



JP HOLDINGS GROUP  
<https://www.jp-holdings.co.jp/>

Prime Market (2749)

**JP-HOLDINGS, INC.**

# Financial Results for Fiscal Year ending March 2024



May 2024

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JP HOLDINGS GROUP

# Every activity is for children's smiles



## 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., which operates childcare support facilities such as nursery schools, school clubs, and children's houses nationwide, J Kitchen Inc., which cooks meals for nursery schools, Japan Nursery Institute for General Research Inc., which offers classes in English, gymnastics, and eurhythmics for childcare support facilities, plans and sells childcare-related goods, conducts training and research about childcare and support for development and support business by visiting nursery schools, and operates the child-rearing assistance platform "codomel," Kosodate Support Realty Inc., which rents real estate and offers consulting services, and One's Will Co., Ltd., which engages in the employment placement business. These subsidiaries are managed and supervised by JP Holdings, Inc.

# Outline of the Business of JP-Holdings

## Supporting business in an integrated manner.

Employment placement business for specialized personnel inside and outside Japan



**One's Will**

Employment placement business for specialized personnel inside and outside Japan



**Japan Nursery Service**

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

Operation of nursery schools, school clubs, and children's houses  
Operating 320 facilities around Japan  
(※on April 1, 2024)



**J Kitchen**

Cooking of lunches and advisory

Cooking of lunches (Our company and other companies) Advisory

Realty Brokerage, lease, management Consulting



**Kosodate Support Realty**

Brokerage, rental, management, and consultancy of real estate

## JP-Holdings

Childcare support business taking full advantage of synergy among group companies

## Business administration /development

Group purchase Sale of childcare goods Development of group facilities



**Japan Nursery Institute for General Research**

Sale of childcare goods

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



**Japan Nursery Institute for General Research**

Development of programs for children



**Japan Nursery Institute for General Research**

Platform



**Japan Nursery Institute for General Research**

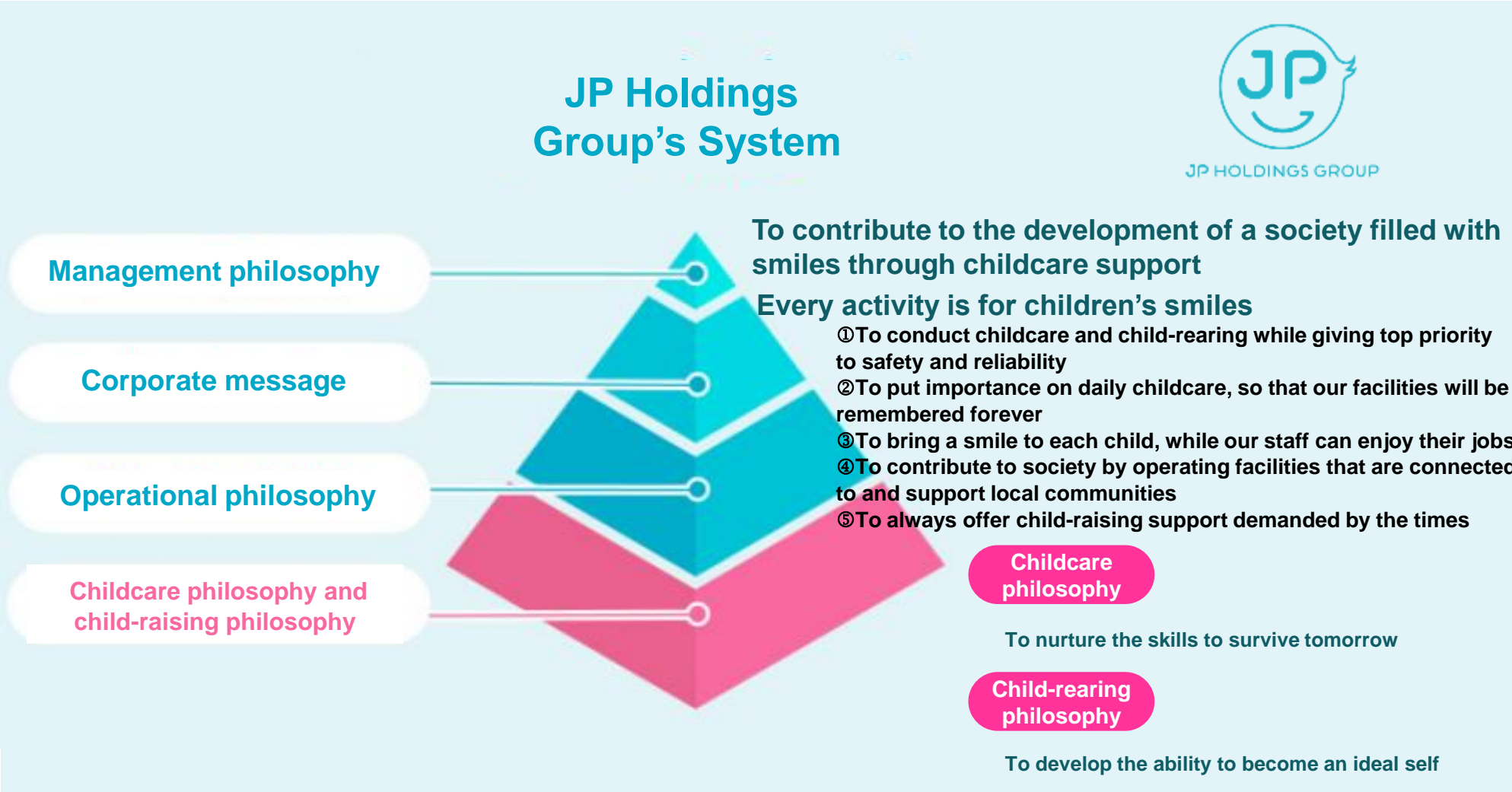
Training and research

Training business BPO service Support business by visiting nursery schools

Platform business Overseas business

# Our Management Philosophy and Corporate Message

- To renew our management philosophy and operational philosophy, and produce a new corporate message
- Under the new philosophies, we will improve our child-raising support business based on the cooperation with local communities.







JP HOLDINGS GROUP

1

# FY 3/24 Results



# Summary of Business Results for FY 3/24

**As we opened new facilities, undertook the operation of facilities, and adopted new business models, sales and profit grew, hitting a record high. We reached the operating income and income margin set the Medium-term Management Plan two years earlier than initially assumed.**

**Net sales:** Grew 6.6% year on year as we opened bilingual nursery schools and Montessori method-based nursery schools as new business models, enriched our early childhood learning programs, opened new facilities, undertook the operation of facilities, and the number of children increased during the term.

**Operating income:** Increased significantly by 25.0% year on year, as net sales grew with several measures and we strove to maximize subsidies although costs augmented due to the rise in electricity charges and the skyrocketing of prices of merchandise we procure.

**Net income:** Increased significantly by 8.5% year on year, as net sales grew and we made efforts to improve revenues from existing facilities and streamlined operation.

Unit: million yen	FY3/23	FY3/24					
	Results	Results	Revised earnings forecast ratio	Initial performance forecast ratio	Y/y growth rate	Revised earnings forecast	Initial performance forecast
Net sales	35,507	<b>37,856</b>	<b>0.7%</b>	<b>4.0%</b>	<b>6.6%</b>	37,581	36,390
Operating income	3,667	<b>4,584</b>	<b>5.1%</b>	<b>20.0%</b>	<b>25.0%</b>	4,363	3,820
Operating income margin	10.3%	<b>12.1%</b>	<b>0.5%</b>	<b>1.6%</b>	<b>1.8%</b>	11.6%	10.5%
Ordinary income	3,745	<b>4,523</b>	<b>4.9%</b>	<b>17.7%</b>	<b>20.8%</b>	4,314	3,842
Ordinary income margin	10.5%	<b>11.9%</b>	<b>0.4%</b>	<b>1.3%</b>	<b>1.4%</b>	11.5%	10.6%
Net income	2,698	<b>2,929</b>	<b>7.6%</b>	<b>17.3%</b>	<b>8.5%</b>	2,723	2,497
Net income margin	7.6%	<b>7.7%</b>	<b>0.5%</b>	<b>0.8%</b>	<b>0.1%</b>	7.2%	6.9%

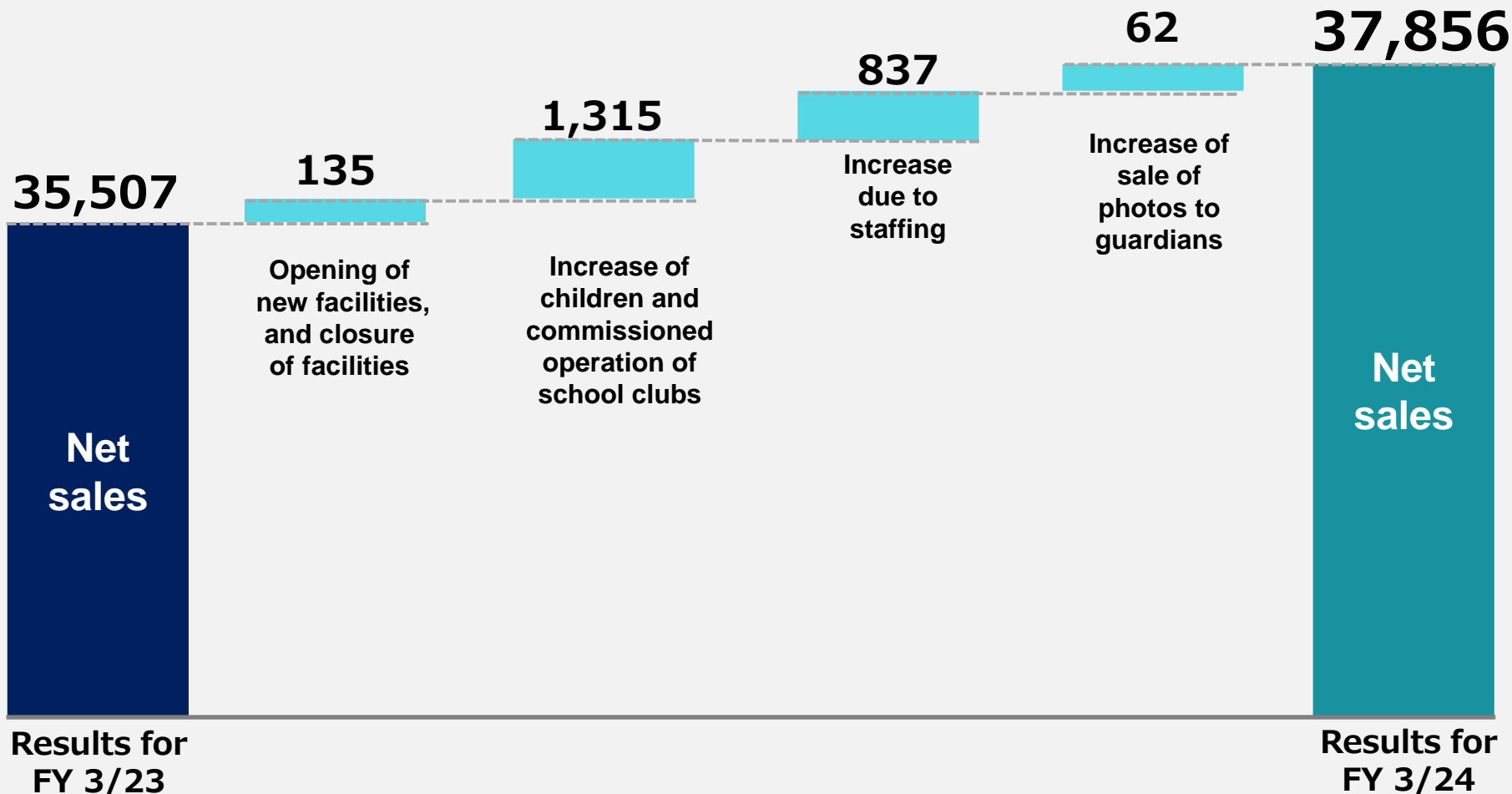
\*1: Net income represents "Net income attributable to owners of parent."

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

# FY3/24 Factors for Changes in Net Sales

## Net sales

As we took various measures for “developing nursery schools and facilities that would continue to be selected,” including the opening of bilingual nursery schools and Montessori method-based nursery schools and the enrichment of early childhood learning programs, the number of children increased during the term. Together with this, we opened new facilities and undertook the operation of facilities. As a result, net sales grew from the previous term, hitting a record high.



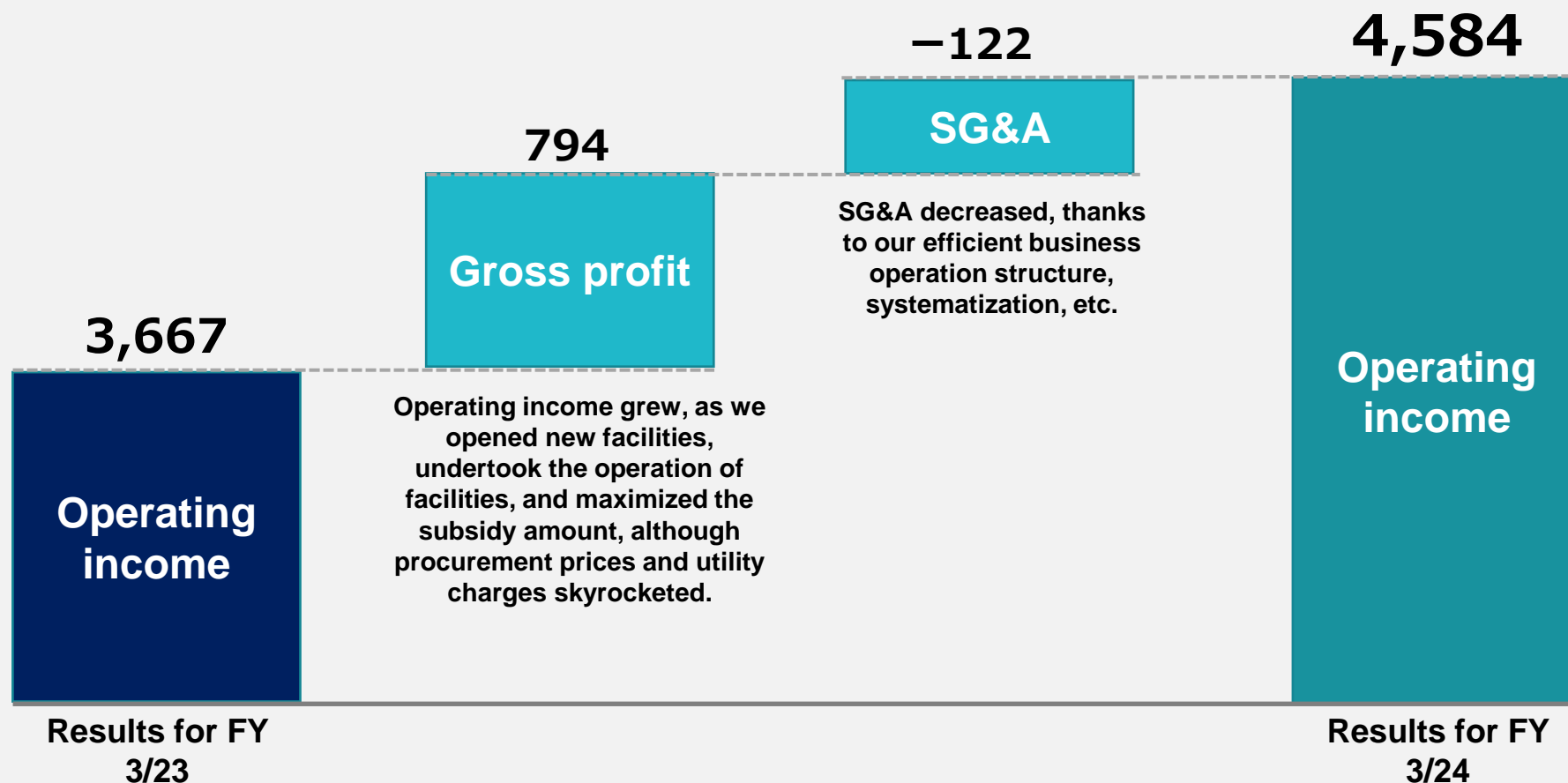
(Unit: million yen/Rounded down to the nearest million yen.)



# FY3/24 Factors for Changes in Operating Income

## Operating income

Operating income rose significantly from the previous term, hitting a record high, as net sales grew, we operated facilities efficiently, reformed our ordering system, etc., although costs augmented due to the rise in electricity charges and the skyrocketing of prices of merchandise we procure.



Operating income grew, as we opened new facilities, undertook the operation of facilities, and maximized the subsidy amount, although procurement prices and utility charges skyrocketed.

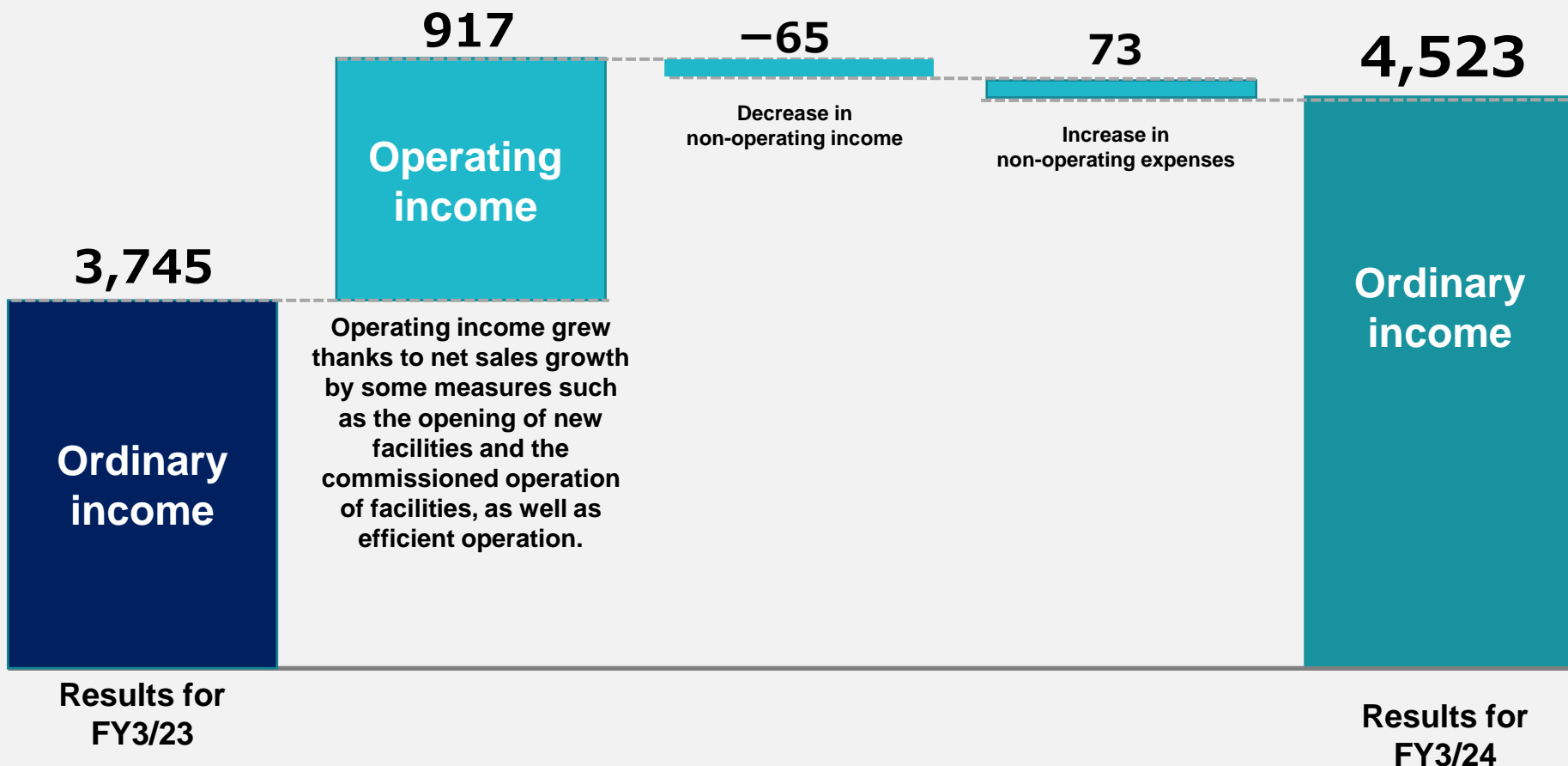
SG&A decreased, thanks to our efficient business operation structure, systematization, etc.

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

# FY3/24 Factors for Changes in Ordinary Income

## Ordinary income

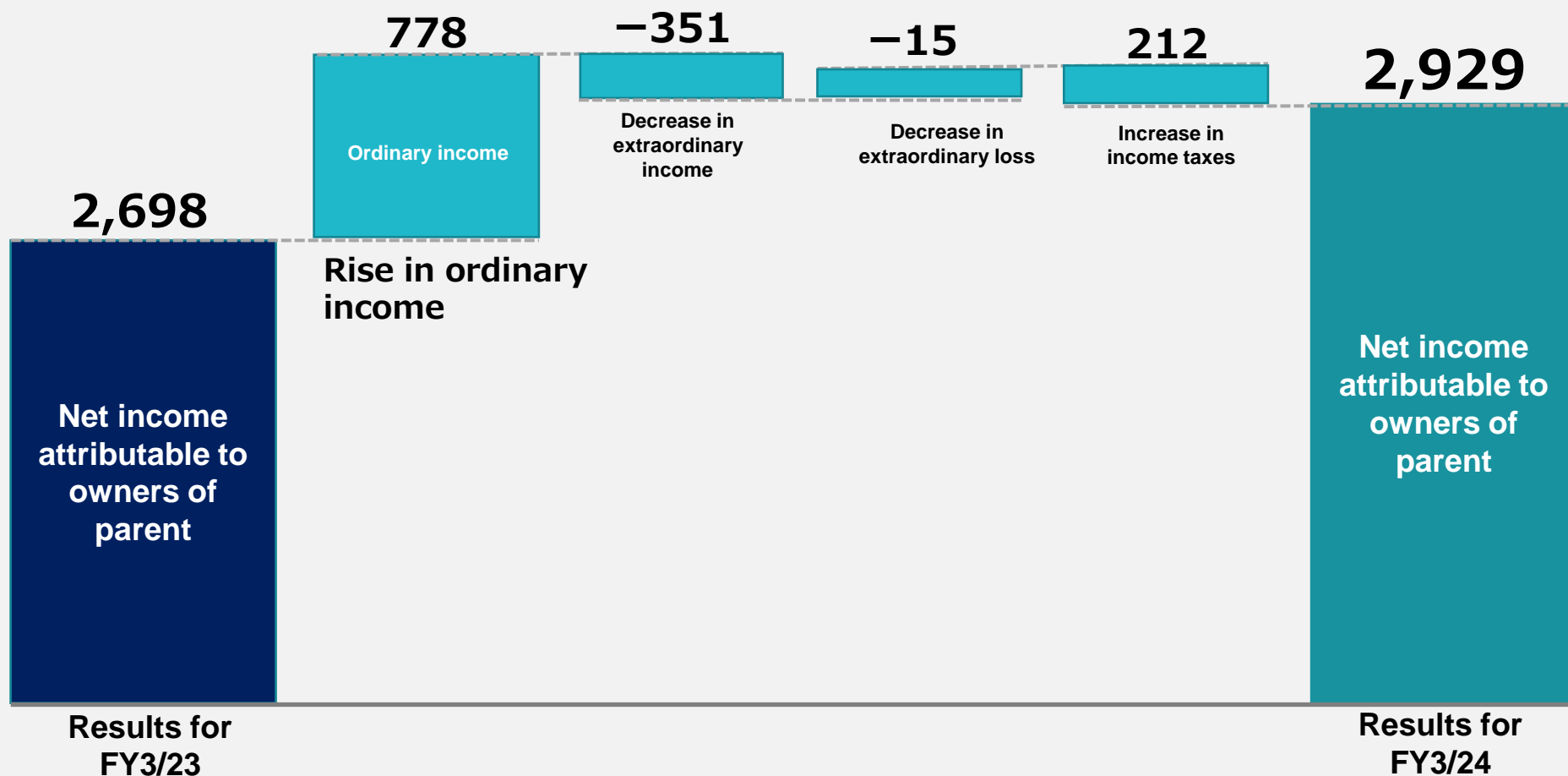
Ordinary income grew considerably year on year, hitting a record high, thanks to net sales growth and efficient operation realized through systematization.



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

Net income attributable to owners of parent

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



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

# Quarterly Results in FY 3/24



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

# FY3/24 Factors for Changes in Balance Sheet

Increase in shareholders equity ratio due to the decline in long-term loans-payable and increase of profit

## Financial condition

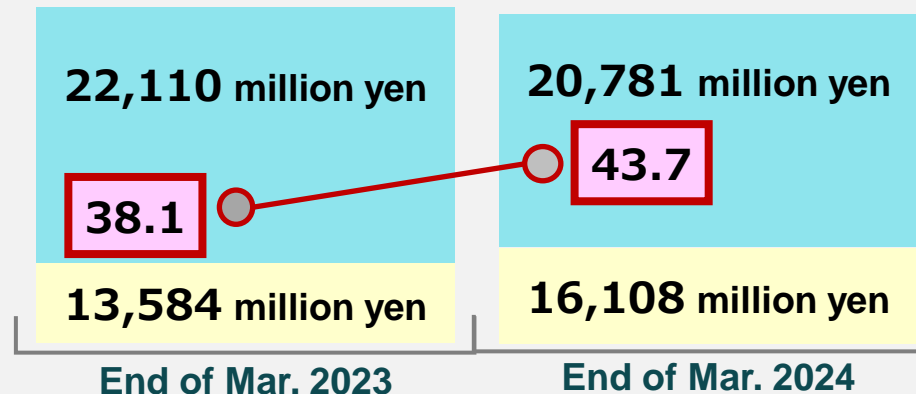
End of March 2024 \*( ) = Difference with the end of March 2023

<b>Assets</b> <b>36,889 million yen</b> <b>(1,194 million yen)</b>	<b>Liabilities</b> <b>20,781 million yen</b> <b>(-1,329 million yen)</b>
	<b>Net assets</b> <b>16,108 million yen</b> <b>(+2,524 million yen)</b>

million yen	End of Mar. 2023	End of Mar. 2024
Current assets	23,613	25,374
Fixed assets	12,081	11,515
<b>Total assets</b>	35,694	<b>36,889</b>
Current liabilities	8,294	10,409
Fixed liabilities	13,816	10,372
<b>Total liabilities</b>	22,110	<b>20,781</b>
<b>Total net assets</b>	13,584	<b>16,108</b>

## Liabilities, Net Assets, Shareholders Equity Ratio

■ Liabilities ■ Net assets ○- ¥- Equity Ratio (%)



Cash and deposits	20,944 million yen
Inventory assets	46 million yen
Accounts receivable-other	3,453 million yen
Buildings and structures	12,148 million yen
Current portion of long-term loans-payable	3,657 million yen
Accounts payable	2,893 million yen
Income taxes payable	1,093 million yen
Long-term loans payable	8,761 million yen
Retained earnings	13,840 million yen
Accumulated other comprehensive income	-94 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.)



## FY3/24 Balance Sheet

	End of Mar. 2023 (million yen)	End of Mar. 2024 (million yen)	Change (million yen)
<b>Total current assets</b>	<b>23,613</b>	<b>25,374</b>	<b>1,761</b>
(Cash and deposits)	<b>19,330</b>	<b>20,944</b>	<b>1,613</b>
(Accounts receivable-other)	<b>3,263</b>	<b>3,453</b>	<b>189</b>
<b>Total fixed assets</b>	<b>12,081</b>	<b>11,515</b>	<b>△566</b>
(Total tangible fixed assets)	<b>4,984</b>	<b>4,666</b>	<b>△318</b>
(Total intangible fixed assets)	<b>146</b>	<b>105</b>	<b>△40</b>
(Total investments and other assets)	<b>6,950</b>	<b>6,743</b>	<b>△207</b>
<b>Total assets</b>	<b>35,694</b>	<b>36,889</b>	<b>1,194</b>
<b>Total current liabilities</b>	<b>8,294</b>	<b>10,409</b>	<b>2,114</b>
(Current portion of long-term loans-payable)	<b>3,654</b>	<b>3,657</b>	<b>2</b>
(Accounts payable)	<b>1,681</b>	<b>2,893</b>	<b>1,212</b>
<b>Total fixed liabilities</b>	<b>13,816</b>	<b>10,372</b>	<b>△3,444</b>
(Long-term loans-payable)	<b>12,226</b>	<b>8,761</b>	<b>△3,465</b>
<b>Total liabilities</b>	<b>22,110</b>	<b>20,781</b>	<b>△1,329</b>
<b>Total net assets</b>	<b>13,584</b>	<b>16,108</b>	<b>2,524</b>
<b>Total liabilities and net assets</b>	<b>35,694</b>	<b>36,889</b>	<b>1,194</b>

(Rounded down to the nearest million yen.)

# FY3/24 Statement of Cash Flows

**Operating CF:** Income before income taxes, accounts payable, accrued expenses, increase in depreciation, etc.

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

**Financing CF:** Repayment of long-term loans-payable

Unit: million yen	FY3/23	FY3/24	Change
Cash flows from operating activities	2,735	5,598	2,863
Cash flows from investing activities	411	-6	-418
Free cash flow	2,324	5,604	3,280
Cash flows from financing activities	-1,112	-3,978	-2,865
Cash and cash equivalents at end of period	19,330	20,944	1,613

(Rounded down to the nearest million yen.)

## 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 March 2024

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

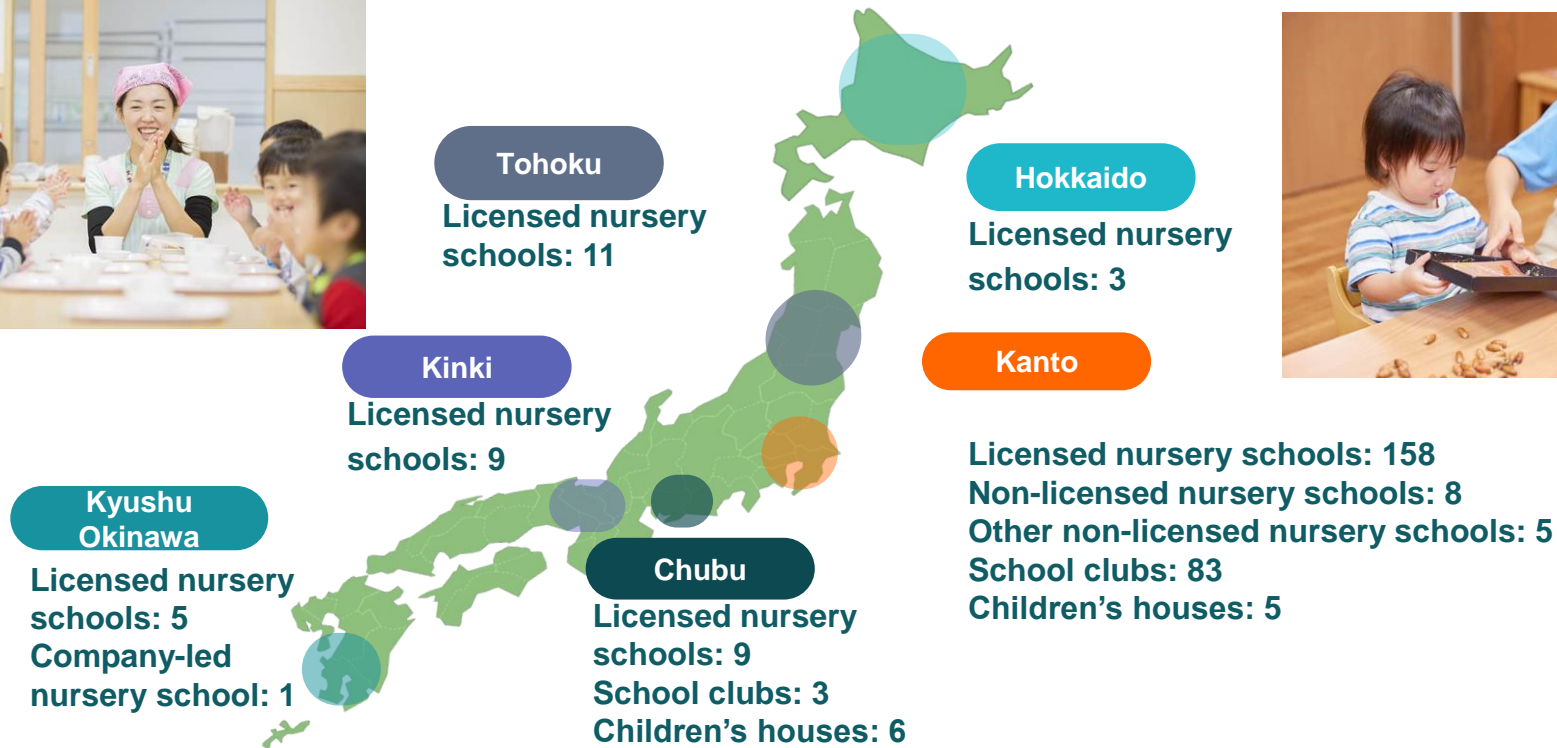
#### 9 school clubs and children's houses

(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/Kirigaokasatokko 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.

### Operate 306 facilities as of the End of March 2024



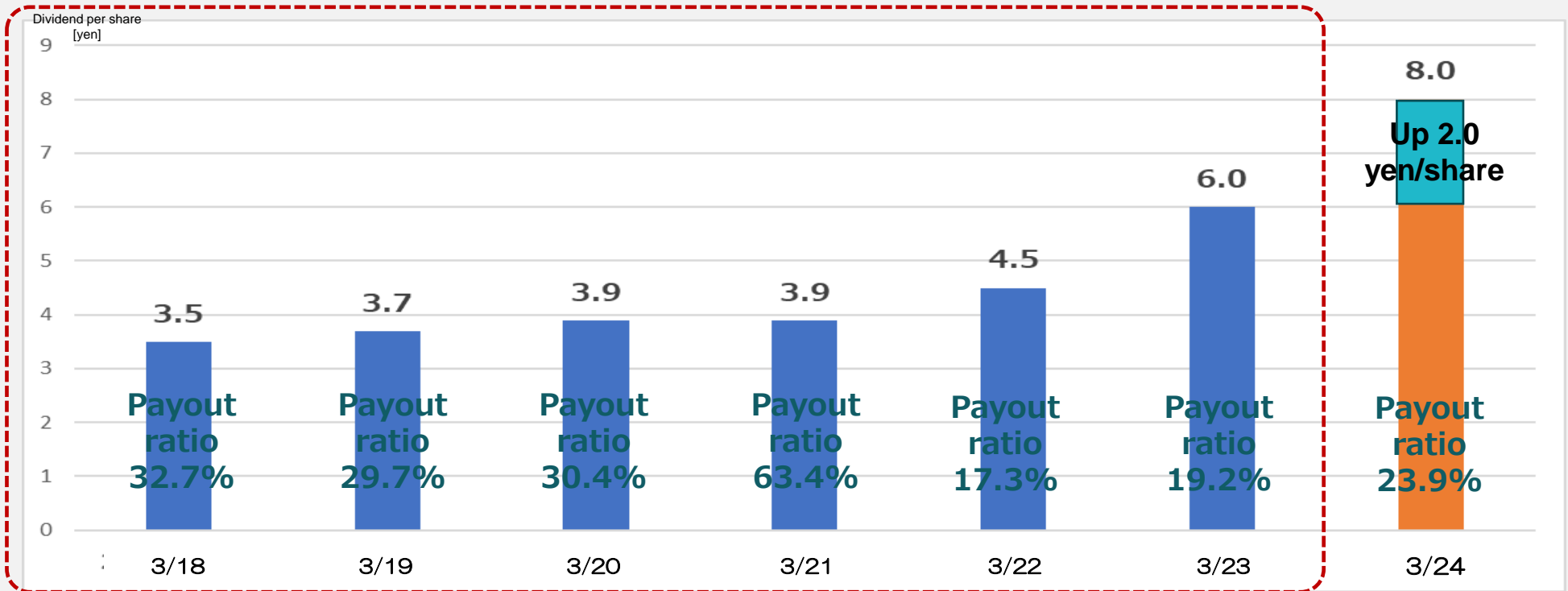
**209 nursery schools, 86 school clubs, 11 children's houses**

# Dividend Policy

For FY 3/24, we raised the year-end dividend by 2.0 yen/share, while considering our business performance trend.

- 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, we increased the dividend amount by 2.0 yen/share from the initial forecast to 8.0 yen/share, while considering the business performance trend.







JP HOLDINGS GROUP

# 2

## Earnings Forecast for FY 3/25 and the Rolling of the Medium-term Management Plan





JP HOLDINGS GROUP

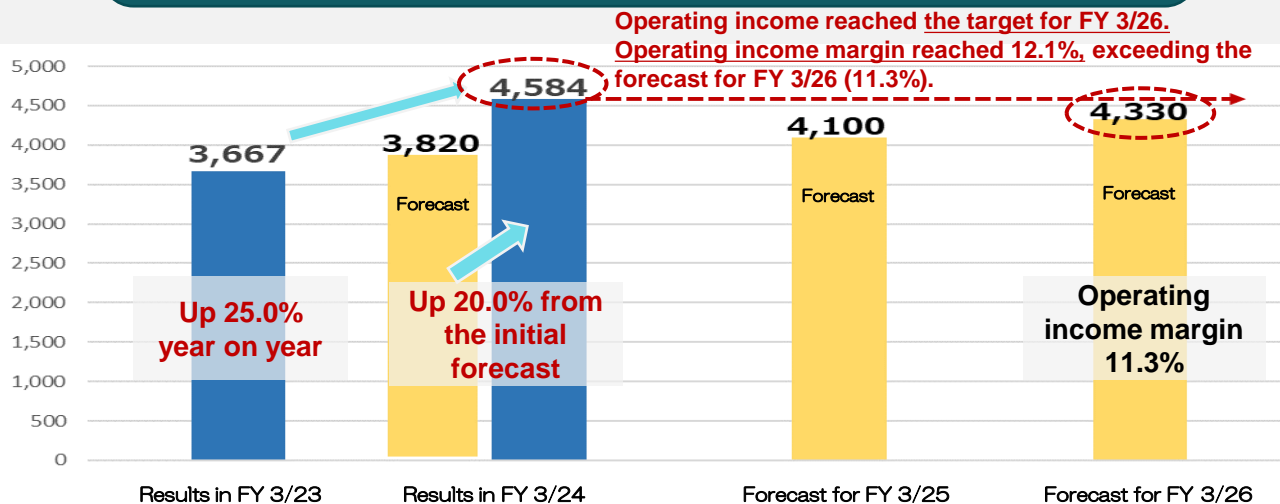
# Earnings Forecast for FY 3/25 and the Medium-term Management Plan

# Assumptions for the Earnings Forecast for FY 3/25 and the Medium-term Management Plan

Sales and profit grew, hitting a record high, as we opened new facilities, undertook the operation of facilities, and adopted new models in FY 3/24. **We achieved the operating income and income margin set in the Medium-term Management Plan two years earlier than initially assumed.**

Unit: million yen	FY3/23	FY3/24					
	Results	Results	Revised earnings forecast ratio	Initial performance forecast ratio	Y/y growth rate	Revised earnings forecast	Initial performance forecast
Net sales	35,507	<b>37,856</b>	<b>0.7%</b>	<b>4.0%</b>	<b>6.6%</b>	37,581	36,390
Operating income	3,667	<b>4,584</b>	<b>5.1%</b>	<b>20.0%</b>	<b>25.0%</b>	4,363	3,820
Operating income margin	10.3%	<b>12.1%</b>	<b>0.5%</b>	<b>1.6%</b>	<b>1.8%</b>	11.6%	10.5%
Ordinary income	3,745	<b>4,523</b>	<b>4.9%</b>	<b>17.7%</b>	<b>20.8%</b>	4,314	3,842
Ordinary income margin	10.5%	<b>11.9%</b>	<b>0.4%</b>	<b>1.3%</b>	<b>1.4%</b>	11.5%	10.6%
Net income	2,698	<b>2,929</b>	<b>7.6%</b>	<b>17.3%</b>	<b>8.5%</b>	2,723	2,497
Net income margin	7.6%	<b>7.7%</b>	<b>0.5%</b>	<b>0.8%</b>	<b>0.1%</b>	7.2%	6.9%

## Operating income



## Factors in increasing operating income and our initiatives

↑	Profit grew as we opened new facilities and undertook the operation of facilities.
↑	Initiatives for maximizing the subsidy amount
↑	Increase of enrolled children during the term
↑	Reform of the ordering system, and systematization
↓	Skyrocketing of commodity prices and the rise in electricity charges

# Our Policy for the Earnings Forecast for FY 3/25 and the Medium-term Management Plan

The Medium-term Management Plan for the period from FY 3/25 to FY 3/27, which was devised with a rolling method, is based on the feasible plan while grasping various changes in the social environment.

## **[Factors in increasing revenues that were not taken into account in the earnings forecast for FY 3/25 and the Medium-term Management Plan]**

### **1. Drastic countermeasures against declining birth rates (The details are still to be determined, so they were not taken into account in our forecast and plan.)**

#### **(1) “The number of children per nursery teacher”**

(For children aged 4 or 5 years old: 30 children per nursery staff member ⇒ 25 children per nursery staff member)

(For children aged 1 year old: 6 children per nursery staff member ⇒ 5 children per nursery staff member)

#### **(2) “The new system that offers childcare services to all children regardless of parents’ employment status”**

(Children aged 6 months to 2 years old can receive childcare services for 10 hours per month, no matter whether their parents are working.)

#### **(3) Measures of local governments, etc.**

To undertake the operation of childcare centers licensed by the Tokyo Metropolitan Government, collect fees for lessons for children from parents and guardians, and so on

### **2. M&A of other companies in the same industry and business operation outside Japan, mainly Southeast Asia**

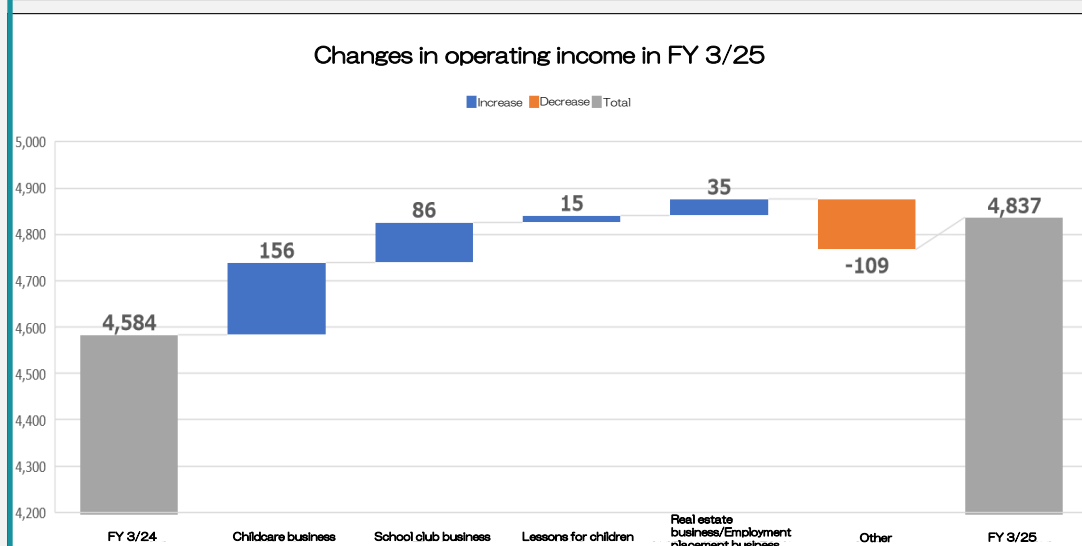
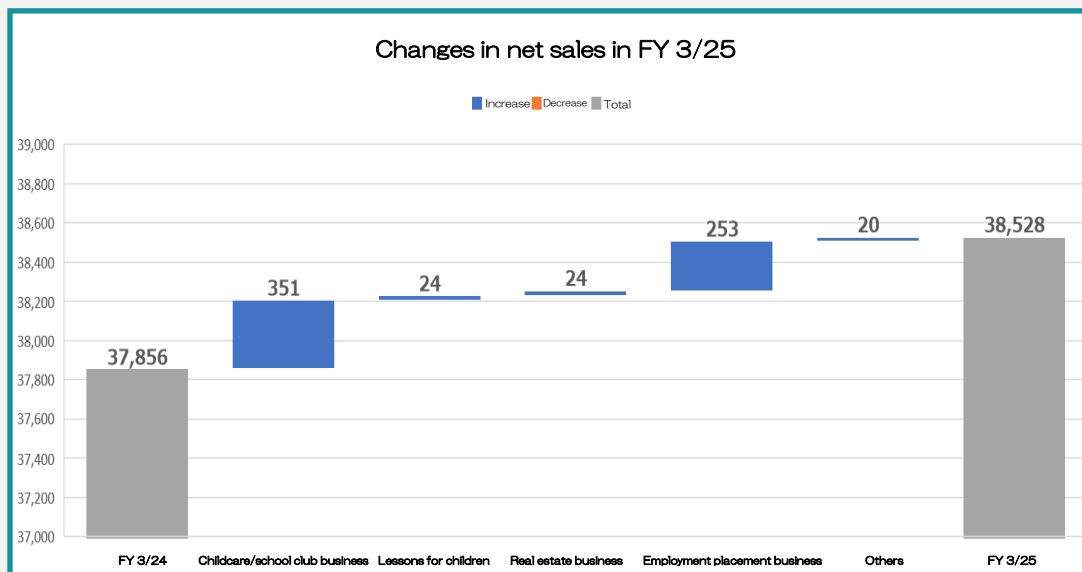
#### **(1) M&A of other companies in the same industry**

#### **(2) To operate nursery schools in cooperation with excellent enterprises in each country in Southeast Asia**

**Review and revision are conducted when various plans and measures are determined.**

The earnings forecast for FY 3/25 was made based on feasible plans.

Unit: million yen	FY 3/24 Results			FY 3/25	
	Results	Compared with the initial forecast	Y/y growth rate	Forecast	Y/y growth rate
Net sales	37,856	4.0%	6.6%	38,528	1.8%
Operating income	4,584	20.0%	25.0%	4,751	3.6%
Operating income margin	12.1%	1.6%	1.8%	12.3%	0.2%
Ordinary income	4,523	17.7%	20.8%	4,778	5.6%
Ordinary income margin	11.9%	1.3%	1.4%	12.4%	0.5%
Net income	2,929	17.3%	8.5%	3,106	6.0%
Net income margin	7.7%	0.8%	0.1%	8.1%	0.3%



**Factors in increasing profit not taken into account in the earnings forecast for FY 3/25**

- Drastic countermeasures against declining birth rates
- Various measures of local governments for supporting childcare

**[Regarding measures]**

- In the Tokyo Metropolitan Area, the number of nursery staff members already exceeds the standard, and learning programs have been already put into practice in the Group.



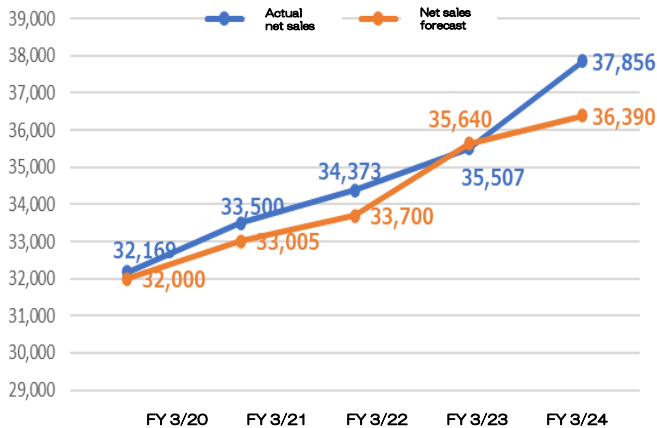
## FY 3/25 Forecast

	Results for FY 3/24	Full-year forecast for FY 3/25	Change	Rate of change (%)
Net sales (million yen)	37,856	38,528	672	1.8
Operating income (million yen)	4,584	4,751	167	3.6
Ordinary income (million yen)	4,523	4,778	255	5.6
Net income attributable to owners of parent (million yen)	2,929	3,106	177	6.0
Net income per share (yen)	34.38	36.39	2.01	—
Dividend per share (yen)	8.0	9.5	1.5	—
Dividend payout ratio (%)	23.3	26.1	2.8	—
Expected opening of nursery school (school)	1	1	0	—
Expected undertaking of children's club, children's house, etc.(facility)	9	19	10	—

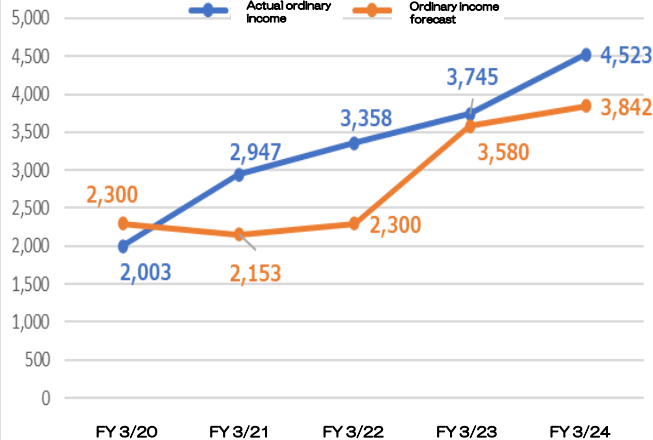
# Comparison Between the Results and the Earnings Forecast in the Past 5 Years

The results in the past 5 years exceeded the earnings forecasts.

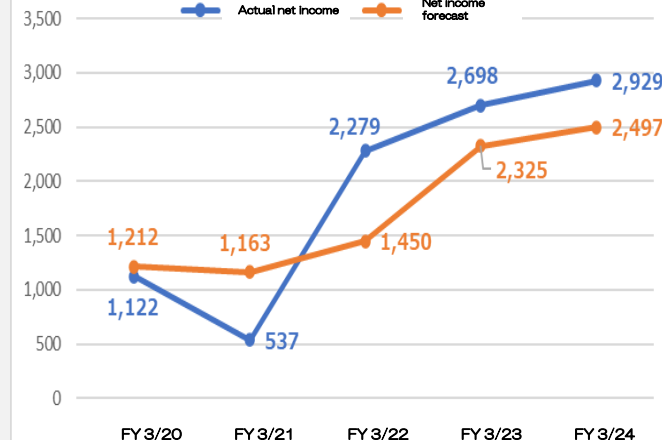
Comparison between initial forecasts and actual net sales



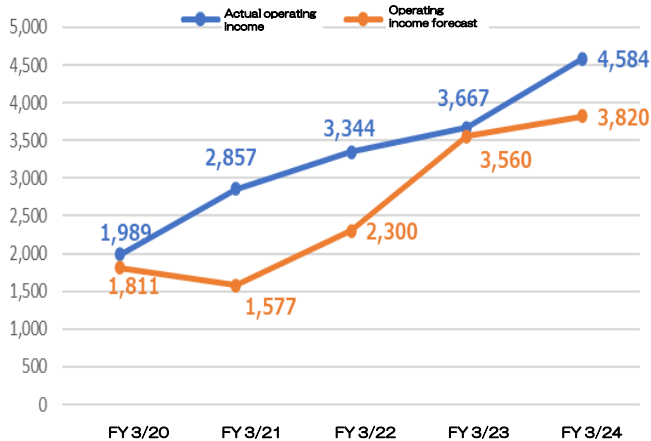
Comparison between initial forecasts and actual ordinary income



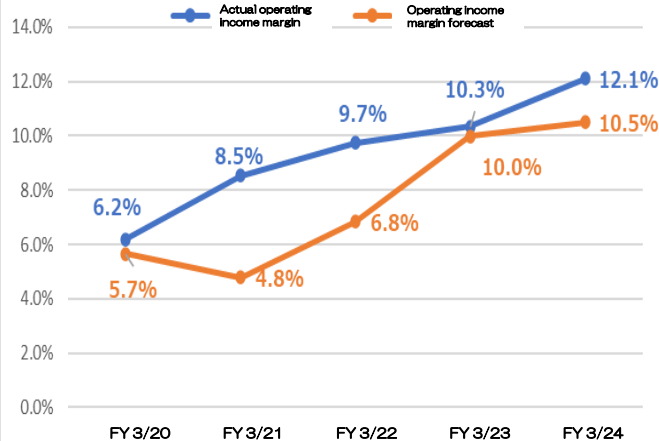
Comparison between initial forecasts and actual net income



Comparison between initial forecasts and actual operating income



Comparison between initial forecasts and actual operating income margin

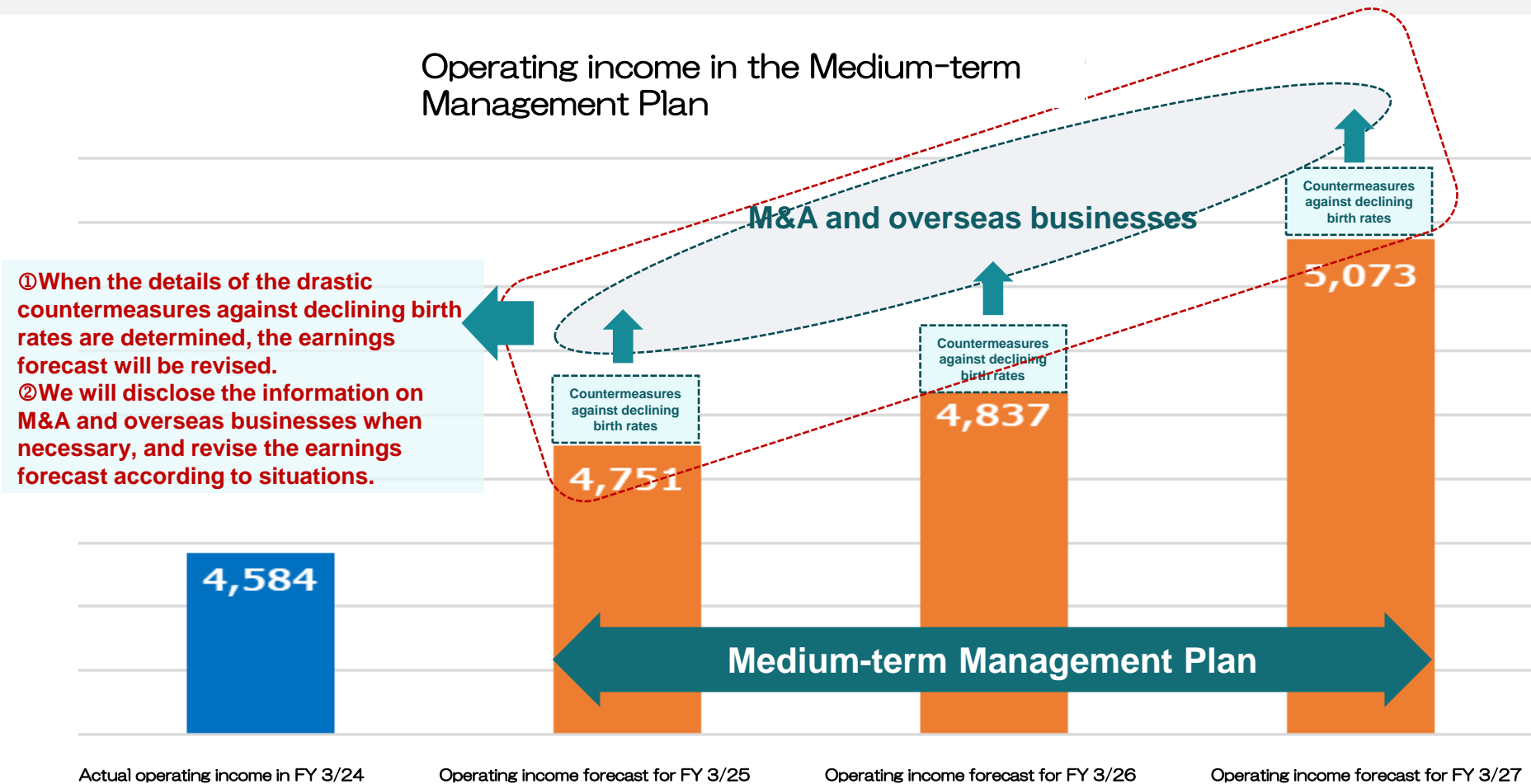


Net income represents “Net income attributable to owners of parent.”

# Rolling of the Medium-term Management Plan

- We produced a feasible Medium-term Management Plan, without taking into account (1) drastic countermeasures against declining birth rates, (2) measures of local governments, (3) M&A, and (4) overseas business, whose details are still to be determined and which are in the planning stage, into the plan.
- Grasping the status of subsidies and the progress of the plan, we will revise it or take other measures when necessary.

## Operating income in the Medium-term Management Plan



# Rolling of the Medium-term Management Plan

The following is the rolling of the Medium-term Management Plan for the period from FY 3/25 to FY 3/27  
In FY 3/27, we aim to achieve operating income of 5 billion yen or over and operating income margin of 13%.

Unit: million yen	Initial Medium-term Management Plan					
	FY 3/24		FY 3/25		FY 3/26	
	Forecast	Y/y growth rate	Forecast	Compared with forecast in the previous year	Forecast	Compared with forecast in the previous year
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%				
Ordinary income margin	10.6%	0.1%				
Net income	2,497	-7.5%				
Net income margin	6.9%	-0.7%				

Unit: million yen	Results in FY 3/24			Revised Medium-term Management Plan					
	Results	Compared with the initial forecast	Y/y growth rate	FY 3/25		FY 3/26		FY 3/27	
				Forecast	Y/y growth rate	Forecast	Compared with forecast in the previous year	Forecast	Compared with forecast in the previous year
Net sales	37,856	4.0%	6.6%	38,528	1.8%	39,163	1.6%	40,165	2.6%
Operating income	4,584	20.0%	25.0%	4,751	3.6%	4,837	1.8%	5,073	4.9%
Operating income margin	12.1%	1.6%	1.8%	12.3%	0.2%	12.4%	0.1%	12.6%	2.3%
Ordinary income	4,523	17.7%	20.8%	4,778	5.6%				
Ordinary income margin	11.9%	1.3%	1.4%	12.4%	0.5%				
Net income	2,929	17.3%	8.5%	3,106	6.0%				
Net income margin	7.7%	0.8%	0.1%	8.1%	0.3%				

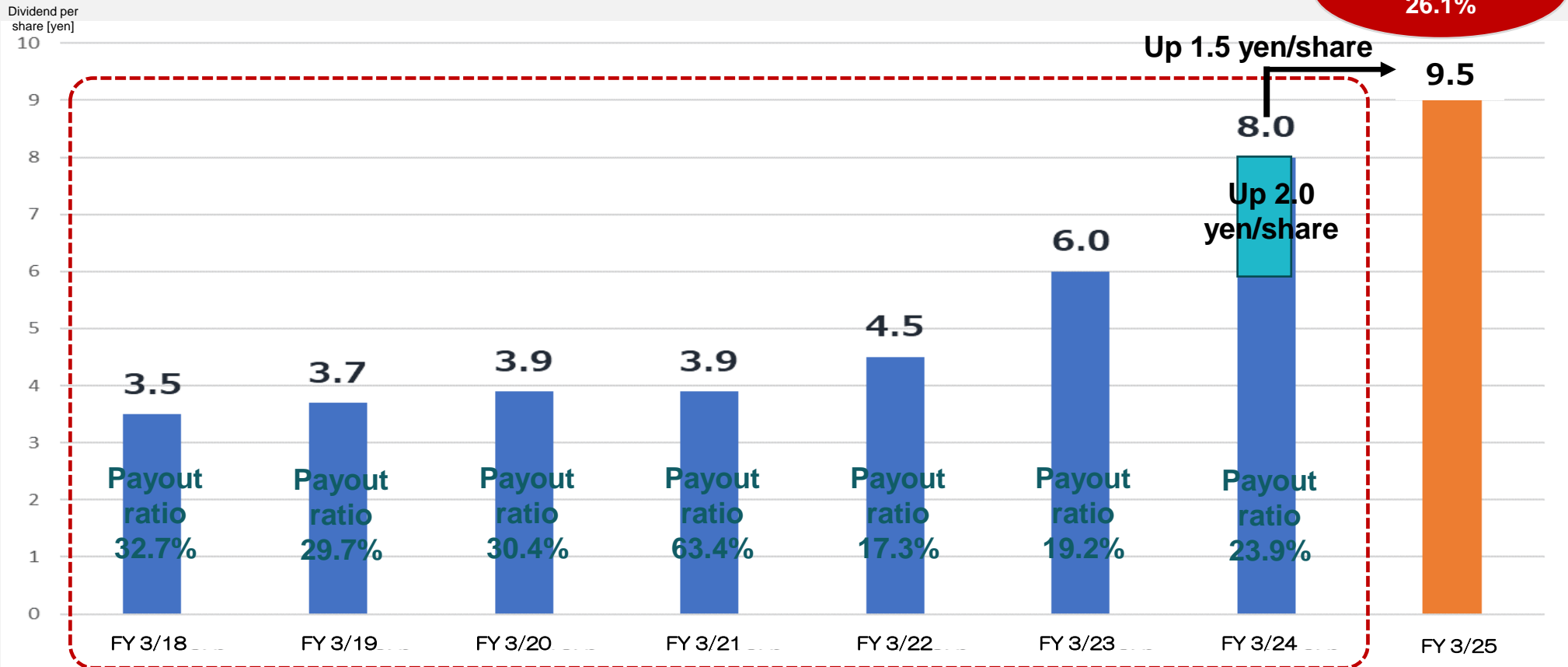
\*Net income represents "Net income attributable to owners of parent."

# 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, we plan to pay a dividend of 8.0 yen/share, up 2.0 yen/share from the initial forecast while considering the recent business performance.

● For FY 3/25, we plan to pay a dividend of 9.5 yen/share, up 1.5 yen/share from the previous fiscal year.



# Number of Newly Opened Facilities and Number of Facilities Whose Operation Has Been Entrusted to Us as of April 1, 2024

## No. of New Openings on April 1, 2024

### Nursery School: 2

(One school is a former childcare facility licensed by the Tokyo Metropolitan Government.)

### School clubs and children's houses: 17

### Communication halls: 2

### Certified childcare centers: 4

(Former certified nursery schools)

### Bilingual Nursery Schools: 5

(Former childcare facilities licensed by the Tokyo Metropolitan Government)

## No. of New Openings on April 1, 2024

**Total: 20**

## Other tasks entrusted to us

### Coordination of the business of after-school childcare facilities of Shibuya City

\*On the last day of March 2024, we closed "Asc Bilingual Nursery School Eifuku," which is a nursery school licensed by the Tokyo Metropolitan Government. In addition, on the last day of March 2024, we withdrew from the operation of some school clubs:

"Purely Toyomi," "After-school Classroom of Taisho Elementary School," "Wakuwaku Yanagida Hiroba/Yanagida Midori Club No. 1," and "Wakuwaku Yanagida Hiroba/Yanagida Midori Club No. 2," due to the expiration of contract periods.

\*On April 1, 2024, "Asc Nishikokubunji Nursery School" was transformed from a nursery school licensed by the Tokyo Metropolitan Government to a licensed nursery school.

## No. of Facilities Operated as of the End of April 2024

Nursery Schools : 205

Childcare centers: 4

School Clubs: 96

Children's houses: 13

Communication halls: 2

**Total: 320**

### Tokyo

#### 5 Bilingual Nursery School

\*Former nursery schools licensed by the Tokyo Metropolitan Government

- Asc Bilingual Nursery School Ningyochoekimae
- Asc Bilingual Nursery School Yakumo
- Asc Bilingual Nursery School Takatsu
- Asc Bilingual Nursery School Kamikodanaka
- Asc Bilingual Nursery School Mukaigawara

#### 4 Authorized Childcare Centers

\*Former licensed nursery schools

- Asc Kozurushinden Childcare Center
- Asc Nagamachi-minami Childcare Center
- Asc Gotenhama Childcare Center
- Asc Wani Childcare Center

### Tokyo

#### 2 communication halls

- Nezu Communication Hall
- Mezirodai Communication Hall

### Tokyo

#### 2 licensed nursery school

- Appy Azabu
- Asc Nishikokubunji Nursery School (which became an licensed nursery school)

### Tokyo

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

- Ukima Elementary School Clubs No. 1, No. 2, No. 3, and No. 4
- Koto Kids' Club Edakawa
- Negishi After-school Children Classroom
- Negishi Kids' Club
- Matsuba Elementary School After-school Children Classroom
- Nezu Childcare Room
- Mezirodai Childcare Room No. 2
- Ichisho After-school Childcare Facilities A and B
- Kitano Elementary School After-school Childcare Facilities A and B
- Kitano Elementary School suboffice
- Nezu Children's House
- Mezirodai Children's House No. 2



JP HOLDINGS GROUP

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



# Evaluation of the Medium-term Management Plan Produced at the Beginning of the Fiscal Year

Thanks to various improvements and reforms, we have achieved the goals of the Medium-term Management Plan two years earlier than initially assumed.  
Share price has been healthy, and PBR reached 2.5.

Item	Outline	Evaluation	
Managerial goal	Restructuring, business reform, and creation of new services and value “Developing nursery schools and facilities that would continue to be selected”	◎	<ul style="list-style-type: none"> <li>•Increase of children thanks to the learning programs offered in the existing businesses and the enrichment of the “My Nursery School System”</li> <li>•Cost reduction through the streamlining of business operations and the elimination of wasteful operations at the head office and workplaces</li> </ul>
Goals set in the Medium-term Management Plan for FY 3/24	To reach the earnings forecast (performance indicators and single-year/medium-term plans) Operating income margin: 11% or higher (as of the end of March 2026) Turnover rate: 10% or less (as of the end of March 2026) To monetize new businesses (to earn profit in FY 3/2026)	◎	<ul style="list-style-type: none"> <li>•Net sales were up 6.6% from the earnings forecast for FY 3/24. Operating income, ordinary income, and net income were <b>larger than the earnings forecast by double digits and the amounts in the previous fiscal year.</b></li> <li>•Operating income margin was 12.1% and operating income was 4,584 million yen, <b>achieving the goals in the Medium-term Management Plan two years earlier than initially assumed.</b></li> <li>•Turnover rate decreased from the previous fiscal year, and we will make efforts to decrease it further.</li> </ul>
Initiatives for solving priority issues	<p>①To ensure growth potential and advantages</p> <ul style="list-style-type: none"> <li>•To create and monetize new businesses</li> <li>•Strategy for differentiating existing businesses</li> <li>•To promote M&amp;A actively</li> </ul> <p>②To reform our revenue structure</p> <ul style="list-style-type: none"> <li>•To streamline business administration, reduce costs, and reform existing businesses (systematization, elimination of wasteful operations, and a compact head office)</li> </ul> <p>③To reform our management base</p> <ul style="list-style-type: none"> <li>•To develop human resources, improve our corporate culture, advance business administration, improve our environment and realize a self-contained system</li> </ul>	○	<p>①To ensure growth potential and advantages &lt;&lt;Promotion of the differentiation program&gt;&gt;</p> <ul style="list-style-type: none"> <li>•Improvement in revenues thanks to the increase of children as a result of the operation of bilingual nursery schools and Montessori method-based nursery schools</li> <li>•Enrichment of learning programs (STEAMS education, Mojikazu Land, and reading to children)</li> <li>•Acquisition of One’s Will (employment placement business)</li> <li>•Start of overseas business operation</li> </ul> <p>②To reform our revenue structure</p> <ul style="list-style-type: none"> <li>•Reduction of cost ratio (decrease of overtime work and personnel introduction fees), and maximization of subsidies</li> <li>•Improvement of HR systems</li> </ul> <p>③To reform our management base</p> <ul style="list-style-type: none"> <li>•Mobilization of personnel through organizational restructuring, and enrichment of our educational system</li> </ul>

## Issues

- ①Early monetization of new businesses (employment placement business)
- ②Strengthened promotion of M&As to further expand our business scale (targeted at companies in the same industry and peripheral businesses) and global expansion
- ③Sophistication of operations through systematization (marketing, management and instruction)

# Position of our Company

Our company ensured outstanding profitability in the childcare support business.

Net Sales		Unit: million yen
1 <sup>st</sup>	<b>JP-HOLDINGS</b>	<b>37,856</b>
2 <sup>nd</sup>	Company A	29,047
3 <sup>rd</sup>	Company B	28,893
4 <sup>th</sup>	Company C	25,136
5 <sup>th</sup>	Company D	14,557

Operating income margin		
1 <sup>st</sup>	<b>JP-HOLDINGS</b>	<b>12.1%</b>
2 <sup>nd</sup>	Company A	8.1%
3 <sup>rd</sup>	Company B	4.0%
4 <sup>th</sup>	Company E	2.3%
5 <sup>th</sup>	Company C	1.4%

Ordinary income margin		
1 <sup>st</sup>	<b>JP-HOLDINGS</b>	<b>11.9%</b>
2 <sup>nd</sup>	Company B	4.5%
3 <sup>rd</sup>	Company E	3.9%
4 <sup>th</sup>	Company C	1.3%
4 <sup>th</sup>	Company D	1.3%

Market cap		Unit: million yen
1 <sup>st</sup>	<b>JP-HOLDINGS</b>	<b>43,046</b>
2 <sup>nd</sup>	Company B	12,834
3 <sup>rd</sup>	Company C	6,398
4 <sup>th</sup>	Company E	4,574
5 <sup>th</sup>	Company D	2,111

1

**The largest sales in this industry**

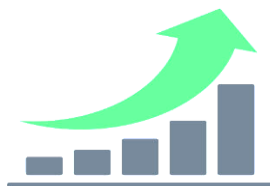
**Scale**

Increase of children and improvement in utilization rate thanks to the operation of nursery schools and facilities that would continue to be selected  
(Enrichment of our early childhood learning programs and promotion of digitalization)

Net sales: 37,856 million yen

[Future measures]

Expansion of our business domain and scale through M&A and business alliance  
Overseas business operation  
Employment placement business



2

**The highest profitability in this industry**

**Profitability**

Rigorous KPI management  
Cost reduction through the streamlining of management and operation at the head office  
(Staffing and systematization)

Operating income margin: 12.1%

[Future measures]

Marketing and differentiation measures  
To undertake the operation of more school clubs  
Optimization of staffing  
Maximization of subsidies



3

**The largest market cap in this industry**

**Market capitalization**

Measures for coping with the declining birthrate and unique measures  
Rise in share price due to new businesses  
(Contributing to the childcare support business)

Market cap: 43,046 million yen

[Future measures]

To realize stable business performance  
Endeavors as a leading company  
(New businesses/settlement of social issues)



# Environment Surrounding our Company

Due to the declining birthrate, the number of babies under the age of one will decrease, but our revenues are expected to grow stepwise thanks to the drastic governmental countermeasures.

## Trend of the Japanese economy

### [Japanese economy]

- The real GDP growth rate in FY 2024 is expected to be up 0.6% year on year, showing growth for the fourth consecutive year.
- There are many factors in an economic slowdown, so there is concern over the delay in recovery. In particular, the impact of the rise in commodity prices will be the biggest concern for the foreseeable future.

### [Global economy]

- It is forecast that full-year growth rate will decline to 2.7%, but the European and U.S. economies will bottom up and recover due to the subsiding of inflation, and their growth will be accelerated in the second half of the year. The Japanese economy, too, is expected to grow steadily, thanks to the relaxing financial policy and the recovery of export.

## Other social environment

- Japan is faced with the serious shortage of workers (in the fields of restaurants, manufacturing, and construction)
- The number of people who can receive the status of residence for non-Japanese people with special skills increased over two times to 840,000.

## Environment surrounding the childcare support business

### [Negative factors]

- Decrease of children on waiting lists (childcare), and further decline in birthrate due to changes in the social environment
- Intensification of competition among childcare facilities in some regions
- It is now mandatory to announce the system for childcare leave of male employees.

### [Positive factors]

#### •Drastic governmental countermeasures against declining birth rates

Enhancement of economic support, mainly childcare allowance, subsidies, and revision of regulations  
 (1) Change in the number of children (aged 1 year and aged 4 or 5 years old) per nursery teacher; The revised one for children aged 4 or 5 years old will first become effective.

(2) New system that offers childcare services to all children regardless of parents' employment status; Children aged 6 months to 2 years old can be temporarily looked after at childcare centers no matter their parents are working.

\*In April 2024, some facilities started the tentative adoption of this system.

(3) Start of the system for allowing parents who have retired work for childcare or have taken childcare leave to book the enrollment in a childcare facility and to resume work; Subsidized until enrollment

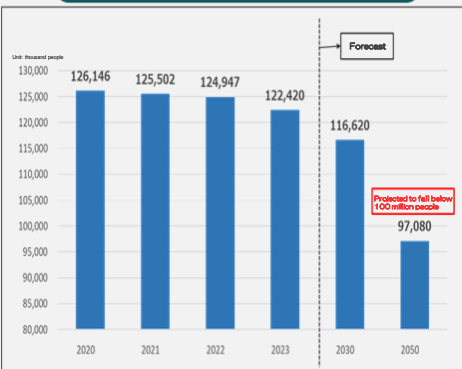
#### •Measures by the Tokyo Metropolitan Government

(1) Collection of fees for educational programs from parents and guardians \*This varies among local governments.

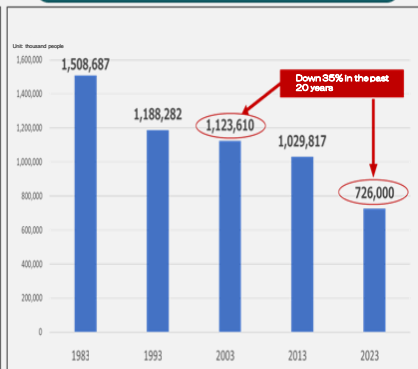
(2) After-school childcare licensed by the Tokyo Metropolitan Government (to cope with the increase of children on waiting lists)

To be started in April 2025

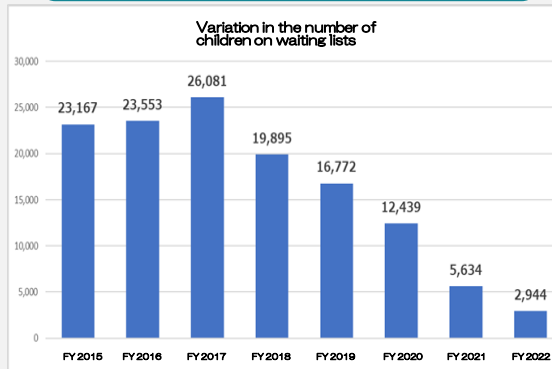
Variation in the Japanese population



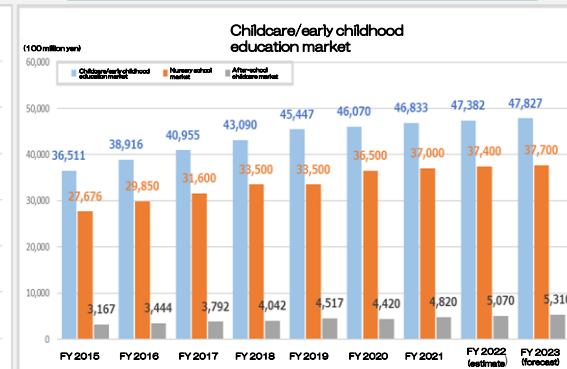
Birthrate



Variation in the number of children on waiting lists



Trend of the childcare/early childhood education market



# Ideal state and the Positioning of the Medium-term Management Plan 2027

## Management philosophy

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

**General enterprise offering childcare support**  
Consolidated net sales: 100 billion yen

Improvement in corporate value through the creation of value for addressing social issues regarding childcare

**Ideal state**  
50 billion yen from existing businesses  
50 billion yen from new businesses

Value creation through sustainability-oriented management

## Realization of our growth scenario

- Creation of new businesses and domains
  - Foray into business fields where we have advantages
  - Employment placement business (inside and outside Japan)
  - Cultivation of new markets
  - Operation of nursery schools outside Japan (Southeast Asia)
  - Improvement in profitability, value creation, and sustainable growth
- Establishment of a management base
  - Improvement in profitability of existing businesses, acquisition of competitive advantages, and streamlining of business operations
- Enhancement of personnel development
- Active promotion of M&A
  - Active promotion of large-scale M&A of mainly competitors in the same industry

**FY 3/27**  
Establishment of HR business  
Establishment of overseas business  
M&A

**FY 3/26**  
Development phase

**FY 3/25**  
Preparation and assessment

Pursuit of differentiation and competitive advantages

**Co-creation, sharing, and pursuit of speed**

HR and organization transformation

- Diversification of values and needs
- Further decrease of children
- Further decline in birthrate
- Decrease of the workforce
- Skyrocketing of commodity prices
- Drastic countermeasures against declining birth rates
- Local governments' measures for supporting childcare
- Increase of children on waiting lists
- Increase of women working
- Expansion of the workforce of non-Japanese people

# Entire Picture of the Medium-term Management Plan

To create new value early in response to changes in society and the environment surrounding the childcare support business

➔ “Speed of business administration”

Improvement in  
shareholder value

- Operating income margin: 13%, operating income: over 5 billion yen in FY 3/27
- ROE: 20% or higher; promotion of business plans and the capital policy

Capital  
policy

- Improvement in profitability and the balance sheet  
Increase in shareholders' equity, improvement in profit, and decrease in interest-bearing liabilities
- ROE: 20% or higher; PBR: 3 or over
- Shareholder return: We aim to achieve a payout ratio of 30%.

Managerial  
strategy

- Growth strategy for creating new businesses  
Employment placement business (non-Japanese workers and Japanese specialized personnel)
- Fortification of our management base (investment in systems for human resources and mission-critical tasks)
- Active promotion of M&A (in the same industry and peripheral businesses)

Governance

- To improve the quality and speed of management judgment  
- Investment in new businesses/M&A
- Business administration from the viewpoint of shareholders
- Rigorous audit system  
Risk control at each workplace and the head office, and our management structure

Speed of business administration

# Goals Set in the Medium-term Management Plan

## Business innovation

---

(New business)

**Employment placement  
business  
To grow sales five times**

(Overseas business)

**Operation of nursery  
schools**

(M&A)

**M&A of competitors in the  
same industry in 3 years**

## Quantitative goals

---

**Operating income margin:  
13%  
ROE: Over 20%**

**Operating income:  
Over 5 billion yen  
(FY 3/27)**

**Turnover rate: 10% or lower**

## Shareholder return policy

---

**We aim to increase a  
payout ratio to 30%.**

**Securing a certain amount  
of internal reserves, while  
considering future business  
operation**

## Improvement of human capital

- Flexible utilization of human resources, development of personnel who can voluntarily take action and continue endeavors for creating businesses
- Swift staffing in response to changes in the business environment

## Tightening of governance

- We will strive to grow the Group sustainably by improving the quality and speed of management judgment.



## 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.

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





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# Policy for FY 3/25

# Management Policy for FY 3/25

To improve profitability by reforming our structure and business and monetize new businesses early

Restructuring, business reform, and creation of new businesses

Existing business domain

New business domain

Improvement in profit margin

Sales growth

## To brush up and grow (advantages)

- To evolve our business model and improve the value we provide in the mature market
- Measures for increasing children amid the decline in birth rate

### [To expand revenues from existing business]

- Measures for maximizing subsidies
- To undertake the operation of more school clubs and children's houses (Response to the start of after-school childcare licensed by the Tokyo Metropolitan Government)
- Measures for increasing children
  - 1) My Nursery School System based on regional cooperation
  - 2) Early childhood learning and characteristic childcare
  - 3) Operation of multi-functional facilities (support for disabled children and cooperation)

### [To enrich related business]

- To enrich the interactive programs
  - Programs/extracurricular lessons for charging fees
- Bilingual nursery schools and Montessori method-based nursery schools
- Transformation into childcare centers
- Implementation of differentiating programs, such as the Door to the Future

## To change (restructuring)

- Streamlining of business operations through the reform of business structures, and personnel development based on an independent organizational structure
- Systematization for streamlining and advancing business operations

### [To reform our revenue structure]

- Streamlining of business administration and personnel development
  - 1) Systematization and data analysis  
HR systems/dealing with subsidies
  - 2) Strengthening of human capital (mobilization of human resources)
  - 3) Lump-sum purchase of ingredients and fixings, policies for business partners

### [To reform our management base]

- Personnel development and reform of our corporate culture
- To keep turnover rate 10% or lower
- Personnel development and evaluation linked with personnel systems
- Optimization of human resources, and elimination of wasteful operations through systematization

## To create (growth potential)

- Active promotion of new business domains for sustainable growth
- Promotion of M&A as strategic investment

### [New businesses]

- Employment placement business
  - 1) To secure, introduce, and dispatch a larger number of competent non-Japanese personnel in cooperation with local enterprises
  - 2) To launch the employment placement business of Japanese specialized personnel (nursery staff, nurses, and caregivers)
- Overseas business operation (operation of nursery schools in Southeast Asia)
  - 1) Operation of facilities in cooperation with local enterprises
  - 2) Expansion of this business linked with the employment placement business
- Active promotion of M&A
  - 1) Competitors in the same industry → Planning M&A
    - To work on M&A early while grasping the decline in birth rate and the decrease of babies under the age of one

To ensure growth potential and advantages

To reform our revenue structure

To reform our management base

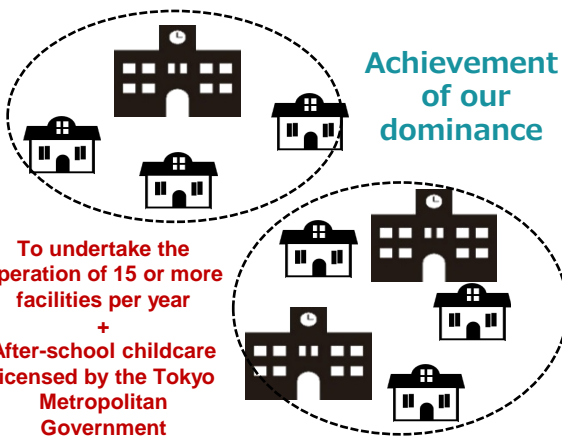
# Management Strategy: To Ensure Growth Potential and Advantages in Existing Businesses

To build “nursery schools and facilities that would continue to be selected” with strategies and driving force differing from those of competitors in the same industry

## Area dominance strategy

Increase the number of schools clubs and children’s houses to 200

To support childcare from babyhood to early childhood to school age in our area  
 (\*To undertake after-school childcare licensed by the Tokyo Metropolitan Government)



## Multi-functional facilities

- To operate multi-functional facilities under the new policy, while grasping the decrease of 0-year-old babies
- Linkage with the support business by visiting nursery schools, etc.

## “Building of nursery schools that would continue to be selected”

### 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.

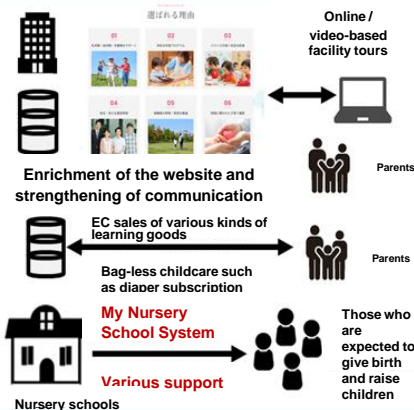
Science, Technology, Engineering, Arts (Liberal Arts), Mathematics, Sports

#### 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



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

### English



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

### Eurhythmics



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

### Gymnastics



Learn about both physical and mental movements through sports.

### Dance



Acquire dance skills gradually from the basics.

## [Original plan] Door to the Future

“Plan of developing skills for leading a life in one’s own way” as part of career education

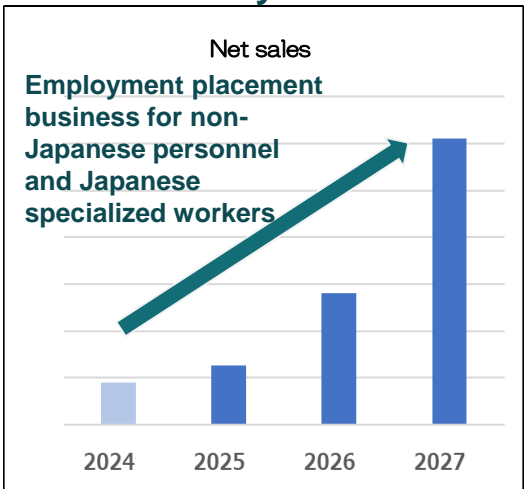


# Management Strategy: To Ensure Growth Potential and Advantages in Existing Businesses

To acquire companies that engage in the employment placement business, operate new businesses, and link them with existing businesses

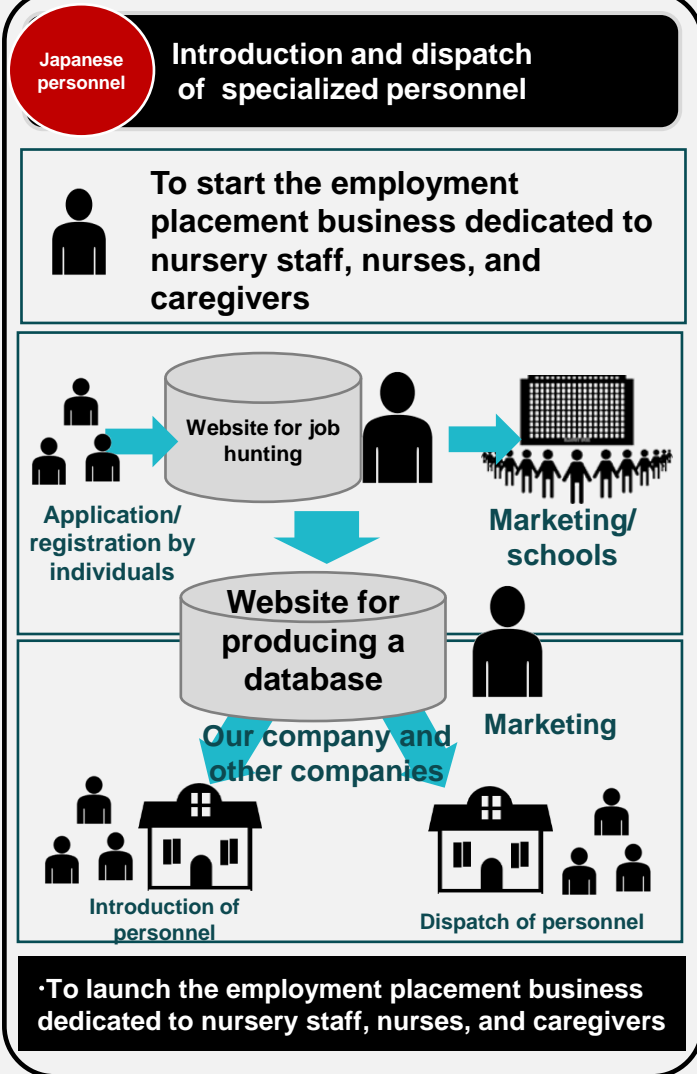
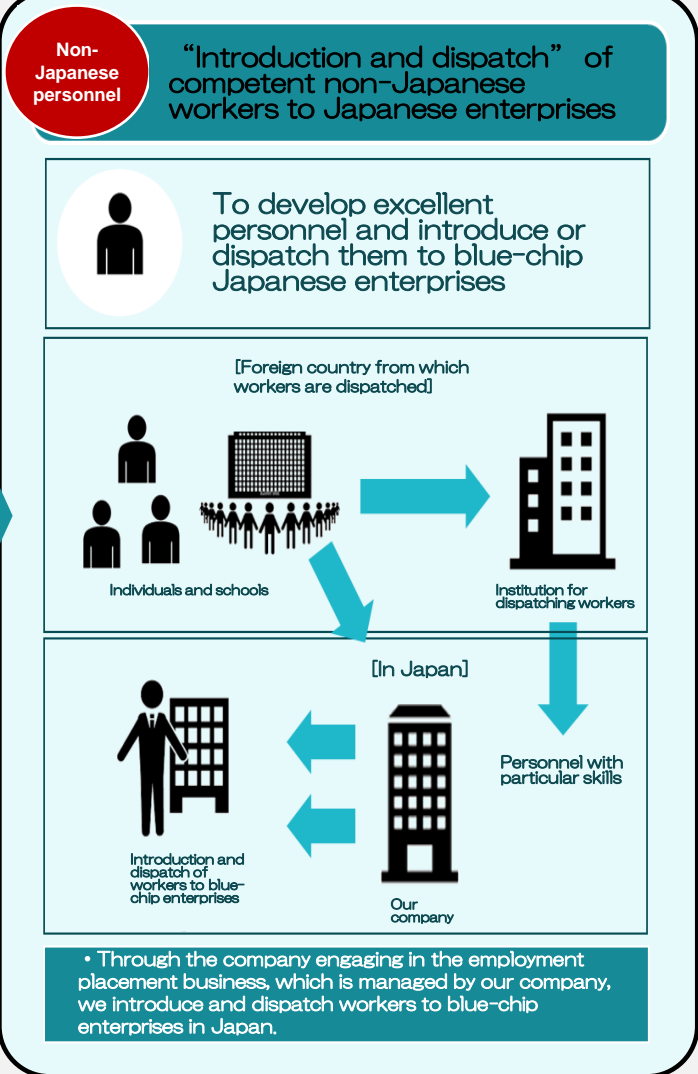
## One's Will Co., Ltd.

To increase net sales 5 times in 3 years



**[Current business]**  
 • Dispatch of mainly non-Japanese workers and support for non-Japanese technical interns

**[New business operation]**  
 ① Introduction of non-Japanese personnel with particular skills  
 ② Introduction and dispatch of Japanese specialized workers, including nursery staff, nurses, and caregivers.



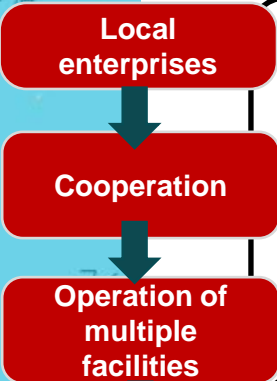
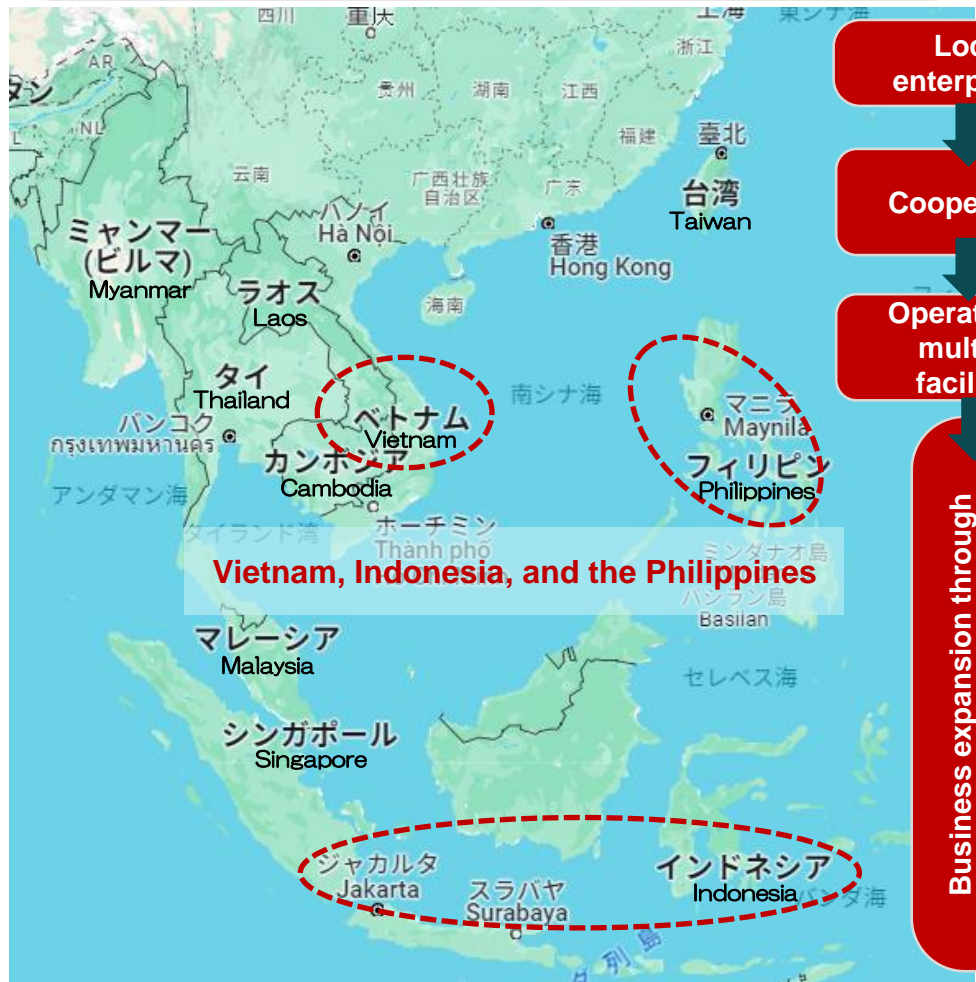
# Management Strategy: To Ensure Growth Potential and Advantages in Overseas Business

To operate childcare facilities (nursery schools) in cooperation with excellent enterprises in each country

To start overseas businesses in Vietnam, and expand them in Southeast Asia

## Operation of childcare facilities in Southeast Asia

## To launch and expand new businesses



### Overseas business operation

**Active operation of overseas businesses based on business alliance**

- Cooperation with local enterprises and schools mainly in Southeast Asia
  - 1) Introduction of competent non-Japanese personnel to Japanese enterprises
  - 2) Operation of nursery schools in cooperation with local enterprises

### Expansion of the employment placement business

- ① To secure competent personnel in cooperation with local enterprises and educational institutions
- ② To accept and introduce non-Japanese workers with particular skills  
Business of dispatching non-Japanese workers, and support for foreign technical interns

### Expansion of the real estate business

- ① Housing for non-Japanese workers in Japan
- ② Securing housing for non-Japanese workers and completing procedures, while linking it with the employment placement business



To promote large-scale M&A while looking ahead to the future business environment, and occupy the market through oligopolization

## Targeting and business alliance

### The same industry: Childcare support business

•In the childcare support business, there are 22 enterprises with sales of 10 billion yen or over, and enterprises with less than 10 billion yen are dominant. We will actively promote M&A according to future market trends and regional characteristics.

### Childcare business-related: Peripheral business and relevance

•The Group operates various businesses related to childcare support, including school lunch business, learning programs, platform business, employment placement, and real estate. We will promote M&A for expanding our business scale.

### Other industries: New business strategy

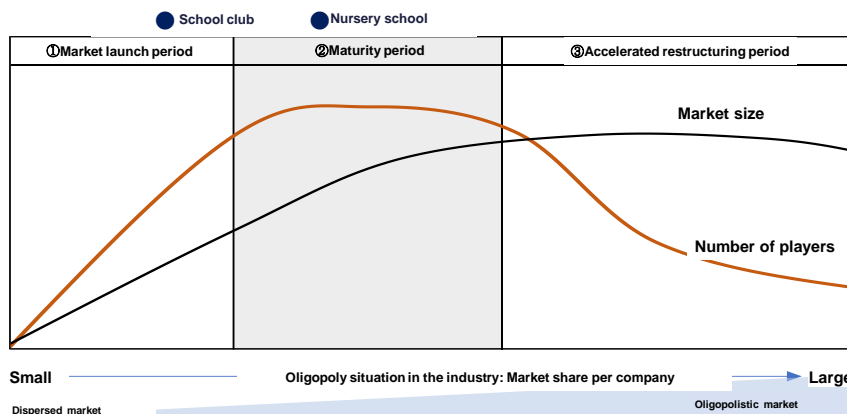
•To discuss M&A in a wider range of business fields to create new businesses, while considering the relationships with our existing businesses and future businesses, such as app development and online business

## 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

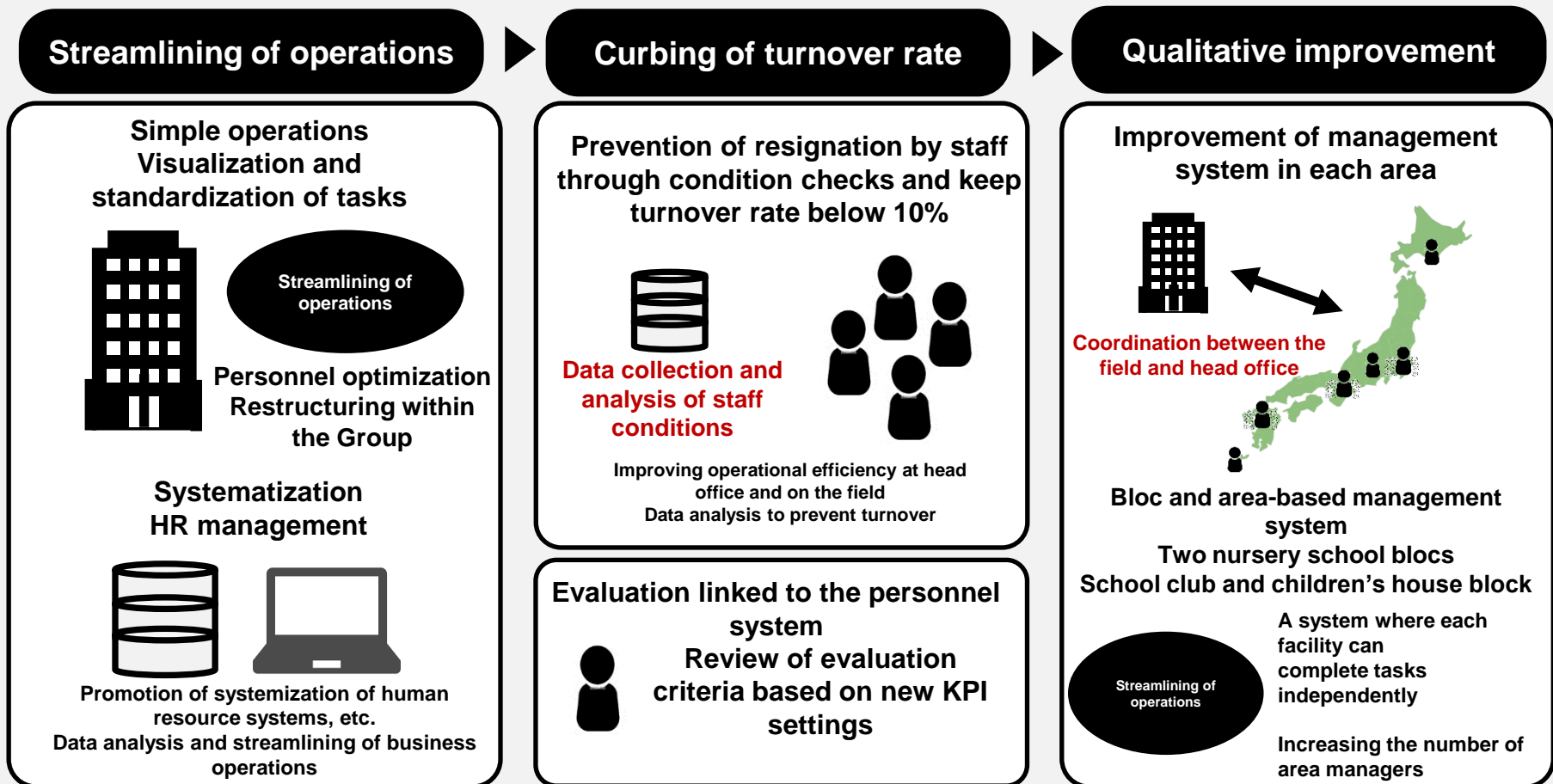
#### [Scenarios envisioned for the childcare industry]



#### [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
- Capital injection

To eliminate wasteful operations through restructuring, streamline operations through systematization, and establish new functions of the head office through sophistication





## To maximize the value of human capital

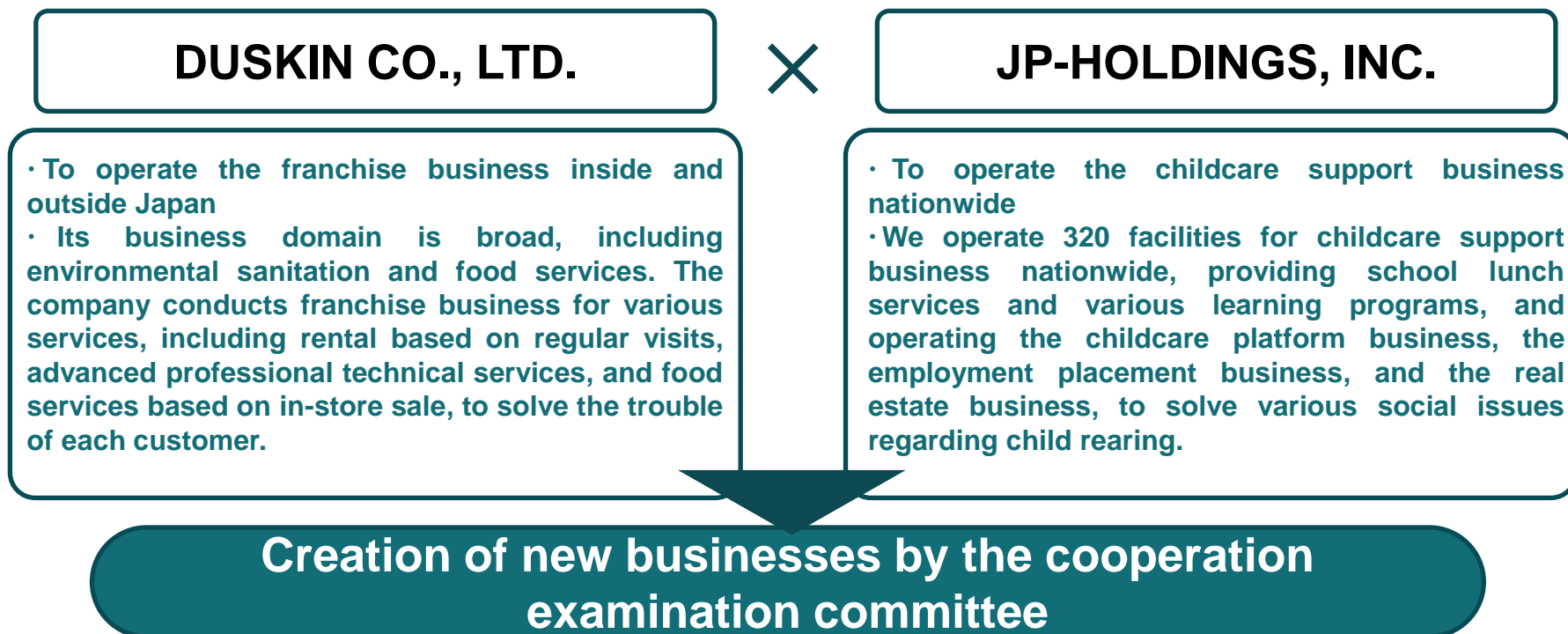
We aim to maximize the value of human capital by utilizing exuberant personnel and realizing organizations so that diverse talents take on responsibilities proactively with a sense of fulfillment and pride to create new value through interaction.



## Conclusion of a business alliance contract with Duskin

### [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.



## Provision of services and products

### Existing businesses

### New businesses

Existing businesses

### Market penetration

- Increase of children enrolled, improvement in revenues at facilities
- Opening of new facilities, undertaking of the operation at facilities (nursery schools and after-school childcare facilities)  
To undertake after-school childcare licensed by the Tokyo Metropolitan Government (to meet new demand)
- Early childhood learning and new programs (differentiation)
- To enrich My Nursery School System in cooperation with local institutions

**Further improvement in revenues**

②

### Development of new businesses

- **Employment placement business**  
⇒ Introduction and dispatch of competent non-Japanese personnel (cooperation with foreign countries)  
⇒ Introduction and dispatch of specialized personnel (nursery staff, nurses, and caregivers)
- **Overseas business (Southeast Asia)**  
⇒ Operation of facilities in cooperation with local enterprises/FC operation

**Enhancement of business development**

③

Provision to markets

New businesses

### Cultivation of new markets

- External sale (the interactive programs, fixings, and provision of school lunch)
- Promotion of differentiating programs, including the Door to the Future
- Bilingual nursery schools, and Montessori method-based nursery schools
- STEAMS education and after-school childcare unique to our company
- Development support business (multi-functional facilities)
  - ➔ After-school day care services
  - ➔ Development support business/Support business by visiting nursery schools

**Enrichment through the expansion of the existing businesses**

### To diversify our business in the narrow sense and solve social issues

- **Childcare support platform business**  
⇒ Cross-industrial collaboration to increase the number of customers in a wide range of fields
- **Creation of new businesses**  
⇒ Collaborative projects with Duskin
- **Alliance among enterprises for solving social issues**
- **Expansion of the educational business**

**Cross-industrial cooperation and alliance**



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# 3

## Policy for Capital Cost



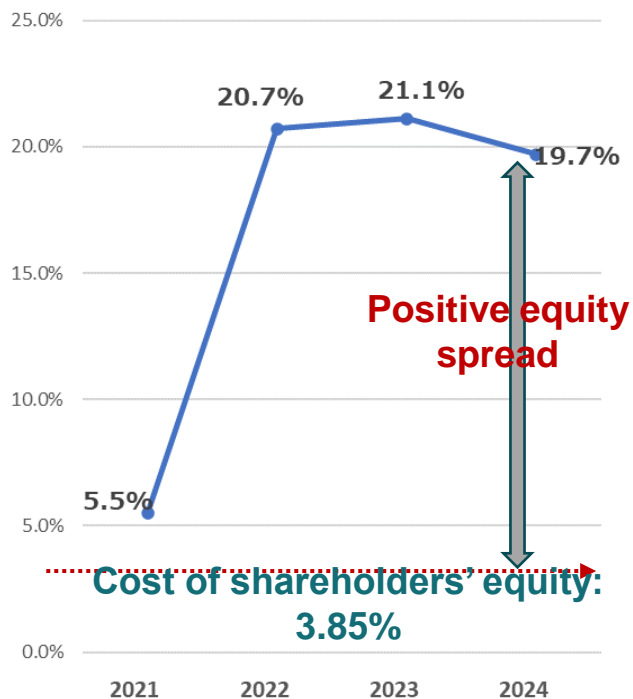
# Analysis of the Current Situation, Evaluation, and Goals

PBR has been over 1. It stood at 2.6 as of the end of March 2023, and is now 2.5.

ROE is as high as 19.7%, cost of shareholders' equity is 3.85% or over, and equity spread is positive. Accordingly, corporate value is high.

## Target ROE: 20% or higher

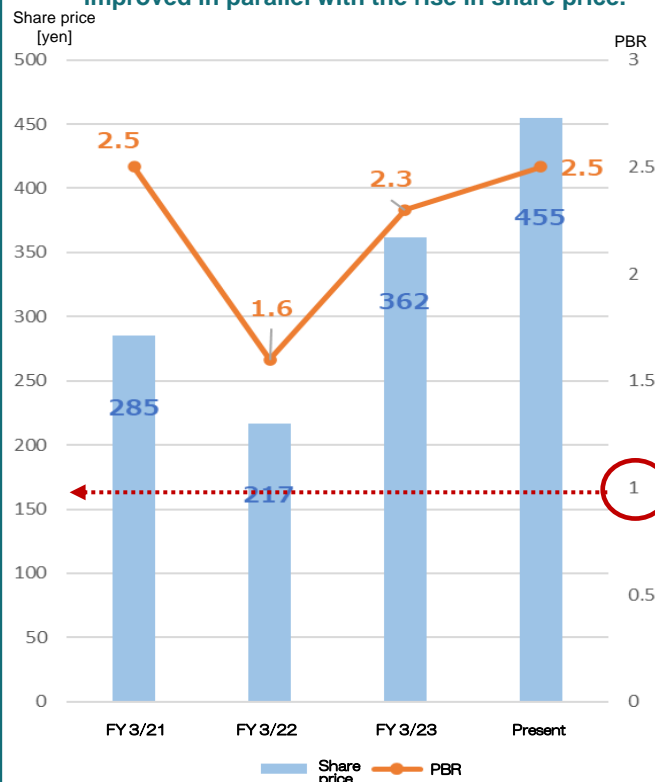
ROE has been over the cost of shareholders' equity.



Establishment of a high revenue system

## PBR: 3 or over

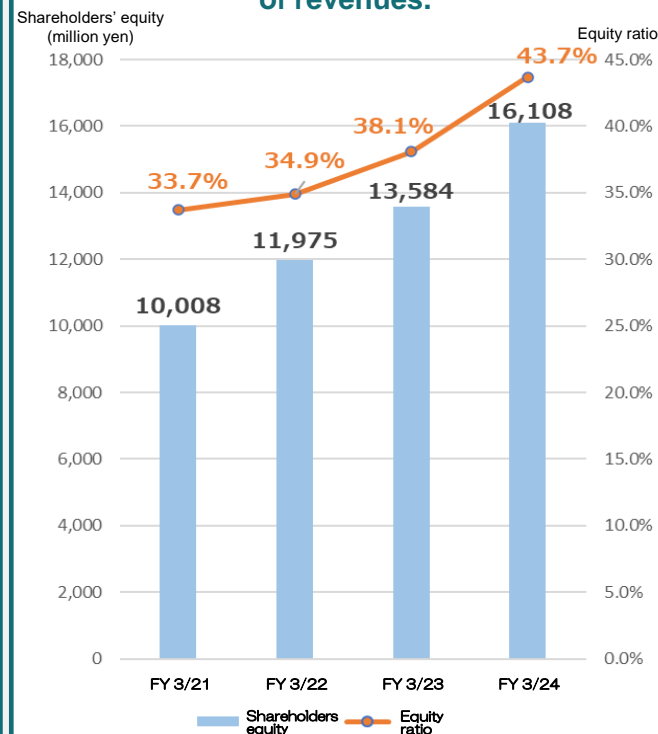
Thanks to healthy business performance, PBR improved in parallel with the rise in share price.



Further improvement with growth strategy

## Target equity ratio: 40% or higher

Equity ratio rose in parallel with the growth of revenues.



Optimization of our financial standing  
Reduction and rationalization of capital costs

\*The current share price represents the share price as of April 30, 2024.  
The values in other fiscal years are the share prices at the end of each fiscal year.

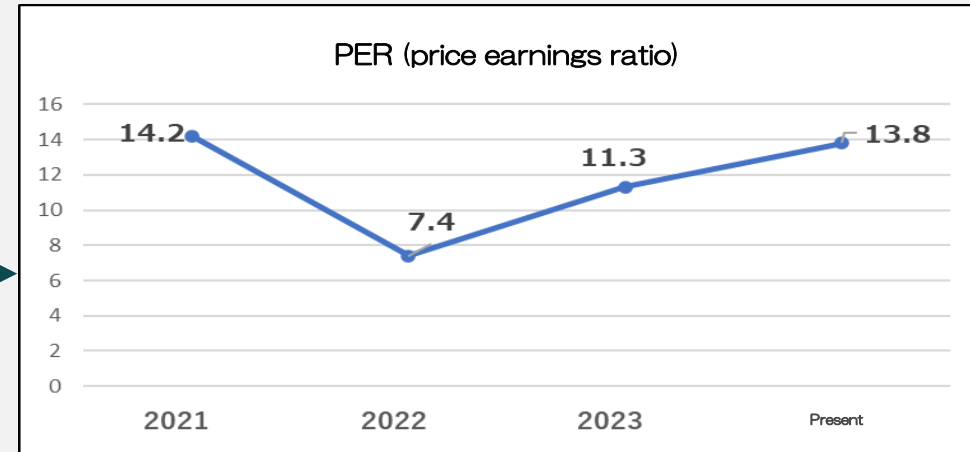
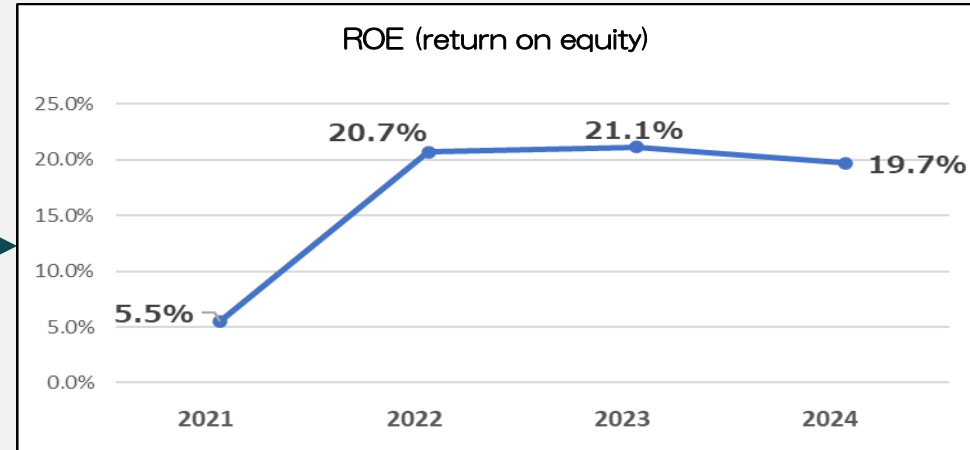
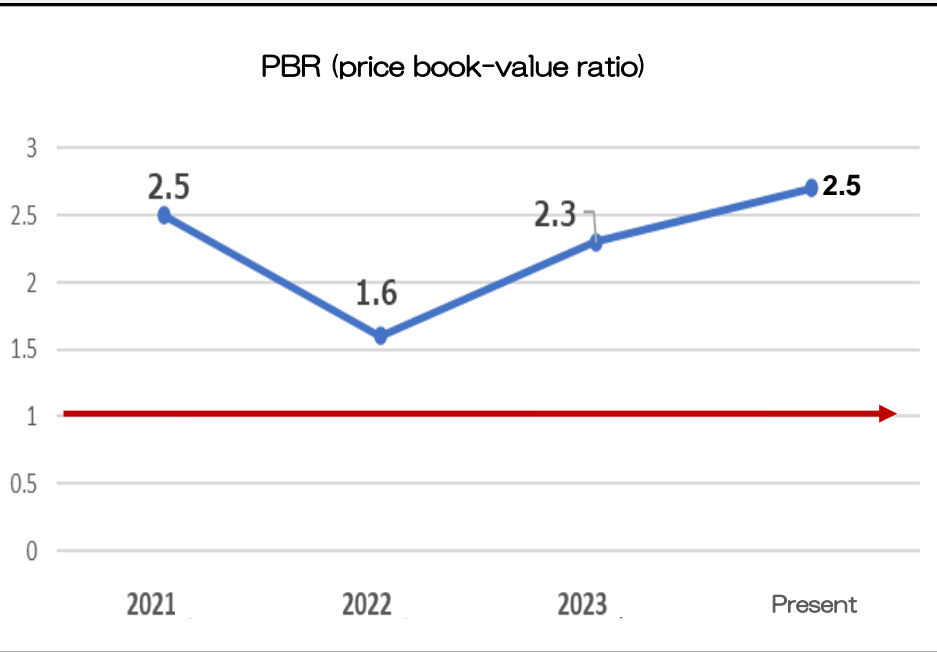
# Analysis of the Current Situation: Annual Changes in PBR, ROE, and PER

The standard PBR set by the Tokyo Stock Exchange is 1 or over. As of the end of March 2024, the PBR of our company was as healthy as 2.3.

We recognize the following trend from the annual changes in ROE and PER, which constitute PBR.

1) ROE has been increasing due to the rise in net income margin, but according to the analysis with the Du Pont system, financial leverage is forecast to decline. Therefore, we will create new businesses as soon as possible, in order to improve profit margin further.

2) We will enhance IR activities, seeing the rise in share price.



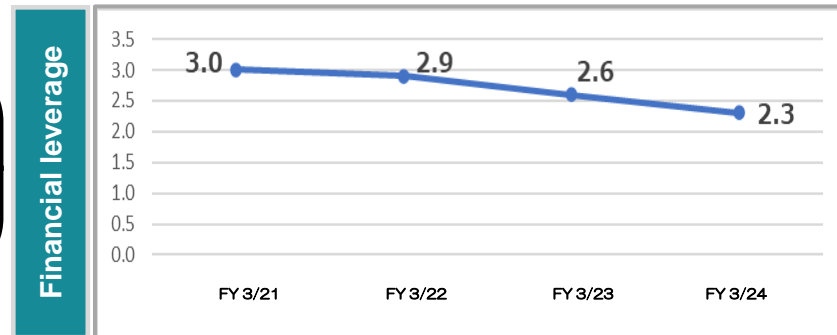
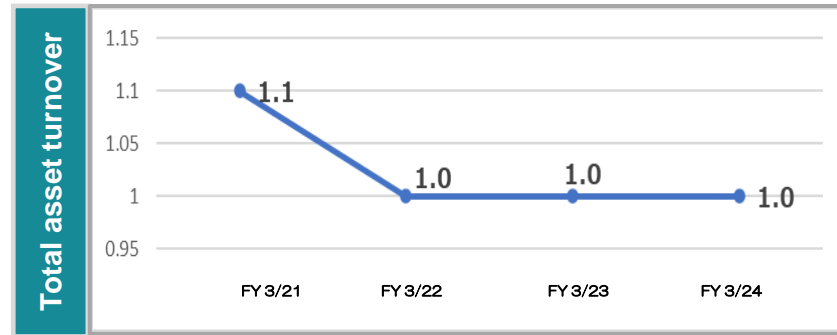
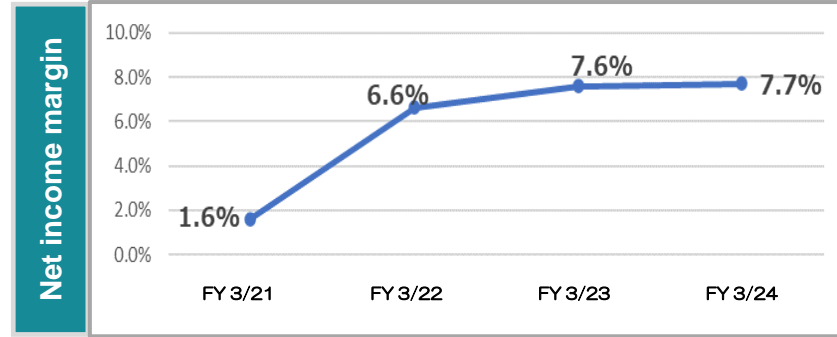
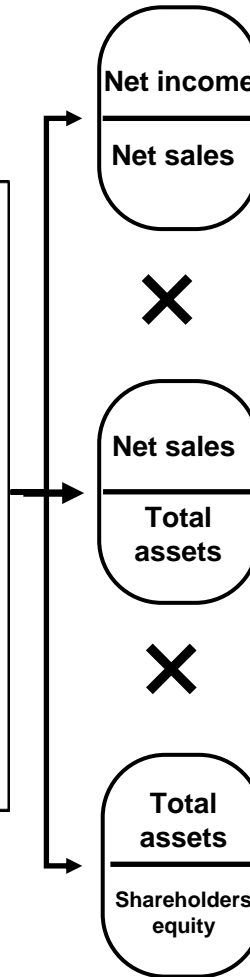
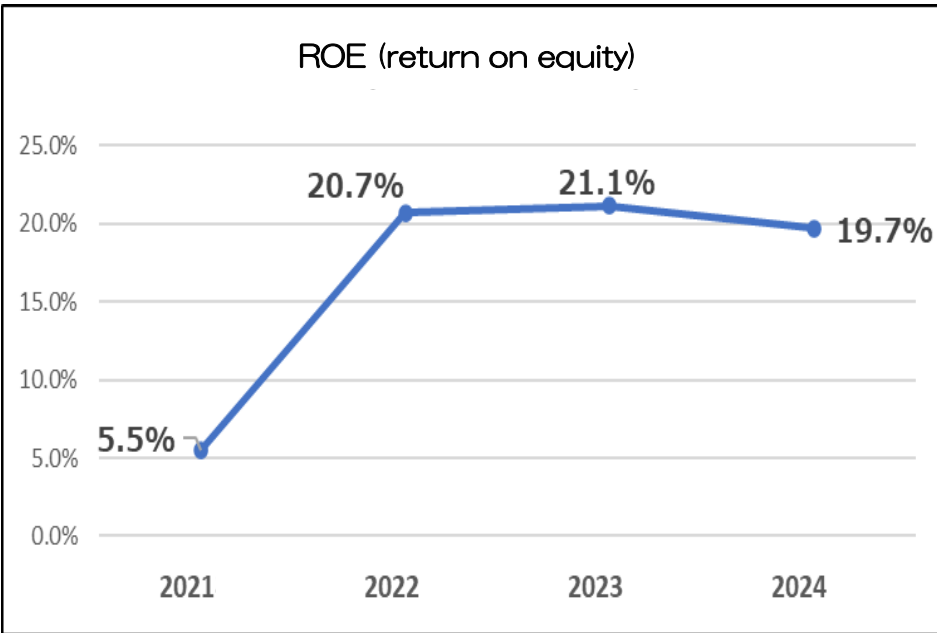
\*The current value represents the value as of April 30, 2024.  
The values in other fiscal years are the values at the end of each fiscal year.

# Analysis of the Current Situation: ROE Analysis

ROE has been high, and interest-bearing liabilities are projected to decrease through the strengthening of the financial standing, so we aim to improve profitability further.

- 1) To improve revenues of the existing businesses further
- 2) To promote high-revenue businesses through the promotion of new businesses

- Employment placement business
- Promotion of overseas childcare business

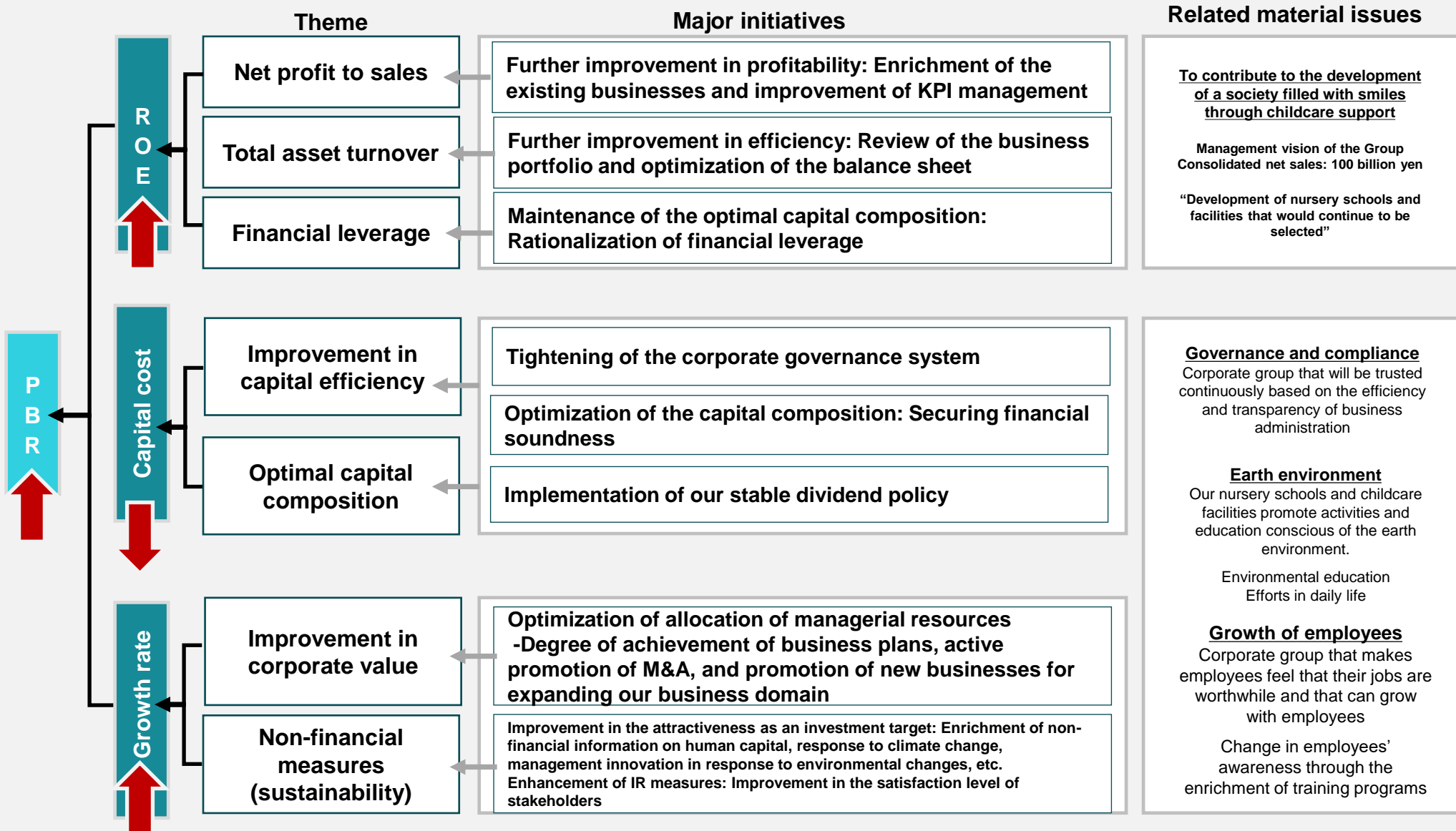


\*Estimated based on the recent results.



# Initiatives We Will Implement While Considering PBR and Share Price

To implement measures focused on PBR, while considering identified issues













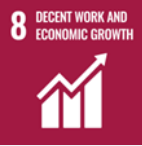









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# 4

# APPENDIX



Social issues to be solved with our business	Related SDGs	Major activities	
<p><b>Childcare support</b></p>	<p><b>Improve the quality of childcare support</b> <b>Reduce the number of children on waiting lists</b></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>	
<p><b>Educational support</b></p>	<p><b>Offer high quality early childhood learning</b></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>	
<p><b>Partnership</b></p>	<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	  	<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		<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		<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	  	<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	  	<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>
Partnership	To help solve social issues based on the partnership with stakeholders		

\*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

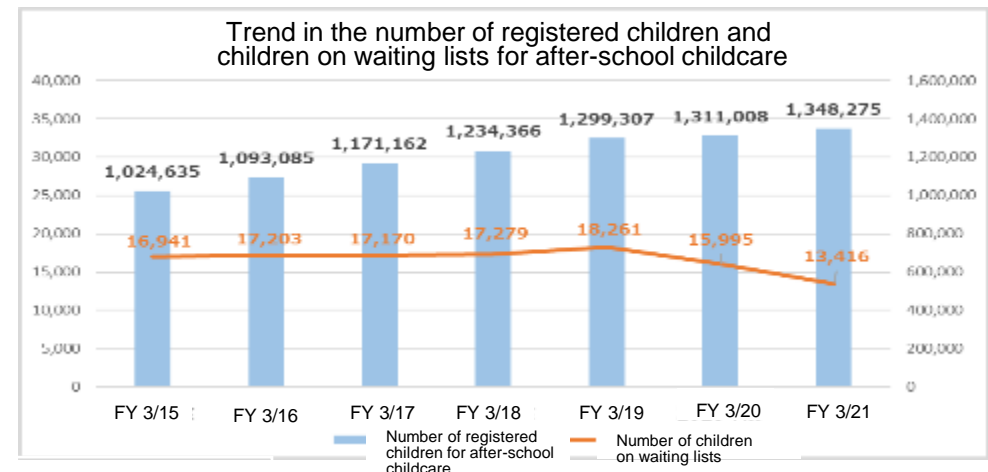
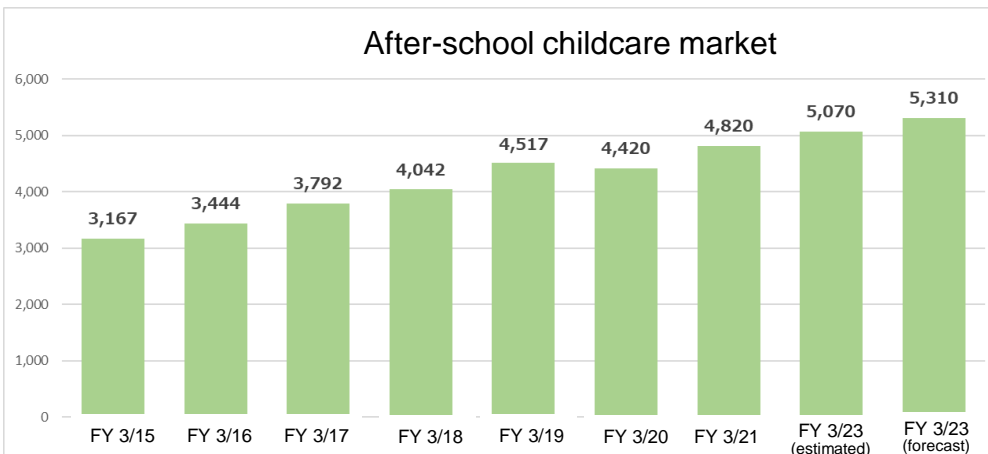
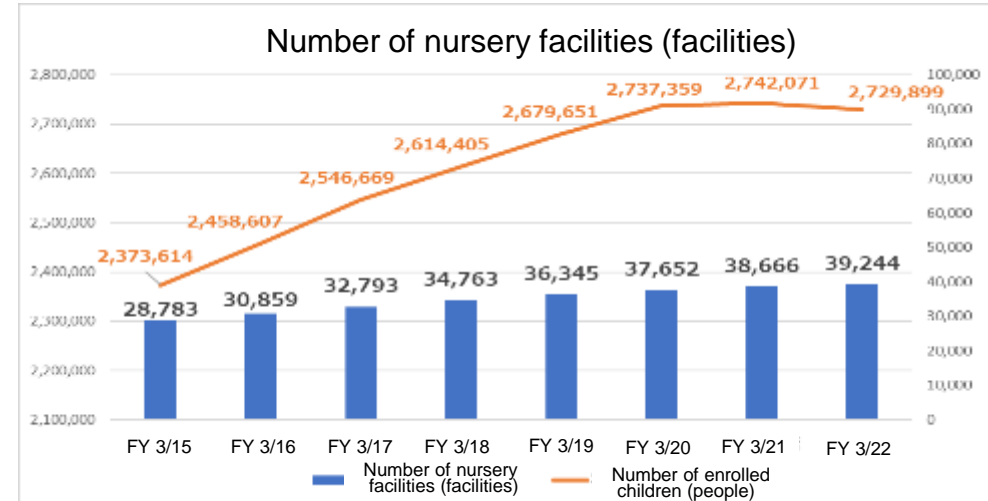
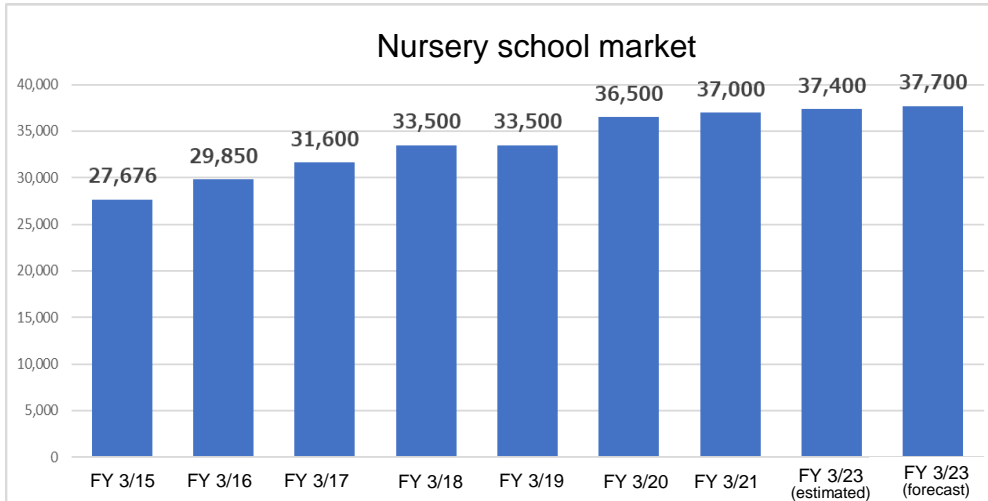


- ◎ To reduce environmental burdens and disposal costs, by thoroughly reusing and recycling necessary products for childcare
- ◎ To support “childcare around the world” by offering inexpensive, high quality, reused childcare goods, which are available only in Japan, to countries and regions in need

### Child-rearing assistance platform



- 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.

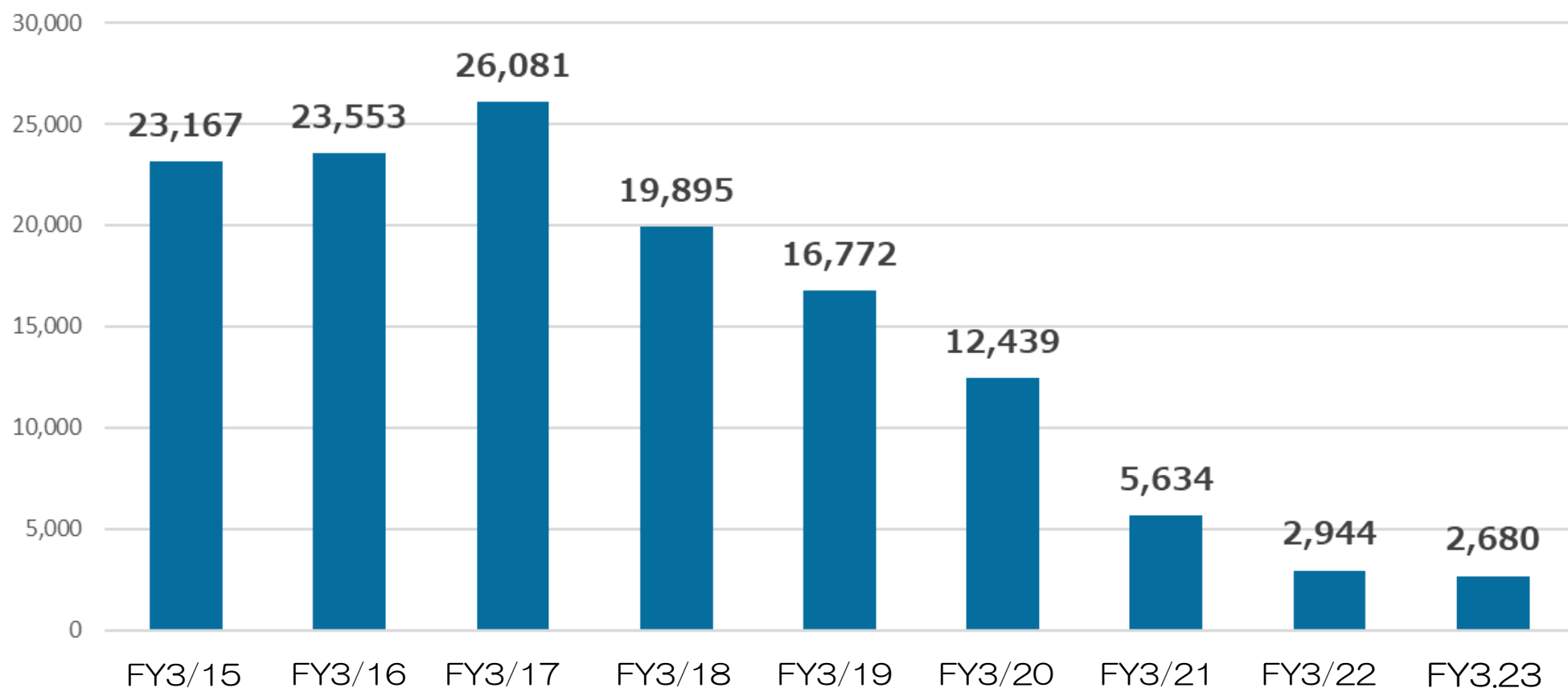


Source: "Childcare and Early Childhood Education Market Status and Outlook 2023," Yano Research Institute Ltd.



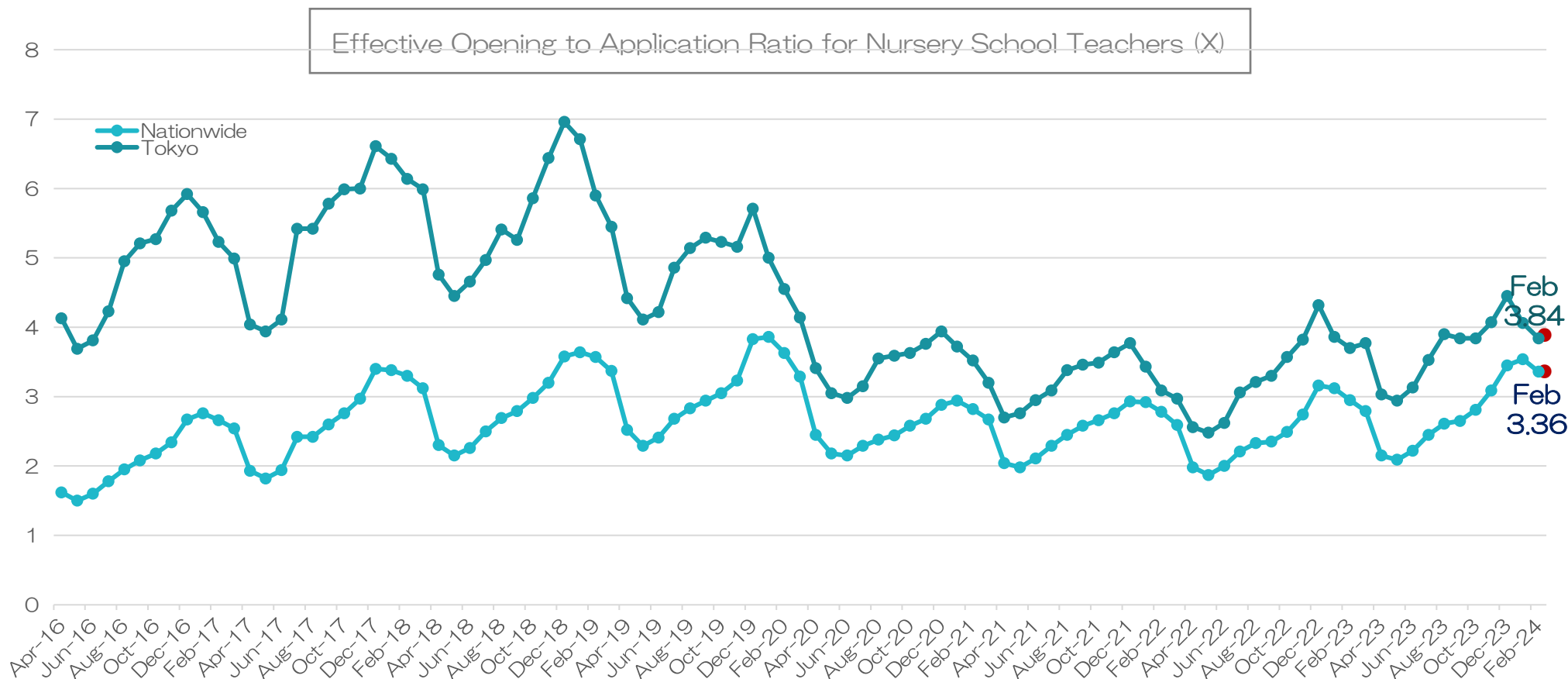
- The number of children on waiting lists in FY 3/23 was 2,680, down 264 from the previous term.
- There are regional disparities, and the number of “hidden waiting list children” is estimated to exceed 60,000.

Variations in the number of children on waiting lists




# 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 February 2024: 3.36 times)
- ▶ The jobs-to-applicants ratio of nursery staff in Tokyo has been rising, standing at 3.84.



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

(1) Platform name	<b>codomel</b>
(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>

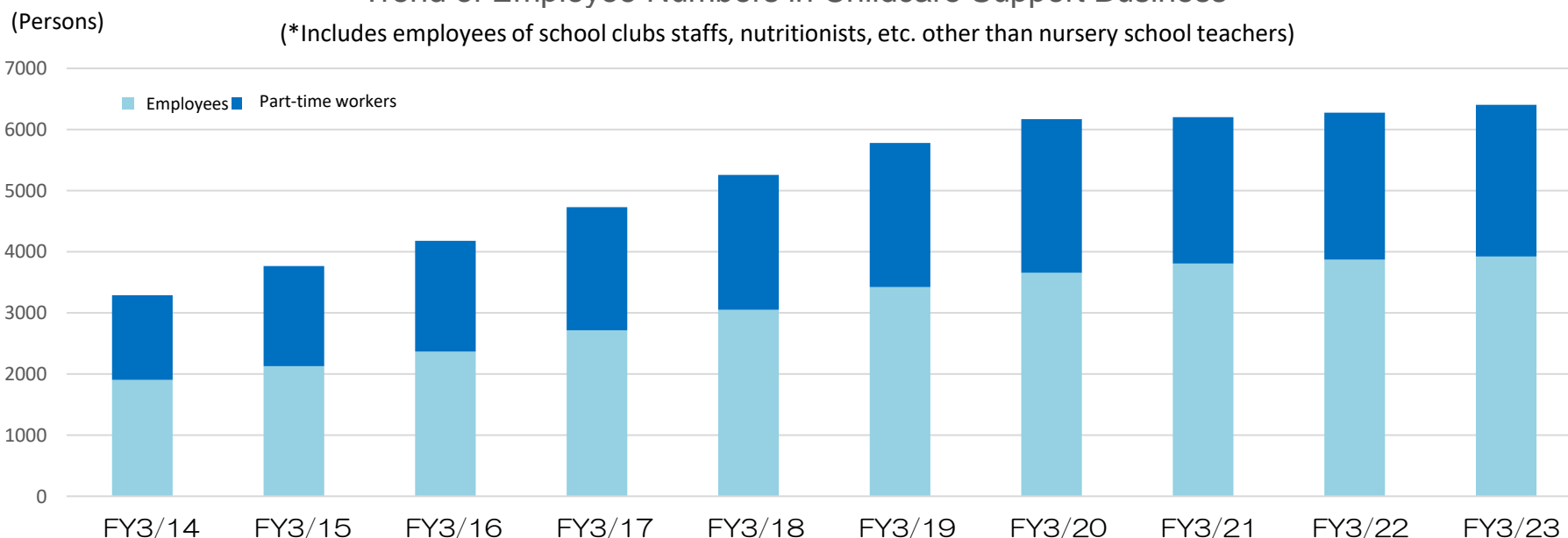
# Recruitment of Nursery School Teachers

		FY3/16	FY3/17	FY3/18	FY3/19	FY3/20	FY3/21	FY3/22	FY3/23	FY 3/24 As of the end of Mar.
Nursery School Teacher	New Graduates	197	247	276	248	182	166	166	175	188 Joined on Apr. 1, 2024
	Mid-career employment	241	327	325	269	292	226	322	311	205 Joined on Apr. 1, 2024
Non qualified	New graduates	23	32	46	26	9	7	5	1	3

\*After joining JPHD, 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

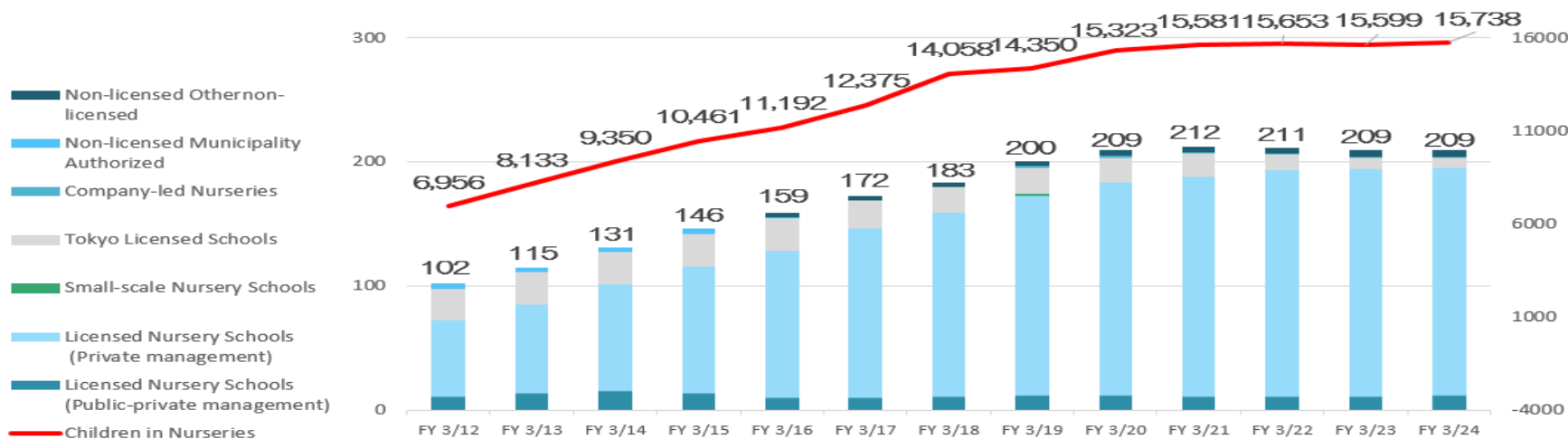


# Changes in the Number of Facilities Operated and the Number of Children Accepted to Nursery Schools

	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	FY 3/24
Licensed Nursery Schools (Public-private management)	11	14	16	14	10	10	11	12	12	11	11	11	12
Licensed Nursery Schools (Private management)	61	71	85	102	118	136	148	160	171	177	182	183	183
Small-scale Nursery Schools	0	0	0	0	0	0	0	2	0	0	0	0	0
Non-licensed Nursery Schools	Tokyo Licensed Schools	26	26	26	26	26	23	21	21	20	19	13	9
	Company-led Nurseries	0	0	0	0	0	0	2	2	1	1	1	1
	Non-licensed Municipality Authorized	4	4	4	4	1	0	0	0	0	0	0	0
	Non-licensed Other non-licensed	0	0	0	0	4	3	3	3	4	4	4	5
School Clubs	39	40	43	46	55	63	71	72	72	77	81	89	86
Children's Houses	7	8	8	8	10	12	12	11	11	11	11	11	11
Private School Clubs	0	0	0	0	0	4	5	5	4	1	0	0	0
Kindergartens (Overseas Facility)	0	0	0	0	0	0	1	1	1	0	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>309</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

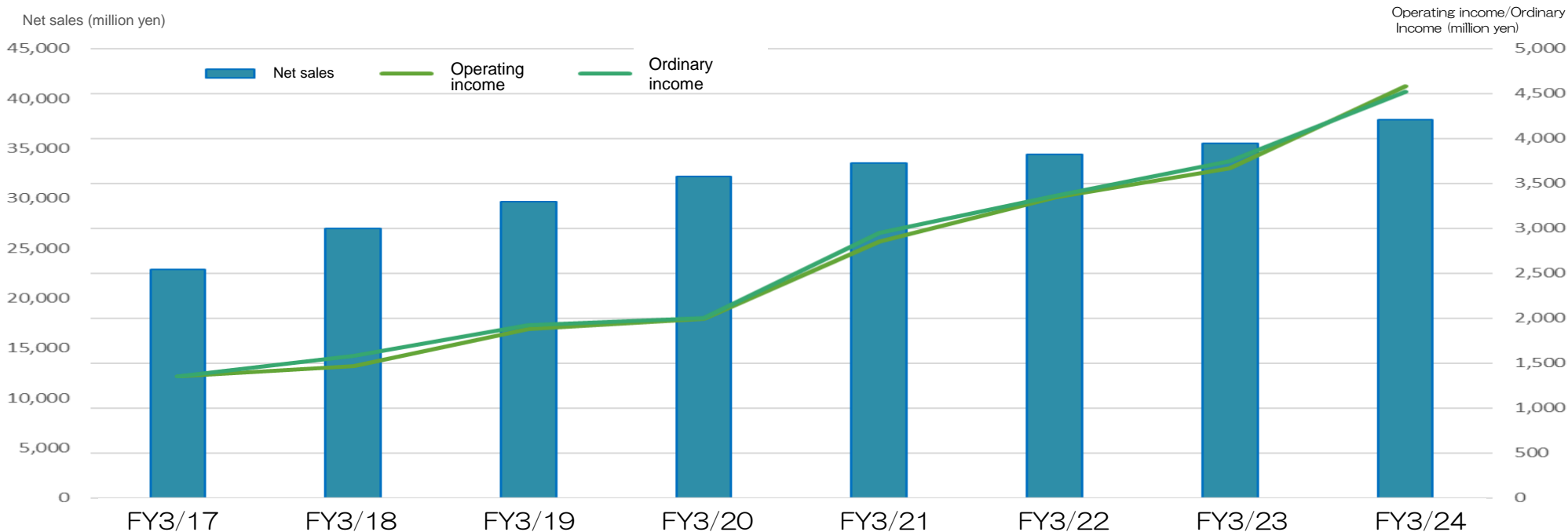
### TREND OF NURSERIES AND CHILDREN



# Consolidated Results (Highlights)

	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23	FY 3/24
Net sales (million yen)	26,945	29,647	32,169	33,500	34,373	35,507	37,856
Operating income (million yen)	1,469	1,880	1,989	2,857	3,344	3,667	4,584
Ordinary income (million yen)	1,469	1,920	2,003	2,947	3,358	3,745	4,523
Net income attributable to owners of parent (million yen)	910	1,071	1,122	537	2,279	2,698	2,929
Net income per share (yen)	10.70	12.44	12.81	6.15	26.06	31.18	34.38

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



	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23	FY3/24
Total assets (million yen)	25,758	28,255	26,122	29,740	34,274	35,694	36,889
Net assets (million yen)	7,756	8,950	9,636	10,007	11,975	13,584	16,108
Shareholders' equity ratio (%)	30.1	31.7	36.9	33.7	34.9	38.1	43.7

	FY 3/18	FY 3/19	FY 3/20	FY 3/21	FY 3/22	FY 3/23	FY 3/24
Cash flows from operating activities (million yen)	1,865	1,829	2,320	2,469	3,884	2,735	5,598
Cash flows from investing activities (million yen)	-1,292	-940	418	190	413	411	-6
Cash flows from financing activities (million yen)	-135	1,475	-3,349	2,155	1,978	-1,112	-3,978
Year-end balance of cash and cash equivalents (million yen)	4,455	6,816	6,206	11,020	17,296	19,330	20,944



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	FY3/25
Amount of dividend per share (yen)	3.50	3.70	3.90	3.90	4.50	6.00	8.00	9.5
Payout ratio (%)	32.7	29.7	30.4	63.4	17.3	19.2	23.9	26.1

\*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.



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## 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.

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