October 27, 2023

Company name:	Duskin Co., Ltd.
Name of representative:	Hiroyuki Okubo, Representative Director President and CEO
	(Securities code: 4665; TSE Prime Market)
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Notice Concerning Business Alliance with JP-HOLDINGS, INC. and Concerning Partial Acquisition of JP-Holdings' Shares and Making JP-Holdings, INC. an Equity-method Affiliate

Duskin Co., Ltd. (the "Company") announces that it has resolved in writing today, in lieu of a Board of Directors' resolution pursuant to the provisions of Article 370 of the Companies Act and Article 25 of the Articles of Incorporation of the Company, to sign a business alliance agreement (the "Business Alliance") with JP-HOLDINGS, INC. ("JP-Holdings") and to acquire part of JP-Holdings' shares (the "Share Acquisition") and to make JP-Holdings an equity-method affiliate of the Company ("Making JP-Holdings an Equity-method Affiliate").

1. Purpose and reason of the Business Alliance

Under its Medium-Term Management Policy 2022, the Company has stated that it would actively invest, using M&A and other methods, in areas that address social issues, as its endeavors toward new opportunities for growth.

JP-Holdings operates more than 300 childcare facilities (daycare, after-school clubs and children's clubs) nationwide, primarily in the Kanto region. Guided by its management philosophy of "Through childcare support, we will contribute to creating smiles for everyone," JP-Holdings is a leading childcare support company, working to resolve social issues such as the acceleration of Japan's declining birthrate and the issue of children on waiting lists for daycare centers.

The alliance with JP-Holdings serves our purpose of maintaining a lifelong relationship with customers. Furthermore, JP-Holdings' corporate message of "All for children's smiles" is a somewhat similar concept to our management philosophy of "sowing the seeds of joy." We are therefore confident about collaborating to grow our business.

Entering the child-raising support domain will help us improve both social and economic value, which is set out in the basic principle of our Medium-Term Management Policy 2022. To achieve our numerical targets

under the policy, we will implement further initiatives that help resolve social issues.

2. Details of the Business Alliance

By forming a collaborative relationship between the Company and JP-Holdings, the two companies aim to leverage the strengths of their respective businesses and expertise to address social issues and create new value for customers in the area of child-raising support, with our ultimate goal of increasing the corporate value of both companies.

The two companies will promptly establish a cooperative review committee to consider specific measures to serve customers in the future.

3. Summary of JP-Holdings in the Business Alliance

(As of March 31, 2023)

a.	Name	JP-HOLDINGS, INC.	
b.	Location	3-15-31, Aoi, Higashi-ku, Nagoya-shi, Aichi, Japan	
c.	Job title/name of representative	Tohru Sakai, President and Representative Director	
d.	Description of business	Subsidiary management and supervision, development of childcare facilities, and new business development	
e.	Share capital	1,603 million yen	
f.	Date of establishment	March 31, 1993	
g.	Major shareholders and ownership ratios	Gakken Holdings Co., Ltd.	31.70%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	7.80%
		JP Employee Stock Ownership Plan	7.34%
		Hogaraka Trust Co., Ltd. (Trust Account) A-1	3.78%
		Koryu Oh	2.72%
h.	Relationship between the Company and JP-Holdings	Capital relationship	None
		Personnel relationship	None
		Business relationship	None
		Related-party relationship	None

i. Consolidated operating results and financial positions of JP-Holdings for the last three years

Fiscal year-end	Fiscal year ended March 2021	Fiscal year ended March 2022	Fiscal year ended March 2023
Consolidated net assets	10,007 million yen	11,975 million yen	13,584 million yen
Consolidated total assets	29,740 million yen	34,274 million yen	35,694 million yen
Consolidated net assets per share	114.42 yen	136.91 yen	159.53 yen
Consolidated sales	33,500 million yen	34,373 million yen	35,507 million yen
Consolidated operating profit	2,857 million yen	3,344 million yen	3,667 million yen

Consolidated ordinary profit	2,947 million yen	3,358 million yen	3,745 million yen
Profit attributable to owners of parent	537 million yen	2,279 million yen	2,698 million yen
Consolidated profit per share	6.15 yen	26.06 yen	31.18 yen
Dividends per share	3.90 yen	4.50 yen	6.00 yen

Note: The ownership ratios are the ratios of the number of shares held to the total number of outstanding shares (excluding treasury shares) held by JP-Holdings.

4. Details of the Share Acquisition

To promote the cooperation with JP-Holdings and to build a stronger relationship of trust between the two companies, the Company is signing today a share purchase agreement with Gakken Holdings Co., Ltd. ("Gakken Holdings") and on November 30, 2023 is scheduled to acquire 26,989,100 common shares, which represents 31.70%* of all JP-Holdings' shares (85,151,543 outstanding shares as of the end of March 2023) and which are currently held by Gakken Holdings. As a result, JP-Holdings will become an equity-method affiliate of the Company. *Rounded to two decimal places

The acquisition of these shares will result in the acquisition of 5% or more of the shares in a listed company on a voting-right basis and fall under the category of "an act of accumulating shares specified by Cabinet Order as acts equivalent to a tender offer" prescribed in Article 167, Paragraph 1 of the Financial Instruments and Exchange Act and Article 31 of the Order for Enforcement of the same Act.

5. Summary of Gakken Holdings in the Share Acquisition

(As of March 31, 2023)

a.	Name	Gakken Holdings Co., Ltd.	
b.	Location	2-11-8, Nishi-Gotanda, Shinagawa-ku, Tokyo, Japan	
c.	Job title/name of representative	Hiroaki Miyahara, President and Representative Director	
d.	Description of business	Educational services, publication, production and sales of childcare products, operation of nursing homes (such as housing for the elderly with home-care services and group homes for the elderly with dementia), operation of childcare support facilities	
e.	Share capital	19,817 million yen	
f.	Date of establishment	March 31, 1947	
g.	Major shareholders and ownership ratios	Public Interest Incorporated Foundation Furuoka Scholarship Foundation	12.59%
		The Master Trust Bank of Japan, Ltd. (Trust Account)	10.49%
		Custody Bank of Japan, Ltd. (Trust Account)	5.23%

	BNP PARIBAS LUXEMBOURG/2S/JASDEC/JANUS HENDERSON HORIZON FUND (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	2.72%
	Sumitomo Mitsui Banking Corporation	2.72%

h. Relationship between the Company and Gakken Holdings	Capital relationship	None
	Personnel relationship	None
	Business relationship	None
	Related-party relationship	None

i. Consolidated operating results and financial positions of Gakken Holdings for the last three years

Fiscal year-end	Fiscal year ended September 2020	Fiscal year ended September 2021	Fiscal year ended September 2022
Consolidated net assets	36,239 million yen	47,413 million yen	48,888 million yen
Consolidated total assets	103,741 million yen	116,900 million yen	123,682 million yen
Consolidated net assets per share	967.70 yen	1,079.09 yen	1,102.16 yen
Consolidated sales	143,564 million yen	150,288 million yen	156,032 million yen
Consolidated operating profit	5,075 million yen	6,239 million yen	6,427 million yen
Consolidated ordinary profit	5,273 million yen	6,126 million yen	6,929 million yen
Profit attributable to owners of parent	2,321 million yen	2,617 million yen	3,440 million yen
Consolidated profit per share	62.70 yen	64.55 yen	78.67 yen
Dividends per share	20.00 yen	22.00 yen	24.00 yen

Note: The ownership ratios are the ratios of the number of shares held to the total number of outstanding shares (excluding treasury shares) held by Gakken Holdings.

6. Shareholding before and after the change

a. Shares owned prior to the change	- shares (-%)
b. The number of shares to be acquired	26,989,100 shares (31.70%)
c. Acquisition cost	Total 8,933,392,100 yen (331 yen per share)
d. Number of shares owned after change	26,989,100 shares (31.70%)

7. Schedule

a. Board of Directors' resolution date (Note 1)	October 27, 2023
b. Date of this Share Purchase Agreement	October 27, 2023
c. Date of this Business Alliance Agreement	October 27, 2023
d. Scheduled Date of Share Acquisition (Note 2)	November 30, 2023

Note 1: A written resolution in lieu of a Board of Directors' resolution pursuant to the provisions of Article 370 of the Companies Act and Article 25 of the Articles of Incorporation of the Company

Note 2: The share purchase is based on the assumption that there are no factors preventing the acquisition, such as the issuance of a cease-and-desist order, in the results of the Fair Trade Commission's review regarding the notification based on Section 2 of Article 10 of the Antimonopoly Act.

8. Outlook

Although the Business Alliance and Making JP Holdings an Equity-method Affiliate have no significant effect on the Company's performance for the current fiscal year, the Company believes that they will help increase its corporate value in the future.

When it becomes clear that there will be a material impact on the Company's business performance in the future, the Company will promptly disclose the information.

For media inquiries on this matter, please contact:

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