



November 10, 2022

(Translation)

Dear Sir/Madam,

Company: JP-HOLDINGS, INC.
Representative: Tohru Sakai,
President and Representative Director
(Stock Code: 2749, Prime Market of TSE)
Contact: Kenji Zushi,
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Notice of Upward Revisions to Full-year Business Forecasts

JP-HOLDINGS, INC., announces that the Company revised its consolidated business forecasts for the fiscal year ending March 2023, which were announced on May 12, 2022. Details are as follows.

1. Revisions to consolidated full-year business forecasts for the fiscal year ending March 2023

(April 1, 2022 to March 31, 2023)

	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)	35,640	3,560	3,580	2,325	26.58
Revised forecasts (B)	35,640	3,633	3,711	2,566	29.64
Change (B-A)	0	73	131	241	-
Percentage change (%)	0	2.1	3.7	10.4	-
(Reference) Previous results (FY3/22)	34,373	3,344	3,358	2,279	26.06

2. Reason for revision to consolidated business forecasts for the fiscal year ending March 2023

The Company revised the forecasts upward based on the results for the second quarter of the fiscal year ending March 2023.

(For details, please refer to the "Summary of Business Results for the Second Quarter Ended September 30, 2022 [Japan GAAP] (Consolidated)" dated November 10, 2022.)

In our consolidated business forecasts for the fiscal year ending March 2023, we expect sales to be at the initial forecast level, despite a decline in the number of children accepted at the beginning of the fiscal year due to the accelerated decline in the birthrate and the impact of COVID-19. This is due to the promotion of following various initiatives to create "facilities that would continue to be selected by customers": implementing online facility tours and online learning programs such as English, gymnastics, eurhythmics, and dance, introducing a new early learning program, developing swimming

classes in cooperation with neighboring facilities.

Operating income and ordinary income are expected to increase by 2.1% and by 3.7% compared to the initial forecasts due to efforts to control expenses through efficient management by the reallocation of personnel at each facility and a review of the ordering system and operation to curb price hikes.

Net income attributable to owners of parent is expected to increase by 10.4% compared to the initial forecast. This is due to factors such as the establishment of the above-mentioned efficient management system and the recording of an extraordinary income from the sale of fixed assets (land and buildings) of 1 of 7 nursery schools, in which we acquired land and building as a foothold for our child-raising support business in the past, in the second quarter of the fiscal year ending March 2023, as we promote off-balance sheet financing for these facilities to avoid the risks of holding such assets.

These efforts are implemented to improve profitability and expand the number of children we accept not only for the current fiscal year but also for the next fiscal year. These initiatives have been successful in creating “facilities that would continue to be selected by customers” in each region, as we could increase the number of visitors to our facility tours. We believe that they will have a significant impact on the expansion of our business in the next fiscal year and beyond.

In addition, we will also develop and operate new businesses in collaboration with existing businesses to achieve sustainable growth, including a food business that captures the needs of parents, a service that provides the necessary equipment for childcare centers, the development of new facilities specializing in English education, and the expansion of the service functions of the "codomel" child-raising support platform.

We will continue to carefully assess future performance trends.

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