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November 29, 2022

Notice Concerning Revision of Dividend Forecast for the Fiscal Year ending March 31, 2023

On November 25, 2022, JAFCO Group Co., Ltd. (hereinafter “the Company”) announced that its Board of Directors decided at a meeting held on the same date to review its policy on shareholder returns and implement measures to improve capital efficiency, and released “Review of Shareholder Return Policy and Measures to Improve Capital Efficiency”. We hereby announce in detail the revision of forecast dividend per share as follows.

1. Reason for Revision

In March 2017, the Company established a "Basic Dividend Policy" and set a target dividend payment of 3% of shareholders' equity (average of beginning and end of period). Given that we had established a solid financial base due to the recovery of investment performance since 2014, and taking into account that private equity investment is susceptible to stock market volatility to a certain degree by nature, we determined that this was a level that allowed us to continue to pay dividends regardless of our business performance.

From the viewpoint of enhancing the alignment of the Company's profits with interests of our shareholders, as well as our ongoing efforts on continued dividend payment, we have decided to change the above dividend policy to the greater of 3% of shareholders' equity (average of beginning and end of period) or 50% of net income.

Also, as announced in the “Notice Concerning Scheduled Share Buyback and Tender Offer by Issuer” and “Notice Concerning Sale of Shares of Nomura Research Institute, Ltd.” also dated November 25, 2022, the Board of Directors has resolved to sell all of the Company's shareholdings in Nomura Research Institute, Ltd. (excluding fractional shares) (hereinafter the “Sale of NRI Shares”), in addition to its plans to conduct a share buyback and to implement a tender offer by an issuer (the “TOB by Issuer”) as a specific means to achieve the share buyback.

If the TOB by Issuer is implemented, shareholders who do not tender their Company Shares in the TOB by Issuer and continue to hold the Company shares will, unlike shareholders who tender their Company shares in the TOB by Issuer, not be able to benefit from shareholder returns through the TOB by Issuer except for the increase in their shareholding ratio as a result of the Company's share buyback through the TOB by Issuer. In order to ensure that shareholders who continue to hold the Company shares will also have the opportunity to directly benefit from shareholder returns, as the Company's dividend policy, the dividend per share for the fiscal year ending March 31, 2023 shall be paid in accordance with the following, whichever is greater:

- a. ¥100; or
- b. Subject to the successful conclusion of the TOB by Issuer, the amount calculated by dividing the Company's net income attributable to JAFCO Group Co., Ltd. stockholders for the fiscal year ending March 31, 2023, including the gain on the Sale of NRI Shares, by the number of Company Shares outstanding on the record date of the dividend (excluding treasury shares then held by the Company).

The dividend forecast for the fiscal year ending March 31, 2023, which had previously been unfixed, has been revised as the minimum amount is planned to be ¥100 per share as stated above, regardless of successful conclusion of the TOB by the Issuer.

2. Details of the revision

	Annual dividends (yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
Previous forecast (announced on Oct. 27, 2022)			—	—	—
Revised forecast			—	100.00*	100.00*
FY ending March 31, 2023	—	—			
FY ended March 31, 2022	—	—	—	51.00	51.00

*Subject to the successful conclusion of the TOB by Issuer, if the amount calculated by dividing the Company's net income attributable to JAFCO Group Co., Ltd. stockholders for the fiscal year ending March 31, 2023, including the gain on the Sale of NRI Shares, by the number of Company shares outstanding on the record date of the dividend (excluding treasury shares then held by the Company) is greater than ¥100, this shall be the dividend amount.