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Fundraising Status of JAFCO SV7 Fund Series

JAFCO Group Co., Ltd. (the “Company”) is pleased to announce that the first closing of the JAFCO SV7 Fund Series (“SV7 Series”), which was established on June 24, 2022, took place at the end of September. The Company hereby informs you of the fundraising status and the amount of total capital commitments going forward.

The SV7 Series consists of three types of funds: JAFCO V7 Investment Limited Partnership (“V7”) which makes venture capital investments; JAFCO BO7 Investment Limited Partnership (“BO7”) which makes buyout investments; and JAFCO SV7 Investment Limited Partnerships which invest in both V7 and BO7. As we had been making both domestic venture investments and buyout investments through a single fund before the SV6 Series established in 2019, the above structure of the SV7 Series will enable us to meet the diverse needs of our investors in the Series.

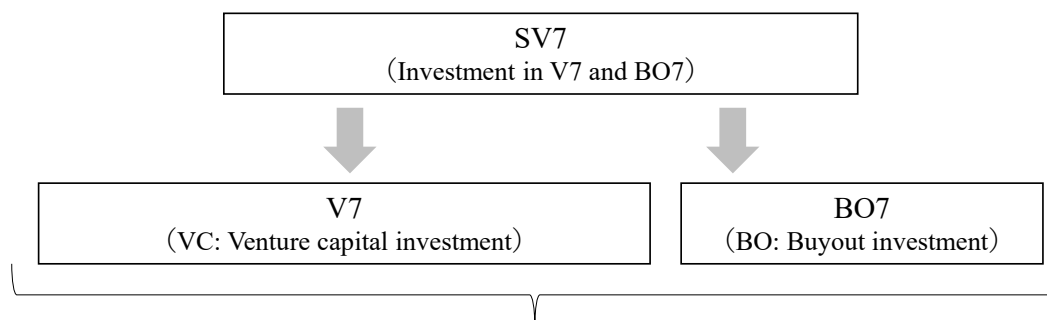
With regard to the total capital commitments to the SV7 Series going forward, we are targeting an amount exceeding the total commitments to the previous SV6 Series of ¥80 billion (upper limit: ¥95 billion), taking into consideration the current uncertain market environment, including the Company’s shareholder issue given below. Of this amount, V7 targets ¥60 billion or more (up to ¥65 billion) and BO7 targets ¥20 billion or more (up to ¥30 billion). Both funds started investing in July 2022 and will build up their portfolios over the next three years.

As of today (October 27, 2022), the total commitments to the SV7 Series stand at ¥50 billion, including ¥28.3 billion raised from outside investors. Fundraising from outside investors as of the first closing at the end of September significantly undershot the initial target of around ¥50 billion, and we have yet to achieve this target to date. This is largely because many investors, including existing investors, are concerned about the possible impact of the share buy-up by several shareholders related to Mr. Yoshiaki Murakami on fund management and are withholding their investment decisions in order to assess their intention.

With the aim of securing the necessary ¥80 billion (maximum of ¥95 billion; of which ¥50 billion up to a maximum of ¥65 billion raised from outside investors) to make new and additional investments over the next three years, the Company will work to resolve the above situation, while continuing fundraising activities with an eye on extending the fundraising period.

Given this uncertain environment, with the tightening of monetary policy since last year and the emergence of geopolitical risks, we believe that our role as a provider of risk money is becoming increasingly important, and we are ever more determined to fulfill our responsibilities.

[Composition of the SV7 Series] Fundraising underway



SV7 Series Fund size: ¥80 billion or more (Upper limit: ¥95 billion)
(of which, ¥50 billion up to a maximum of ¥65 billion raised from outside investors)

Status as of October 27, 2022

Series total: ¥50 billion, of which V7 ¥37.5 billion and BO7 ¥12.5 billion

(Funds raised from outside investors: ¥28.3 billion; the amount invested by the Company: ¥21.7 billion*)

*The amount invested by the Company includes individual investments by the Company's partners, etc.

Official names of funds

SV7 JAFCO SV7-A Investment Limited Partnership and JAFCO SV7-B Investment Limited Partnership

V7 JAFCO V7 Investment Limited Partnership

BO7 JAFCO BO7 Investment Limited Partnership