

May 9, 2017

(Translation)

Dear Sir/Madam,

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

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### Notice Concerning the Difference between Consolidated Full-year Forecasts and Results and Dividend Payment from Retained Earnings

JP-HOLDINGS, INC. announces its difference between consolidated business forecasts for the fiscal year ended March 2017 (April 1, 2016 –March 31, 2017) announced on February 2, 2017 and the actual results announced on May 9, 2017. Details are as follows.

Consequently, at the board of directors meeting held on May 9, 2017, the company resolved to distribute dividends from retained earnings as of the record date, March 31, 2017. It is proposed to present this resolution for approval to the 25th General Shareholders' Meeting to be held on June 29, 2017.

#### ● Difference between consolidated full-year business forecasts for the fiscal year ended March 2017 and actual results

1. Consolidated full-year business results for the fiscal year ended March 2017  
(April 1, 2016 –March 31, 2017)

(Million yen)

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Net income per share
Previous forecasts (A)	22,726	1,053	1,235	503	5.99 yen
Actual results (B)	22,800	1,263	1,445	677	8.06 yen
Difference (B-A)	74	210	210	174	2.07 yen
Increase/decrease (%)	0.3%	20.0%	17.1%	34.7%	34.6%
(Ref.) Previous results (FY3/16)	20,552	1,834	1,884	1,195	14.32 yen

#### 2. Reason for differences

Sales remained roughly as forecasted, resulting in an increase of 74 million yen over the previous forecast. Moreover, regarding operating income, ordinary income and net income attributable to owners of parent, the results exceeded the previous forecasts. This is mainly because, in addition to the effect of the increase in sales, we could reduce the cost of nursery management etc. to a greater extent than was expected at the time of the previous announcement.

● **Dividends from retained earnings**

1. Dividends

	Amount	Recent dividend forecast (announced on February 2, 2017)	Previous results (FY3/16)
Record date	March 31, 2017	March 31, 2017	March 31, 2016
Dividend per share	2.50 yen	2.00 yen	5.00 yen
Total amount of dividend	219 million yen	—	439 million yen
Effective date	June 30, 2017	—	June 30, 2016
Source of dividend	Retained earnings	—	Retained earnings

2. Reason

As for the distribution of profits, the Company's basic policy is to continue paying consolidated performance-linked dividends with a consolidated dividend payout ratio of around 30% while ensuring the maintenance of internal reserves necessary for future business development and for strengthening our management structure.

Regarding the year-end dividend for the fiscal year ended March 2017, we initially forecasted a payment of 2.00 yen per share. However, as the full-year consolidated business results exceeded the previously announced forecasts as mentioned above, the dividend will be increased by 0.5 yen from the previous forecast and so revised to 2.50 yen per share.

(Reference) Breakdown of annual dividends

	Dividend per share		
	2Q-end	Year-end	Total
Current results	0.00 yen	2.50 yen	2.50 yen
Previous results (FY3/16)	0.00 yen	5.00 yen	5.00 yen