Summary of Business Results for the Third Quarter Ended December 31, 2022 [Japan GAAP] (Consolidated)

February 10, 2023

Company **JP-HOLDINGS, INC.** Listed on the TSE Prime
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Expected date of filing of annual securities report: February 10, 2023 Expected starting date of dividend payment: -
Preparation of supplementary financial document: None
Results briefing: None

(Rounded down to million yen)

1. Consolidated business results for the nine months ended December 2022 (April 1, 2022 through December 31, 2022)

(1) Consolidated results of operations (% change from the previous corresponding period)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended Dec. 2022	26,051	2.6	2,499	16.2	2,522	16.2	1,777	26.5
Nine months ended Dec. 2021	25,382	2.8	2,151	18.6	2,170	18.5	1,405	22.9

(Note) Comprehensive income
Nine months ended December 2022: 1,741 million yen (22.0%)
Nine months ended December 2021: 1,427 million yen (12.0%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 2022	20.44	—
Nine months ended Dec. 2021	16.07	—

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Dec. 31, 2022	34,244	12,626	36.9
As of Mar. 31, 2022	34,274	11,975	34.9

(Reference) Shareholders' equity
As of December 31, 2022: 12,626 million yen
As of March 31, 2022: 11,975 million yen

2. Dividends

	Annual dividend				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended Mar. 2022	-	0.00	-	4.50	4.50
Year ending Mar. 2023	-	0.00	-		
Year ending Mar. 2023 (forecast)				6.00	6.00

(Notes) Revisions to dividend forecast for the current quarter: None
Breakdown of year-end dividend for the fiscal year ending March 2023
Ordinary dividend: 5.00 yen, Commemorative dividend: 1.00 yen

3. Forecast of consolidated business results for the fiscal year ending March 2023 (April 1, 2022 through March 31, 2023)

(% 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. 2023	35,640	3.7	3,633	8.6	3,711	10.5	2,566	12.6	29.64

(Notes) Revisions to business forecast for the current quarter: None

***Notes**

(1) Changes in significant subsidiaries during the period: None

(2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements: None

(3) Changes in accounting policies, accounting estimates and restatement

①Changes in accounting policies associated with revision of accounting standards:	: Yes
②Changes in accounting policies other than ①	: None
③Changes in accounting estimates	: None
④Restatement	: None

(Note) For details, please refer to "(3) Notes on Quarterly Consolidated Financial Statements (Changes in accounting policies)" of "2. Quarterly Consolidated Financial Statements and Major Notes" on page 9 of the attached material.

(4) Shares outstanding (common stock)

①Number of shares outstanding at the end of period (treasury stock included)

As of December 31, 2022	87,849,400 shares
As of March 31, 2022	87,849,400 shares

②Treasury stock at the end of period

As of December 31, 2022	2,763,632 shares
As of March 31, 2022	380,707 shares

③Average number of stock during period (quarterly cumulative period)

Nine months ended December 2022	86,974,968 shares
Nine months ended December 2021	87,468,693 shares

***Quarterly financial summary is not subject to the quarterly review procedures by certified public accountants or auditing firms.**

***Appropriate use of financial forecasts and other important matters**

· Forecasts regarding future performance in this material are based on information currently available to the Company and certain assumptions that the company deems to be reasonable at the time this report was prepared. Actual results may differ significantly from the forecasts due to various factors. For information regarding the assumptions that form the basis for the business results forecasts and notes about using business forecasts, please refer to “1. Qualitative Information on Quarterly Financial Results (3) Consolidated Earnings Forecasts” (Page 4).

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1. Qualitative Information on Quarterly Financial Results

(1) Results of Operations

In the third quarter under review, the Japanese economy showed signs of gradual recovery due to the relaxation of some restrictions and the effects of various government policies. However, the outlook remains uncertain due to concerns of an economic downturn caused by the re-spread of COVID-19, soaring global resource prices, tensions in international situations, and the effects of the yen's depreciation, which remains at a high level.

Meanwhile, in the child-raising support business, conditions remained challenging due to the acceleration of the declining birth rate accompanying the sharp drop in the number of births, the continuing shortage of childcare workers, and a decline in the number of children on waiting lists because of people refraining from using childcare facilities due to COVID-19. The government has been promoting various measures to improve the childcare environment, such as the development of childcare services based on the "New Childcare Security Plan" and the further acceleration of the development of after-school children's clubs under the "New Comprehensive Plan for After-school Children" in order to eliminate the waiting list for children. In addition, the bill for establishment of the “Children's Agency” was promulgated by the Cabinet. The government plans to establish the Agency on April 1, 2023 and is promoting to create a better environment for childcare. In such circumstances, the social role of the child-raising support business will become increasingly important.

Under these situations, as measures against COVID-19, our group, in collaboration with local governments, has established our own response standards and implemented thorough safety measures with giving top priority to ensuring the safety of children, parents, business partners, and employees. At the same time, we also have been taking prompt measures.

Rather than prioritizing quantitative expansion through the opening of new facilities, we are required to transform ourselves into "facilities that would continue to be selected by customers" by further improving the quality of our childcare support in response to changes in the social environment and the needs of parents. In order to respond promptly to these changes in the environment, our Group has set more reliable management targets.

Our Group will continue to take advantage of changes in the social and business environment and maintain the management policies formulated in the previous fiscal year with the key objectives of "improve profitability and efficiency," "improve soundness," and "improve growth potential." We will effectively allocate and invest management resources to build a solid management foundation and aim for sustainable growth through the creation of new businesses.

Specifically, with Digital Transformation (DX) as the pillar of reform to respond to changes in the social environment, in terms of "improve profitability and efficiency," we are promoting a dominant strategy in collaboration with nursery schools, school clubs, and children's houses with these initiatives: improve early learning to increase the number of children accepted at existing child-raising support facilities as our existing business, develop and introduce new content, develop new nursery schools specializing in English education, improve profitability by further optimizing staffing, and establish an integrated child-rearing support system that captures the infant, early childhood, and children's period. As a result, we are actively working to acquire new contracts to double the current number of school clubs and children's houses to 200 facilities.

With regard to “improve soundness”, we will expand our human resource education and training systems as the key to childcare support is "human resources”, and will promote operational sophistication through streamlined operations. In addition, we will further improve the quality of our childcare support and promote the creation of “facilities that would continue to be selected by customers” by disseminating and implementing both internally and externally the Group's Management Philosophy, Corporate Message, Operational Philosophy, Childcare and Nurturing Philosophy, and Childcare and Nurturing Policy, which were renewed last year. Furthermore, we are working to eliminate wasteful operations by reviewing various operations and to improve operational efficiency by promoting systematization.

With regard to "improve growth potential," we are actively promoting the development of new businesses based on the know-how and marketing method cultivated through the operation of the child-raising support business, the second pillar of our business.

As a new business, we have started operation of a child-raising support platform "codomel," to provide various services and products tailored to the child's each development stage and for external sales to other companies in the same industry. As a first step, we are expanding the number of registered members by offering matching services mainly for childrearing generations. With this service, users can individually sell and purchase baby care goods, apparel, and other goods (reused goods) on the web. In the future, we intend to expand our various services and businesses not only domestically but also globally, including the provision of services in collaboration with various companies, introduction and dispatch of professional personnel, and on-demand streaming of professional training programs.

In addition, we will develop a food business that addresses the "dinner preparation" needs of parents and will provide a variety of services at each facility to solve parents' problems, such as providing shared meals for parents and children, and preparing and providing diapers and other supplies necessary for each child's age.

Our group has also strengthened and promoted support for children with developmental concerns, such as through support programs for visiting childcare facilities, etc. Based on the expertise gained through our childcare support, we will provide such support to more children and their parents, such as expanding the support with high levels of expertise for children with potential for developmental disabilities and establishing a new English-specialized "bilingual nursery school" with full-time native English-speaking teachers.

As for the new facility openings, the Group has opened a total of 14 facilities during the third quarter of the fiscal year ending March 2023 according to the plan, including 2 nursery schools (2 in Tokyo) and 12 school clubs and children's houses (12 in Tokyo).

(Nursery School)

Asc Musashi-Koganei Minamiguchi Nursery School	(Apr. 1, 2022)
Mitaka City Flexible Childcare Center Hinata	(Apr. 1, 2022)

(School club/Children's house)

Takenotsuka School Club	(Apr. 1, 2022)
Takaban Elementary School Club	(Apr. 1, 2022)
Wakuwaku Nishi-Ukima Hiroba/Nishi-Ukima Club No. 1	(Apr. 1, 2022)
Wakuwaku Nishi-Ukima Hiroba/Nishi-Ukima Club No. 2	(Apr. 1, 2022)
Wakuwaku Nishi-Ukima Hiroba/Nishi-Ukima Club No. 3	(Apr. 1, 2022)
Wakuwaku Akabane Hiroba/Akabane Children’s Club No. 1	(Apr. 1, 2022)
Wakuwaku Akabane Hiroba/Akabane Children’s Club No. 2	(Apr. 1, 2022)
Wakuwaku Akabane Hiroba/Akabane Children’s Club No. 3	(Apr. 1, 2022)
Wakuwaku Kirigaoka-sato Hiroba/Kirigaoka-satokko Club No. 1	(Apr. 1, 2022)
Wakuwaku Kirigaoka-sato Hiroba/Kirigaoka-satokko Club No. 2	(Apr. 1, 2022)
Wakuwaku Kirigaoka-sato Hiroba/Kirigaoka-satokko Club No. 3	(Apr. 1, 2022)
Bunkyo-ku Meidai Temporary Chidcare Room	(Jun. 1, 2022)

*1: “Mitaka City Part-time Childcare Center Hinata” began operation on May 1, 2022.
*2: As of March 31, 2022, the Company closed Tokyo Licensed Nursery Schools named Asc Itabashi-honcho Nursery School, Asc Shiodome Nursery School, Asc Takadanobaba Nursery School, Asc Yanokuchi Nursery School. In addition, due to the expiration of the contract, the Company withdrew from school clubs named Rinsen Elementary School After School Club, Hiroo Elementary School After School Club, Sarugaku Elementary School After School Club, Nagayato Elementary School After School Club, and a children's house named Fukuro Children's House on March 31, 2022.

As a result, the Group came to have 209 nursery schools, 89 school clubs, 10 children's houses, making a total of 308 facilities for supporting child-raising as of December 31, 2022.

As a result, the Group’s consolidated net sales were 26,051 million yen (up 2.6% year on year), operating income was 2,499 million yen (up 16.2% year on year), ordinary income was 2,522 million yen (up 16.2% year on year), and net income attributable to owners of parent was 1,777 million yen (up 26.5% year on year).

The major factors are as follows:
Net sales increased 2.6% year on year, reflecting the success of efforts to create "facilities that would continue to be selected by customers" such as opening new facilities, commissioning new facilities, conducting online facility tours ahead of other companies, implementing online programs such as English, gymnastics, eurhythmics and dance, and introducing early childhood learning programs, despite the fact that each facility became partially closed since the number of COVID-19 cases continued to rise and fall.
In terms of operating income and ordinary income, net sales increased due to factors such as the opening of new facilities and an increase in the number of children accepted during the period as a result of the various measures described above. In addition, our Group worked to improve profitability and reduce costs at each facility by reviewing the ordering system to curb the surge in the prices of various purchased products, despite an increase in operating efficiency through the reallocation of personnel at each facility and an increase in utility expenses. Operating income increased by 16.2% year on year and ordinary income increased by 16.2% year on year. This was mainly due to an increase in provision for bonuses resulting from a change in the period covered by bonuses following the introduction of a new personnel system, as well as an increase in expenses resulting from special factors associated with the introduction of a new system in the previous fiscal year.
Net income attributable to owners of parent increased by 26.5% year on year. In addition to the increase in operating income and ordinary income mentioned above, the Company recorded extraordinary income of 239 million yen from the sale of fixed assets (land and buildings) of 2 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 third quarter of the fiscal year ending March 2023, as we considered off-balance sheet financing for these facilities to avoid the risks of holding such assets, and also recorded a total of 982 million yen for corporate tax, inhabitant tax, enterprise tax, and income taxes-deferred.

(2) Financial Position

As for the financial position at the end of the third quarter of the current fiscal year, the total assets amounted to 34,244 million yen (down 30 million yen from the end of the previous fiscal year).

Current assets totaled 21,681 million yen (up 750 million yen), mainly reflecting increases of 503 million yen in cash and deposits, 215 million yen in others, and 46 million yen in accounts receivable, while there was a decrease of 27 million yen in inventories.

Fixed assets totaled 12,563 million yen (down 780 million yen). This was mainly due to an increase of 177 million yen in tools, furniture and fixtures, while there were decreases of 256 million yen in buildings and structures, 174 million yen in land, 148 million yen in long-term loans receivable, 137 million yen in construction in progress, and 80 million yen in guarantee deposits.

Total liabilities amounted to 21,617 million yen (down 681 million yen).

Current liabilities totaled 8,120 million yen (up 228 million yen), mainly reflecting increases of 473 million yen in others, 315 million yen in current portion of long-term loans payable and 119 million yen in accounts payable, while there were decreases of 453 million yen in provision for bonuses and 177 million yen in income taxes payable.

Fixed liabilities totaled 13,496 million yen (down 910 million yen). This was mainly due to a decrease of 960 million yen in long-term loans payable.

Total net assets as of the end of the third quarter of the current fiscal year totaled 12,626 million yen (up 651 million yen), mainly reflecting increases of 1,384 million yen in retained earnings and 695 million yen in treasury stock, while there was a decrease of 56 million yen in valuation difference on available-for-sale securities.

(3) Consolidated Earnings Forecasts

For the full-year business forecasts announced on May 12, 2022, the Company revised the forecasts upward based on the results for the second quarter of the fiscal year ending March 2023, as follows. For details, please refer to the "Notice of Upward Revisions to Full-year Business Forecasts" 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 and maximize subsidies received 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 nursery schools, the development of new facilities specializing in English education, and the expansion of the service functions of the "codomel", a child-raising support platform.

Actual results may differ from forecasts due to changes in business conditions and other factors in the future. If there are any changes, the Company will disclose them properly.

Since the timing of the containment of COVID-19 remains uncertain, there is a possibility that it will have a major impact on consolidated results depending on the spread and containment of the infection and other factors in the future.

2. [Quarterly Consolidated Financial Statements]

(1) [Quarterly consolidated balance sheets]

(Thousand yen)

	Previous Fiscal Year (March 31, 2022)	Current Third Quarter (December 31, 2022)
Assets		
Current assets		
Cash and deposits	17,296,668	17,799,934
Notes and accounts receivable-trade	68,650	81,190
Inventories	63,900	36,609
Accounts receivable - other	2,708,806	2,754,808
Other	794,924	1,010,039
Allowance for doubtful accounts	-1,766	-966
Total current assets	20,931,185	21,681,617
Fixed assets		
Property, plant and equipment		
Buildings and structures	12,326,804	12,234,157
Accumulated depreciation and impairment	-7,450,666	-7,614,442
Buildings and structures, net	4,876,138	4,619,715
Machinery, equipment and vehicles	203	203
Accumulated depreciation	-121	-143
Machinery, equipment and vehicles, net	82	60
Tools, furniture and fixtures	1,106,051	1,347,429
Accumulated depreciation and impairment	-820,246	-884,088
Tools, furniture and fixtures, net	285,804	463,340
Land	435,909	261,846
Construction in progress	137,030	-
Total tangible fixed assets	5,734,966	5,344,963
Intangible assets		
Goodwill	136,736	113,947
Other	37,904	42,015
Total intangible assets	174,640	155,962
Investments and other assets		
Investment securities	453,084	404,989
Long-term loans receivable	2,989,672	2,841,657
Guarantee deposits	1,903,902	1,823,839
Deferred tax assets	1,579,652	1,507,597
Other	513,833	488,783
Allowance for doubtful accounts	-6,123	-4,757
Total investments and other assets	7,434,021	7,062,110
Total fixed assets	13,343,629	12,563,036
Total assets	34,274,814	34,244,654

(Thousand yen)

	Previous Fiscal Year (March 31, 2022)	Current Third Quarter (December 31, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	165,552	168,502
Current portion of long-term loans payable	3,113,291	3,429,074
Accounts payable – other	1,561,978	1,681,666
Income taxes payable	641,517	463,674
Accrued consumption taxes	143,892	117,879
Reserve for bonuses	906,420	452,880
Asset retirement obligation	49,652	23,635
Other	1,309,498	1,783,405
Total current liabilities	7,891,803	8,120,718
Fixed liabilities		
Long-term debt	12,816,466	11,856,306
Retirement benefit liability	940,313	1,015,040
Asset retirement obligation	647,127	625,630
Other	3,650	-
Total fixed liabilities	14,407,557	13,496,976
Total liabilities	22,299,361	21,617,695
Net assets		
Shareholders' equity		
Capital	1,603,955	1,603,955
Capital surplus	1,449,544	1,449,053
Retained earnings	9,117,409	10,501,692
Treasury stock	-107,515	-803,152
Total shareholders' equity	12,063,393	12,751,548
Accumulated other comprehensive income		
Valuation difference on available-for- sale securities	-49,918	-106,240
Deferred gains or losses on ledges	-2,533	4,288
Remeasurements of defined benefit plans	-35,488	-22,637
Total accumulated other comprehensive income	-87,940	-124,589
Total net assets	11,975,452	12,626,958
Total liabilities and net assets	34,274,814	34,244,654

(2) [Quarterly Consolidated Statements of Income and Statements of Comprehensive Income]

[Quarterly Consolidated Statement of Income]

[Third Quarter of FY3/23]

(Thousand yen)

	Previous Third Quarter (Apr. 1, 2021 - December 31, 2021)	Current Third Quarter (Apr. 1, 2022 - December 31, 2022)
Net sales	25,382,088	26,051,906
Cost of sales	20,972,430	21,488,226
Gross profit	4,409,657	4,563,680
Selling, general and administrative expenses	2,258,190	2,064,225
Operating income	2,151,467	2,499,455
Non-operating income		
Interest income	58,083	59,278
Other	15,093	25,011
Total non-operating income	73,176	84,290
Non-operating expenses		
Interest expenses	50,391	52,112
Other	3,716	9,234
Total non-operating expenses	54,107	61,347
Ordinary income	2,170,536	2,522,398
Extraordinary income		
Gain on sales of fixed assets	-	239,330
Extraordinary income	-	239,330
Extraordinary loss		
Loss on retirement of fixed assets	42	1,021
Loss on sales of investment securities	3,052	-
Total extraordinary loss	3,095	1,021
Income before income taxes and others	2,167,441	2,760,707
Corporate, inhabitant and enterprise taxes	593,413	895,673
Income taxes-deferred	168,438	87,141
Total income tax	761,852	982,814
Net income	1,405,588	1,777,892
Net income attributable to owners of parent	1,405,588	1,777,892

[Quarterly Consolidated Statement of Comprehensive Income]

[Third Quarter of FY3/23]

(Thousand yen)

	Previous Third Quarter (Apr. 1, 2021 - December 31, 2021)	Current Third Quarter (Apr. 1, 2022 - December 31, 2022)
Net income	1,405,588	1,777,892
Other comprehensive income		
Valuation difference on available-for- sale securities	4,161	-56,321
Deferred gains or losses on ledges	2,176	6,821
Remeasurements of defined benefit plans	15,597	12,850
Total other comprehensive income	21,935	-36,648
Comprehensive income	1,427,524	1,741,243
Breakdown		
Comprehensive income attributable to owners of parent	1,427,524	1,741,243

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on going concern assumptions)

Current Third Quarter (April 1, 2022 – December 31, 2022)

None applicable.

(Notes if there is a significant change in the amount of shareholders' equity)

Current Third Quarter (April 1, 2022 – December 31, 2022)

In accordance with a resolution approved at the Board of Directors meeting held on October 6, 2022, we purchased 2,397,200 shares of treasury stock. As a result, the amount of treasury stock increased by 699,668 thousand yen in the nine months of the current fiscal year.

(Changes in accounting policies)

(Application of guidelines for the application of accounting standard for fair value measurement, etc.)

Guidelines for the Application of the Accounting Standard for Fair Value Measurement (ASBJ Statement No. 31, June 17, 2021, hereinafter referred to as the "Guidelines for the Application of the Fair Value Measurement Accounting Standard") and other standards have been applied from the beginning of the first quarter of the current fiscal year. In accordance with the transitional treatment stipulated in Article 27-2 of the Guidelines for the Application of the Fair Value Measurement Accounting Standard, the new accounting policy stipulated by the Guidelines for the Application of the Fair Value Measurement Accounting Standard will be applied in the future. The application of this standard has no effect on the quarterly consolidated financial statement.

(Significant subsequent events)

(Borrowing of large amounts of funds)

Our Group borrows funds to stabilize cash on hand and maintain its liquidity.

(1) Lenders: Multiple financial institutions
(2) Total borrowings: 1,500,000 thousand yen
(3) Loan terms: Fixed interest rate
(4) Date of borrowing: January 2023
(5) Borrowing period: 5 years
(6) Collateral: Unsecured, guaranteed by subsidiary

(Transfer of treasury stock through third-party allotment)

We have resolved to transfer treasury stock (hereinafter “the Transfer of Treasury Stock”) through third-party allotment with JP Employee Stock Ownership Association as a transferee, at a meeting of our Board of Directors held on January 23, 2023.

1. Overview of the transfer

(1) Transfer date	March 27, 2023
(2) Type and number of shares to be transferred	240,950 of our common shares (Note)
(3) Transfer price	356 yen per share
(4) Total transfer amount	85,778,200 yen (Note)
(5) Transfer method	Third-party allotment
(6) Planned transferee	JP Employee Stock Ownership Association (hereinafter “the Stock Ownership Association”)
(7) Other	We have submitted a securities notice pursuant to the Financial Instruments and Exchange Act for the Transfer of Treasury Stock.

(Note) The number of shares to be transferred and the total transfer amount are based on the assumed maximum value in the event all employees eligible to become members in the Stock Ownership Association join it and agree to this scheme.

2. Purpose of and reasons for the transfer

On January 23, 2023, we have decided to introduce an incentive plan (hereinafter “the Scheme”) aimed at improving the motivation of our Employees to improve our mid- to long-term shareholder value.

In the Scheme, we will give a special incentive to those who agree to the Scheme among our Employees, and allot common shares issued by our company (hereinafter “our Shares”) to the Stock Ownership Association with the contribution of said special incentive and through third-party allotment. The scheme will allow our Employees to build assets by possessing our Shares. That will improve their motivation to work. In addition, the Scheme aims to raise the awareness of our Employees to participate in management as we celebrate the 30th anniversary of our establishment. Together with this, it is intended to improve the motivation of our Employees to improve our mid- to long-term shareholder value.
We will finalize the number of shares to be transferred at a later date as stated in “1. Overview of the transfer (Note).” We plan to transfer up to 240,950 shares to the Stock Ownership Association.