



November 11, 2021

(Translation)

Dear Sir/Madam,

Company: JP-HOLDINGS, INC.
Representative: Tohru Sakai,
President and Representative Director
(Stock Code: 2749, First Section of TSE)
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Notice Concerning the Upward Revision to Full-year Business Forecasts

JP-HOLDINGS, INC. announces that the Company has upwardly revised its consolidated business forecasts for the fiscal year ending March 2022, which were announced on August 12, 2021 due to the changes in presentation, as follows.

1. Revisions to consolidated full-year business forecasts for the fiscal year ending March 2022 (April 1, 2021 to March 31, 2022)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	33,700	2,300	2,300	1,450	16.58
Revised forecasts (B)	33,900	2,730	2,760	1,760	20.12
Change (B-A)	200	430	460	310	-
Percentage change (%)	0.6	18.7	20.0	21.4	-
(Reference) Previous results (FY3/21)*	33,500	2,857	2,947	537	6.15

* In the first quarter of the consolidated fiscal year under review, the Company changed the method of presentation in which "subsidy income" related to the childcare business, which had previously been recorded as non-operating income, is recorded as "net sales." As a result, major management indices for the previous fiscal year have been restated after reflecting this change.

2. Reasons for the revision to consolidated business forecasts for the fiscal year ending March 2022

The Company has upwardly revised the business forecasts based on the results for the second quarter of the fiscal year ending March 2022. (For details of the results, please refer to the "Summary of Business Results for the Second Quarter Ended September 30, 2020[Japan GAAP] (Consolidated)" disclosed today.)

In the consolidated business forecasts for the fiscal year ending March 2022, despite a decrease in the number of children accepted at the beginning of the fiscal year due to the State of Emergency to prevent the spread of COVID-19, we expect net sales to exceed our initial forecast reflecting an increase in the number of children accepted during the fiscal year. This was attributable to our efforts to create facilities that would be selected by customers, through implementing online facility tours and online learning programs such as English, gymnastics, eurhythmics and dance even under the COVID-19 crisis, as well as introducing a new early learning program.

Operating income is expected to increase by 18.7% compared to the initial forecast. This was

attributable to our efforts to curb expenses by improving profitability at each facility and reviewing the ordering system for various supplies and equipment, such as efficient operation through reallocation of personnel at each facility and review of recruitment activities, despite an increase in expenses due to special factors, such as an increase in accrued bonuses reflecting a change in the eligible period for bonuses due to the introduction of the new personnel system and an increase in expenses related to the new system introduction.

Ordinary income and net income attributable to owners of parent are also expected to increase by 20.0% and 21.4%, respectively, compared to the previous forecasts owing to the sharp increase in operating income supported by the efficient management structure established through above-mentioned measures.

We are actively promoting digitization compared to our competitors. We have developed a variety of online programs ahead of our competitors, such as online facility tours, online learning programs such as English, gymnastics, eurhythmics and dance, online international exchange programs with overseas child care facilities, etc., and introducing Mojikazu Land, a new early learning program through a business alliance with GAKKEN HOLDINGS CO., LTD. as an expansion of early learning services. These efforts are not only for the current fiscal year, but also for the next fiscal year to expand the number of children we accept. These initiatives have been successful in increasing the number of visitors to our facility tours and in creating facilities that would be selected by customers in each region. We believe that they will have a significant impact on the expansion of our business in the next fiscal year and beyond.

We will continue to carefully monitor future business trends.

*The business forecasts are based on information available as of the date of announcement of this document. Actual results may differ from the forecasts due to various factors.