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December 8, 2022

Notice Regarding the Non-implementation of Scheduled Share Buyback and Tender Offer by Issuer

As disclosed in the "Notice Concerning Scheduled Share Buyback and Tender Offer by Issuer" on November 25, 2022, JAFCO Group Co., Ltd. (hereinafter the "Company") announced that its Board of Directors resolved at a meeting held on the same date to plan 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, pursuant to the Company's articles of incorporation based on Article 459(1) of the Companies Act and Article 156(1) of the Companies Act.

In the above resolution, the Company planned to formally resolve the TOB by Issuer subject to the fulfillment of the conditions precedent to the commencement of the TOB by Issuer (the "Conditions Precedent to Commencement") or waiver of the Conditions Precedent to Commencement by the Company. And one of the Conditions Precedent to Commencement is that the volume weighted average price of the Company's shares (the "VWAP") on the Prime Market of the Tokyo Stock Exchange in the period from November 30, 2022 to December 7, 2022 (the "Price Determination Period") shall be within the range of ¥2,525 (inclusive) to ¥2,828 (inclusive) (the "Price Range"). The Company hereby announce that the VWAP has been determined on December 7, 2022 as follows, which was below the lower limit of this Price Range, and that the TOB by Issuer will not be implemented.

1. Details of VWAP

VWAP: ¥2,362.4136 per share

Details of VWAP calculation:

VWAP = Total amount of trading volume of the Company's shares during the Price Determination Period divided by the total number of trading volume of the Company's shares during the Price Determination Period

	Trading volume (shares)	Amount of trading volume (¥)
November 30, 2022	1,588,700	3,828,745,800
December 1, 2022	1,307,500	3,110,206,500
December 2, 2022	760,900	1,807,390,900
December 5, 2022	1,558,700	3,653,280,000
December 6, 2022	1,099,200	2,557,838,300
December 7, 2022	1,106,900	2,576,135,900
Total	7,421,900	17,533,597,400

VWAP ¥2,362.4136

2. Non-implementation of TOB by Issuer

As the VWAP was below the lower limit of the Price Range as shown above, the Company confirmed whether City Index Eleventh Co., Ltd., Kabushiki Kaisha Minami-Aoyama Fudosan as its joint holder (meaning a joint holder as defined in Articles 27-23(5) and (6) of the Financial Instruments and Exchange Act) and Ms. Aya Nomura (collectively referred to as "City and Other Parties") are willing to tender all of their shareholdings in the Company by waiving all or part of their conditions precedent to the tendering as defined in a tender offer agreement between City and Other Parties and the

Company executed as of November 25, 2022 (the “TOB Agreement”), and City and Other Parties indicated that they had no intention to do so under the TOB Agreement. It is expected that all of the Company’s shares held by City and Other Parties will not be tendered in the TOB by Issuer even if the TOB by Issuer is commenced as originally planned, and the Conditions Precedent to Commencement will neither be satisfied nor waived by the Company because the purpose of the TOB by Issuer (i.e., to stabilize the Company’s management through smooth business operations, in particular smooth fundraising operations, by reducing the shareholding ratio of Company’s shares held by City and Other Parties) will not be achieved, and therefore, the Company has decided not to implement the TOB by Issuer. The TOB Agreement has been terminated by agreement between City and Other Parties and the Company.

The Company will continue discussions with City and Other Parties about the Company’s shares held by them. The Company’s policy on shareholder returns announced in the press release “Review of Shareholder Return Policy and Measures to Improve Capital Efficiency” dated November 25, 2022 is premised in part on the TOB by Issuer, but we will also continue to consider future shareholder return policy, and will immediately make an announcement once the decisions are made.