



May 12, 2022

(Translation)

Dear Sir/Madam,

Company: JP-HOLDINGS, INC.
Representative: Tohru Sakai,
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(Stock Code: 2749, Prime Market of TSE)
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Notice of the Rolling of the Medium-term Management Plan

JP-HOLDINGS, INC. announced our Medium-term Management Plan in “Notice of Formulation of New Medium-Term Management Plan” on May 13, 2021 to respond quickly and flexibly to changes in the business environment. We announce that we have formulated a consolidated numerical plan for our three-year Medium-term Management Plan from the fiscal year ending March 31, 2022.

1. Background of the Rolling of the Medium-term Management Plan

Capturing changes in the social environment, our Group continued the management policy from the previous term and stated the following as our priority targets: “Improve profitability and efficiency,” “Improve soundness” and “Improve growth potential.” Under those targets, we efficiently allocated and invested management resources to build a strong management base.

Specifically, with digital transformation as our pillar of reform to respond to changes in the social environment, we improved profits to achieve our target of “Improve profitability and efficiency” by expanding early childhood learning to accept more children in our existing business of childcare support facilities, developing and introducing new contents, and further optimizing staffing.

The key to childcare support is people. Therefore, while looking to expand our personnel education and training structure, we have been improving business efficiency through systemization to achieve our target of “Improve soundness.” Moreover, we have been instilling and putting into practice, both inside and outside our company, our Group’s Management Philosophy, Corporate Message, Operational Philosophy, Childcare and Child-rearing Philosophy, and Childcare and Education Policy that we revised and enacted last year. In this way, we are building nursery schools and facilities that would be selected by customers while improving quality of our childcare support.

We started operating our “codomel” child-rearing assistance platform to achieve our target of “Improve growth potential.” This provides a matching service for users mainly in the childrearing generation to sell and purchase used childrearing-related supplies (e.g., baby supplies and clothing) over the Internet. We will expand these services globally beyond just Japan in the future. For example, we will provide B-to-C business that offers cooperation and services with various companies and B-to-B business that offers the placement and dispatch of specialist personnel and on-demand streaming of specialized training courses. In addition, our Group has been supporting

children with concerns about their development. In order to achieve this, we have strengthened the provision of our development support business and offer a support business by visiting nursery schools. We have developed multifunctional facilities and on-site visit services as new businesses by utilizing our provision of development support based on our childcare support know-how and advanced expertise. We are doing this to expand support for children who may have developmental disabilities. With this, we are providing childcare support in close communication with even more children and parents.

In this way, as a result of efforts to succeed in various measures, build an efficient management structure and reduce costs, we have achieved the targets in our Medium-term Management Plan (fiscal year ending March 31, 2022 to fiscal year ending March 31, 2024) two years ahead of schedule. Therefore, we have reviewed the consolidated numerical plan by employing a rolling method.

We will now announce a three-year Medium-term Management Plan by employing a rolling method that we revise every term in principle to flexibly respond to changes in the business environment in the future.

2. Key Targets, Measures, and Forecasts of the New Medium-Term Management Plan (Consolidated)

1) Key Targets of the New Medium-Term Management Plan

- We will enhance profitability of existing businesses, further improve the quality of childcare support, and accelerate the development of new businesses to create new value in response to changes in the social and business environment.

(1) Improve Profitability and Efficiency

- We will improve profitability by introducing new programs to increase the number of children accepted, further optimizing staffing, and improving management efficiency through ICT. We will also further improve operational efficiency by reforming business processes and accelerating the introduction of systems.
 - i) Increasing the number of children accepted and establishing a competitive advantage by introducing new programs (early childhood learning programs and dance, etc.) to strengthen the profitability of existing businesses.
 - ii) Optimizing the number of personnel assigned, improving operational efficiency, and promoting ICT to improve profitability at existing facilities.
 - iii) Strengthening business management and profit management systems, systemization and structural reform to capture management efficiency improvements with the aim to become a compact head office.

(2) Improve Soundness

- We will reform the business structure and strengthen the management foundation in response to changes in society and the business environment. We will establish a safe and secure operation and management system and provide human resource education aimed at further improving the quality of childcare support.

- i) Establishment and thorough implementation of management systems and countermeasure policies that place top priority on ensuring safety and security.
- ii) Aiming to create nursery schools and facilities that would be selected, improving our brand image and establishing our superiority by making our initiatives and measures that utilize our expertise in childcare support widely known both internally and externally.
- iii) Creating an attractive working environment (Strengthen recruitment activities, improve personnel education and retention rates, and entrench the new personnel system).
- iv) Thorough enforcement of compliance and further strengthening of corporate governance.

(3) Improve Growth Potential

- We will develop services and businesses aimed at creating new value through measures to support childcare, from “measures for children on waiting lists” to “measures to address the declining birthrate society.”
 - i) To accelerate and promote the development of new businesses, actively promote capital and business alliances with the childcare support industry and other industries to expand our revenue base. (Creation of new value through business alliance with GAKKEN HOLDINGS Co., Ltd.; cross-industry collaboration).
 - ii) Strengthen Group competitiveness by adopting DX in response to changes in the social and business environment (DX for early childhood learning and new programs).
 - iii) To globally roll out and expand service functions and products in our codomel child-rearing assistance platform business (e.g., globally rolling out the placement and dispatch of specialized personnel, training, and products and services).
 - iv) To expand our development support business and provide highly specialized services cultivated in existing facilities (nursery schools, school clubs and children’s houses) (establishment of support business and multifunctional facilities for children with developmental disabilities).

2) Three-year Consolidated Numerical Plan

As a result of the above, we expect net sales in the fiscal year ending March 31, 2024, the final year of the Medium-term Management Plan, to be 36,300 million yen and ordinary income to be 3,960 million yen.

With our existing childcare support business at the core, we are looking to increase our profits by developing related peripheral businesses and new businesses close to children with a high degree of specialization and by expanding our child-rearing assistance platform to provide various services, products and information through turning parents raising children into members.

Consolidated Numerical Plan

	FY3/22		FY3/23		FY3/24	
	Result	Change from the previous term	Forecast	Change from the previous term	Target	Change from the previous term
Net sales	34,373 million yen	2.6%	35,640 million yen	3.7%	36,300 million yen	1.9%
Ordinary income	3,358 million yen	13.9%	3,580 million yen	6.6%	3,960 million yen	10.6%

Notes

- This Medium-term Management Plan is based on the current business environment. Please note that actual business results may differ significantly from the forecast, and that it is subject to change without notice depending on changes in the business environment in the future.
- Rolling: We will raise the level of achieving the plan by reviewing it with consideration for changes in the environment every year.
- Digital transformation refers to the penetration of digital technology to transform people's lives for the better.