



JP HOLDINGS GROUP

<https://www.jp-holdings.co.jp/>

Prime Market (2749)

# JP-HOLDINGS, INC.

## Financial Results for the Q2 of Fiscal Year ending March 2024



November, 2023

1

**FY 3/24 Q2 Results**

2

**Long-Term Management Vision/  
Medium-term Management Plan**

3

**Priority Measures for the Second Half  
of FY 3/24**

4

**APPENDIX**



JP HOLDINGS GROUP

# Every activity is for children's smiles



**JP** HOLDINGS  
GROUP

## Leading company in the child-raising support business

**JP Holdings Group is a leading company in the child-raising support business, and operates childcare support facilities, including nursery schools, school clubs, and children's houses.**

JP Holdings Group was founded in 1993, and started childcare business by establishing a day-care center for children of our employees so that they can work without worry. As joint-stock corporations were allowed to do nursery business in 2000, we first spread safe, reliable childcare services nationwide, while being supported by various people.

Group companies include Japan Nursery Service Inc., J Kitchen Inc., which cooks meals for nursery schools, J Cast Inc., which offers classes in English, gymnastics, and eurhythmics for childcare support facilities and supports development for childcare, J Planning Sale Inc., which plans and sells childcare-related goods, and Japan Nursery Institute for General Research Inc., which conducts training and research about childcare and support for development and support business by visiting nursery schools, and operates the childcare platform “codomel,” and Kosodate Support Realty Inc., which leases real estate and offers consulting services. These subsidiaries are managed and supervised by JP Holdings, Inc.

# Outline of the Business of JP-Holdings

**We operate the childcare support business in an integrated manner.**

JP-Holdings  
Business administration/development  
(new and existing businesses)

Realty  
Brokerage, lease,  
management  
Consulting

Group purchase  
Sale of childcare goods  
Development of group  
facilities

Development and operation of early  
childhood learning programs  
English, exercise, eurhythmics, dance  
Support for development



#### Kosodate Support Realty

Brokerage, rental,  
management, and  
consultancy of  
real estate



#### Japan Nursery Service

Operation of nursery  
schools, school clubs,  
and children's houses



#### J Kitchen

Cooking of  
lunches and  
advisory



#### Japan Nursery Institute for General Research

Training and  
research



#### Japan Nursery Institute for General Research

Development  
of programs  
for children



#### Japan Nursery Institute for General Research

Platform

Operation of nursery schools, school clubs,  
and children's houses  
Operating 306 facilities around Japan  
(※ on September 30, 2023)

Cooking of lunches  
(Our company and  
other companies)  
Advisory

Training business  
BPO service  
Support business by  
visiting nursery  
schools  
Platform business  
Overseas business

Platform business  
Overseas business

## JP-Holdings

Childcare support business taking full  
advantage of synergy among group  
companies

# Our Management Philosophy and Corporate Message

● Under the new philosophies, we will improve our child-raising support business based on the cooperation with local communities.

## JP Holdings Group's System



JP HOLDINGS GROUP

Management philosophy

To contribute to the development of a society filled with smiles through childcare support

Corporate message

Every activity is for children's smiles

Operational philosophy

- ① To conduct childcare and child-rearing while giving top priority to safety and reliability
- ② To put importance on daily childcare, so that our facilities will be remembered forever
- ③ To bring a smile to each child, while our staff can enjoy their jobs
- ④ To contribute to society by operating facilities that are connected to and support local communities
- ⑤ To always offer child-raising support demanded by the times

Childcare philosophy and  
child-raising philosophy

Childcare  
philosophy

To nurture the skills to survive tomorrow

Child-rearing  
philosophy

To develop the ability to become an ideal self





JP HOLDINGS GROUP

1

# FY 3/24 Q2 Results



# Summary of Business Results for the Q2 of FY 3/24

**Increased sales and profit from the previous fiscal year thanks to an increase in the number of children accepted and streamlined business operation**

**Net sales:** Grew 4.9% year on year, as the number of children increased during the period thanks to various efforts for “developing nursery schools and facilities that would continue to selected by customers,” including the adoption of new early childhood learning programs and we opened new facilities and undertook the management of new facilities.

**Operating income:** Increased significantly by 34.4% year on year, as sales grew and we strove to maximize subsidies and reduce costs with several measures although costs augmented due to the rise in electricity charges and the skyrocketing of prices of merchandise we procure.

**Net income:** Increased 13.2% year on year, as sales grew and we made efforts to improve revenues from existing facilities, streamline operation, and eliminate unnecessary expenses.

	FY3/23	FY3/24				
	Q2 Results	Q2 Results	Rate of change compared to the revised forecast	Change compared to the previous term	full year forecast	Rate of Achievement of Forecast
Net sales	17,207	18,057	4.9%	850	36,390	49.6%
Gross profit	2,907	3,332	14.6%	424		
Gross profit margin	16.9%	18.5%	-	1.6%		
SG&A	1,404	1,311	6.6%	-93		
SG&A ratio	8.2%	7.3%	-	-0.9%		
Operating income	1,502	2,020	34.4%	517	3,820	52.9%
Operating income margin	8.7%	11.2%	-	2.5%	10.5%	
Ordinary income	1521	1,965	29.1%	443	3,842	51.1%
Ordinary income margin	8.8%	10.9%	-	2.0%	10.6%	
Extraordinary income	215	0	-	-215		
Extraordinary loss	0	0	-	0		
Net income	1,130	1,279	13.2%	149	2,497	51.2%
Net income margin	6.6%	7.1%	-	0.5%	6.9%	

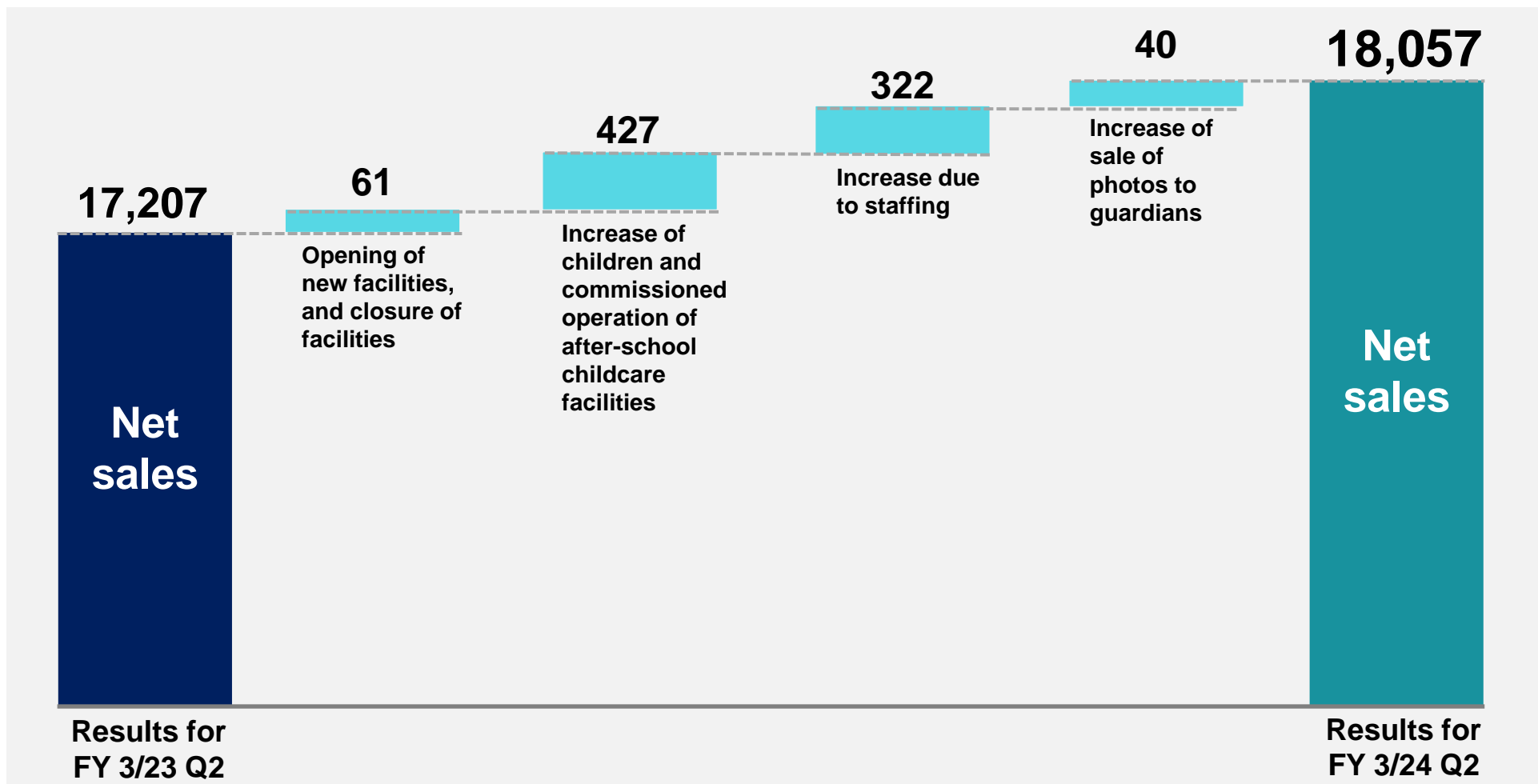
\*1 : Net income represents “Net income attributable to owners of parent.”

\*2 : The figures were rounded off to the nearest million yen.

## FY 3/24 Q2 Factors for Changes in Net Sales

## Net sales

Sales increased from the previous term, hitting a record high, as the number of children increased during the period thanks to various efforts to create "facilities that would continue to be selected by customers", including the adoption of new early childhood learning programs and we opened new facilities and undertook the management of new facilities.



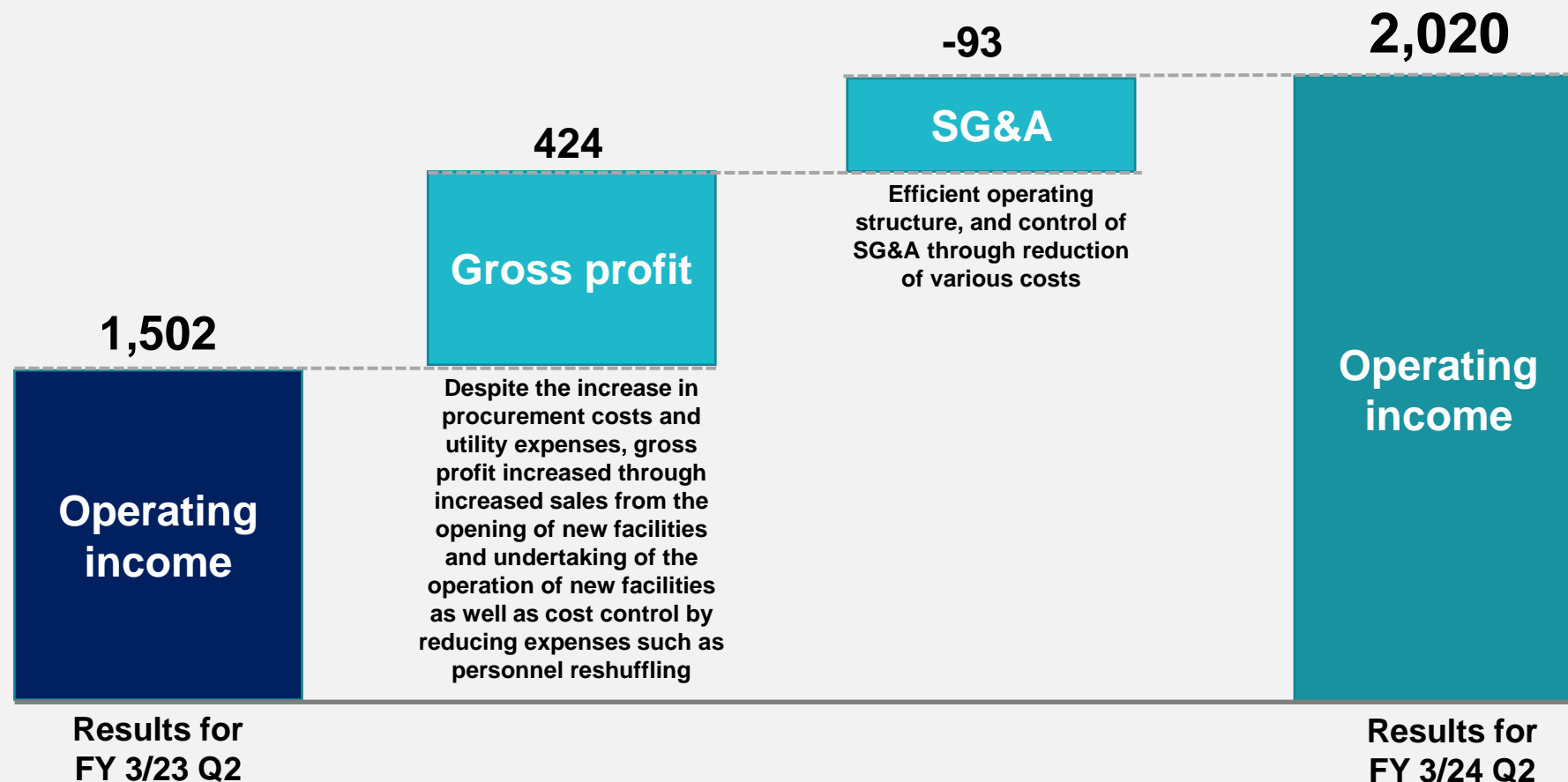
(Unit: million yen/Rounded down to the nearest million yen.)



## FY 3/24 Q2 Factors for Changes in Operating Income

Operating  
income

Operating income rose significantly from the previous term, hitting a record high, as sales grew and we enhanced measures for curtailing and reducing costs through efficient operation, the reform of our ordering system, etc. although costs augmented due to the rise in electricity charges and the skyrocketing of prices of merchandise we procure.

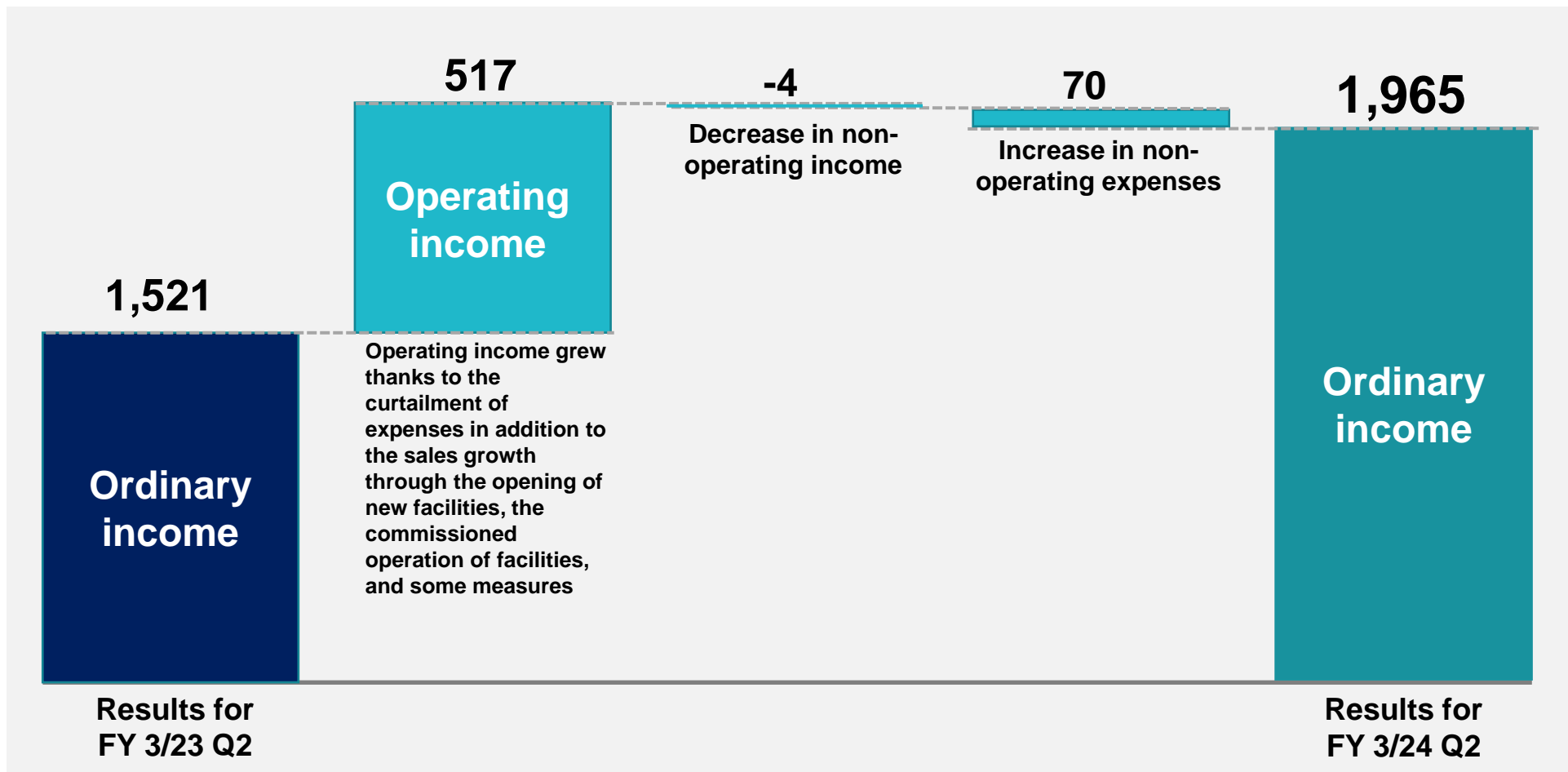


(Unit: million yen/Rounded down to the nearest million yen.)

## FY 3/24 Q2 Factors for Changes in Ordinary Income

Ordinary  
income

Ordinary income grew considerably year on year, hitting a record high, thanks to the sales growth, efficient operation, and the curtailment or reduction of costs.

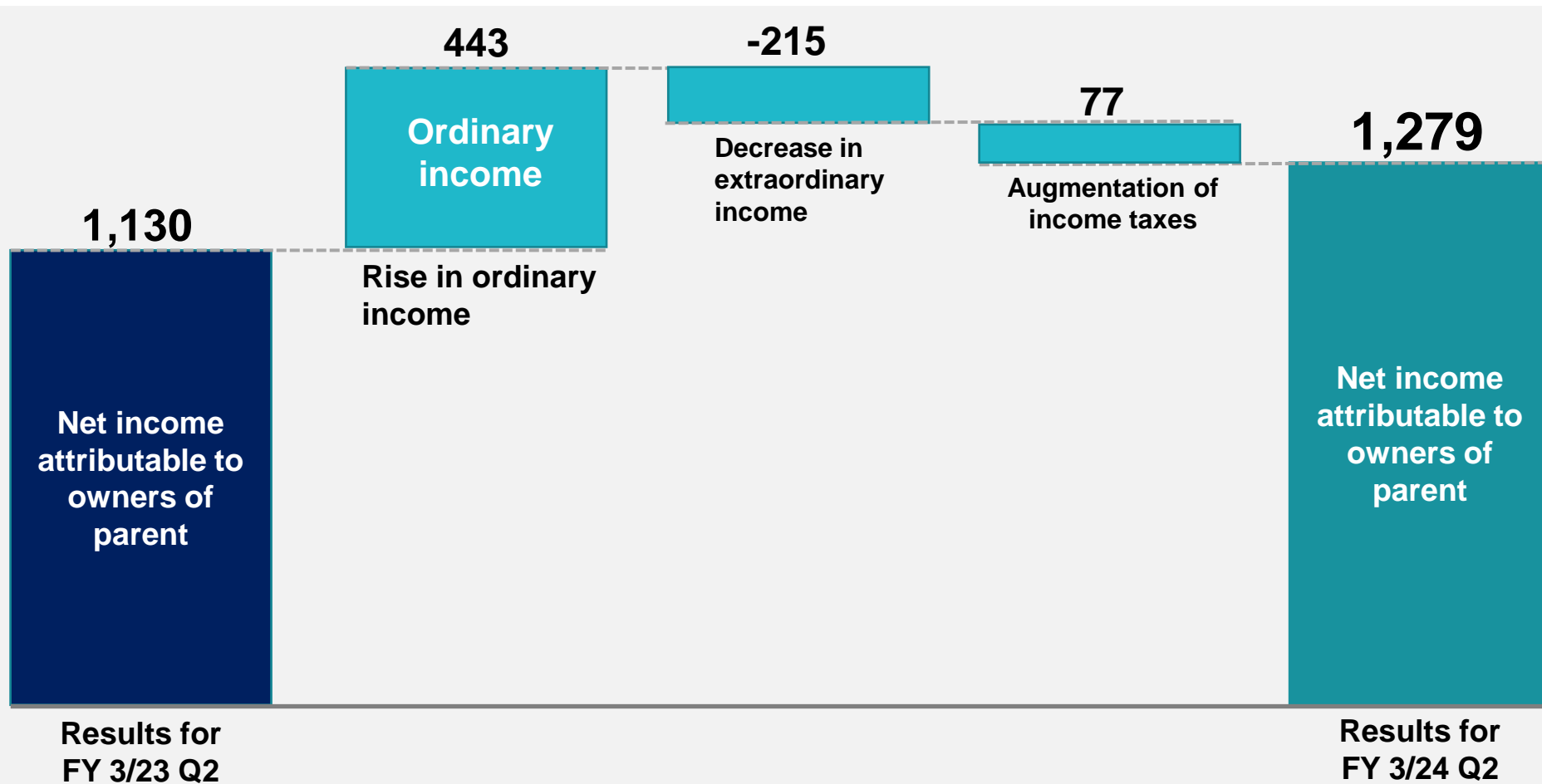


(Unit: million yen/Rounded down to the nearest million yen.)

# FY 3/24 Factors for Changes in Net Income Attributable to Owners of Parent

**Net income attributable to owners of parent**

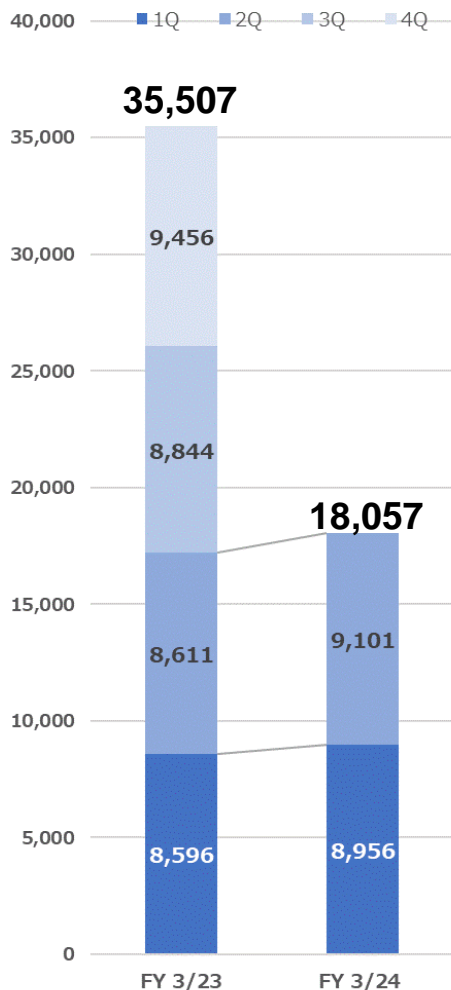
Net income increased year on year, hitting a record high, as sales grew and ordinary income rose considerably through the curtailment of expenses with an efficient operation system.



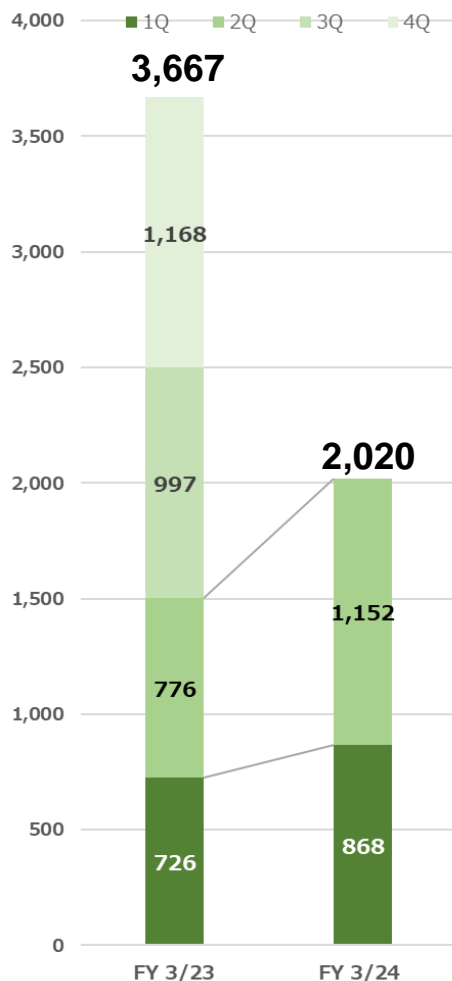
(Unit: million yen/Rounded down to the nearest million yen.)

# Quarterly Results in the Q2 of FY 3/24

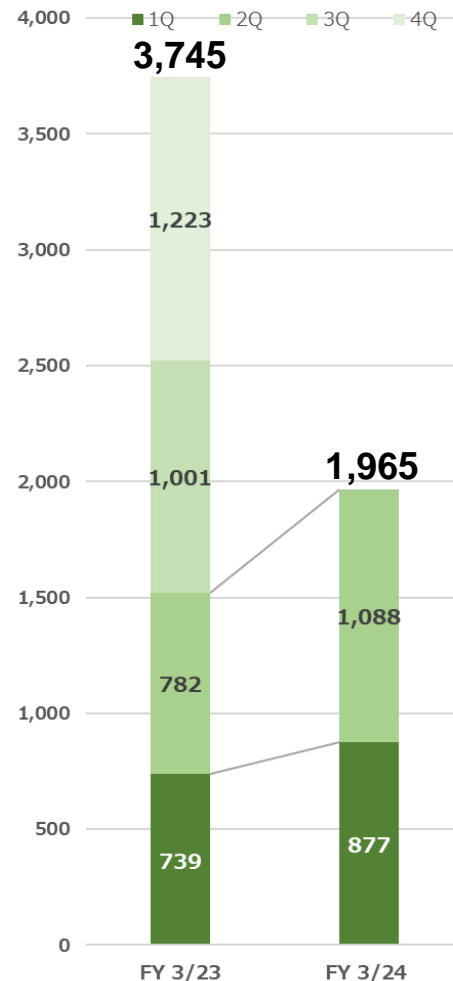
Net sales



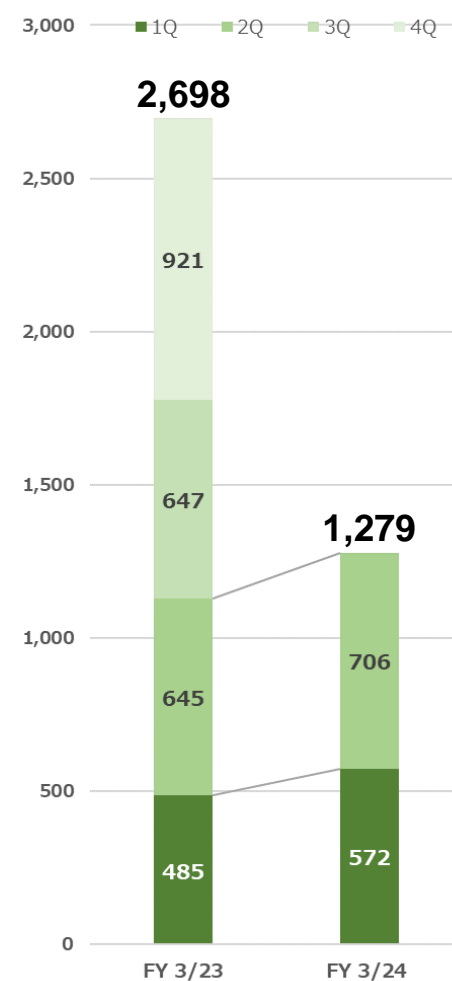
Operating income



Ordinary income



Net income



(Unit: million yen/Rounded down to the nearest million yen.)

# FY 3/24 Q2 Factors for Changes in Balance Sheet

Increase in shareholders equity ratio due to the decline in long-term loans-payable

## Financial condition

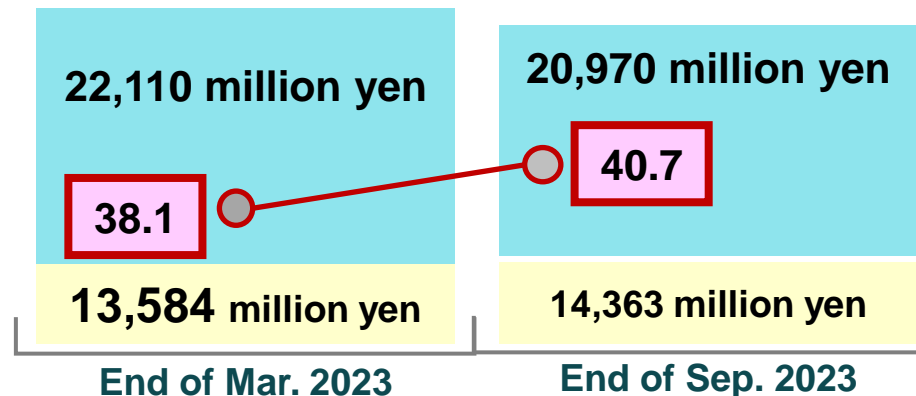
End of September 2023 \*( ) = Difference with the end of March 2023

<b>Assets</b>	<b>Liabilities</b>
<b>35,334 million yen</b> (-360 million yen)	<b>20,970 million yen</b> (-1,139 million yen)
	<b>Net assets</b>
	<b>14,363 million yen</b> (+779million yen)

Million yen	End of Mar. 2023	End of Sep. 2023
Current assets	23,613	23,537
Fixed assets	12,081	11,797
Total assets	35,694	35,334
Current liabilities	8,294	8,807
Fixed liabilities	13,816	12,163
Total liabilities	22,110	20,970
Total net assets	13,584	14,363

## Liabilities, Net Assets, Shareholders Equity Ratio

■ Liabilities ■ Net assets —○— Equity Ratio (%)



Cash and deposits 20,027 million yen  
Inventory assets 40 million yen  
Accounts receivable-other 2,625 million yen  
Buildings and structures 12,023 million yen

Current portion of long-term loans-payable 3,816 million yen  
Accounts payable 1,713 million yen  
Income taxes payable 754 million yen  
Long-term loans payable 10,542million yen

Retained earnings 12,190 million yen  
Accumulated other comprehensive income -115 million yen

(Figures are rounded down to the nearest million yen, and the equity ratio is rounded off to the nearest first decimal point place.)



## FY 3/24 Q2 Balance Sheet

	End of Mar. 2023 (million yen)	End of Sep. 2023 (million yen)	Change (million yen)
<b>Total current assets</b>	<b>23,613</b>	<b>23,537</b>	<b>-76</b>
(Cash and deposits)	<b>19,330</b>	<b>20,027</b>	<b>696</b>
(Accounts receivable-other)	<b>3,263</b>	<b>2,625</b>	<b>-637</b>
<b>Total fixed assets</b>	<b>12,081</b>	<b>11,797</b>	<b>-284</b>
(Total tangible fixed assets)	<b>4,984</b>	<b>4,803</b>	<b>-181</b>
(Total intangible fixed assets)	<b>146</b>	<b>126</b>	<b>-19</b>
(Total investments and other assets)	<b>6,950</b>	<b>6,866</b>	<b>-83</b>
<b>Total assets</b>	<b>35,694</b>	<b>35,334</b>	<b>-360</b>
<b>Total current liabilities</b>	<b>8,294</b>	<b>8,807</b>	<b>513</b>
(Current portion of long-term loans-payable)	<b>3,654</b>	<b>3,816</b>	<b>162</b>
(Accounts payable)	<b>1,681</b>	<b>1,713</b>	<b>31</b>
<b>Total fixed liabilities</b>	<b>13,816</b>	<b>12,163</b>	<b>-1,653</b>
(Long-term loans-payable)	<b>12,226</b>	<b>10,542</b>	<b>-1,683</b>
<b>Total liabilities</b>	<b>22,110</b>	<b>20,970</b>	<b>-1,139</b>
<b>Total net assets</b>	<b>13,584</b>	<b>14,363</b>	<b>779</b>
<b>Total liabilities and net assets</b>	<b>35,694</b>	<b>35,334</b>	<b>-360</b>

(Rounded down to the nearest million yen.)

## FY 3/24 Q2 Statement of Cash Flows

Operating CF: Increase in income before income taxes

Investing CF: Collection of long-term loans and acquisition of property, plant and equipment

Financing CF: Repayment of long-term loans-payable and dividend payment

Unit: million yen	FY 3/24 Q2	FY 3/23 Q2	Change
<b>Cash flows from operating activities</b>	<b>2,878</b>	<b>1,410</b>	<b>1,468</b>
<b>Cash flows from investing activities</b>	<b>-83</b>	<b>227</b>	<b>-311</b>
<b>Free cash flow</b>	<b>2,795</b>	<b>1,637</b>	<b>1,158</b>
<b>Cash flows from financing activities</b>	<b>-2,098</b>	<b>-1,959</b>	<b>-138</b>

(Rounded down to the nearest million yen.)



JP HOLDINGS GROUP

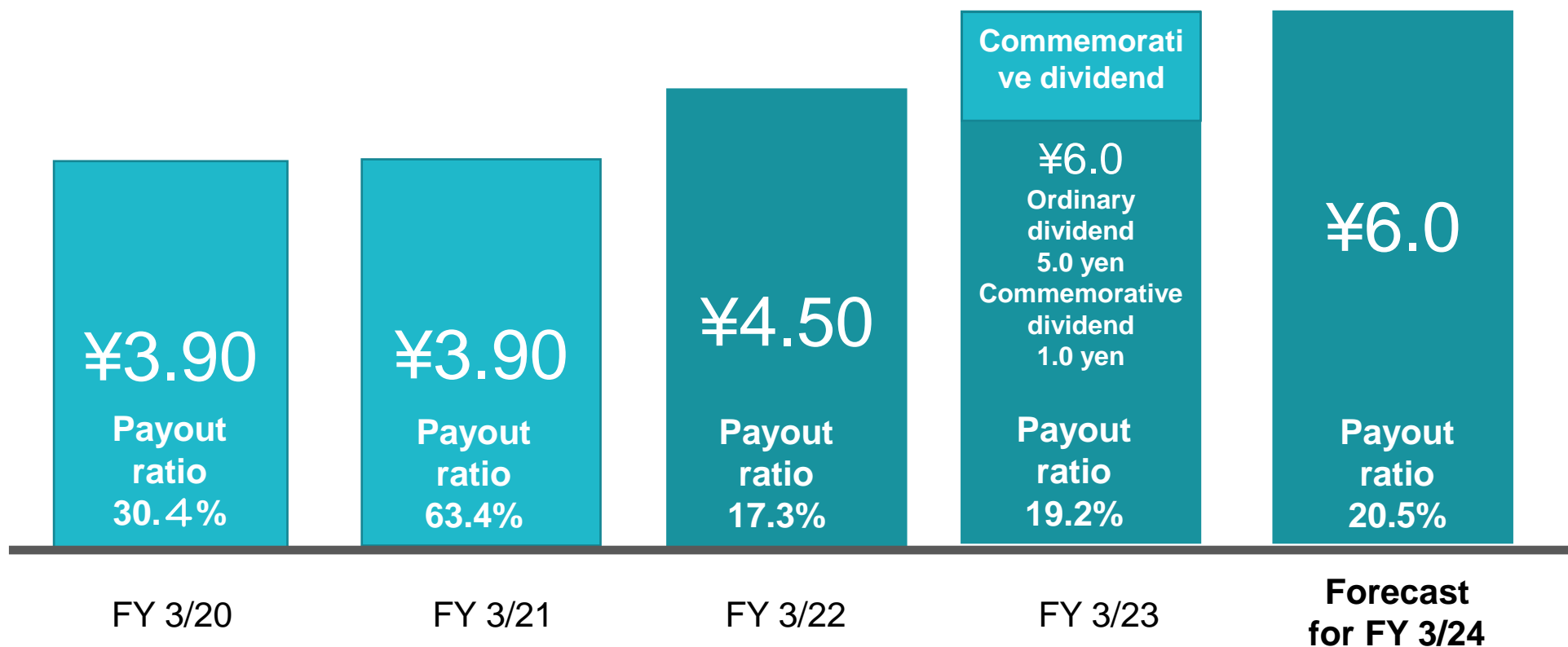
# FY 3/24 Forecast

- We aim to expand revenues by reforming the structures of existing facilities, enriching the early childhood programs, and so on.
- The reason why net income attributable to owners of parent decreased is that we sold the fixed assets (land, buildings, etc.) of 4 nursery schools in the previous term.

	Results for FY 3/23	forecast for FY 3/24	Change	% change
Net sales (million yen)	35,507	36,390	882	2.5%
Operating income (million yen)	3,667	3,820	152	4.2%
Ordinary income (million yen)	3,745	3,842	96	2.6%
Net income attributable to owners of parent (million yen)	2,698	2,497	-201	-7.5%
Net income per share (yen)	26.06	29.32	3.26	—
Dividend per share (yen)	Ordinary dividend 5.0 Commemorative dividend 1.0	6.0	Ordinary dividend 1.0	—
Payout ratio (%)	19.2	20.5	1.3	—
Expected opening of nursery school (school)	2	1	-1	—
Expected consignment of school clubs and children's houses (facility)	13	8	-5	—

## ◎ Dividend policy

- Regarding profit sharing, our company pays dividends while securing internal reserve required for future business and fortification of our management structure.
- For FY 3/24, in view of business trends, we plan to increase the dividend by 1 yen from the previous fiscal year's ordinary dividend of 5 yen to 6 yen.





# Plan for opening new facilities in FY 3/24 and the number of facilities as of the end of September

## No. of New Openings on April 1, 2023

Nursery School: 1  
School Clubs: 7

## Bilingual Nursery Schools **5**

(The Company changed licensed nursery schools and Tokyo Licensed Nursery Schools to bilingual nursery school)

**on June 1, 2023**

School Club: 1

**on July 21, 2023**

School Club: 1

**New Openings for FY 3/24**

**Total: 10**

## No. of Facilities Operated as of the End of September 2023

Nursery Schools: 209  
School Clubs: 86  
Children's houses: 11

**Total: 306**

### Tokyo

#### 5 Bilingual Nursery School

- Asc Bilingual Nursery School Eifuku
- Asc Bilingual Nursery School Kameido
- GENKIDS Bilingual Nursery School Shinkoyasu
- Asc Bilingual Nursery School Asakusabashi
- Ask Bilingual Nursery School Meidai-mae

### Tokyo

#### 1 licensed nursery school

- Shinagawa Municipal Yashio Nishi Nursery School

### Tokyo

#### 9 school clubs and children's houses

(Out of which, one facility is to be opened in July 21.)

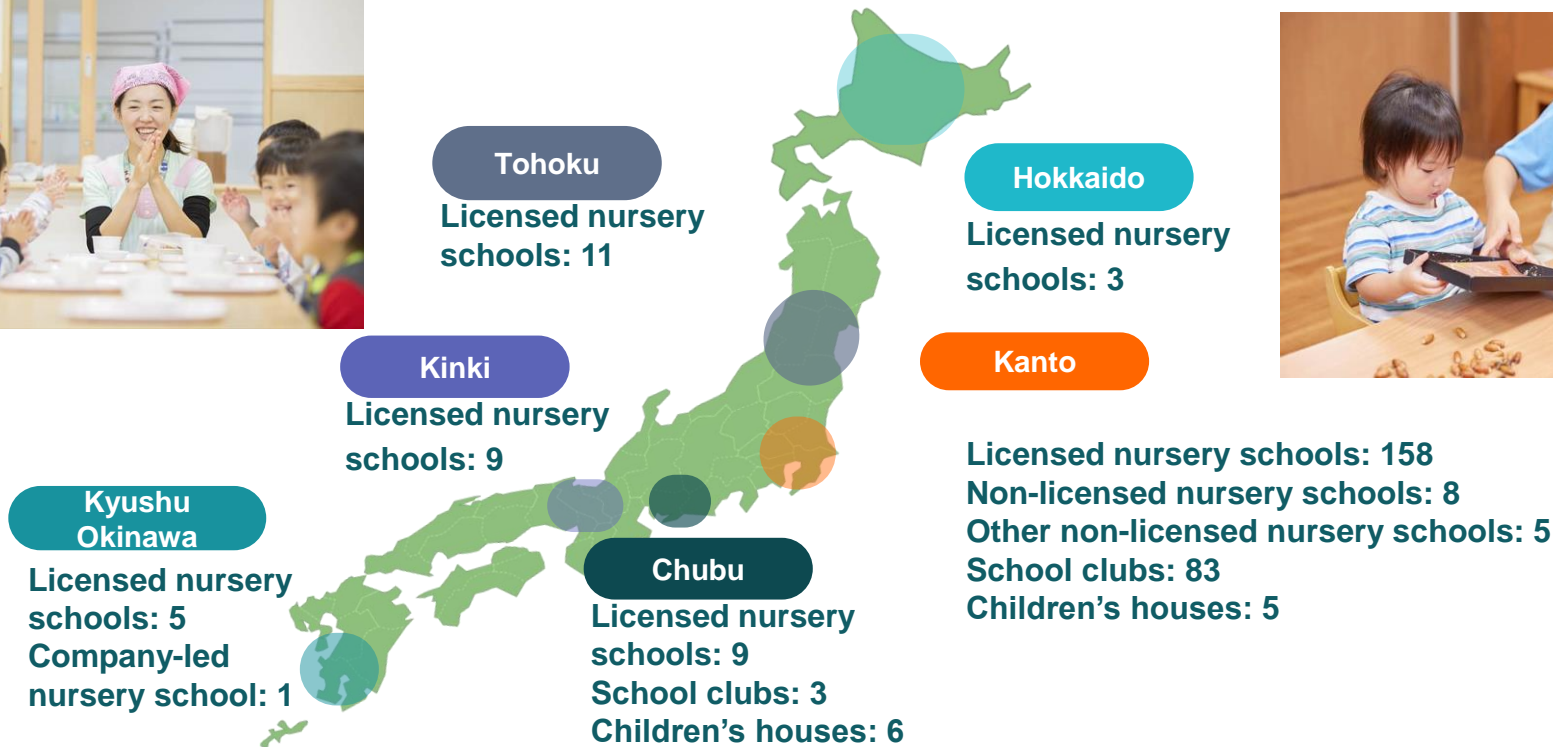
- Heisei Elementary School After School Kids' Club
- Ryusen Kids' Club
- Chofu Municipal Chowa Elementary School Club No.2
- Minamikko Hiroba
- Minato-ku Houka-go→ Club Konan
- Takaban Elementary School Lan Lan Hiroba
- Yonsho Aozora School Club
- Asc Asakusabashi Kids' Club (on June 1, 2023 )
- Matsubara Children's Club No.2 (on July 21, 2023)

※As of March 31, 2023, the Company closed Tokyo Licensed Nursery School named Asc Fudomae Nursery School. In addition, due to the expiration of the contract, the Company withdrew from school clubs named Wakuwaku Akabane Hiroba/Akabane Children's Club No. 1, Wakuwaku Akabane Hiroba/Akabane Children's Club No. 2, Wakuwaku Akabane Hiroba/Akabane Children's Club No. 3, Wakuwaku Kirigaoka-sato Hiroba/Kirigaoka-satokko Club No. 1, Wakuwaku Kirigaoka-sato Hiroba/Kirigaokasatokko Club No. 2, Wakuwaku Kirigaoka-sato Hiroba/Akakita Hibi Club No.3, Wakuwaku Fukuro Hiroba/Akakita Hibi Club No.3, Wakuwaku Yoniwa Hiroba/Yoniwa Elementary School Icho. Club No. 1, Wakuwaku Yoniwa Hiroba/Yoniwa Elementary School Icho. Club No. 2, Mitaka Municipal Minamiura School Club Annex A, Minato-ku Houka-go→ Club Honmura, Bunkyo-ku Meidai Temporary Childcare Room as of March 31, 2023.

# No. of Facilities Operated as of the End of September 2023

## No. of Facilities Operated by Region

### Operate 306 facilities as of the End of September 2023



**209 nursery schools, 86 school clubs, 11 children's houses**



JP HOLDINGS GROUP

# 2

## Long-Term Management Vision /Medium-term Management Plan





JP HOLDINGS GROUP

# Long-Term Management Vision

# Target Indicators

## Long-Term Management Vision

**We aim to develop “nursery schools and facilities that would be selected by customers.”**

(To realize nursery schools, facilities, and an enterprise that will be continuously selected by guardians, municipalities, training schools, and officials)

**Improvement and expansion of existing businesses, new businesses, and capital/business alliances**  
**Target consolidated sales: 100 billion yen**

## Mid-term management goals

**To improve profitability at existing facilities and further improve the quality of childcare support, and create new value while considering the changes in society and the business environment.**

**Early monetization of new business and achievement of an operating income margin of 11% or over**

(To reform the management structure and implement growth strategies in the 3 years from FY 3/24 to FY 3/26)

**3<sup>rd</sup> year of the medium-term management plan (final fiscal year) For FY 3/26, we aim to achieve net sales of 38,340 million yen and an operating income of 4,330 million yen.**



# Actions to Achieve Consolidated Net Sales of 100 Billion Yen

## To become a leading platform provider for childcare support services in Japan

### Long-Term Management Vision

#### Aiming to develop “nursery schools and facilities that would be selected”

Improvement and expansion of existing businesses, new businesses, and capital/business alliances

**Target consolidated sales: 100 billion yen**

#### Existing business: 50 billion yen

- Collaboration between nursery schools, school clubs, and children's houses (dominant strategy)
- Expansion of development support services (multifunctional facilities)
- Expansion of early childhood learning programs and bilingual nurseries

#### New business & M&A: 50 billion yen

- Expansion of child-rearing assistance platform business
- Overseas business mainly in Asia
- Aggressive promotion of M&A and business alliances
- Responding to social issues (corporate alliances)

### Medium-Term Management Plan

#### Structural reform, business innovation and creation of new services and value

1. Realizing growth and competitive advantage (Creation of new businesses and differentiation strategy for existing businesses)
2. Reforming the revenue structure (Management efficiency improvement, cost reduction, reform of existing businesses)
3. Reforming the management foundation (Promoting personnel development, revitalizing corporate culture, enhancing management and administration, and improving the environment)

### (1) Expansion of external sales through partnership

#### 1. Promotion of M&A

-To actively pursue M&A opportunities in the childcare support business with other companies in the same industry, to capture the largest share in the business.

#### 2. To acquire and utilize social welfare corporations

-Establish a corporation to promote social welfare partnerships in order to acquire and utilize social welfare corporations, which account for approximately 70% of all nursery school operations.

-We will promote the improvement of the quality of childcare services, the development of child-rearing environments, and regional cooperation by responding to succession issues and providing our proprietary know-how.

#### 3. To develop overseas business mainly in Asia

-Child-rearing assistance platform, our unique early childhood learning program, consulting on nutrition management, new business development utilizing e-commerce.

### (2) Business expansion through self-help efforts

#### 1. Consistent childcare and nurturing system through collaboration between nursery schools and school clubs

-To double the number of school clubs to 200 (expansion of new contracts)

-Establishment of nursery schools in focused areas

#### 2. Measures to develop nursery schools and facilities that would be selected

- Expansion of learning programs, bilingual nursery schools, STEAMS-based child care and afterschool programs

Expansion of developmental support (multifunctional facilities), and digitalization of programs

#### 3. To develop new businesses

-To expand services and functions of the child-rearing assistance platform, and operate food business New business development in collaboration and partnership with other industries

### (3) Solving social problems through alliances with other companies

1. Solving issues such as poverty among children, truancy, abuse, etc.
2. Integrated education system (integrated elementary and junior high schools)

(Net sales)  
Unit: 100  
million yen  
**1,000**

New  
businesses

**500**

Existing  
businesses

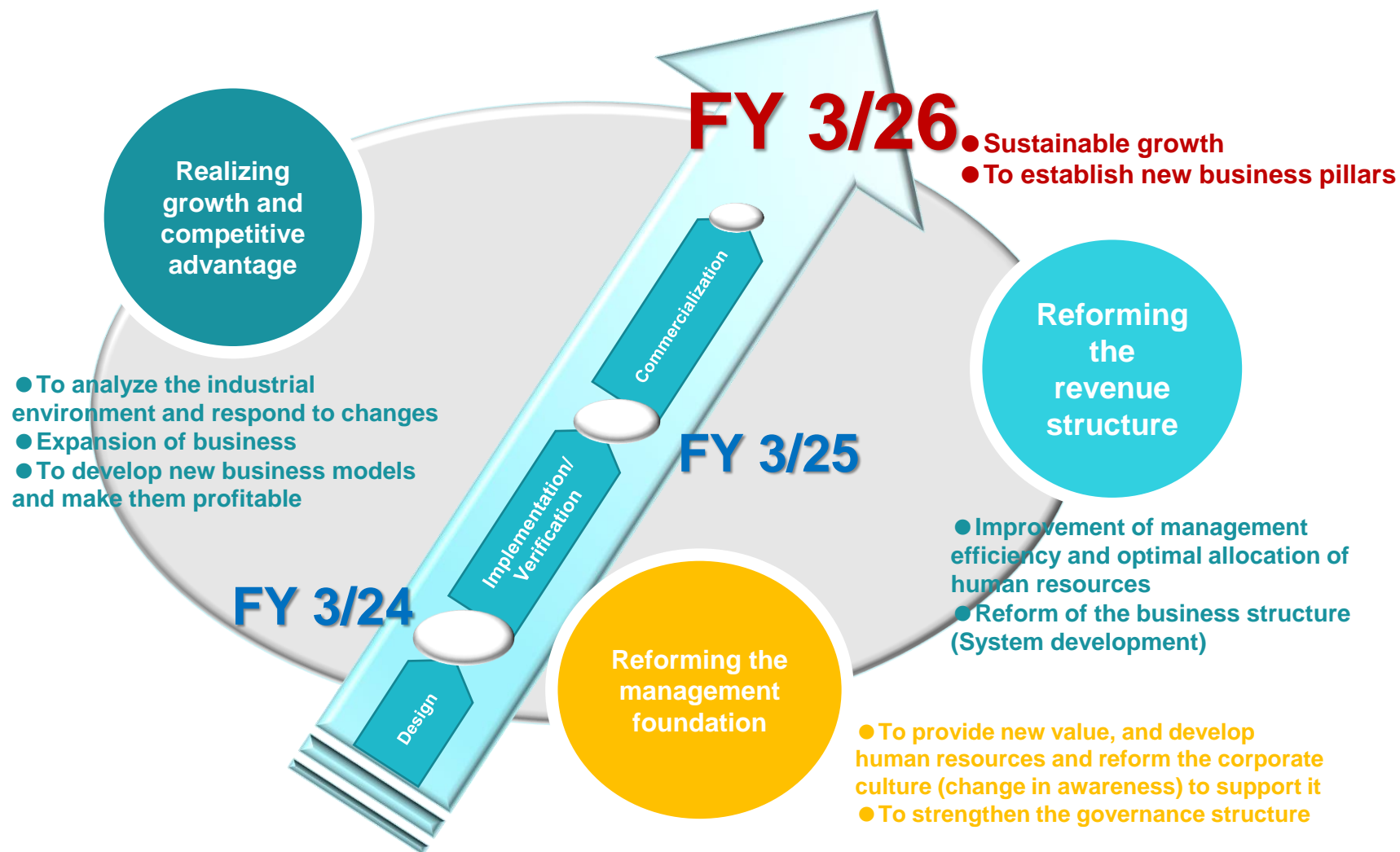
# Review of the Medium-term Management Plan (FY 3/24 to FY 3/26) via a Rolling Method

## Structural reform, business innovation and creation of new services and value

We will actively develop new business for growth, engage in M&A and promote development of infrastructure such as systems through **structural reform and business innovation**. Furthermore, we will establish a solid business foundation to create new services and value and establish a competitive advantage. Through these efforts, we will address parents' needs and concerns as well as social issues through our operations to achieve sustainable growth.

Three Basic Management Policies	1	Realizing growth and competitive advantage
	2	Reforming the revenue structure
	3	Reforming the management foundation

## Creation of new services and value



# Target Indicators in Medium-term Management Plan

**Management  
goal**

**Structural reform, business innovation and  
creation of new services and value**

**Business goals for  
FY 3/26**

**Achieving an operating income margin of 11% or over and a turnover  
rate of 10% or lower.  
Monetizing new business**

**Priority  
measures**

1. Realizing growth and competitive advantage  
(Creation of new businesses and differentiation strategy for existing businesses)
2. Reforming the revenue structure  
(Management efficiency improvement, cost reduction, reform of existing businesses)
3. Reforming the management foundation  
(Promoting personnel development, revitalizing corporate culture, enhancing management and administration, and improving the environment)

**Management  
policy  
Challenges**

**Reforming the structure of existing facilities, optimizing and systematizing head office personnel  
Improving quality through personnel development and controlling turnover rate  
Expanding business scale through the creation of new businesses and M&A**

- Development of nursery schools and facilities that would be selected
- Reforming the structure of existing businesses
- Strengthening and streamlining the management foundation
- Promoting growth strategies



## Basic Management Policy

**Realizing growth  
and competitive  
advantage**

**Reforming the  
revenue structure**

**Reforming the  
management  
foundation**

## Priority Measures

### **Expansion, differentiation, and competitive advantage in existing business areas:**

- 1) Paid programs and external sales of enhanced English, gymnastics, eurhythmics, and dance programs.
- 2) Lesson business utilizing extracurricular hours.
- 3) Operation of new learning programs, such as STEAMS-based childcare and after-school programs, and bilingual nurseries
- 4) “Nursery Anywhere” program in which the Tokyo metropolitan area and regional nursery schools collaborate to offer nursery schools experience and temporary care.
- 5) Regional collaboration to improve the child-rearing environment through the “My Nursery School System.”
- 6) Business expansion from licensed nurseries to accredited kindergarten.

### **Development and monetization of new businesses:**

- 1) Child-rearing assistance platform “codomel” (sales to parents/employees and BtoB sales).
- 2) Food business (sales to parents and “Kids’ Restaurant” serving dinner at nursery schools).
- 3) Development and consideration of new business areas (dispatch business, integrated elementary and junior high schools, social welfare corporations, and others).

### **Active promotion of M&A:**

- 1) Childcare-related companies for the childcare support business, etc.
- 2) New business areas

### **Streamlining management and reducing costs:**

Systematization, optimizing personnel allotment, strengthening financial management, and thorough expense control.

Measures based on data analysis, elimination of unnecessary tasks, and promotion of compact head office.

### **Strengthening the revenue base:**

Maximizing subsidies, optimizing personnel allotment, and increasing new contracts.

### **Developing human resources and revitalizing corporate culture:**

Enriching training as a foundation for human resources development and revitalizing corporate culture through a change in mindset.

### **Enhancing management and administration:**

Tightening governance, adopting a hands-on operation system, and thoroughly managing risks.

### **Improving the environment:**

Food loss measures, reducing CO<sub>2</sub> emissions through power-saving measures, and engaging in social contribution activities.

# Medium-term Management Plan (FY 3/24-FY 3/26)

- To develop a three-year plan from FY 3/24 to FY 3/26, while considering changes in the market environment and recent business trends.
- To reform the structure of childcare support business, such as nursery school service fees, and strive to monetize new businesses.
- The decrease in ordinary income in FY 3/24 compared to the initial plan is due to investments in systems and new businesses.

Unit: million yen	Results			Results			Forecast	
	FY 3/22			FY 3/23			FY 3/24	
	Results	Y/y	Compared to forecast	Results	Y/y	Compared to forecast	Forecast	Y/y
Net sales	34,373	2.6%	1.4%	35,507	3.3%	-0.4%	36,300	2.2%
Operating income	3,344	17.1%	22.5%	3,667	9.6%	0.9%		
Operating income margin	9.7%	1.2%	1.6%	10.3%	0.6%	0.1%		
Ordinary income	3,358	13.9%	21.7%	3,745	11.5%	0.9%	3,960	5.7%
Extraordinary income	9.8%	1.0%	1.6%	10.5%	0.8%	0.1%	10.9%	0.4%
Net income	2,279	324.1%	29.5%	2,698	18.4%	5.1%		
Net income margin	6.6%	5.0%	1.4%	7.6%	1.0%	0.4%		



Unit: million yen	Medium-term Management Plan					
	FY 3/24		FY 3/25		FY 3/26	
	Forecast	Y/y	Target	Y/y	Target	Y/y
Net sales	36,390	2.5%	37,220	2.3%	38,340	3.0%
Operating income	3,820	4.2%	4,100	7.3%	4,330	5.6%
Operating income margin	10.5%	0.2%	11.0%	0.5%	11.3%	0.3%
Ordinary income	3,842	2.6%				
Extraordinary income	10.6%	0.1%				
Net income	2,497	7.5%				
Net income margin	6.9%	-0.7%				

\*1: "Rate of change compared to the previous term" and "Rate of change compared to the plan" of operating income margin, ordinary income margin, and net income margin attributable to owners of parent indicate differences.

\*2: Rounded down to the nearest million yen.



JP HOLDINGS GROUP

# Priority Measures for the Second Half of FY 3/24

## Improvement of profitability and early monetization of new businesses through structural reforms and business confirmation

Structural reform, business innovation, competitive advantage, and new business creation

Existing business domain

New business domain

Profitability improvement

Sales growth

### Enhance and extend (superiority)

In mature markets, we will evolve the business model and improve the value we offer.  
(Measures to expand earnings of related businesses)

#### [Expansion of existing business earnings]

- Reallocation of personnel to maximize subsidies
- Expansion of commissioned projects for school clubs and children's houses  
(Cooperation with nursery schools = dominance strategy)
- Measures for the increase of the number of children accepted
  - 1) My Nursery School System through regional cooperation
  - 2) Implementation of early childhood learning programs at all nursery schools

#### [Expansion of related businesses]

- Monetization of cast (English, gymnastics, and eurhythmics) programs
  - 1) Charging for existing programs (program revision)
  - 2) Implementation of lesson programs utilizing extracurricular hours
- Fee-charging for nursery equipment and supplies  
Diaper disposal and learning equipment sets

### Change (structural reform)

•Improve operational efficiency and establish an independent organizational structure through business restructuring

#### [Revenue structure reform]

- Management efficiency improvement and cost reduction
  - 1) Separation of on-site and headquarter operations to streamline operations and realize a compact head office
  - 2) Systematization and data analysis
  - 3) Optimization of personnel allocation

#### [Management infrastructure reform]

- Development of human resources and revitalization of corporate culture
- Keeping turnover rate below 10%
- Evaluation linked to personnel system and human resources development  
(Evaluation based on KPI setting)
- Efficiency improvement through optimization of personnel and systematization

### Create (growth potential)

•Develop new business areas for sustainable growth  
•Promote M&A as a strategic investment

#### [New business]

- Monetization of the child-rearing assistance platform
  - 1) Sale of products to employees and guardians
  - 2) Sale of childcare-related products to other companies in the same industry
  - 3) Operation of food business
- Kids' Restaurant and temporary childcare services in cooperation with local communities

#### [New business] (Research and establishment)

- New business operation
  - 1) Global operation  
Child-rearing assistance platform and personnel education
  - 2) Integrated elementary and junior high schools
  - 3) M&A involving other companies in the same industry

Realizing growth and competitive advantage

Reforming the revenue structure

Reforming the management foundation

**In the next fiscal year, the childcare policy will change significantly, and revenues are expected to grow.**

<b>1</b>	<b>Start of “the system for allowing any children to enter a nursery school (provisional name)”</b>
<b>2</b>	<b>Change in the number of children per nursery staff member</b>
<b>3</b>	<b>Start of a system for a “nursery school booking system”</b>
<b>4</b>	<b>Start of nationwide employment of regional nursery staff</b>
<b>5</b>	<b>Expansion of support funds for “childcare assistants” to qualified persons</b>

## Drastic governmental measure for coping with the declining birthrate

### A system for allowing any children to enter a nursery school (provisional name)

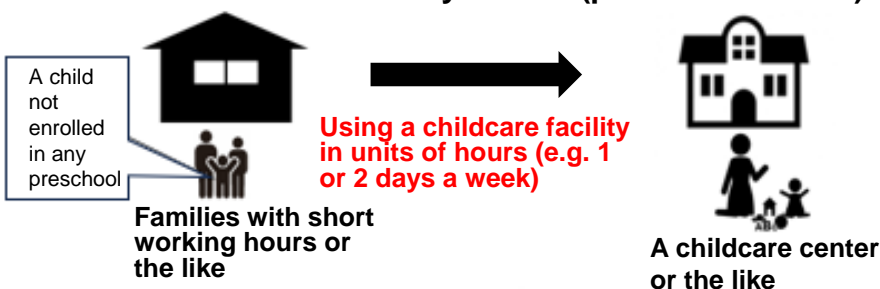
The government is considering a system in which parents of children aged 6 months to 2 years can use a nursery school for up to 10 hours per month per child no matter whether they are working.

■ Methods: ① **“Regular use”** of a specified childcare facility in set hours on predetermined days of the week

② Flexible **“free use”** without setting hours

✂ **The government is considering a system with which parents can check the vacancies of facilities around Japan and directly book their services. This system would manage information, such as children’s medical histories and enrollment records, and would be managed by facilities and municipalities.**

#### Schematic diagram of the system for allowing any children to enter a nursery school (provisional name)



### Change in the number of children per nursery staff member

To improve the quality of early childhood education and childcare services, the government has revised the staffing standards for the first time in 75 years.

**The maximum number of children aged 1 year looked after by a nursery staff member: 6 ⇒ 5**

**The maximum number of children aged 4 or 5 years looked after by a nursery staff member: 30 ⇒ 25**

Thanks to the measures for decreasing children on waiting lists, amount of childcare provided increased, but families raising children have concerns, because there have been accidents involving children and improper operations in early childhood education and childcare facilities in recent years. Accordingly, a system will establish a system so that parents can leave their children at childcare facilities.

Age	No. of children	No. of nursery staff members
Infants (0 years old)	3	1
Children aged 1-2 years	6	1
Children aged 3 years	20	1
Children aged 4-5 years	30	1

Age	Current	Proposal for improvement
Children aged 1 year	6 children per nursery staff member	5 children per nursery staff member
Children aged 4-5 years	30 children per nursery staff member	25 children per nursery staff member

## Drastic governmental measure for coping with the declining birthrate

### Start of a “nursery school booking system”

To make it easier for parents who resigned from their jobs for childbirth to use a nursery school at the time of resuming work.  
To improve the situation in which such parents face difficulty in using a nursery school compared with parents who resume work after childcare leave without resigning from a company.

• System for enabling parents who resigned from their jobs for childbirth to use a nursery school at the time of resuming work in the same way as parents after childcare leave

\* Most municipalities mainly in urban areas have adopted a “nursery school booking system” with which parents can use a nursery school when their 1-year childcare leave ends. ➡ Parents who resigned from their jobs for childbirth, too, will be able to use a nursery school at the time of resuming work.

• To give subsidies to compensate for the decline in revenues from childcare due to the vacancies until enrollment of children

\*To promote nursery schools to prepare or increase new vacancies for parents who want to resume work

### Start of nationwide employment of regional nursery staff

Measure for alleviating the shortage of nursery staff, by making “regional nursery staff” in special districts available nationwide

#### Revisions to the “regional nursery staff system”

(1) To alleviate the shortage of nursery staff, the government plans to make “regional nursery staff” who can work in a specific region available around Japan

(2) At present, some local governments, including Kanagawa Prefecture and Osaka, use the system as part of national strategic special zones.

In 2024, the Child Welfare Act will be amended, to allow regional nursery staff to work outside the special zones.

(3) Regional nursery staff can work in a specific region in the same way as qualified nursery staff, after passing the exam conducted independently by each municipality. From the fourth year, they will be able to work anywhere in Japan.

#### Purposes in revising the “regional nursery staff system”

(1) Regional nursery staff can obtain a qualification by attending a lecture on practical skills after passing a written exam.

(2) As the demand for childcare grew, the government created the position of “regional nursery staff” in accordance with the law on national strategic special zones in fiscal 2015. The shortage of nursery staff became an issue in urban areas, regions suffering the population decline, etc., so the government judged that it is necessary to make regional nursery staff available around Japan.

### Qualified personnel will be able to become “nursery staff,” receiving subsidies.

To alleviate the shortage of nursery staff, the government will provide subsidies when nursery schools, etc. employ qualified personnel as “nursery assistants” to support them in resuming work.

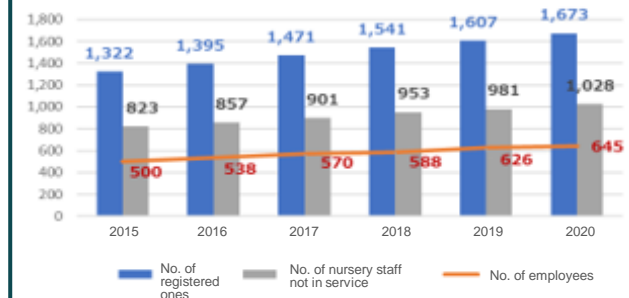
• Up until now, nursery assistants have been those who did not obtain a qualification for childcare, but qualified people, too, will be able to become nursery assistants to resume work.

• The national government will bear ¾ of costs for subsidies while local governments will bear ¼ of the costs.

• The subsidy amount will be 2.33 million yen per year for facilities where up to 120 children can be enrolled, and around 4.67 million yen for facilities where over 120 children can be enrolled.

• The government will establish the position of “career advisers for nursery staff,” who will provide information on the working environment and treatment at each nursery school.

Variation in the number of potential nursery staff members





To secure nursery staff and specialized personnel to respond to the drastic governmental measures for coping with the declining birthrate

### Current primary governmental measures

1	Start of “the system for allowing any children to enter a nursery school (provisional name)”
2	Change in the number of children per nursery staff member
3	Start of a system for a “nursery school booking system”
4	Start of nationwide employment of regional nursery staff
5	Expansion of support funds for “childcare assistants” to qualified persons

### Changes in the business environment, and our responses

#### 【Changes in the business environment (forecast)】

##### ● Intensification of competition for nursery staff

- 1) Increase in fees for introducing personnel, especially mid-career workers
- 2) Intensification of competition for new graduates
- 3) Improvement in the working environment

##### ● Measures for securing nursery staff and specialized personnel

- 1) Suppress turnover rate (to decrease it to 10% or lower)
  - Improvement in the working environment (motivating staff and improving treatment)
  - Elimination of unnecessary tasks and management systems for respective areas
- 2) Enhancement of recruitment of new personnel
  - To visit schools to employ more new graduates as nursery staff (To visit schools by using graduates and cement the cooperation with training schools)
  - Measures for securing nursery staff in each area (Staff introduction campaign, etc.)
- 3) Establishment of a personnel introduction firm (under discussion)
  - To discuss the establishment of a personnel introduction firm for securing a variety of personnel
  - \*Considering M&A, too
  - \*Considering the acceptance and introduction of non-Japanese personnel for future business expansion

## Basic policy

To promote “the development of nursery schools and childcare facilities that would be selected continuously” through new pioneering initiatives

- Enrichment of early childhood learning programs and implementation of new measures
- Promotion of childcare support activities in cooperation with local communities
- Promotion of consistent childcare support during babyhood, early childhood, and childhood periods



1

### Enrichment of early childhood learning programs

- Enrichment of programs for English, exercise, music, and dances
- Operation of characteristic nursery schools, such as “bilingual nursery schools”
- Implementation and enrichment of new early-childhood learning programs, such as STEAMS Program and nursery schools based on the Montessori method

2

### Business utilizing extracurricular hours

- To implement early childhood learning programs by utilizing extracurricular hours
  - ・Mojikazu Land, English, music, exercise, and dancing
  - \*Holiday lessons are offered during hours in nursery schools.

3

### Consistent support during babyhood, early childhood, and childhood periods

- To double the number of after-school childcare facilities and children’s halls to 200
  - ・Consistent childcare support based on dominant strategy
- To operate the business of supporting various children in visiting a childcare center or the like

4

### Various measures from the viewpoint of guardians

- Childcare support activities in cooperation with local communities
  - ・ My Nursery School System
- To promote nursery school tours (utilizing digital technology)
- Various measures for guardians (childcare services without demanding any goods, and learning goods)

# Priority Measures: “Competitive Advantage”

To secure competitive advantage through parent-oriented response and enrichment of early childhood learning programs

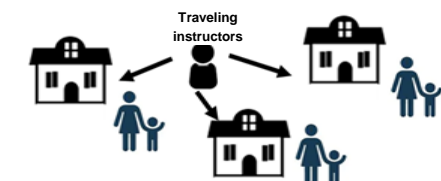
## Area dominance strategy

Increase the number of schools clubs and children's houses to 200/increase of 10 facilities per year

Achievement  
of our  
dominance

To support childcare  
from babyhood to  
early childhood to  
school age in our area

FY 3/23  
New contracts for  
undertaking the  
operation of 12  
schools clubs



### (1) Support business by visiting nursery schools

▷Specialized staff visit each facility and offer consultation services for development of children who need care.  
•Support for disabled children: To hold training and give instructions for enabling them to live in a group  
•Counselors for children, nursery staff, physical therapists, occupational therapists, psychological counselors, and others who possess the knowledge and experience of support for disabled children visit facilities.

### (2) Establishment of multifunctional facilities

## Childcare facilities specializing in English

•Facilities where native English-speaking teachers are assigned to the nursery schools and children can experience English in an enjoyable manner.



## Expansion of learning programs

### STEAMs-based childcare and after-school programs

•As physical activity is essential for the healthy development of infants, toddlers, and school-aged children, we will add “Sports” to STEAM and incorporate it into daily childcare and child-rearing.

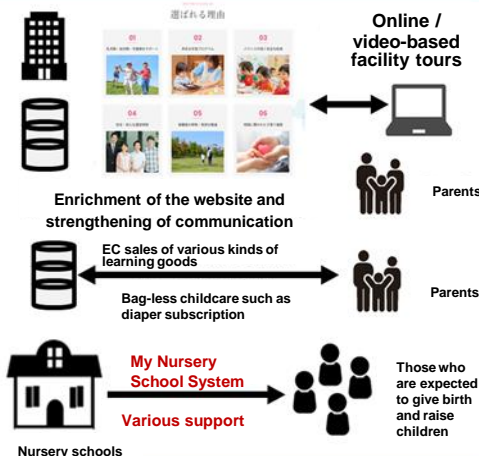
Science, Technology, Engineering, Arts (Liberal Arts), Mathematics, Sports

### Nursery schools based on the Montessori method

We focus on the self-growth and learning of children, and propose an environment in which respective children can take action at their own paces.

Five categories of assignments in Montessori education  
Daily life, education for stimulating senses, language education, arithmetic education, and culture education

## Response from parents' perspective



## Support business by visiting nursery schools

## Expansion of English, gymnastics, eurhythmics, and dance programs

### English



Get familiar with English through a program taught by a native English speaker.

### Gymnastics



Learn about both physical and mental movements through sports.

### Eurhythmics



Feel music with the whole body and learn the musical elements.

### Dance



Acquire dance skills gradually from the basics.

## Lesson business

### Extracurricular early childhood learning programs



Mojikazu Land (learning program)  
English, gymnastics, eurhythmics & dance programs  
Lesson business in collaboration with other companies (swimming, soccer, etc.)

### [Promotion of early childhood learning and new programs]

•Promote lesson business for each individual child utilizing extracurricular hours or collaboration with other companies  
•By utilizing extracurricular hours to offer lessons on weekdays, children can spend more time with their parents on holidays and alleviate their burden.

## To adopt a differentiation program to increase the capacity of each facility to accept more children

### STEAMS program To introduce our original “STEAMS” program to nursery schools and school clubs



#### [Overview of STEAMS program]

● “STEM education” is an educational method that originated in the U.S. in the 2000s with the aim of fostering IT talent. It stands for **S**cience, **T**echnology, **E**ngineering, and **M**athematics.

● “STEAM education” combined with liberal **a**rts is promoted by the Ministry of Education, Culture, Sports, Science and Technology as a problem-solving learning method for real-world challenges, with a focus on cultivating interdisciplinary talent.

● Our company incorporates **s**ports, which are essential for the healthy development of infants, toddlers, and school-age children, into STEAM education. We adopted the “**STEAMS Program**” in April, which promotes collaborative problem-solving and inquiry-based learning in a fun and engaging way, allowing children to expand their interests and curiosity while moving their bodies.

### Childcare facilities specializing in English

• Native English speakers are assigned as lecturers at facilities to enable children to experience English

➔ In FY 2023, we were operating 5 bilingual nursery schools in the Kanto region.

➔ Developed programs in which children can learn and experience English in an enjoyable fashion.

➔ Native English speakers give lessons.  
• Through the operation of bilingual nursery schools, we became able to accept more children.



### Nursery schools based on the Montessori method

Start of operation of nursery schools based on the Montessori method

We will conduct trial operation in 2 nursery schools, analyze the conditions, and expand operation.



**Exercise of daily life**  
To learn how to use his/her own body and objects, to sit, stand, walk, tidy up, put on/take off, give someone a greeting, and do the cleaning.



**Education for stimulating senses**  
To hone five senses by perceiving large, small, long, and short objects, sounds, colors, shapes, smells, etc.



**Language education**  
Children interested in characters touch characters, read them aloud, and write them by tracing them with their fingers to develop language skills.



**Arithmetic education**  
To develop the foundation for education for stimulating senses, and have children acquire the concept of quantities by learning amounts, numbers, and numerals.



**Culture education**  
To stir children's interest in things other than language and numbers, and allow them to actually touch things and broaden their perspectives.



#### [Nursery schools based on the Montessori method]

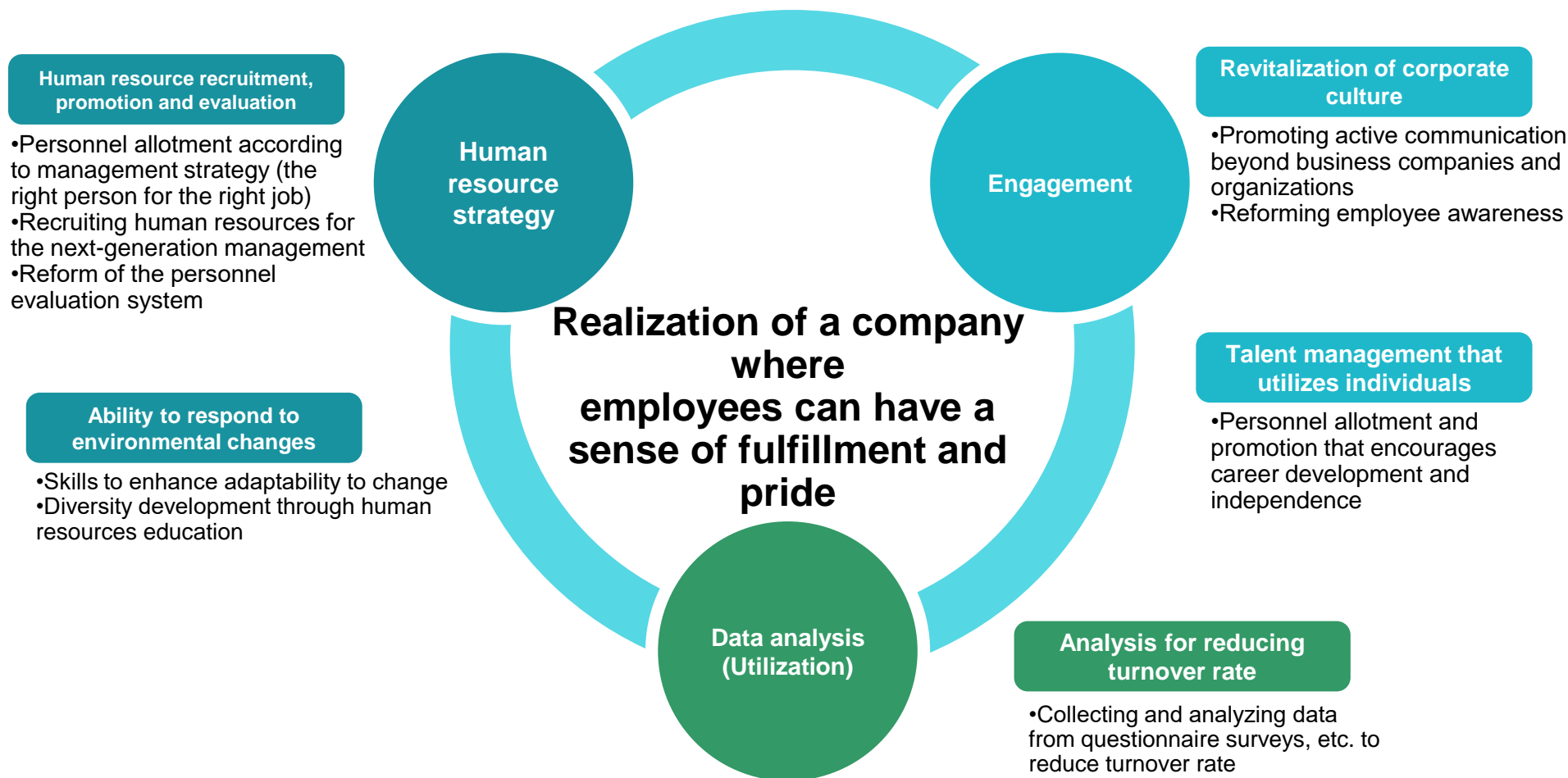
● With the Montessori method, we focus on the self-growth and learning of children, and propose an environment in which respective children can take action at their own paces.

● Nursery staff support children, and children grow through a variety of daily activities based on their interest. In addition, they nurture social nature and communication skills through the interaction with others.

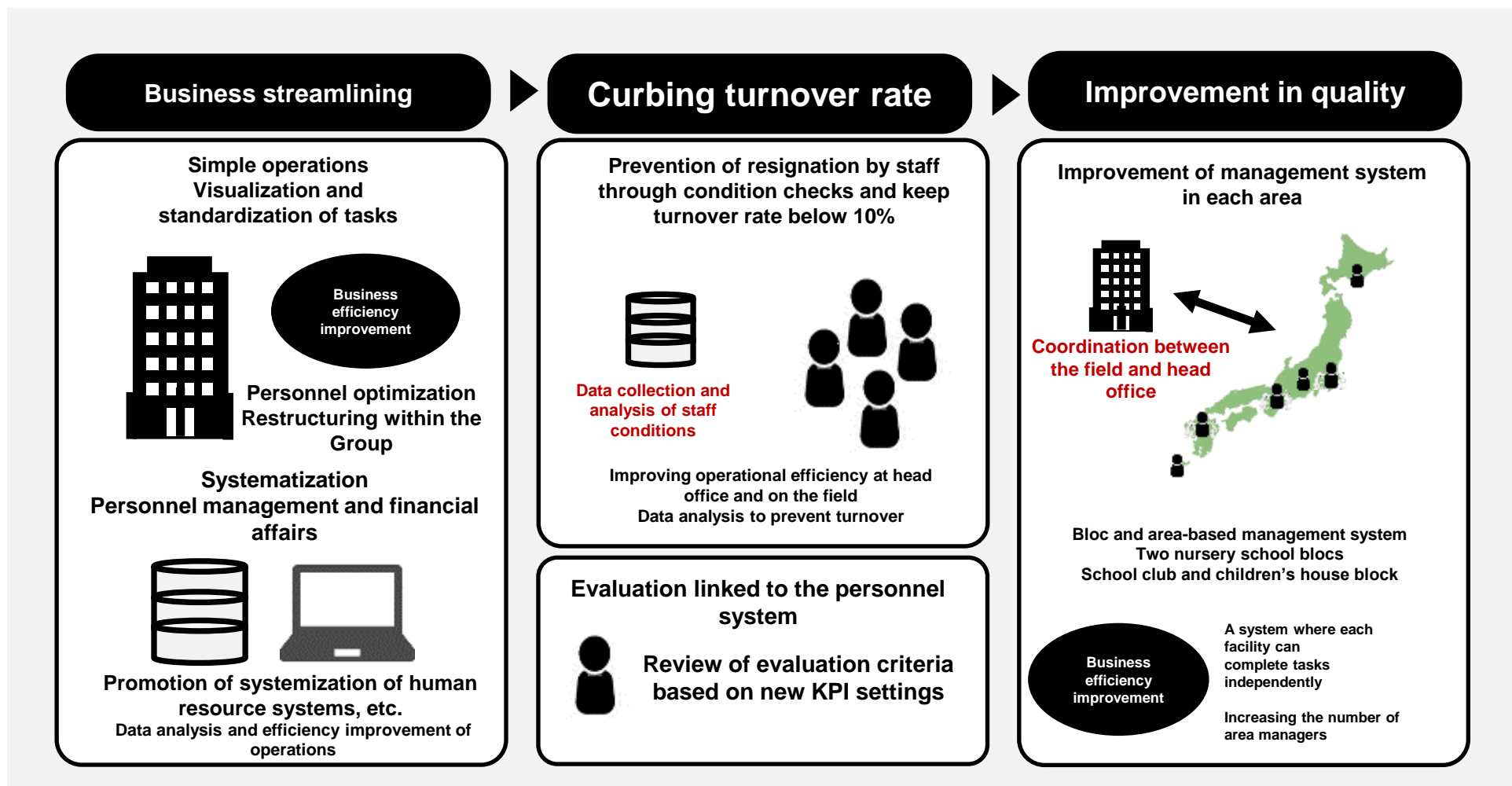


## To maximize the value of human capital

We aim to maximize the value of human capital by utilizing exuberant personnel and realizing organizations so that diverse talents take on responsibilities proactively with a sense of fulfillment and pride to create new value through interaction.



Realization of a compact head office through the elimination of unnecessary tasks through structural reform, work efficiency improvement through systematization, and staff optimization through advanced measures



## To create the second pillar of revenues after the childcare support business early

### Platform business

- “codomel,” a child-rearing assistance platform
  - CtoC “Replacement of childcare goods” and setting of “donation boxes”
    - Sale of goods to guardians
  - Expansion of our business domain, including BtoB transactions
    - Introduction and dispatch of personnel
    - Provision of childcare support programs and goods
- Enrichment of childcare products
  - To deal with guardians’ trouble in cooperation with facilities
    - Sale of food products (retort pouch food)
    - To increase business partners and sell products mainly those for childcare
- Global business operation
  - Cross-border EC
  - Introduction and use of overseas personnel (linkage with the personnel introduction business)

### Personnel introduction/dispatch business

- Personnel introduction/dispatch business
  - To start introducing personnel, mainly nursery staff, nurses, nutritionists, and caregivers, and then launch the business of dispatching them
  - To introduce and manage personnel, mainly non-Japanese personnel with specific skills



To discuss M&A and in-house operation

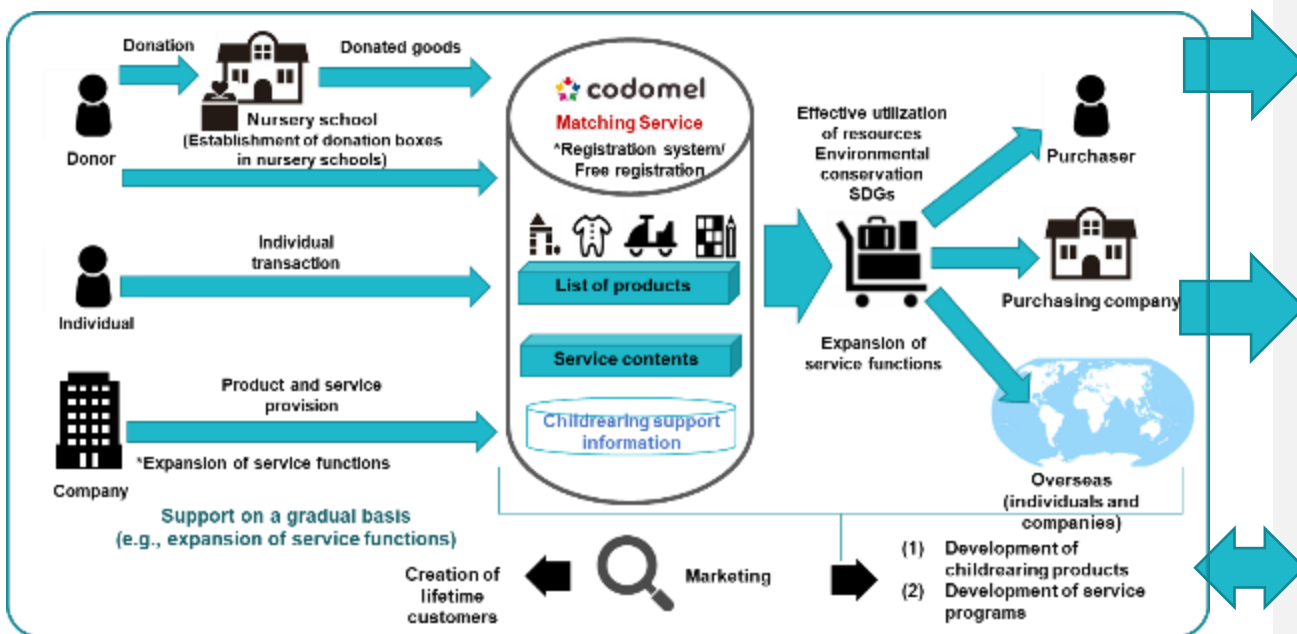
### Real estate business

- To prepare housing for nursery staff and overseas personnel
  - In-house operation of rental of housing and development of new real estate



To strengthen the measures for early monetization of new businesses and development of new businesses

## Outline of “codomel,” a child-rearing assistance platform



### Sales of products targeting parents

(1) To sell various items including those related to childcare (Educational goods, daily necessities, cosmetics, etc.)

### Sales of products targeting employees

(2) Daily necessities, cosmetics, clothing, etc.

### Development of related businesses

(1) **Staffing business**  
Staffing to various industries including nursery teachers  
Personnel staffing utilizing codomel

(2) **Real estate business** (property brokerage, etc.)  
In-house operation of rental of housing for nursery teachers and property introduction

### Global business

(1) **Cross-border e-commerce** utilizing codomel  
Selling products mainly in Asia

(2) **Business development** utilizing human resources  
Human resource development in collaboration with overseas companies  
(Japanese language schools, etc.)  
Accepting people from abroad in Japan

(3) **Business** utilizing childcare support know-how  
Consulting, etc.

## Food business (Phase 1: Retort pouch foods)

**Start of the trial sale of “retort pouch food” in 10 facilities from Aug. 2023**



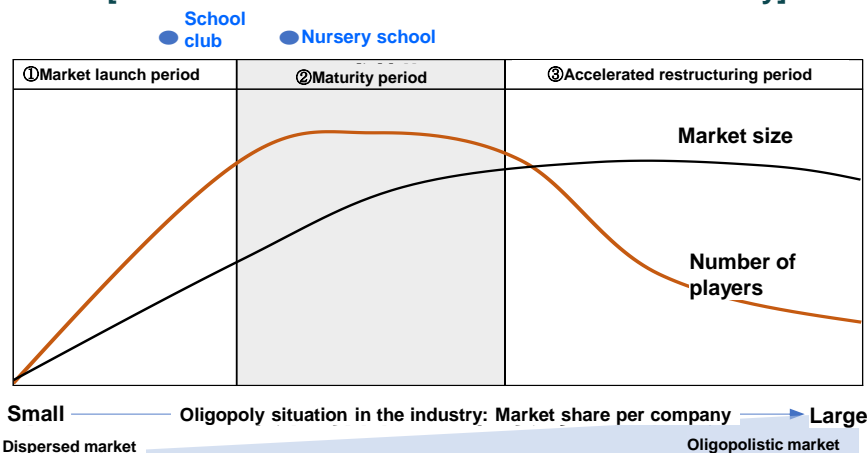
## Active M&A and business alliances/Expansion of investment to develop new businesses

### Business scale expansion (growth strategy)

#### Active promotion of M&A and business alliances (expanding business scale)

- Companies in the same industry (childcare support businesses such as nursery school business operators)
- Companies related to childcare peripheral businesses

#### [Scenarios envisioned for the childcare industry]



#### [Expanding existing and peripheral businesses through M&A]

- Promoting large-scale M&A
- Capturing intensifying competition and exhibiting competitive advantage through a dominant position
- Gaining superiority through economies of scale in oligopoly
- Collaborating and cooperating with other companies that have affinity with our business

### Initiating new businesses

#### Launch of personnel introduction business

- ① To introduce specialized personnel, such as nursery staff, nutritionists, and nurses, to our company and other companies
- ② To accept and introduce foreign technical interns

#### Operation of the real estate business

- ① Established the real estate company “Kosodate Support Realty Inc.” in June.
  - Introduction of company housing for nursery staff (in-house management)
  - Rental (introduction to non-Japanese people), consulting for real estate

#### Active promotion of M&A and business alliances Aggressive investment

##### <To promote business alliances and M&A with the same and other industries>

- To promote M&A that leads to oligopoly
- To collaborate with other companies in different industries and peripheral businesses for childcare

# Change of the largest shareholder and a business alliance

## 1. Change of the largest shareholder

- **Gakken Holdings, which is the largest shareholder of our company, will transfer all of common shares of our company they hold to Duskin.**

**GAKKEN HOLDINGS CO.,LTD.**



**DUSKIN CO., LTD.**

**26,989,100 shares will be transferred.**  
**Scheduled date of transfer: Nov. 30, 2023**

## 2. Conclusion of a business alliance contract (Oct. 27, 2023)

### 【Purpose of the business alliance】

- To solve social issues and customers' trouble by utilizing the managerial resources and know-how of the two companies and fostering a cooperative relationship between the two companies, offer value by creating new businesses, and maximize the corporate value of the two companies by pursuing synergy.
- In order to maximize the effects of the business alliance, the cooperation examination committee, which is composed of appropriate personnel selected from the two companies, discusses concrete cooperative activities.

**DUSKIN CO., LTD.**



**JP-HOLDINGS, INC.**




















JP HOLDINGS GROUP

# 4

## APPENDIX



Social issues to be solved with our business		Related SDGs	Major activities
Childcare support	<p>Improve the quality of childcare support</p> <p>Reduce the number of children on waiting lists</p>	 	<ul style="list-style-type: none"> <li>•Promotion of high quality childcare support</li> <li>•Establishment of new facilities for decreasing the number of children on waiting lists</li> <li>•Development and provision of online childcare while grasping changes in the social environment</li> <li>•Safe, reliable facilities and operation</li> <li>•Provision of nutritious lunch for maintaining health</li> <li>•Enrichment of support for child development</li> </ul>
Educational support	<p>Offer high quality early childhood learning</p>	 	<ul style="list-style-type: none"> <li>•Development and enrichment of educational programs (English, exercise, eurhythmics and dancing)</li> <li>•Development and promotion of online education</li> <li>Development of programs for early childhood learning at home in response to changes in the social environment</li> <li>•Provision of early childhood learning opportunities</li> </ul>
Partnership	<p>To help solve social issues based on the partnership with stakeholders</p>		

Social issues to be solved with our corporate activities		Related SDGs			Major activities
Personnel development	Improvement in expertise and actualization of independent career development	4 QUALITY EDUCATION 	5 GENDER EQUALITY 	8 DECENT WORK AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> <li>•Promotion of work style reform</li> <li>•Enrichment of training structure</li> <li>•Career paths and job rotation</li> </ul>
Empowerment of women	Actualization of diversity minded workplaces		8 DECENT WORK AND ECONOMIC GROWTH 		<ul style="list-style-type: none"> <li>•Workstyles tailored to lifestyles</li> <li>•Systems for childbirth, childcare, and nursing care</li> <li>•Development of a proper business environment</li> </ul>
Human rights and D&I*1	Actualization of diverse workstyles		5 GENDER EQUALITY 		<ul style="list-style-type: none"> <li>•Utilization of diverse human resources and sound business administration</li> <li>•Development and production of female leaders</li> </ul>
Social contribution to local communities	Creation of a childcare environment	4 QUALITY EDUCATION 	8 DECENT WORK AND ECONOMIC GROWTH 	11 SUSTAINABLE CITIES AND COMMUNITIES 	<ul style="list-style-type: none"> <li>•Promotion of childcare support in local areas</li> <li>•Promotion of employment</li> <li>•Promotion of prevention of abuse</li> </ul>
Earth environment	Contribution to a sustainable earth environment	7 AFFORDABLE AND CLEAN ENERGY 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	15 LIFE ON LAND 	<ul style="list-style-type: none"> <li>•Creation of environmentally sound facilities</li> <li>•Reduction of CO<sub>2</sub> emissions by installing LED lighting</li> <li>•Reduction of food loss and waste</li> </ul>
X					
Partnership	To help solve social issues based on the partnership with stakeholders				17 PARTNERSHIPS FOR THE GOALS 

\*1: Diversity & inclusion (To create something new by utilizing different experiences and accepting differences)



As a mission of an enterprise that operates childcare support business, we will approach impoverished households and take measures for preventing child abuse, which are social problems.

• We will discuss various measures for raising and donating funds, and determine and actively promote “activities” and “initiatives” for the future of children.

(\*We conduct “Single Parent Household Support” annually.)

No poverty



Prevention of child abuse





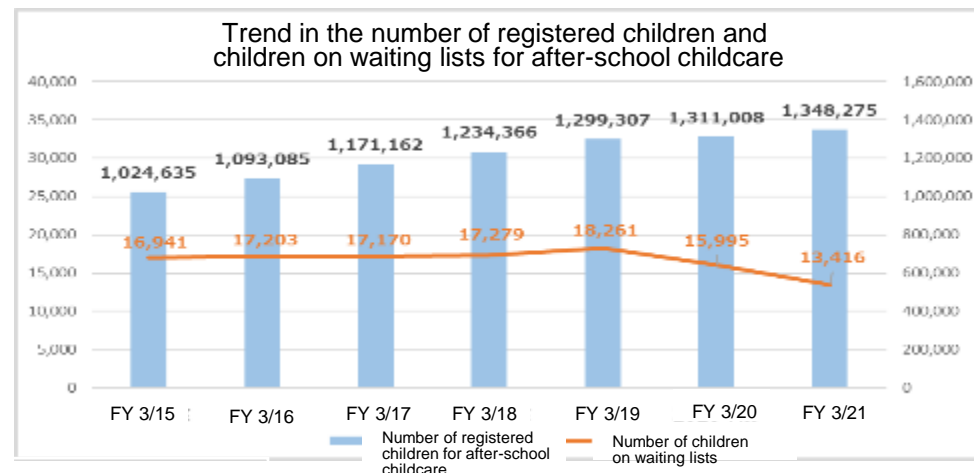
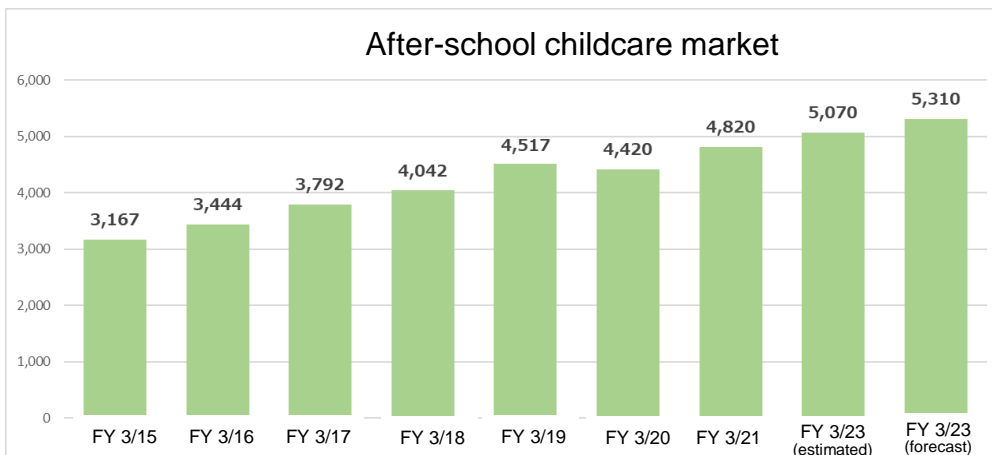
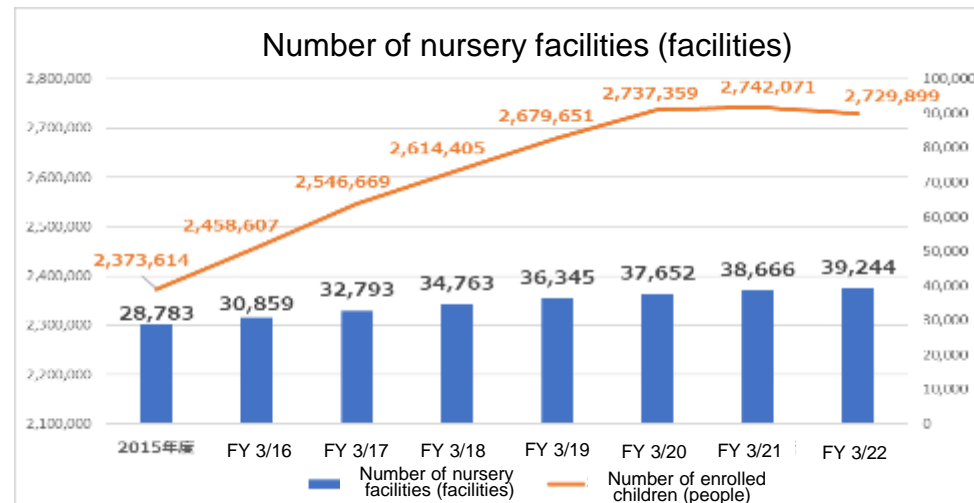
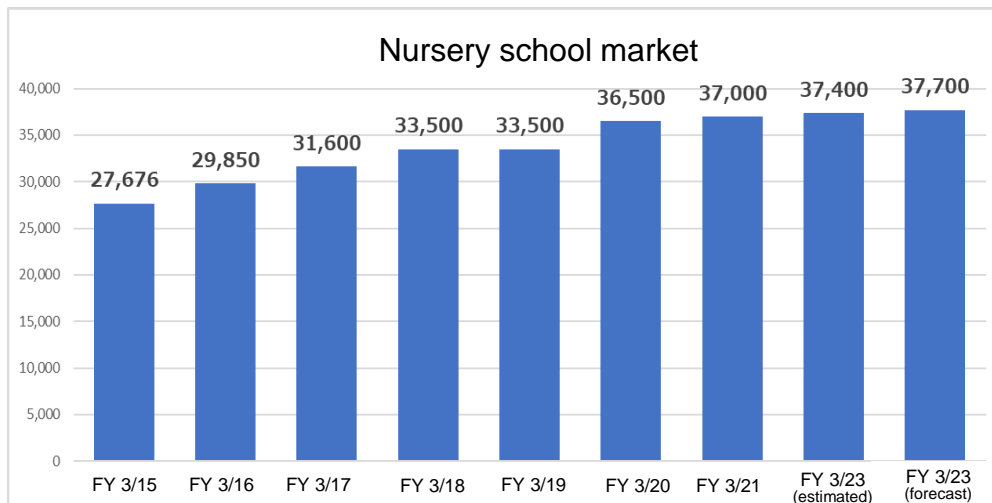
- ◎ To reduce environmental burdens and disposal costs, by thoroughly reusing and recycling necessary products for childcare
- ◎ To support “childcare around the world” by offering inexpensive, high quality, reused childcare goods, which are available only in Japan, to countries and regions in need

### Child-rearing assistance platform



# Nursery School and After-School Childcare Market

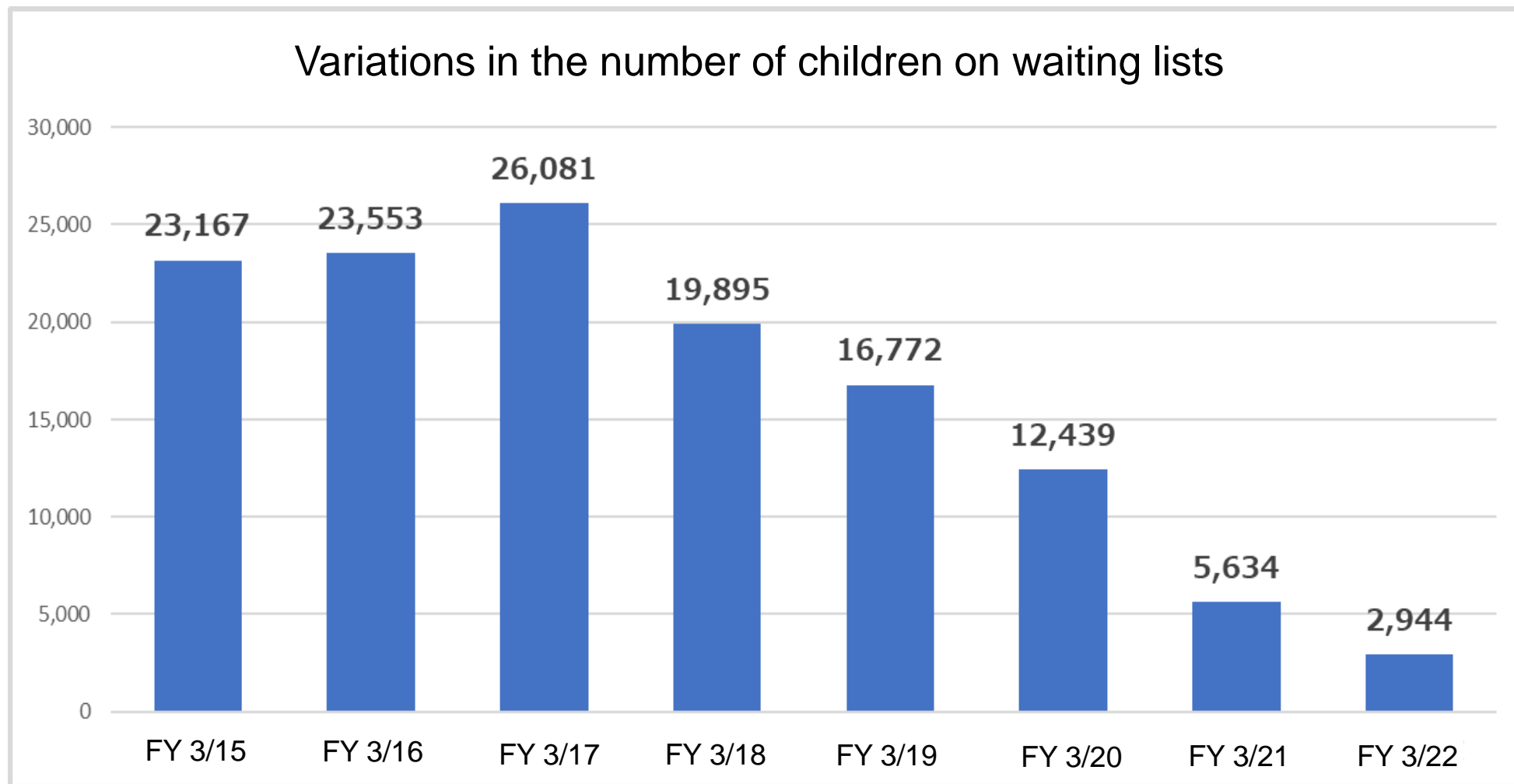
- Although the child population and the number of children on waiting lists are decreasing, the nursery school market is still growing.
- The number of nursery facilities continues to increase year by year, while the number of enrolled children is showing a slight downward trend.
- The after-school childcare market continues to grow year by year, but the number of children on waiting lists has decreased slightly to 13,000.



Source: "Childcare and Early Childhood Education Market Status and Outlook 2023," Yano Research Institute Ltd.

# Variations in the Number of Children on Waiting Lists

- The number of children on waiting lists in FY 3/22 was 2,944, down 2,690 from the previous term.
- There are regional disparities, and the number of “hidden waiting list children” is estimated to exceed 60,000.

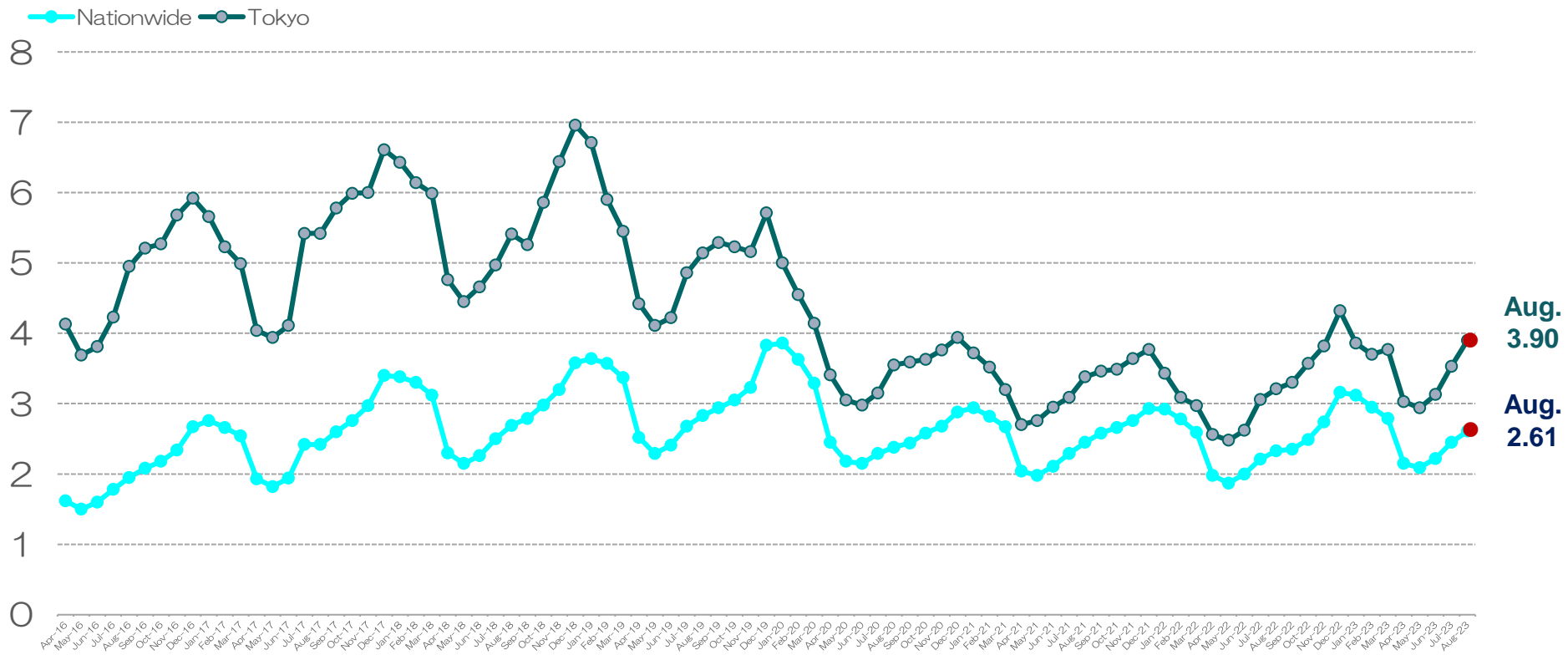


Source: “Childcare and Early Childhood Education Market Status and Outlook 2023,” Yano Research Institute Ltd.


# Current Nursery School Teacher Shortage Situation

- ▶ The ratio of job openings to job applicants for nursery school teachers is decreasing. However, there is a continuing shortage of nursery school teachers across Japan. (National average as of August 2023: 2.61 times)
- ▶ The jobs-to-applicants ratio of nursery staff in Tokyo has been rising, standing at 3.90.

Effective Opening to Application Ratio for Nursery School Teachers (X)



Source: Ministry of Health, Labour and Welfare Employment Security Bureau's General Job Placements (Report on Employment Service)

(1) Platform name	codomel
(2) Concept of the platform name and logo	<ul style="list-style-type: none"> <li>•Codomel is a word we have coined by combining the word for children in Japanese of “codomo” with the word for product in Latin of “merx.”</li> <li>•We have used the colors of the five initiatives we will attempt to achieve through this service from among the 17 SDGs: “1. No Poverty,” “3. Good Health and Well being,” “7. Affordable and Clean Energy,” “10. Reduced Inequalities” and “16. Peace, Justice and Strong Institutions.” In addition, the circular design made by people linking their hands expresses the “circle for everyone,” which we will create by connecting children, parents and local communities through this service.</li> </ul>
(3) Logo	
(4) Overview of the first services	<ul style="list-style-type: none"> <li>•The first services of the codomel child-rearing assistance platform will be a matching service in which users can individually sell and purchase used goods over the Internet focused on childrearing-related supplies (e.g., baby supplies and clothing) mainly for the childrearing generation and a service to provide products highly needed by the childrearing generation and childrearing related information and services.</li> <li>•We will also collect childrearing-related supplies and clothing donated by parents at the nursery schools operated by our group and then provide them as used goods.</li> <li>•We will unroll this service overseas and further expand services after the launch of this service on April 1, 2022.</li> </ul>

# Recruitment of Nursery School Teachers

		FY 3/16	FY 3/17	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23 As of the end of Sep.
Nursery School Teacher	New graduates	197	247	276	248	182	166	166	175 Joined on Apr. 1, 2023
	Mid-career employment	241	327	325	269	292	226	322	264 Joined till the end of Sep. 2023
Non qualified	New graduates	23	32	46	26	9	7	5	1

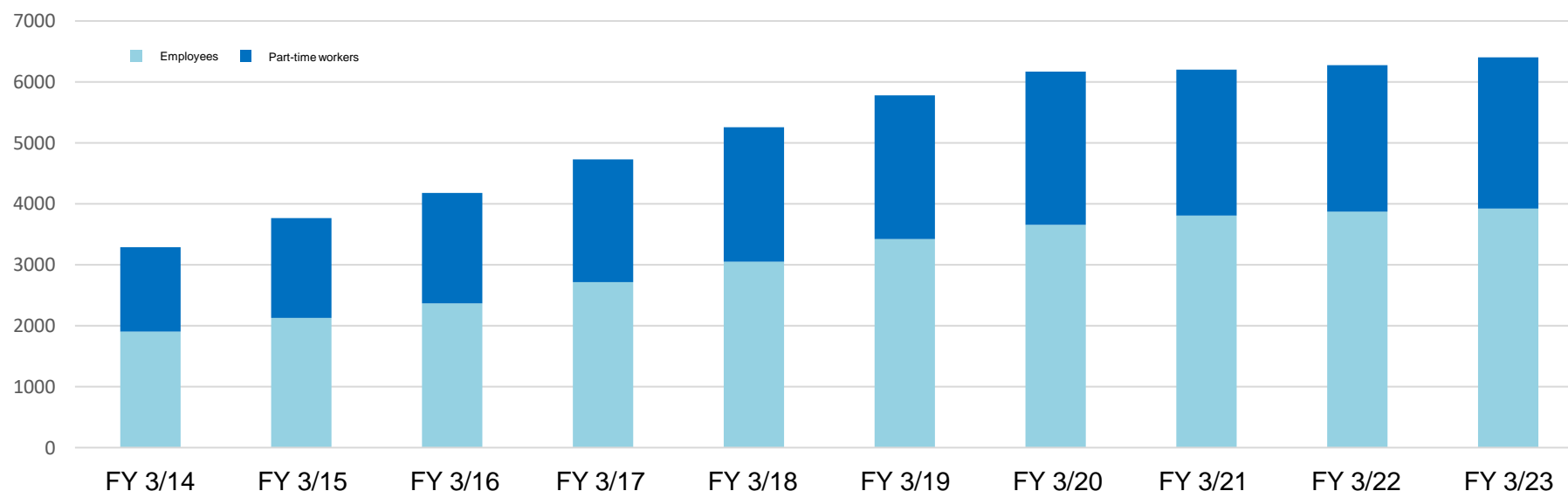
\*After joining JPFD, non qualified graduates are expected and assisted to acquire nursery school teacher qualification. Started this recruitment style from FY 2016.

\*Includes seconded employees to associated companies

## Trend of Employee Numbers in Childcare Support Business

(Persons)

(\*Includes employees of school clubs staffs, nutritionists, etc. other than nursery school teachers)

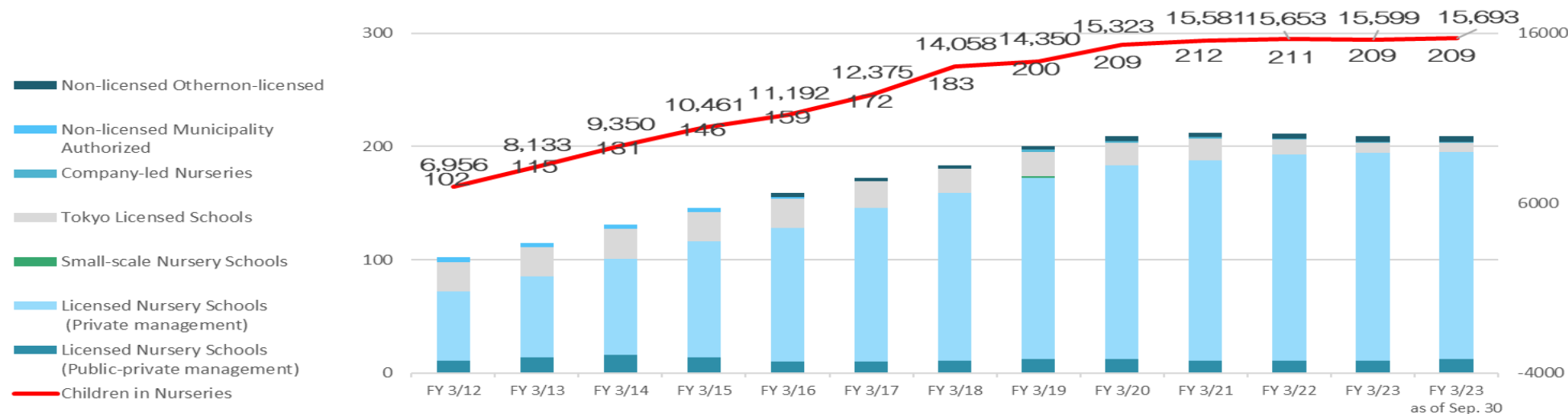


# Changes in the Number of Facilities Operated and the Number of Children Accepted to Nursery Schools

	FY 3/12	FY 3/13	FY 3/14	FY 3/15	FY 3/16	FY 3/17	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23 As of Sep. 30
Licensed Nursery Schools (Public-private management)	11	14	16	14	10	10	11	12	12	11	11	12
Licensed Nursery Schools (Private management)	61	71	85	102	118	136	148	160	171	177	182	183
Small-scale Nursery Schools	0	0	0	0	0	0	0	2	0	0	0	0
Non-licensed Nursery Schools	Tokyo Licensed Schools	26	26	26	26	23	21	21	20	19	13	8
	Company-led Nurseries	0	0	0	0	0	0	2	2	1	1	1
	Non-licensed Municipality Authorized	4	4	4	4	1	0	0	0	0	0	0
	Non-licensed Other non-licensed	0	0	0	0	4	3	3	4	4	4	5
School Clubs	39	40	43	46	55	63	71	72	72	77	81	86
Children's Houses	7	8	8	8	10	12	12	11	11	11	11	11
Private School Clubs	0	0	0	0	0	4	5	5	4	1	0	0
Kindergartens (Overseas Facility)	0	0	0	0	0	0	1	1	1	0	0	0
<b>Total</b>	<b>148</b>	<b>163</b>	<b>182</b>	<b>200</b>	<b>224</b>	<b>251</b>	<b>272</b>	<b>289</b>	<b>297</b>	<b>301</b>	<b>303</b>	<b>306</b>

\*We reviewed the count by management structure in the 2Q of FY 3/16 and changed three licensed schools (public-private management) to other non-licensed nursery schools

## TREND OF NURSERIES AND CHILDREN

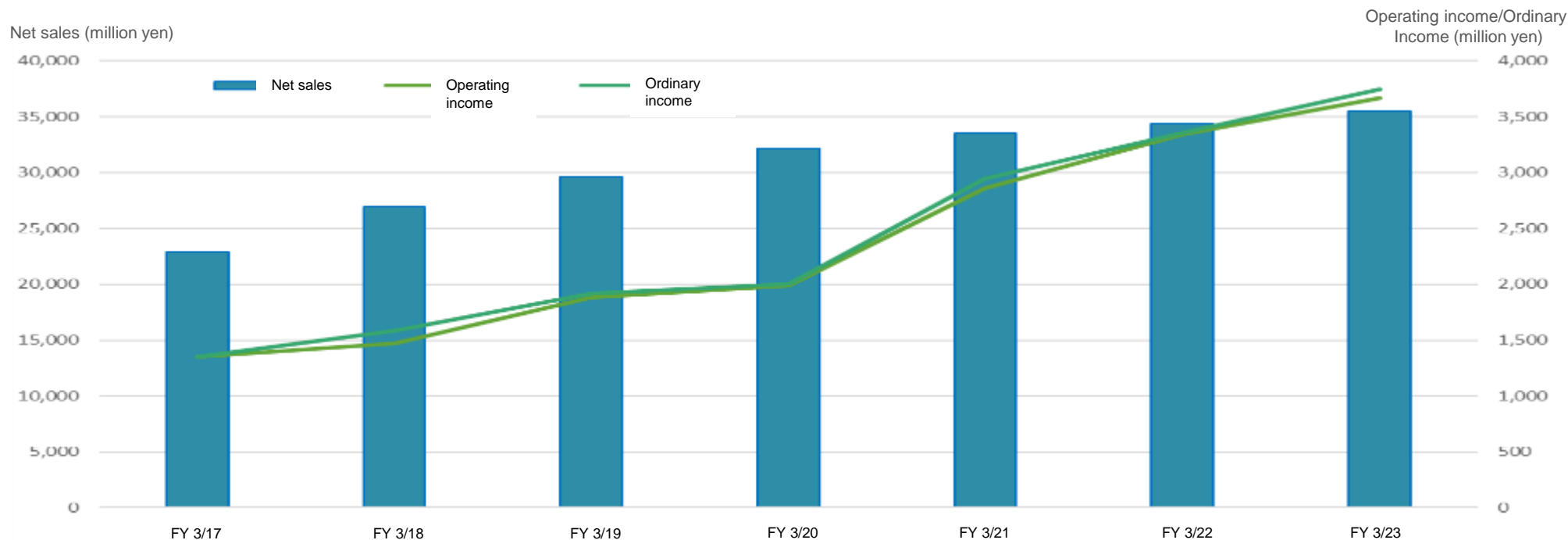




# Consolidated Results (Highlights)

	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23
Net sales (million yen)	26,945	29,647	32,169	33,500	34,373	35,507
Operating income (million yen)	1,469	1,880	1,989	2,857	3,344	3,667
Ordinary income (million yen)	1,469	1,920	2,003	2,947	3,358	3,745
Net income attributable to owners of parent (million yen)	910	1,071	1,122	537	2,279	2,698
Net income per share (yen)	10.70	12.44	12.81	6.15	26.06	31.18

\*Net sales and operating income are the amounts after the reclassification of presentation methods.



## Consolidated Results (Balance Sheet/Statement of Cash Flows)

	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23
Total assets (million yen)	25,758	28,255	26,122	29,740	34,274	35,694
Net assets (million yen)	7,756	8,950	9,636	10,007	11,975	13,584
Shareholders' equity ratio (%)	30.1	31.7	36.9	33.7	34.9	38.1

	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23
Cash flows from operating activities (million yen)	1,865	1,829	2,320	2,469	3,884	2,735
Cash flows from investing activities (million yen)	-1,292	- 940	418	190	413	411
Cash flows from financing activities (million yen)	-135	1,475	-3,349	2,155	1,978	-1,112
Year-end balance of cash and cash equivalents (million yen)	4,455	6,816	6,206	11,020	17,296	19,330

The basic policy of our company is to continue paying a performance-linked dividend with a payout ratio of around 30% while maintaining the necessary internal reserves for future business development and to strengthen our management structure.

	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23	FY 3/24
Amount of dividend per share (yen)	3.50	3.70	3.90	3.90	4.50	6.0	6.0
Payout ratio (%)	32.7	29.7	30.4	63.4	17.3	19.2	20.5

\*Breakdown of year-end dividend for the fiscal year ended March 2023

Ordinary dividend: 5.00 yen, Commemorative dividend: 1.00 yen

\*The term-end dividend for FY 3/23 is the dividend per share approved at the 31th annual meeting of shareholders.



## Forecast Precautions

This document contains forecasts about the future. However, these are predictions that have been made by our company based on the information available at the time of publication. The reality may be significantly different from our predictions due to economic conditions and market trends. Furthermore, this document is not intended to solicit investment. We are under no obligation to amend or change the information pertaining to forecasts contained in this document even if we obtain new information in the future.

## Inquiries:

5F Shinagawa Season Terrace, 1-2-70 Konan, Minato-ku Tokyo  
JP-HOLDINGS, INC. Tokyo Office  
Corporate Planning Department  
Corporate Communications & Investor Relations Section  
TEL: 03-6433-9515 e-mail : [jphd\\_pr@jp-holdings.co.jp](mailto:jphd_pr@jp-holdings.co.jp)