

2. Outline and date of opening of “bilingual nursery schools” as a new business model

i. Names of facilities

- Asc Bilingual Nursery School Eifuku
(Suginami-ku, Tokyo; Former name: Asc Eifuku Nursery School; Category: Tokyo licensed nursery school)
- Asc Bilingual Nursery School Kameido
(Koto-ku, Tokyo; Former name: Asc Kameido Nursery School; Category: Tokyo licensed nursery school)
- GENKIDS Bilingual Nursery School Shinkoyasu
(Yokohama-shi, Kanagawa Prefecture; Former name: GENKIDS Shinkoyasu Nursery School; Category: Licensed nursery school)

ii. Concept and goal

Under the concept of “Broaden the possibilities for the future by expanding children's knowledge through English,” we aim to allow children to acquire knowledge through their daily lives, by conducting childcare activities in the English environment while putting importance on the Japanese language as the mother tongue, based on the policy of “language immersion” rather than setting English learning as the ultimate goal. Children are expected to learn English in a more enjoyable and natural manner in their daily lives, through various programs with native English instructors who have plenty of teaching experience.

iii. Target ages

All classes (children aged 0 to 5 years)

iv. Date of opening

April 1, 2023

3. Future outlook

The impact of the commencement of this business on our corporate group’s consolidated performance is minor, but we believe that the opening of bilingual nursery schools will enable us to secure the sufficient number of children while the number of children on waiting lists is declining, and it will contribute to the performance of our corporate group in the medium or long term. As soon as there emerges any item that should be disclosed, we will notify you.