

August 4, 2017

(Translation)

Dear Sir/Madam,

Company: JP-HOLDINGS, INC.
Representative: Kazuhiro Ogita,
President and Representative Director
(Stock Code: 2749, First Section of TSE)

Contact: Mika Matsumiya,
General Manager of Administration Div.
(TEL +81-52-933-5419)

(Correction)

Notice Concerning Partial Correction to the “Summary of Business Results for the Second Quarter Ended September 30, 2016 [Japan GAAP] (Consolidated)”

JP-HOLDINGS, INC. announces that portions of the “Summary of Business Results for the Second Quarter Ended September 30, 2016 [Japan GAAP] (Consolidated)” released on November 4, 2016 have been corrected.

Underlined portions of this document indicate corrections.

1. Reason for Correction

As for the reason for the correction, please refer to the “Notice Concerning the Errors Relating to Consolidated Financial Statements for Prior Years” released on July 18, 2017.

2. Details of Correction

(Summary information)

(Rounded down to million yen)

1. Consolidated business results for the six months ended September 2016

(April 1, 2016 through September 30, 2016)

(1) Consolidated results of operations

(% change from the previous corresponding period)

(Before correction)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sept. 2016	<u>10,973</u>	<u>10.4</u>	<u>351</u>	<u>-40.3</u>	<u>437</u>	<u>-31.4</u>	<u>279</u>	<u>-33.3</u>
Six months ended Sept. 2015	9,941	15.1	<u>588</u>	<u>-7.1</u>	<u>637</u>	<u>-4.3</u>	<u>419</u>	<u>-7.8</u>

(Note) Comprehensive income

Six months ended September 2016: 277 million yen (-28.7%)

Six months ended September 2015: 389 million yen (-5.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sept. 2016	<u>3.34</u>	-
Six months ended Sept. 2015	<u>5.02</u>	-

(After correction)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended Sept. 2016	<u>10,973</u>	<u>10.4</u>	<u>299</u>	<u>-43.5</u>	<u>384</u>	<u>-33.4</u>	<u>245</u>	<u>-38.3</u>
Six months ended Sept. 2015	9,941	15.1	<u>528</u>	<u>4.8</u>	<u>578</u>	<u>2.0</u>	<u>397</u>	<u>12.4</u>

(Note) Comprehensive income

Six months ended September 2016: 243 million yen (-33.8%)

Six months ended September 2015: 368 million yen (-2.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sept. 2016	<u>2.93</u>	-
Six months ended Sept. 2015	<u>4.76</u>	-

(2) Consolidated financial position

(Before correction)

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Sept. 30, 2016	<u>22,296</u>	<u>6,587</u>	<u>29.5</u>
As of Mar. 31, 2016	<u>21,519</u>	<u>6,570</u>	<u>30.5</u>

(Reference) Shareholders' equity:

As of September 30, 2016: 6,583 million yen

As of March 31, 2016: 6,566 million yen

(After correction)

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Sept. 30, 2016	<u>22,153</u>	<u>6,262</u>	<u>28.3</u>
As of Mar. 31, 2016	<u>21,126</u>	<u>6,279</u>	<u>29.7</u>

(Reference) Shareholders' equity:

As of September 30, 2016: 6,258 million yen

As of March 31, 2016: 6,275 million yen

3. Forecast of consolidated business results for the fiscal year ending March 2017

(April 1, 2016 through March 31, 2017)

(Before correction)

(% change from the previous corresponding period)

	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
Year ending Mar. 31, 2017	22,340	8.7	1,564	<u>-14.8</u>	1,651	<u>-12.4</u>	1,057	<u>-11.9</u>	12.68

(After correction)

(% change from the previous corresponding period)

	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
Year ending Mar. 31, 2017	22,340	8.7	1,564	<u>-9.7</u>	1,651	<u>-7.3</u>	1,057	<u>-1.3</u>	12.68

1. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

(Before correction)

For the above reasons, for the second quarter of the consolidated fiscal year ending March 2017, sales were 10,973 million yen (up 10.4% year on year), operating income was 351 million yen (down 40.3% year on year), ordinary income was 437 million yen (down 31.4% year on year), and net income attributable to owners of parent was 279 million yen (down 33.3% year on year).

(After correction)

For the above reasons, for the second quarter of the consolidated fiscal year ending March 2017, sales were 10,973 million yen (up 10.4% year on year), operating income was 299 million yen (down 43.5% year on year), ordinary income was 384 million yen (down 33.4% year on year), and net income attributable to owners of parent was 245 million yen (down 38.3% year on year).

(2) Financial Position

(Before correction)

Assets, Liabilities and Net Assets

The total assets as of the end of the second quarter of the consolidated fiscal year ending March 2017 amounted to 22,296 million yen, up 777 million yen from the end of the previous fiscal year. Current assets totaled 7,104 million yen (up 150 million yen from the end of the previous fiscal year), mainly because cash and deposits increased by 525 million yen while accounts receivable - other decreased by 198 million yen, and other accounts such as receivable consumption tax etc. decreased by 144 million yen.

Fixed assets totaled 15,191 million yen (up 626 million yen from the end of the previous fiscal year), mainly because buildings and structures increased by 1,333 million yen, tools, furniture and fixtures increased by 57 million yen, goodwill increased by 303 million yen, other intangible fixed assets increased by 99 million yen, and long-term loans receivable increased by 174 million yen, while construction in progress decreased by 1,377 million yen.

Total liabilities amounted to 15,709 million yen, up 760 million yen from the end of the previous fiscal year.

Current liabilities totaled 6,255 million yen (up 305 million yen from the end of the previous fiscal year), mainly because short-term loans payable increased by 500 million yen while accounts payable – other decreased by 228 million yen.

Fixed liabilities totaled 9,453 million yen (up 454 million yen from the end of the previous fiscal year), mainly because long-term loans payable, net defined benefit liability, asset retirement obligation, and other increased by 275 million yen, 53 million yen, 77 million yen, and 50 million yen, respectively.

Total net assets as of the end of the second quarter of the consolidated fiscal year ending March 2017 totaled 6,587 million yen (up 16 million yen from the end of the previous fiscal year) mainly because treasury stock and retained earnings decreased by 178 million yen and 159 million yen, respectively.

(After correction)

Assets, Liabilities and Net Assets

The total assets as of the end of the second quarter of the consolidated fiscal year ending March 2017 amounted to 22,153 million yen, up 1,026 million yen from the end of the previous fiscal year. Current assets totaled 7,009 million yen (up 393 million yen from the end of the previous fiscal year), mainly because cash and deposits increased by 525 million yen, and other accounts such as receivable consumption tax etc. increased by 100 million yen while accounts receivable - other decreased by 198 million yen.

Fixed assets totaled 15,144 million yen (up 633 million yen from the end of the previous fiscal year), mainly because buildings and structures increased by 1,340 million yen, tools, furniture and fixtures increased by 57 million yen, goodwill increased by 303 million yen, other intangible fixed assets increased by 99 million yen, and long-term loans receivable increased by 174 million yen, while construction in progress decreased by 1,377 million yen.

Total liabilities amounted to 15,891 million yen, up 1,044 million yen from the end of the previous fiscal year.

Current liabilities totaled 6,437 million yen (up 589 million yen from the end of the previous fiscal year), mainly because short-term loans payable increased by 500 million yen while accounts payable – other decreased by 227 million yen.

Fixed liabilities totaled 9,453 million yen (up 454 million yen from the end of the previous fiscal year), mainly because long-term loans payable, net defined benefit liability, asset retirement obligation, and other increased by 275 million yen, 53 million yen, 77 million yen, and 50 million yen, respectively.

Total net assets as of the end of the second quarter of the consolidated fiscal year ending March 2017 totaled 6,262 million yen (down 17 million yen from the end of the previous fiscal year) mainly because treasury stock and retained earnings decreased by 178 million yen and 193 million yen, respectively.

[Quarterly Consolidated Financial Statements]

[Quarterly Consolidated Balance Sheet]

(Before correction)

(Thousand yen)

	Previous Fiscal Year (March 31, 2016)	Current Second Quarter (September 30, 2016)
Assets		
Current assets		
Cash and deposits	3,777,936	4,303,931
Notes and accounts receivable-trade	41,839	51,539
Investment securities	21,027	20,408
Inventories	98,453	29,131
Deferred tax assets	<u>442,078</u>	<u>470,663</u>
Accounts receivable - other	1,770,729	1,571,753
Other	<u>802,493</u>	<u>657,902</u>
Allowance for doubtful accounts	-549	-632
Total current assets	<u>6,954,010</u>	<u>7,104,698</u>
Fixed assets		
Tangible fixed assets		
Buildings and structures	8,404,192	10,077,725
Accumulated depreciation and impairment loss	<u>-2,448,271</u>	<u>-2,788,716</u>
Buildings and structures, net	<u>5,955,921</u>	<u>7,289,008</u>
Machinery, equipment and vehicles	9,148	9,148
Accumulated depreciation	<u>-4,130</u>	<u>-4,603</u>
Machinery, equipment and vehicles, net	<u>5,017</u>	<u>4,544</u>
Tools, furniture and fixtures	484,281	584,964
Accumulated depreciation and impairment loss	<u>-284,812</u>	<u>-327,707</u>
Tools, furniture and fixtures, net	<u>199,469</u>	<u>257,256</u>
Land	980,894	980,894
Construction in progress	1,759,076	381,384
Total tangible fixed assets	<u>8,900,378</u>	<u>8,913,089</u>
Intangible fixed assets		
Goodwill	-	303,859
Other	12,135	111,665
Total intangible fixed assets	<u>12,135</u>	<u>415,525</u>
Investments and other assets		
Investment securities	313,534	315,529
Long-term loans receivable	2,881,772	3,056,329
Guarantee deposits	1,628,547	1,631,713
Deferred tax assets	<u>164,472</u>	<u>185,493</u>
Other	<u>679,407</u>	<u>689,963</u>
Allowance for doubtful accounts	-15,213	-15,889
Total investments and other assets	<u>5,652,521</u>	<u>5,863,141</u>
Total fixed assets	<u>14,565,035</u>	<u>15,191,756</u>
Total assets	<u>21,519,046</u>	<u>22,296,454</u>

(Thousand yen)

	Previous Fiscal Year (March 31, 2016)	Current Second Quarter (September 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	191,107	136,157
Short-term loans payable	-	500,000
Current portion of long-term loans payable	2,935,368	2,876,373
Accounts payable – other	<u>691,961</u>	<u>463,872</u>
Income taxes payable	<u>364,677</u>	<u>146,969</u>
Accrued consumption taxes	67,491	<u>42,090</u>
Reserve for bonuses	334,000	418,018
Asset retirement obligation	23,892	4,392
Other	1,341,386	1,667,767
Total current liabilities	<u>5,949,884</u>	<u>6,255,641</u>
Fixed liabilities		
Long-term loans payable	8,457,330	8,732,334
Deferred tax liabilities	2,240	2,547
Net defined benefit liability	377,714	430,756
Long-term accounts payable - other	4,950	3,700
Asset retirement obligation	156,505	233,823
Other	-	50,382
Total fixed liabilities	<u>8,998,740</u>	<u>9,453,543</u>
Total liabilities	<u>14,948,625</u>	<u>15,709,184</u>
Net assets		
Shareholders' equity		
Capital	1,603,955	1,603,955
Capital surplus	1,449,544	1,449,544
Retained earnings	<u>4,798,586</u>	<u>4,638,861</u>
Treasury stock	-1,208,168	-1,029,858
Total shareholders' equity	<u>6,643,918</u>	<u>6,662,502</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-52,792	-59,274
Remeasurements of defined benefit plans	-24,742	-19,969
Total accumulated other comprehensive income	<u>-77,534</u>	<u>-79,243</u>
Non-controlling interests	4,036	4,010
Total net assets	<u>6,570,420</u>	<u>6,587,269</u>
Total liabilities and net assets	<u>21,519,046</u>	<u>22,296,454</u>

(After correction)

(Thousand yen)

	Previous Fiscal Year (March 31, 2016)	Current Second Quarter (September 30, 2016)
Assets		
Current assets		
Cash and deposits	3,777,936	4,303,931
Notes and accounts receivable-trade	41,839	51,539
Investment securities	21,027	20,408
Inventories	98,453	29,131
Deferred tax assets	<u>426,131</u>	<u>452,667</u>
Accounts receivable - other	1,770,729	1,571,753
Other	<u>480,184</u>	<u>580,825</u>
Allowance for doubtful accounts	-549	-632
Total current assets	<u>6,615,754</u>	<u>7,009,626</u>
Fixed assets		
Tangible fixed assets		
Buildings and structures	8,404,192	10,077,725
Accumulated depreciation and impairment loss	<u>-2,576,335</u>	<u>-2,909,467</u>
Buildings and structures, net	<u>5,827,856</u>	<u>7,168,258</u>
Machinery, equipment and vehicles	9,148	9,148
Accumulated depreciation	-4,130	-4,603
Machinery, equipment and vehicles, net	<u>5,017</u>	<u>4,544</u>
Tools, furniture and fixtures	484,281	584,964
Accumulated depreciation and impairment loss	<u>-285,659</u>	<u>-328,378</u>
Tools, furniture and fixtures, net	<u>198,621</u>	<u>256,585</u>
Land	980,894	980,894
Construction in progress	1,759,076	381,384
Total tangible fixed assets	<u>8,771,467</u>	<u>8,791,667</u>
Intangible fixed assets		
Goodwill	-	303,859
Other	12,135	111,665
Total intangible fixed assets	<u>12,135</u>	<u>415,525</u>
Investments and other assets		
Investment securities	313,534	315,529
Long-term loans receivable	2,881,772	3,056,329
Guarantee deposits	1,628,547	1,631,713
Deferred tax assets	<u>208,818</u>	<u>227,262</u>
Other	<u>709,905</u>	<u>721,869</u>
Allowance for doubtful accounts	-15,213	-15,889
Total investments and other assets	<u>5,727,363</u>	<u>5,936,816</u>
Total fixed assets	<u>14,510,966</u>	<u>15,144,008</u>
Total assets	<u>21,126,721</u>	<u>22,153,634</u>

(Thousand yen)

	Previous Fiscal Year (March 31, 2016)	Current Second Quarter (September 30, 2016)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	191,107	136,157
Short-term loans payable	-	500,000
Current portion of long-term loans payable	2,935,368	2,876,373
Accounts payable – other	<u>701,478</u>	<u>473,663</u>
Income taxes payable	<u>253,518</u>	<u>116,025</u>
Accrued consumption taxes	67,491	<u>245,320</u>
Reserve for bonuses	334,000	418,018
Asset retirement obligation	23,892	4,392
Other	1,341,386	1,667,767
Total current liabilities	<u>5,848,243</u>	<u>6,437,717</u>
Fixed liabilities		
Long-term loans payable	8,457,330	8,732,334
Deferred tax liabilities	2,240	2,547
Net defined benefit liability	377,714	430,756
Long-term accounts payable - other	4,950	3,700
Asset retirement obligation	156,505	233,823
Other	-	50,382
Total fixed liabilities	<u>8,998,740</u>	<u>9,453,543</u>
Total liabilities	<u>14,846,984</u>	<u>15,891,261</u>
Net assets		
Shareholders' equity		
Capital	1,603,955	1,603,955
Capital surplus	1,449,544	1,449,544
Retained earnings	<u>4,507,903</u>	<u>4,313,965</u>
Treasury stock	-1,208,168	-1,029,858
Total shareholders' equity	<u>6,353,234</u>	<u>6,337,606</u>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-52,792	-59,274
Remeasurements of defined benefit plans	-24,742	-19,969
Total accumulated other comprehensive income	<u>-77,534</u>	<u>-79,243</u>
Non-controlling interests	4,036	4,010
Total net assets	<u>6,279,737</u>	<u>6,262,373</u>
Total liabilities and net assets	<u>21,126,721</u>	<u>22,153,634</u>

[Quarterly Consolidated Statement of Income and Quarterly Statement of Comprehensive Income]
[Quarterly Consolidated Statement of Income]
[Second Quarter of FY3/17]
(Before correction)

	(Thousand yen)	
	Previous Second Quarter (April 1, 2015– September 30, 2015)	Current Second Quarter (April 1, 2016– September 30, 2016)
Net sales	9,941,582	<u>10,973,462</u>
Cost of sales	<u>8,565,649</u>	<u>9,407,083</u>
Gross profit	<u>1,375,933</u>	<u>1,566,378</u>
Selling, general and administrative expenses	<u>787,761</u>	<u>1,215,154</u>
Operating income	<u>588,171</u>	<u>351,224</u>
Non-operating revenues		
Interest income	25,689	32,012
Subsidy income	33,955	43,490
Guarantee commission received	-	32,804
Other	9,934	6,508
Total non-operating revenues	<u>69,579</u>	<u>114,816</u>
Non-operating expenses		
Interest expenses	19,794	23,280
Other	485	5,618
Total non-operating expenses	<u>20,280</u>	<u>28,898</u>
Ordinary income	<u>637,470</u>	<u>437,142</u>
Extraordinary loss		
Loss on retirement of non-current assets	1,596	310
Loss on impairment long-lived asset	<u>23,065</u>	-
Total extraordinary loss	<u>24,662</u>	310
Income before income taxes and others	<u>612,808</u>	<u>436,831</u>
Corporate, inhabitant and enterprise taxes	<u>298,594</u>	<u>180,479</u>
Income taxes-deferred	<u>-104,944</u>	<u>-23,134</u>
Total income taxes	<u>193,650</u>	<u>157,344</u>
Net income	<u>419,157</u>	<u>279,486</u>
Net loss attributable to non-controlling interests	-50	-26
Net income attributable to owners of parent	<u>419,208</u>	<u>279,513</u>

(After correction)

(Thousand yen)

	Previous Second Quarter (April 1, 2015– September 30, 2015)	Current Second Quarter (April 1, 2016– September 30, 2016)
Net sales	9,941,582	<u>10,973,025</u>
Cost of sales	<u>8,610,953</u>	<u>9,445,589</u>
Gross profit	<u>1,330,629</u>	<u>1,527,435</u>
Selling, general and administrative expenses	<u>801,720</u>	<u>1,228,384</u>
Operating income	<u>528,908</u>	<u>299,051</u>
Non-operating revenues		
Interest income	25,689	32,012
Subsidy income	33,955	43,490
Guarantee commission received	-	32,804
Other	9,934	6,508
Total non-operating revenues	<u>69,579</u>	<u>114,816</u>
Non-operating expenses		
Interest expenses	19,794	23,280
Other	485	5,618
Total non-operating expenses	<u>20,280</u>	<u>28,898</u>
Ordinary income	<u>578,207</u>	<u>384,969</u>
Extraordinary loss		
Loss on retirement of non-current assets	1,596	310
Loss on impairment long-lived asset	<u>20,812</u>	-
Total extraordinary loss	<u>22,409</u>	310
Income before income taxes and others	<u>555,798</u>	<u>384,658</u>
Corporate, inhabitant and enterprise taxes	<u>276,348</u>	<u>157,895</u>
Income taxes-deferred	<u>-118,038</u>	<u>-18,510</u>
Total income taxes	<u>158,309</u>	<u>139,384</u>
Net income	<u>397,488</u>	<u>245,273</u>
Net loss attributable to non-controlling interests	-50	-26
Net income attributable to owners of parent	<u>397,539</u>	<u>245,300</u>

[Quarterly Consolidated Statement of Comprehensive Income]

[Second Quarter of FY3/17]

(Before correction)

	(Thousand yen)	
	Previous Second Quarter (April 1, 2015– September 30, 2015)	Current Second Quarter (April 1, 2016– September 30, 2016)
Net income	<u>419,157</u>	<u>279,486</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	-31,422	-6,481
Remeasurements of defined benefit plans	2,114	4,772
Total other comprehensive income	<u>-29,307</u>	<u>-1,709</u>
Comprehensive income	<u>389,850</u>	<u>277,777</u>
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	<u>389,900</u>	<u>277,804</u>
Comprehensive income attributable to non-controlling interests	-50	-26

(After correction)

	(Thousand yen)	
	Previous Second Quarter (April 1, 2015– September 30, 2015)	Current Second Quarter (April 1, 2016– September 30, 2016)
Net income	<u>397,488</u>	<u>245,273</u>
Other comprehensive income		
Valuation difference on available-for-sale securities	-31,422	-6,481
Remeasurements of defined benefit plans	2,114	4,772
Total other comprehensive income	<u>-29,307</u>	<u>-1,709</u>
Comprehensive income	<u>368,181</u>	<u>243,564</u>
(Breakdown)		
Comprehensive income attributable to shareholders of the parent company	<u>368,231</u>	<u>243,591</u>
Comprehensive income attributable to non-controlling interests	-50	-26