

JAFCO Group Co., Ltd. (Ticker: 8595)
1-23-1 Toranomom, Minato-ku,
Tokyo 105-6324 Japan
<https://www.jafco.co.jp/english/>

Contact: Investor Relations
Tel: +81-50-3734-2025
ir@jafco.co.jp

August 15, 2022

Notice Concerning Establishment of Independent Committee and Appointment of Independent Committee Members

As announced in detail in the “Notice Concerning the Introduction of the Company’s Basic Policies for the Control of the Company Based on Specific Concerns that City Index Eleventh Co., Ltd. and Other Parties will Carry Out Large-scale Purchase Actions, etc. of the Company Shares and Response Policies to Large-scale Purchase Actions, etc. of the Company Shares” dated August 15, 2022, Ms. Aya Nomura (Mr. Yoshiaki Murakami’s biological child), Kabushiki Kaisha Minami-Aoyama Fudosan and City Index Eleventh Co., Ltd. (“City Index Eleventh”; and collectively with Ms. Aya Nomura and Kabushiki Kaisha Minami-Aoyama Fudosan, “City and Other Parties”), which are under the influence of Mr. Yoshiaki Murakami (“Mr. Murakami”), have been rapidly and in large quantities buying up the Company’s common shares (the “Company Shares”) in the stock market recently, and according to the Large Shareholding Report pertaining to the Company Shares submitted by City Index Eleventh on August 9, 2022, City and Other Parties held 4,793,600 shares, which is 6.54% of the shareholding ratio (meaning the shareholding ratio stipulated in Article 27-23, Paragraph 4 of the Financial Instruments and Exchange Act.) of the Company Shares as of August 2, 2022. Further, Mr. Murakami and others informed us that City and Other Parties had acquired nearly 15% of the Company Shares and that they indicated the possibility to continue to purchase more Company Shares (the “Additional Share Purchases”) and acquire 51% of the Company Shares. In addition, they requested us to conduct a large scale share buyback that amounts to approximately 50 billion yen, which is the equivalent to approximately one-third of the Company’s market capitalization and 40% of consolidated shareholders’ equity, by procuring funds through such as liquidating the shares of Nomura Research Institute, Ltd. held by the Company.

Under this circumstance, the Company’s Board of Directors concluded that the Large-scale Purchase Actions, etc., including those conducted by City and Other Parties must be conducted in accordance with certain procedures that it establishes, and has decided basic policies regarding how a person is to control the decisions of the Company’s financial and business policies (Article 118, item (iii) of the Regulations for Enforcement of the Companies Act) in order to secure and improve our corporate value and our shareholders’ common interests and has resolved to introduce response policies for Large-scale Purchase Actions, etc. for the Company Shares (the “Response Policies”), as an effort to prevent the determination of financial and business policies of the Company from being controlled by an inappropriate person in light of the basic policies (Article 118, item (iii), (b).2 of the Regulation for Enforcement of the Companies Act) at the Board of Directors meeting held today.

In addition to passing the resolution above, the Company’s Board of Directors has established an Independent Committee which consists only of the independent outsider directors independent from the management that executes the Company’s business in order to prevent arbitrary decisions by the Board of Directors and to further enhance the fairness and objectiveness of the operation of the Response Policies and appointed four independent outside directors as the Independent Committee members. The name and biography of the each of the Independent Committee members is as described in **Exhibit**.

The Company’s Board of Directors will decide upon various measures related to the Response Policies, including responses against the Additional Share Purchases, by fully respecting recommendations and opinions of the Independent Committee. In addition, the Company’s Board of Directors will timely and properly inform the shareholders of the details of the recommendations and opinions of the Independent Committee and other matters related to the Independent Committee.

The Name and Brief Biographical Outline of Members of the Independent Committee

Members of the Independent Committee consist of the following four members.

Shigeru Tamura

(Brief Biographical Outline)

April 1985	Joined in The Bank of Yokohama, Ltd.
June 2000	General Manager of Business Administration and Head of Office of IPO, Members Co., Ltd.
August 2000	Director & CFO, Members Co., Ltd.
September 2002	Officer of Business Administration, Aplix Corporation
June 2003	General manager of the business management headquarters (CFO)
June 2003	Vice President of Principal Investments, Investment Banking Headquarters, ORIX Corporation
August 2005	Senior Corporate Officer, Medical Industries Corp. (currently the MEDISCIENCE PLANNING INC.)
August 2006	Executive Vice President, MIC Medical Corporation (currently MEDISCIENCE PLANNING INC.)
June 2010	President & CEO, MIC Medical Corporation
October 2014	Chairman, MIC Medical Corporation (until May 2015)
June 2017	Director (Board-Audit Committee member), JAFCO
June 2019	Director (Board-Audit Committee member, full-time), JAFCO (Present)

Mr. Shigeru, Tamura is now an outside director of the Company, which set forth in Article 2, item 15 of the Companies Act, and he is registered by the Company as independent members to Tokyo Stock Exchange, based on the provisions of the Exchange.

In addition, there is no special interests between him and the Company.

Koji Tanami

(Brief Biographical Outline)

April 1964	Joined Ministry of Finance
July 1994	Director-General of the Financial Bureau, Ministry of Finance
July 1996	Chief Cabinet Councilor for Internal Affairs, Cabinet Secretariat
January 1998	Administrative Vice Minister, Ministry of Finance
September 1999	Special Advisor to the Minister of Finance
June 2001	Deputy Governor and Managing Director, Japan Bank for International Cooperation
October 2007	Governor, Japan Bank for International Cooperation
September 2008	Resigned from Governor of Japan Bank for International Cooperation
December 2010	Registered as Attorney-at- Law (Dai-ichi Tokyo Bar Association)
	Attorney-at-Law, Hashidate Law Office (Present)
June 2015	Director (Board-Audit Committee member), JAFCO (Present)

Mr. Koji Tanami is now an outside director of the Company, which set forth in Article 2, item 15 of the Companies Act, and he is registered by the Company as independent members to Tokyo

Stock Exchange, based on the provisions of the Exchange.

In addition, there is no special interests between him and the Company.

Kenichi Akiba

(Brief Biographical Outline)

September 1986	Joined Eiwa Audit Corporation (currently KPMG AZSA LLC)
July 1989	Registered as a certified public accountant
September 2001	Accounting Standards Board of Japan seconded as Technical Manager
April 2007	Accounting Standards Board of Japan seconded as Technical Director until August 2009
July 2007	Partner, KPMG AZSA Corporation (currently KPMG AZSA LLC)
September 2009	Professor, Waseda University Graduate School of Accountancy (Present)
June 2015	Director (Board-Audit Committee member), JAFCO (Present)
June 2018	Auditor of the Board (Outside), Mitsui Sumitomo Insurance Co., Ltd (Present)

Mr. Kenichi Akiba is now an outside director of the Company, which set forth in Article 2, item 15 of the Companies Act, and he is registered by the Company as independent members to Tokyo Stock Exchange, based on the provisions of the Exchange.

In addition, there is no special interests between him and the Company.

Yoshie Kajihara

(Brief Biographical Outline)

October 2001	General Manager of Accounting, Aplix Corporation
March 2005	Corporate Officer and Head of Corporate Planning Office, Aplix Corporation (until March 2007)
May 2007	Corporate Auditor (full-time), MIC Medical Corporation (currently MEDISCIENCE PLANNING INC.)
February 2008	Resigned from Corporate Auditor (full-time) of MIC Medical Corporation
October 2009	Joined CCS Inc.
November 2013	Executive Officer in charge of Corporate Planning, CCS Inc.
October 2016	Resigned from Executive Officer of CCS Inc.
January 2017	Joined Interactive Solutions Corporation
August 2017	Director and General Manager of Human Resources & Administrations, Interactive Solutions Corporation
July 2018	Resigned from Director of Interactive Solutions Corporation
June 2019	Director (Board-Audit Committee member), JAFCO (Present)

Ms. Yoshie Kajihara is now an outside director of the Company, which set forth in Article 2, item 15 of the Companies Act, and he is registered by the Company as independent members to Tokyo Stock Exchange, based on the provisions of the Exchange.

In addition, there is no special interests between her and the Company.