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Consolidated Financial Results for the Three Months Ended June 30, 2025 (Under Japanese GAAP)

August 13, 2025

Company **JP-HOLDINGS, INC.**
 Stock Code 2749
 Representative Tohru Sakai, President and Representative Director
 Contact Kenji Zushi, Operating Officer
 Expected starting date of dividend payment: -
 Preparation of supplementary financial document: None
 Results briefing: None

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(Rounded down to million yen)

1. Consolidated business results for the three months ended June 2025 (April 1, 2025 through June 30, 2025)

(1) Consolidated results of operations

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 2025	10,356	7.9	1,371	-2.0	1,378	-1.9	926	-12.8
Three months ended Jun. 2024	9,600	7.2	1,398	61.1	1,405	60.0	1,062	85.7

(Note) Comprehensive income

Three months ended June 2025: 936 million yen (-16.0%)

Three months ended June 2024: 1,114 million yen (95.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 2025	10.83	-
Three months ended Jun. 2024	12.45	-

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Million yen	Million yen	%
As of Jun. 30, 2025	34,603	19,423	56.1
As of Mar. 31, 2025	37,622	19,508	51.9

(Reference) Shareholders' equity

As of June 30, 2025: 19,418 million yen

As of March 31, 2025: 19,508 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. 2025	-	0.00	-	12.00	12.00
Year ending Mar. 2026	-				
Year ending Mar. 2026 (forecast)		0.00	-	12.00	12.00

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

3. Forecast of consolidated business results for the fiscal year ending March 2026 (April 1, 2025 through March 31, 2026)

(% change from the previous corresponding period)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending Mar. 2026	41,904	1.8	5,653	-2.7	5,703	-2.6	3,745	-4.5	43.78

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

*Notes

- (1) Changes in significant subsidiaries during the period: Yes
 New: One (Company name: JP-Holdings Kyushu, Inc.)
 Excluded: - (Company name: -)
- (2) Application of accounting procedures specific to preparation of the consolidated quarterly financial statements:
 None
- (3) Changes in accounting policies, accounting estimates and restatement
- | | |
|--|--------|
| ① Changes in accounting policies associated with revision of accounting standards: | : None |
| ② Changes in accounting policies other than ① | : None |
| ③ Changes in accounting estimates | : None |
| ④ Restatement | : None |
- (4) Shares outstanding (common stock)
- | | |
|---|-------------------|
| ① Number of shares outstanding at the end of period (treasury stock included) | |
| As of June 30, 2025 | 87,849,400 shares |
| As of March 31, 2025 | 87,849,400 shares |
| ② Treasury stock at the end of period | |
| As of June 30, 2025 | 2,308,482 shares |
| As of March 31, 2025 | 2,308,482 shares |
| ③ Average number of stock during period (quarterly cumulative period) | |
| Three months ended June 30, 2025 | 85,540,918 shares |
| Three months ended June 30, 2024 | 85,357,331 shares |

*** Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None**

*** Explanation regarding appropriate use of business forecasts and other special instructions**

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, etc., please refer to “1. Summary of Operating Results (3) Consolidated Earnings Forecasts” (Page 5).

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1. Summary of Operating Results

(1) Summary of operating results for the current quarter

During the three months of the current fiscal year (April 1 to June 30, 2025), the Japanese economy has seen improvements in employment and income conditions due to continued wage increases at various companies. However, the outlook remains uncertain mainly due to concerns about an economic slowdown caused by prolonged geopolitical risks, soaring raw material prices, rising interest rates and inflation, and the trend of U.S. tariff policies.

The environment surrounding the childcare support business, of which our Group is a part, continues to be severely affected by the accelerating decline in the birthrate due to a significant decrease in the number of births. Under these circumstances, the government enacted the “Basic Act on Children’s Policy” in April 2023 and, in December of the same year, announced the “Children’s Future Strategy” to address declining birthrates and population decline based on the “General Principles for Child-Related Measures,” which aims to comprehensively promote children’s policies. The strategy outlines a three-year acceleration plan from fiscal 2024 to the end of fiscal 2026 as an unprecedented measure against declining birthrate. Specifically, based on the “Children’s Future Strategy Policy,” the government will implement the following measures: (i) Strengthening economic support for child-rearing across all life stages and initiatives to improve income for younger generations (including expanding child allowances, reducing the financial burden of childbirth, alleviating medical expenses, etc. through support for local government initiatives, reducing the burden of higher education costs by enhancing scholarship programs, providing direct support for individuals’ proactive reskilling, and strengthening housing support for households raising children), (ii) Expanding support for all children and all households raising children (including expanding seamless support from pregnancy, improving the quality of early childhood education and childcare, and establishing a system called “Universal Childcare System”), and (iii) Promoting dual-career families and shared parenting (including promoting the use of paternity leave, promoting flexible working arrangements throughout the child-rearing period, and supporting the balance between diverse work styles and child-rearing). While various measures aimed at addressing the declining birthrate have been promoted, the problem of children waiting for childcare places has been significantly reduced through the expansion of childcare facilities. In light of this, the Children and Families Agency announced “New Directions for Childcare Policy” in December 2024, which outlined measures to shift the focus from “expanding the quantity of childcare” to “ensuring and enhancing the quality of childcare.” We believe that the market size will continue to expand in the future, as childcare facilities are required to further improve their quality and various measures are being promoted and strengthened to address the declining birthrate.

In addition, the number of children on waiting lists at school clubs is still in an increasing trend, and the development of a childcare environment is becoming an issue. The Tokyo Metropolitan Government is taking steps to open new “Tokyo-certified school club,” and government and local governments are promoting the creation of an environment conducive to childcare. As such, the social role of childcare support services is expected to become increasingly important.

As described above, while the government and local governments are promoting various measures to improve childcare environments and eliminate waiting lists for children in school clubs as part of measures to cope with the declining birthrate, competition to acquire more children is intensifying in regions where the birthrate is declining at an accelerated pace. Under these circumstances, we believe it is necessary to implement structural reforms and develop new businesses and generate earnings as quickly as possible to achieve sustainable growth and further revenue expansion.

In view of the progress of various measures and changes in the external environment, our Group has reviewed the medium-term management plan using a rolling method. With regard to priority targets, we have continued to strengthen our efforts to attain the targets, “Achieve growth and establish a competitive advantage,” “Reform our profit structure,” and “Reform our management base” to gain a greater competitive advantage and reform and improve our management base. In particular, we position the fiscal year ending March 31, 2026 as a year to solidify our foothold for the medium-term management plan (for the fiscal year ending March 31, 2026 to the fiscal year ending March 31, 2028), and we intend to further expand our childcare support business, pursue global expansion, and actively strengthen and promote M&As.

Specifically, regarding “Achieve growth and establish a competitive advantage,” we are working on a medium- to long-term growth strategy, focusing on staffing and temporary staffing businesses, development of new businesses in collaboration with municipalities, expansion and promotion of overseas businesses, and new English-focused businesses such as ALT (Assistant Language Teacher) business, language schools, online learning services, and international preschools (unlicensed). In addition, through a dominant strategy in collaboration with nursery schools and school clubs and children’s houses to establish an integrated childcare support system for infants, early childhood, and child-rearing, we are striving to increase new contracts and establish Tokyo-certified school clubs to double the

current number of school clubs and children’s houses to 200 facilities. Through these initiatives, we are working to expand our existing businesses and business domains, actively promote M&As, enhance our learning programs as a competitive advantage, establish new business formats, implement various differentiated strategies to address the concerns of parents, and promote measures to resolve social issues surrounding childcare support.

In addition, we are implementing various support activities aimed at regional revitalization, such as concluding agreements with local governments in each region to improve childcare environments and donations utilizing the corporate version of the hometown tax payment system. As part of strengthening our regional coverage, we have established a joint venture company, JP Holdings Kyushu, Inc., in June 2025, in collaboration with TV Kumamoto Co., Ltd. and its affiliates in the Kyushu region for the purpose of contributing to society through childcare support business and promoting regional revitalization efforts. Through the joint venture company, we will combine our expertise in childcare support business with TV Kumamoto Group’s information dissemination capabilities and trust within the local community to launch an ALT (Assistant Language Teacher) program and English-specialized childcare facilities. In collaboration with local governments, we will contribute to the community and revitalize the region by improving the childcare environment, thereby realizing regional revitalization.

Regarding “Reform our profit structure,” we are reassessing our business structure and are working to improve profitability by addressing redundant tasks and streamlining operations through ICT. We are also committed to promote further improvements in our operations through business process reforms and system implementations.

As for the “Reform our management base,” the key to our Group’s business is people. Therefore, we are enhancing our personnel education and training structure. At the same time, we are securing and developing talented human resources and improving employee engagement to lead to a change in awareness. We are also strengthening our human resource strategy and Group governance in order to support sustainable growth and superiority.

As part of our Group’s strategy for further growth, we intends to develop new businesses early on to achieve profitability, promote a differentiation strategy aimed at expanding existing businesses by “creating facilities that would continue to be selected by customers,” and actively pursue M&As to further expand the scale of our business. In this way, we will strive to achieve sustainable growth while realizing our Group management philosophy of “Through childcare support, we will contribute to creating smiles for everyone.”

Regarding the opening and contracts of new facilities during the three months of the current fiscal year, we established 2 childcare centers that were converted from certified nursery schools and 25 school clubs and children’s houses. And we have newly contracted a total of 25 facilities, excluding those that were converted to childcare centers. As part of our initiative to establish distinctive childcare centers, we have transitioned 5 facilities from licensed nursery schools to bilingual nursery schools and also transitioned 2 facilities from licensed nursery schools to sports nursery schools.

(Childcare Center)(*1)	
Asc Kokuba Childcare Center	(April 1, 2025)
Asc Maezato Childcare Center	(April 1, 2025)
(School Club/Children’s House)	
Ichi-sho School Club C	(April 1, 2025)
Mitaka Municipal Ichi-sho Smile Club	(April 1, 2025)
Chofu Municipal Takizaka School Club No. 1	(April 1, 2025)
Chofu Municipal Takizaka School Club No. 2	(April 1, 2025)
Matsubara Children’s Club No. 2 B	(April 1, 2025)
Taito Ikuei Elementary School After School Kids’ Club	(April 1, 2025)
Sakura School Club No. 1	(April 1, 2025)
Juntoku School Club	(April 1, 2025)
Yumegaoka-sho School Club	(April 1, 2025)
Nagayato Elementary School After School Club	(April 1, 2025)
Sarugaku Elementary School After School Club	(April 1, 2025)
Nerima Municipal Hashido-sho Nerikko Hiroba	(April 1, 2025)
Nerima Municipal Hashido-sho Nerikko School Club	(April 1, 2025)
Teramae Elementary School Student Club	(April 1, 2025)
Daiichi Elementary School Student Club	(April 1, 2025)
Koganei Municipal Machara School Club No. 1	(April 1, 2025)

Koganei Municipal Maehara School Club No. 2	(April 1, 2025)
Koganei Municipal Maehara Provisional School Club No. 3	(April 1, 2025)
Toyoake Municipal Seibu Children's Club	(April 1, 2025)
Toyoake Municipal Yakata Elementary School After School Kids' Club	(April 1, 2025)
Toyoake Municipal Nanbu Children's Club	(April 1, 2025)
Toyoake Municipal Toyoake Elementary School After School Kids' Club	(April 1, 2025)
Toyoake Municipal Himawari Children's House	(April 1, 2025)
Toyoake Municipal Seibu Children's House	(April 1, 2025)
Toyoake Municipal Nanbu Children's House	(April 1, 2025)

(Bilingual Nursery School)

The Company changed licensed nursery schools to bilingual nursery schools, which are staffed by native English-speaking teachers.

Asc Bilingual Nursery School Toyosu (formerly Asc Toyosu Nursery School)	(April 1, 2025)
Asc Bilingual Nursery School Kamimeguro (formerly Asc Kamimeguro Nursery School)	(April 1, 2025)
Asc Bilingual Nursery School Kitashinjuku (formerly Asc Kitashinjuku Nursery School)	(April 1, 2025)
Asc Bilingual Nursery School Yakuoji (formerly Asc Yakuoji Nursery School)	(April 1, 2025)
Asc Bilingual Nursery School Yumemirai (formerly Asc Yumemirai Nursery School)	(April 1, 2025)

(Sports Nursery School)

The Company changed licensed nursery schools to sports nursery schools to provide children with opportunities for physical activities, "while playing and having fun" to develop core strength, balance, and flexibility.

Asc Sports Nursery School Kobuuchi (formerly Asc Kobuuchi Nursery School)	(April 1, 2025)
Asc Sports Nursery School Kajigaya (formerly Asc Kajigaya Nursery School)	(April 1, 2025)

*1: On April 1, 2025, licensed nursery schools, "Asc Kokuba Nursery School" and "Asc Maezato Nursery School," were transitioned to certified childcare centers.

As a result, the Group came to have 203 nursery schools, 6 childcare centers, 118 school clubs, 16 children's houses, and 2 community centers, making a total of 345 childcare facilities as of June 30, 2025.

As a result, the Group's consolidated net sales were 10,356 million yen (up 7.9% year on year), operating profit was 1,371 million yen (down 2.0%), ordinary profit was 1,378 million yen (down 1.9%), and profit attributable to owners of parent was 926 million yen (down 12.8%).

Net sales increased 7.9% year on year. This was due to various factors including the operation of distinct nursery schools such as bilingual nursery schools, Montessori-method education nursery schools, and sports nursery schools, an increase in the number of enrolled children as a result of efforts to "create facilities that would continue to be selected by customers" by expanding the early childhood learning program, the contracts with new facilities, measures to maximize subsidies, and an increase in subsidies associated with improvements in the treatment of childcare workers, etc.

Operating profit decreased by 2.0% year on year, and ordinary profit decreased by 1.9% year on year, respectively. This was due to fact that the expenses related to improvements in the treatment of childcare workers were recorded on a quarterly basis during the three months of the current fiscal year, and corporate hometown tax donations, which were implemented in the fourth quarter of the previous fiscal year, were decided to be implemented throughout the year during the current fiscal year, etc., despite an increase in profit resulting from an increase in the number of enrolled children as a result of efforts to "create facilities that would continue to be selected by customers," as well as measures to maximize subsidies,

Profit attributable to owners of parent decreased by 12.8% year on year. This was mainly due to the facts that the expenses related to improvements in the treatment of childcare workers were recorded for the three months of the current fiscal year, and the compensation of 201 million yen related to the transfer of the head office in line with the redevelopment of the area where the head office is located were recorded as an extraordinary income in the previous fiscal year, despite an increase in profit mainly due to the contracts with new facilities and an increase in the number of enrolled children.

Each profits for the three months of the current fiscal year decreased compared to the same period of the previous fiscal year. This was mainly due to the facts that the expenses related to improvements in the treatment of childcare workers were recorded, and compensation related to the relocation of the head office were also recorded as an extraordinary income, as described above.

(2) Summary of financial condition in the current quarter

As for the financial position at the end of the first quarter of the current fiscal year, the total assets amounted to 34,603 million yen (down 3,019 million yen from the end of the previous fiscal year).

Current assets totaled 24,093 million yen (down 2,769 million yen). This was mainly due to decreases of 2,663 million yen in accounts receivable - other and 168 million yen in cash and deposits.

Non-current assets totaled 10,509 million yen (down 250 million yen). This was mainly due to decreases of 131 million yen in deferred tax assets and 107 million yen in buildings and structures.

Total liabilities amounted to 15,179 million yen (down 2,934 million yen).

Current liabilities amounted to 8,983 million yen (down 2,192 million yen). This was mainly decreases of 983 million yen in income taxes payable, 487 million yen in accounts payable - other, and 416 million yen in provision for bonuses.

Non-current liabilities totaled 6,195 million yen (down 742 million yen). This was mainly due to a decrease of 745 million yen in long-term borrowings.

Total net assets at the end of the first quarter of the current fiscal year totaled 19,423 million yen (down 84 million yen). This was mainly due to a decrease of 100 million yen in retained earnings.

(3) Consolidated Earnings Forecasts

As for the consolidated business forecasts for the full year, the figures announced on May 13, 2025 remain unchanged. However, actual results may differ from forecasts due to changes in business conditions and other factors.

We will disclose any changes appropriately as they occur.

2. Quarterly Consolidated Financial Statements and Major Notes

(1) Quarterly Consolidated Balance Sheet

(Thousand yen)

	Previous Fiscal Year (March 31, 2025)	Current First Quarter (June 30, 2025)
Assets		
Current assets		
Cash and deposits	20,743,470	20,575,226
Notes and accounts receivable - trade	114,950	99,442
Inventories	45,627	44,455
Accounts receivable - other	5,204,206	2,540,498
Other	754,410	833,943
Allowance for doubtful accounts	-244	-253
Total current assets	26,862,421	24,093,312
Non-current assets		
Property, plant and equipment		
Buildings and structures	12,195,727	12,207,923
Accumulated depreciation and impairment	-8,577,487	-8,697,502
Buildings and structures, net	3,618,240	3,510,420
Machinery, equipment and vehicles	203	203
Accumulated depreciation	-203	-203
Machinery, equipment and vehicles, net	0	0
Tools, furniture and fixtures	1,590,858	1,616,408
Accumulated depreciation and impairment	-1,130,334	-1,166,792
Tools, furniture and fixtures, net	460,523	449,616
Land	129,529	184,621
Total property, plant and equipment	4,208,293	4,144,658
Intangible assets		
Goodwill	45,578	37,982
Other	21,868	19,280
Total intangible assets	67,447	57,263
Investments and other assets		
Investment securities	546,995	578,793
Long-term loans receivable	2,364,840	2,311,715
Guarantee deposits	1,804,979	1,802,947
Deferred tax assets	1,425,923	1,294,118
Other	345,306	323,781
Allowance for doubtful accounts	-3,689	-3,360
Total investments and other assets	6,484,356	6,307,997
Total non-current assets	10,760,097	10,509,918
Total assets	37,622,519	34,603,231

(Thousand yen)

	Previous Fiscal Year (March 31, 2025)	Current First Quarter (June 30, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	197,866	157,855
Current portion of long-term borrowings	3,460,864	3,285,264
Accounts payable - other	3,069,000	2,581,450
Income taxes payable	1,319,207	335,727
Accrued consumption taxes	75,418	109,944
Provision for bonuses	938,381	521,986
Other	2,115,178	1,991,063
Total current liabilities	11,175,916	8,983,292
Non-current liabilities		
Long-term borrowings	5,300,153	4,554,805
Deferred tax liabilities	2,688	–
Retirement benefit liability	1,031,437	1,036,675
Asset retirement obligation	603,809	604,517
Total non-current liabilities	6,938,088	6,195,997
Total liabilities	18,114,004	15,179,289
Net assets		
Shareholders' equity		
Share capital	1,603,955	1,603,955
Capital surplus	1,542,826	1,542,826
Retained earnings	17,078,574	16,978,259
Treasury shares	-671,017	-671,017
Total shareholders' equity	19,554,338	19,454,023
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-73,726	-59,209
Deferred gains or losses on hedges	2,129	1,312
Remeasurements of defined benefit plans	25,772	22,815
Total accumulated other comprehensive income	-45,823	-35,081
Non-controlling interests	–	5,000
Total net assets	19,508,514	19,423,942
Total liabilities and net assets	37,622,519	34,603,231

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

First Quarter

(Thousand yen)

	Previous First Quarter (Apr. 1, 2024 - Jun. 30, 2024)	Current First Quarter (Apr. 1, 2025 - Jun. 30, 2025)
Net sales	9,600,153	10,356,144
Cost of sales	7,561,363	8,287,748
Gross profit	2,038,790	2,068,396
Selling, general and administrative expenses	639,803	696,854
Operating profit	1,398,987	1,371,542
Non-operating income		
Interest income	18,962	17,653
Other	4,225	2,894
Total non-operating income	23,188	20,547
Non-operating expenses		
Interest expenses	14,358	10,524
Commission expenses	2,354	2,357
Other	286	416
Total non-operating expenses	16,999	13,298
Ordinary profit	1,405,175	1,378,791
Extraordinary income		
Compensation for head office transfer	201,630	–
Total extraordinary income	201,630	–
Extraordinary losses		
Loss on sale of non-current assets	91	–
Loss on retirement of non-current assets	4,259	0
Total extraordinary losses	4,350	0
Profit before income taxes	1,602,455	1,378,791
Income taxes - current	277,383	328,233
Income taxes - deferred	262,546	124,381
Total income taxes	539,929	452,615
Profit	1,062,525	926,175
Profit attributable to owners of parent	1,062,525	926,175

Quarterly Consolidated Statement of Comprehensive Income

First Quarter

(Thousand yen)

	Previous First Quarter (Apr. 1, 2024 - Jun. 30, 2024)	Current First Quarter (Apr. 1, 2025 - Jun. 30, 2025)
Profit	1,062,525	926,175
Other comprehensive income		
Valuation difference on available-for- sale securities	50,367	14,517
Deferred gains or losses on hedges	502	-817
Remeasurements of defined benefit plans, net of tax	1,468	-2,957
Total other comprehensive income	52,339	10,742
Comprehensive income	1,114,865	936,918
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,114,865	936,918

(3) Notes on Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

None applicable.

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

None applicable.

(Notes on segment information)

The Group's principal business is the nursery service. Information on other business segments is omitted as they are considered immaterial.

(Notes on statements of cash flows)

Quarterly consolidated statement of cash flows for the current first quarter has not been prepared. Depreciation and amortization (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the first quarter are as follows.

	Previous First Quarter (Apr. 1, 2024 - Jun. 30, 2024)	Current First Quarter (Apr. 1, 2025 - Jun. 30, 2025)
Depreciation and amortization	168,411 thousand yen	159,372 thousand yen
Amortization of goodwill	7,596 thousand yen	7,596 thousand yen