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December 21, 2022

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

JAFCO Group Co., Ltd. (hereinafter “the Company”) hereby announces that its Board of Directors decided at a meeting held today to revise the dividend forecast per share for the fiscal year ending March 31, 2023, which was previously disclosed in the “Review of Shareholder Return Policy and Measures to Improve Capital Efficiency” dated November 25, 2022 and “Notice Concerning Revision of Dividend Forecast for the Fiscal Year ending March 31, 2023” dated November 29, 2022 (hereinafter collectively referred to as the “November 2022 Disclosures”), as follows.

1. Reason for Revision

As announced in the “Notice Regarding the Non-implementation of Scheduled Share Buyback and Tender Offer by Issuer” dated December 8, 2022, the Company decided not to conduct a planned tender offer by an issuer as a specific means to implement a share buyback (hereinafter the “Initial TOB by Issuer”) because one of the conditions precedent to its commencement was not met. The tender offer agreement as of November 25, 2022 concluded between the Company and City Index Eleventh Co., Ltd. (hereinafter “City”), Kabushiki Kaisha Minami-Aoyama Fudosan and Ms. Aya Nomura as City’s joint holders (meaning joint holders as defined in Articles 27-23(5) and (6) of the Financial Instruments and Exchange Act) and Mr. Yoshiaki Murakami, who is deemed a shareholder of City’s parent company, (collectively referred to as “Mr. Murakami and Others”) has been terminated by unanimous agreement of all parties.

We continued to hold discussions with Mr. Murakami and Others, in which we newly proposed the conditions for a share buyback and a tender offer by an issuer (for details, please refer to the “Notice Concerning Share Buyback and Tender Offer by Issuer” released today. The tender offer announced in this notice is hereinafter referred to as the “TOB by Issuer”). Mr. Murakami and Others have responded that they intend to accept our new proposal, but suggested that it would be better for the shareholders remaining after completion of the TOB by Issuer to increase the dividend for the fiscal year ending March 31, 2023 even by decreasing the total acquisition price originally planned in the Initial TOB by Issuer. In response, after careful consideration by our Board of Directors, we have decided to set the total amount of the TOB by Issuer at ¥42 billion yen, the same amount as in the Initial TOB by Issuer, while changing the dividend per share for the fiscal year ending March 31, 2023 to the larger of the following two values, in order to provide more returns to shareholders who will continue to own our stock:

- a. ¥150 (increased from ¥100 in the previous forecast) ; 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 shares in Nomura Research Institute, Ltd. (hereinafter “NRI”) and after deducting the total acquisition price of shares bought back in the TOB by Issuer, by the number of Company shares outstanding on the record date of the dividend (excluding treasury shares then held by the Company).

In the November 2022 Disclosures, the minimum dividend for the fiscal year ending March 31, 2023 was forecast at ¥100, but due to the above change, we revise the dividend forecast because the minimum dividend per share is now expected to be ¥150.

2. Details of the revision

	Annual dividends (yen)				
	End of 1Q	End of 2Q	End of 3Q	Year-end	Total
Previous forecast (announced on Nov. 25, 2022)			—	100.00*	100.00*
Revised forecast			—	150.00*	150.00*
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 and deducting the amount of shares bought back based on the TOB by Issuer, 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 ¥150 (¥100 in the previous forecast), this shall be the dividend amount.