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December 21, 2022

### Notice Concerning Share Buyback and Tender Offer by Issuer

As JAFCO Group Co., Ltd. (the “Company” or “JAFCO”) announced in the Company’s press release dated November 25, 2022, titled “Notice Concerning Scheduled Share Buyback and Tender Offer by Issuer,” the Company executed a tender offer agreement with City Index Eleventh Co., Ltd. (“City Index Eleventh”), Kabushiki Kaisha Minami-Aoyama Fudosan (“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 (Act No. 25 of 1948, as amended; the “FIEA”)), Ms. Aya Nomura (together with City Index Eleventh, “City and Other Parties”), and Mr. Yoshiaki Murakami, a person to be deemed a shareholder of the parent company of City Index Eleventh (together with City and Other Parties, “Mr. Murakami and Others”), under which City and Other Parties will tender all of the common shares of the Company (the “Company Shares”) held by them (13,904,500 shares, ownership ratio (Note 1): 19.53% as of November 25, 2022 and today) (the “City Tendering Shares”) in the Initial TOB by Issuer (as defined below) on November 25, 2022 (the “Initial TOB Agreement”). Accordingly, the Company resolved at its board of directors’ meeting held on November 25, 2022 to conduct a share buyback and to implement a tender offer by an issuer as a specific means to achieve the share buyback to be commenced on December 16, 2022 (the “Initial TOB by Issuer”), pursuant to the Company’s articles of incorporation based on Article 459(1) of the Companies Act (Act No. 86 of 2005, as amended; the “Companies Act”) and Article 156(1) of the Companies Act, subject to fulfillment of the conditions precedent to commencement of the Initial TOB by Issuer provided in the Initial TOB Agreement (the “Initial Conditions Precedent to Commencement”) (Note 2) or waiver of these conditions by the Company. However, as announced in the Company’s press release dated December 8, 2022, titled “Notice Regarding the Non-implementation of Scheduled Share Buyback and Tender Offer by Issuer”, since the VWAP as defined in (Note 2) b. below of 2,362.4136 yen is to be calculated with a 1% discount thereon, and the purchase price per share of the Company Shares in the Initial TOB by Issuer (the “Initial TOB Price”), which was planned to be within the range of 2,500 to 2,800 yen, was 2,339 yen, one of the Initial Conditions Precedent to Commencement as described in (Note 2) b. below was not fulfilled. Therefore, since not all of the Initial Conditions Precedent to Commencement were fulfilled or waived by the Company, the Company resolved on December 8, 2022 not to implement the Initial TOB by Issuer, and the Initial TOB Agreement was terminated by mutual consent with Mr. Murakami and Others on December 7, 2022.

The Company subsequently continued its discussions with Mr. Murakami and Others regarding the treatment of the City Tendering Shares and executed a tender offer agreement (the “TOB Agreement”) with Mr. Murakami and Others, under which City and Other Parties will tender the City Tendering Shares (13,904,500 shares, ownership ratio: 19.53%) in the TOB by Issuer on December 21, 2022 (the “TOB Agreement Execution Date”), and the Company hereby announces that, it resolved at the board of directors’ meeting held on the same day to conduct a share buyback and to implement a tender offer by an issuer as a specific means to achieve the share buyback to be commenced on December 22, 2022 (the “Commencement Date”), 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 (the “TOB by Issuer”).

(Note 1) “Ownership ratio” refers to the ratio of the number of shares (71,184,054 shares) obtained by subtracting the number of treasury shares held by the Company as of September 30, 2022

(2,095,946 shares) as described in the Financial Results for the Six Months Ended September 30, 2022 Japanese GAAP (Consolidated) announced by the Company on October 27, 2022, from the total number of issued shares as of September 30, 2022 as described in the Second Quarterly Report of the 51st Term submitted by the Company on November 10, 2022 (73,280,000 shares) (rounded to the nearest hundredth, which also applies with respect to subsequent ownership ratios stated herein).

(Note 2)

As the Initial Conditions Precedent to Commencement, the Initial TOB Agreement provided that all of the following conditions must have been fulfilled or waived by the Company as of November 25, 2022, which is the execution date of the Initial TOB Agreement (the “Initial TOB Agreement Execution Date”), and the commencement date of the Initial TOB by Issuer (the “Initial Commencement Date”).

- a. Completion of delivery related to the sale of all of the NRI shares held by the Company, excluding 50 shares which is less than one unit (23,968,100 shares) by means of a secondary distribution under Article 2(4) of the FIEA (the “Sale of NRI Shares”) has been completed.
- b. The volume weighted average price of the Company Shares (the “VWAP”) on the Prime Market of the Tokyo Stock Exchange, Inc. (the “Tokyo Stock Exchange”) in the period from November 30, 2022 to December 7, 2022 (the “Price Determination Period”) falls within the range of 2,525 yen (inclusive) to 2,828 yen (inclusive) (the “Price Range”). The Price Range was determined based on the facts (i) that being required to implement the Initial TOB by Issuer, even in the case where the market price of the Company Shares has unexpectedly risen or dropped as at a time proximate to the scheduled Initial Commencement Date, to the extent unforeseeable for the Company and City and Other Parties, should be avoided, (ii) that setting the Price Range was necessary to achieve both execution of the Initial TOB Agreement and implementation of the Initial TOB by Issuer based on a price below the market price of the Company Shares, because it was unlikely that the Company could execute the Initial TOB Agreement with City and Other Parties based on the market price of the Company Shares as of the Initial TOB Agreement Execution Date, and on the other hand, the Company could not implement the Initial TOB by Issuer with an offer price exceeding the market price of the Company Shares considering the interests of shareholders of the Company other than City and Other Parties and also considering that the Company Shares held by City and Other Parties were not supposed to remain at their hand, (iii) that the purpose of the Initial TOB by Issuer was to stabilize the Company’s management through smooth business operations, especially smooth fundraising operations (i.e., fundraising for a new private equity investment fund managed by the Company), by reducing the ownership ratio of Company Shares of City and Other Parties, and City and Other Parties have typically sold their portfolio companies at approximately Price Book-value Ratio (PBR) x1, and (iv) that the net asset value per share of the Company as of the end of September 2022 was 2,651.64 yen. In addition, although the Price Range exceeded the market price of the Company Shares as of November 24, 2022 (with a closing price of 2,391 yen), which was the business day preceding the Initial TOB Agreement Execution Date (November 25, 2022), by 134 yen to 437 yen, City and Other Parties acknowledged that the appropriate market price of the Company Shares was approximately PBR x1, and thus, it was unlikely that the Company could execute the Initial TOB Agreement with City and Other Parties based on the market price of the Company Shares as of the Initial TOB Agreement Execution Date (November 25, 2022); and on the other hand, the Company could not implement the Initial TOB

by Issuer with an offer price exceeding the market price of the Company Shares considering the interests of shareholders of the Company other than City and Other Parties, and also considering that the Company Shares held by City and Other Parties were not supposed to remain at their hand. Accordingly, the Company considered setting the Initial TOB Price at 2,651.64 yen, which was the net asset value per share of the Company as of the end of September 2022 and was deemed a benchmark for the selling price of City and Other Parties, and the Price Range was decided to include a discount/premium of 5% on the amount of 2,651.64 yen, which was the net asset value per share of the Company as of the end of September 2022, through negotiations with Mr. Murakami and Others, in view of the expected increase in the market price of the Company Shares as at a time proximate to the Initial Commencement Date, reflecting the Shareholder Value Enhancement Policy (as defined below), stabilizing the Company's management through smooth business operations, especially smooth fundraising operations, by reducing the ownership ratio of Company Shares of City and Other Parties, and the Company's dividend policy for the fiscal year ending March 31, 2023 (as described below), the Sale of NRI Shares, and in consideration of the Company deeming it feasible to realize the Price Range with a discount/premium of 5% on the amount of 2,651.64 yen, which was the net asset value per share of the Company as of the end of September 2022, during the Price Determination Period, given that the board of directors' meeting of the Company approved the Shareholder Value Enhancement Policy and the Sale of NRI Shares in order to facilitate the Company's future development and to enhance capital efficiency. Although the Price Range exceeded the market price of the Company Shares as of the Initial TOB Agreement Execution Date, the Initial TOB Price included a 1% discount on the VWAP (rounded to the nearest whole number) for the Price Determination Period proximate to the scheduled Initial Commencement Date (if the VWAP fell within the Price Range, the Initial TOB Price would be a price within the range of 2,500 yen to 2,800 yen), and the Company acknowledged that shareholders of the Company other than City and Other Parties who tendered their Company Shares in the Initial TOB by Issuer would be provided with an opportunity to benefit from shareholder returns, and that shareholders who did not tender their Company Shares in the Initial TOB by Issuer would also benefit from enhancement of shareholder value, which would result from by the Initial TOB by Issuer through stabilizing the Company's management through smooth business operations, especially smooth fundraising operations, and by reducing the ownership ratio of Company Shares of City and Other Parties. Therefore, the Initial TOB by Issuer would minimize the outflow of assets from the Company to the maximum extent possible in connection with the share buyback by setting a Price Range and Initial TOB Price appropriate for the purpose of the Initial TOB by Issuer, and thereby the interests of minority shareholders were taken into consideration. In light of these considerations, the Company acknowledged that the Initial TOB by Issuer posed no problem from the standpoint of the fiduciary duties of directors.

- c. All of the representations and warranties by Mr. Murakami and Others (Note 3) are reasonably considered to be true and accurate as of the Initial Commencement Date in all material respects.
- d. Mr. Murakami and Others are not in breach of their covenants (Note 4) set forth in the Initial TOB Agreement in any material respects.

(Note 3) The Initial TOB Agreement contained representations and warranties by Mr. Murakami and Others, including the following: (i) necessary authorization for the execution and

performance of the Initial TOB Agreement, (ii) legal enforceability through lawful and valid execution of the Initial TOB Agreement, (iii) no conflict with laws, regulations of financial instruments exchanges, or the Company's articles of incorporation or other internal rules, (iv) no conflict with bankruptcy, civil rehabilitation, corporate reorganization, special liquidation, or other similar legal bankruptcy proceedings, (v) no association with anti-social forces, and (vi) ownership of the City Tendering Shares by City and Other Parties.

(Note 4) Under the Initial TOB Agreement, Mr. Murakami and Others were obligated (i) not to dispose of the Company Shares they held (excluding sales of the City Tendering Shares at a price higher than 2,800 yen or the Initial TOB Price once fixed) from November 25, 2022 until the commencement date of settlement of the Initial TOB by Issuer, (ii) with respect to the City Tendering Shares, not to exercise certain shareholders rights (regardless of whether by themselves or through their relatives within a second degree of kinship (for the avoidance of doubt, including the spouses of Mr. Murakami and Others), business entities (including corporations, partnerships, and similar entities) that are virtually under the direct or indirect control of City and Other Parties (or shareholders, officers, and employees thereof) through majority shareholding or membership alone or jointly with several others (collectively, "City and Related Parties")) that are granted by and under the Companies Act (i.e., the right to request inspection and copying of the shareholders' register (Article 125(2)), the right to demand convocation of a shareholders' meeting (Article 297(1) and (4)), the right to propose a topic (Article 303(2)) and agenda item(s) for a shareholders' meeting (Article 304 and Article 305(1)), the right to appoint an investigator (Article 316(2)), the right to demand the appointment of inspectors for execution of business (Article 358(1)), the right to demand an injunction against illegal acts, etc. by directors (Article 360), the right to request inspection and copying of minutes of board of directors' meetings and accounting books (Article 371(2) main clause, and Article 433(1)), and the right to file a shareholder derivative action (Article 847(1)); the same applies hereinafter), (iii) not to take any action that conflicts with the Initial TOB by Issuer or makes it difficult to execute the Initial TOB by Issuer, (iv) to give notice in case of receipt of a proposal from a third party other than Mr. Murakami and Others to acquire the Company Shares or to commence a tender offer for the Company Shares, (v) not to acquire the Company Shares or any right to instruct the exercise of voting rights in relation to the Company Shares by themselves or through City and Related Parties, and (vi) not to accept any delegation of an exercise voting rights for Company Shares from other shareholders (including any solicitation for such delegation) or to agree to jointly exercise such voting rights together with other shareholders by themselves or through City and Related Parties.

The Company's basic dividend policy is to strike a balance between increasing equity capital necessary to conduct investment business and providing regular returns to shareholders. As a dividend benchmark to clearly indicate this policy, the Company aims for 3% of equity capital (the mean at the beginning and end of the term). In addition, as announced in the Company's press release dated February 10, 2021, titled "Policy on Future Shareholder Returns," in order to maintain a financial base that will allow the Company to continue to invest in any environment, the Company acknowledged cash and 23,968,150 common shares in Nomura Research Institute, Ltd. ("NRI"; those common shares, the "NRI Shares") held by the Company as a single source of funds for future investments, and the Company maintains a total of approximately 120 billion yen in cash and the market value (after tax) of the NRI Shares, and will consider conducting a share buyback to a certain extent if this amount exceeds 120 billion yen.

At the board of directors' meeting held on November 25, 2022, the Company resolved the Sale of NRI Shares and, as announced in the Company's press release dated November 25, 2022, titled "Review of Shareholder

Return Policy and Measures to Improve Capital Efficiency,” it also resolved to further improve investment performance by improving investment management capabilities and expanding fund size by strengthening external solicitation capabilities in line with expansion of target markets as the core of the Company’s growth strategy, and to maintain a financial base that will allow the Company to continue to invest from its 120 billion yen in cash and NRI Shares by reducing the amount necessary therefor to 60 billion yen (with respect to the cash portion) for the time being, and also to use cash exceeding such amount to conduct a share buyback in order to reduce net assets and increase the return on equity (ROE) (the “Shareholder Value Enhancement Policy”). The Initial TOB by Issuer would be, in accordance with these resolutions, implemented using a portion of the money (i.e., 42 billion yen) to be paid into the Company as consideration for the Sale of NRI Shares. In connection with the Sale of NRI Shares, the delivery of consideration for the Sale of NRI Shares was completed on December 12, 2022, and 69,191,111,080 yen has been paid to the Company which generated sales profit of 63.8 billion yen by the Company. Pursuant to the FIEA, NRI submitted a securities notice regarding the Sale of NRI Shares on November 25, 2022. For details on the Sale of NRI Shares, please see NRI’s press release dated December 5, 2022 titled “NRI announces Determination of Selling Price, Amount to be Paid and Other Matters relating to Secondary Offering of Shares and Disposal of Treasury Stock by Third-Party Allotment” and “c. Detail of the Sale of NRI Shares” of “(7) Other” of “3. Outline of the Purchase” below.

Although the Company resolved not to implement the Initial TOB by Issuer since one of the Initial Conditions Precedent to Commencement as described in (Note 2) b. above was not fulfilled, and therefore, not all of the Initial Conditions Precedent to Commencement were fulfilled or waived by the Company, the Company has executed the TOB Agreement with Mr. Murakami and Others based on subsequent discussions with Mr. Murakami and Others, and the Company resolved to conduct the TOB by Issuer which is part of the Shareholder Value Enhancement Policy, using a portion of the money (i.e., 42 billion yen) paid into the Company as consideration for the Sale of NRI Shares.

As stated in “(2) Background Leading to the Decision to Implement the TOB by Issuer” of “1. Purpose of the Purchase” below, as a result of the Company’s review of the necessary funds for investments and measures to enhance shareholder value in the future based on discussions with Mr. Murakami and Others, the Initial TOB by Issuer, the TOB by Issuer, and the Sale of NRI Shares are all intended to stabilize the Company’s management through smooth business operations, especially smooth fundraising operations, by reducing net assets and increasing the return on equity (ROE) by reducing the ownership ratio of Company Shares of City and Other Parties. Regarding private equity investment funds, the investment policies, strategies, and capabilities of fund managers affect the value enhancement of portfolio companies as well as overall performance of the funds. In that connection, the Company’s investment policy is to invest carefully and intensively, not only in buyout investments in which the Company acquires management rights but also in venture investments in which the Company is deeply involved in management as a lead VC. Maintenance of the fund’s management structure is important for investors when deciding to invest in the fund. To date, since immediately after City and Other Parties, under the influence of Mr. Murakami and Others, submitted a large shareholding report and the acquisition by City and Other Parties of the Company Shares became known, some of the investors who were considering investing in the Company’s new fund, including existing investors, became concerned and suspended their decision to invest in that fund to monitor the impact of the ongoing acquisition of the Company Shares by City and Other Parties, which is the background of the Company’s decision today concerning the Initial TOB by Issuer, the TOB by Issuer, and the Sale of NRI Shares.

Therefore, since the Initial TOB by Issuer and the Sale of NRI Shares are conditional upon the Company obtaining a legal commitment through execution of the TOB Agreement between the Company and City and Other Parties that City and Other Parties will tender the City Tendering Shares in the Initial TOB by Issuer, the Initial TOB by Issuer was to be conducted using part of the consideration for the Sale of NRI Shares, and

the Sale of NRI Shares will be conducted by means of a secondary distribution under Article 2(4) of the FIEA, and since it will take until December 14, 2022 at the latest after NRI's submission on November 25, 2022 of a securities notice regarding the Sale of NRI Shares pursuant to the FIEA for the determination of the offer price of, applications by underwriters to subscribe for, and delivery of the NRI Shares (and delivery of the consideration for the Sale of NRI Shares) to be completed, as of November 25, 2022, on which the Company executed the Initial TOB Agreement, the board of directors' meeting of the Company has resolved to implement the Sale of NRI Shares, and subject to fulfillment of the Initial Conditions Precedent to Commencement or waiver of these conditions by the Company (which waiver must be agreed by the Company and City Index Eleventh in cases where the VWAP exceeds the upper limit of the Price Range regarding the condition of (Note 2) b.), the Company plans to formally resolve to implement the Initial TOB by Issuer after the Initial Conditions Precedent to Commencement are fulfilled.

However, as announced in the Company's press release dated December 8, 2022, titled "Notice Regarding the Non-implementation of Scheduled Share Buyback and Tender Offer by Issuer", since the VWAP was 2,362.4136 yen and less than the lower limit of the Price Range, one of the Initial Conditions Precedent to Commencement as described in (Note 2) b. above was not fulfilled. Furthermore, in the Initial TOB Agreement, the following were provided as the conditions precedent for City and Other Parties to tender: (i) all representations and warranties by the Company (Note 5) are true and correct in all material respects on the Initial Commencement Date, (ii) the Company has not violated its obligations set forth in the Initial TOB Agreement (Note 6) in any material respects, and (iii) the Initial TOB Price is 2,500 yen or more (note that City and Other Parties may, at their discretion, waive all or a part of the conditions precedent in writing and tender in the Initial TOB by Issuer). However, since the VWAP was 2,362.4136 yen and the Initial TOB Price to be calculated with a 1% discount on the VWAP (rounded to the nearest whole number) was 2,339 yen, (iii) of the conditions precedent to the tender offer by City and Other Parties was not fulfilled. Accordingly, the Company confirmed whether City and Other Parties were willing to tender the City Tendering Shares by waiving all or part of the conditions precedent for City and Other Parties to tender provided in the Initial TOB Agreement, and City and Other Parties replied that they were not willing to tender pursuant to the Initial TOB Agreement. Accordingly, it was not expected that City and Other Parties would tender even if the Initial TOB by Issuer was commenced as initially scheduled, and that all of the Initial Conditions Precedent to Commencement of the TOB by Issuer would not be satisfied or waived by the Company because the purpose of the Initial TOB by Issuer (i.e., to stabilize the Company's management through smooth business operations, especially smooth fundraising operations, by reducing the ownership ratio of Company Shares of City and Other Parties) would not be achieved, and therefore, the Company decided not to conduct the Initial TOB by Issuer. The Initial TOB Agreement was terminated as of December 7, 2022 through agreement between City and Other Parties and the Company.

(Note 5) The Initial TOB Agreement contained representations and warranties by the Company, including the following: (i) necessary authorization for the execution and performance of the Initial TOB Agreement, (ii) legal enforceability through lawful and valid execution of the Initial TOB Agreement, (iii) no conflict with laws, regulations of financial instruments exchanges, or the Company's articles of incorporation or other internal rules, (iv) no conflict with bankruptcy, civil rehabilitation, corporate reorganization, special liquidation, or other similar legal bankruptcy proceedings, and (v) no association with anti-social forces.

(Note 6) In the Initial TOB Agreement, the Company had (i) an obligation to implement the Initial TOB by Issuer, subject to fulfillment of the Initial Conditions Precedent to Commencement or waiver thereof by the Company and (ii) an obligation to abolish the Company's Response Policy (defined in "Detail of the Background" in "(2) Background Leading to the Decision to Implement the TOB by Issuer" in "1. Purpose of the Purchase") on day the tender offer period of this Initial TOB by Issuer (the "Initial Tender Offer Period") expires if the City and

Others tender the Company Shares in the Initial Tender Offer by Issuer and do not cancel the agreement on the purchase of the City Tendering Shares formed as a result of such tender, and the Initial Tender Offer Period expires.

Subsequently, on December 12, 2022, the delivery of consideration for the Sale of NRI Shares was completed, and the Company continued discussions with Mr. Murakami and Others on the treatment of the Company Shares held by City and Other Parties and executed the “TOB Agreement with Mr. Murakami and Others, under which City and Other Parties will tender all of the City Tendering Shares (13,904,500 shares, ownership ratio: 19.53%) in the TOB by Issuer on December 21, 2022. Therefore, the Company resolved at the board of directors’ meeting held on December 21, 2022 to conduct a share buyback and to implement the TOB by Issuer in order to achieve the share buyback to be commenced on December 22, 2022 (i.e., the Commencement Date), pursuant to the Company’s articles of incorporation based on Article 459(1) and Article 156(1) of the Companies Act, as well as that the number of shares to be purchased in the TOB by Issuer will be 16,800,000 shares (ownership ratio: 23.60%), and that the purchase price per share for the TOB by Issuer (the “TOB Price”) will be 2,500 yen. The number of shares to be purchased in the TOB by Issuer was fixed at 16,800,000 shares for the following reasons: (i) the number of Company Shares held by City and Other Parties is 13,904,500 shares, and because the purpose of the TOB by Issuer is to stabilize the Company’s management through smooth business operations, especially smooth fundraising operations, by reducing the ownership ratio of Company Shares of City and Other Parties, even if there will be more tenders in the TOB by Issuer than the upper limit of the number of shares to be purchased, and the shares are to be purchased on a pro rata basis, there is still a need to maximize the number of Company Shares to be acquired from City and Other Parties by the TOB by Issuer; additionally, considering that there is also a need to provide shareholders other than City and Other Parties with an opportunity to tender in the TOB by Issuer (however, as stated subsequently, the Company hopes that shareholders other than City and Other Parties will continue to hold the Company Shares), the upper limit of the number of shares to be purchased must be a number of shares that exceeds the number of Company Shares held by City and Other Parties; and (ii) considering the Company’s consolidated liquidity on hand, the amount of money to be used for the TOB by Issuer must be within the range distributable by the Company that enables maintaining its future business operations, as well as the soundness and safety of its finances. Accordingly, the amount of money to be used for the TOB by Issuer was fixed at 42 billion yen, as it exceeds the amount of 34.76125 billion yen that was obtained by multiplying the number of Company Shares held by City and Other Parties by 2,500 yen, and this amount is within the range distributable by the Company that enables maintaining its future business operations, as well as the soundness and safety of its finances; and the number of shares to be purchased in the TOB by Issuer was fixed by dividing 42 billion yen by the TOB Price of 2,500 yen.

As a result of consultations with Mr. Murakami and Others, the TOB Price was fixed at 2,500 yen. The TOB Price includes a premium of 8.23% of 2,310 yen (rounded off to the second decimal place; the same applies hereinafter to the calculation of premiums), which is the closing price of the Company Shares on the business day preceding December 21, 2022 (i.e., December 20, 2022), which is the date of board of directors’ resolution that decided the implementation of the TOB by Issuer; a premium of 5.31% of 2,374 yen (rounded to the nearest whole number; the same applies hereinafter to the calculation of the simple average of the closing price), which is the simple average of the closing price of the Company Shares for the one month prior to the same date, a premium of 9.75% of 2,278 yen, which is the simple average of the closing price of the Company Shares for the three months prior to the same date, and a premium of 18.54% of 2,109 yen, which is the simple average of the closing price of the Company Shares for six months to the same day.

The Initial TOB Price was scheduled to be a price that is a discount of 1% on the VWAP (rounded to the nearest whole number), although the Price Range exceeds the market price of the Company Shares as of November 24, 2022 (2,391 yen, the closing price), which was the business day preceding the Initial TOB Agreement Execution Date, by 134 yen to 437 yen, and if the VWAP fell within the Price Range, the TOB

Price would be a price within the range of 2,500 yen to 2,800 yen. The Company believed that the Initial TOB Price was appropriate because shareholders of the Company other than City and Other Parties who tendered their Company Shares in the Initial TOB by Issuer would be provided with an opportunity to benefit from shareholder returns, and shareholders who did not tender their Company Shares in the Initial TOB by Issuer would also benefit from enhancement of shareholder value, which would be led by the Initial TOB by Issuer through stabilizing the Company's management through smooth business operations, especially smooth fundraising operations, by reducing the ownership ratio of Company Shares of City and Other Parties, and, given the market price of the Company Shares as at a time proximate to the date of commencement of the Initial TOB by Issuer, the outflow of assets from the Company could be minimized to the maximum extent possible by purchasing the Company Shares at a certain discount on their market price, and if all of the Company Shares held by City and Other Parties were tendered in the Initial TOB by Issuer by setting the discount rate at 1% (rounded to the nearest whole number), it would strike a balance between respecting the interests of shareholders who did not tender their shares in the Initial TOB by Issuer and continued to hold the Company Shares and stabilizing the Company's management through smooth business operations, especially smooth fundraising operations, by reducing the ownership ratio of Company Shares of City and Other Parties.

In order to determine the Initial TOB Price, the Company took into account the fact that the Company Shares are listed on a financial instruments exchange and that share buybacks by listed companies are often conducted through on-market purchases through financial instruments exchanges, and took the market price of the Company Shares as the basis for the consideration while also emphasizing the clarity and objectivity of the criteria. The Company also considered that, rather than using a specific point in time as the basis, using a volume weighted average price (VWAP) of the Company shares on the Prime Market of Tokyo Stock Exchange over a certain period of time would eliminate special factors, such as the impact of temporary stock price fluctuations, and would further ensure objectivity and reasonableness as a basis for calculations. Accordingly, the Company has decided to set a certain price determination period and to base the price on the market price of the Company Shares during that price determination period. Therefore, in regard to the price determination period, since it would be preferable to use the market price reflecting the Sale of NRI Shares as a basis for the consideration, the Company set the commencement date as November 30, 2022, which was three business days from the Initial TOB Agreement Execution Date, and the last date as December 7, 2022, which was five business days from that day, as it was preferable from the perspective of objectivity and reasonability of the calculation basis to make the Price Determination Period longer to the extent possible, reflecting the impact of the Sale of NRI Shares and the Initial TOB by Issuer on the market price.

However, as announced in the Company's press release dated December 8, 2022, titled "Notice Regarding the Non-implementation of Scheduled Share Buyback and Tender Offer by Issuer", since the VWAP was 2,362.4136 yen, and thus less than the lower limit of the Price Range, and the Initial TOB Price was 2,339 yen which fell below the 2,500 to 2,800 yen range, it was confirmed that City and Other Parties were not willing to tender at the Initial TOB Price of 2,339 yen. Subsequently, it was also confirmed during discussions with Mr. Murakami and Others that City and Other Parties were not willing to tender in a tender offer where the tender offer price was less than 2,500 yen, while tendering all Company Shares they hold in a tender offer with a tender offer price of 2,500 yen, which is the lower limit of the Initial TOB Price range of between 2,500 to 2,800 yen. Accordingly, the Company decided to fix the TOB Price at 2,500 yen, and executed the TOB Agreement with Mr. Murakami and Others.

In determining the TOB Price (i.e., 2,500 yen), in order to confirm whether the TOB Price was reasonable as the tender offer price for treasury shares, as the TOB Price is higher than the market price of the Company Shares, the Company obtained an opinion from PLUTUS CONSULTING Co., Ltd. ("PLUTUS") as a third-party valuation organization independent from the Company, to the effect that the TOB Price is fair as the



tender offer price for treasury shares in light of the share valuation analysis based on the Company's business plans (the "Fairness Opinion") (for the details, please see "a. Basis for Calculation" of "(3) Basis for Calculation of the Purchase Price" of "3. Outline of the Purchase" below.

As stated above, the Company considered that the Initial TOB by Issuer cannot be implemented at a level higher than the market price of the Company Shares, from the perspective of minimizing the outflow of assets to the extent possible. However, as the Company determined that, if all Company Shares held by City and Other Parties are tendered in the TOB by Issuer by making the TOB Price 2,500 yen, shareholders of the Company other than City and Other Parties who tender their Company Shares in the TOB by Issuer will be provided with an opportunity to benefit due to being shareholders, and shareholders who did not tender their Company Shares in the TOB by Issuer would also benefit from enhancement of shareholder value, which would result from the TOB by Issuer through stabilizing the Company's management through smooth business operations, especially smooth fundraising operations, by reducing the ownership ratio of Company Shares of City and Other Parties. As the Company obtained the Fairness Opinion to the effect that the TOB Price is fair as the tender offer price for treasury shares, the Company decided to implement the TOB by Issuer at the TOB Price (i.e., at a price higher than the market price of the Company Shares).

## 1. Purpose of the Purchase

### (1) Overview of the TOB by Issuer

The Company's basic policy is to strike a balance between increasing equity capital necessary to conduct investment business and providing regular returns to shareholders. As a dividend benchmark to clearly indicate this policy, the Company has aimed for 3% of equity capital (the mean at the beginning and end of the term). In calculating the above-mentioned benchmark, dividends per share and equity capital per share (the mean values at the beginning and end of the term) were used. The Company has a basic policy of making a distribution of surplus once a year at the end of the term, but its articles of incorporation provide that for the purpose of expeditiously returning profits to shareholders, the Company may make a distribution of surplus, etc. through a resolution of the board of directors' meeting based on Article 459(1) of the Companies Act.

Also, the Company has previously conducted share buybacks as a part of its expeditious capital policy to address changes in the management environment. The Company has acquired the Company Shares by purchasing shares of less than one unit through on-market purchases on the Tokyo Stock Exchange and through off-auction own share repurchase trading (ToSTNeT-3). Specifically, the Company acquired the Company Shares (i) through on-market purchases on the Tokyo Stock Exchange based on a resolution at the Company's board of directors' meeting held on June 7, 2006 (number of acquired shares: 560,600 shares; purchase period: from June 8, 2006 to June 21, 2006; total purchase amount: 3,593,513,000 yen), (ii) through on-market purchases on the Tokyo Stock Exchange based on a resolution at the Company's board of directors' meeting held on June 22, 2006 (number of acquired shares: 927,700 shares; purchase period: from June 23, 2006 to July 13, 2006; total purchase amount: 6,401,339,000 yen), (iii) through on-market purchases on the Tokyo Stock Exchange based on a resolution at the Company's board of directors' meeting held on April 25, 2008 (number of acquired shares: 2,424,000 shares; purchase period: from April 28, 2008 to August 29, 2008; total purchase amount: 9,999,060,000 yen), (iv) through off-auction own share repurchase trading (ToSTNeT-3) on the Tokyo Stock Exchange on July 28, 2017 based on a resolution at the Company's board of directors' meeting held on July 27, 2017 (number of acquired shares: 13,436,200 shares; total purchase amount: 61,269,072,000 yen), (v) through on-market purchases on the Tokyo Stock Exchange based on a resolution at the Company's board of directors' meeting held on February 10, 2021 (number of acquired shares: 4,766,600 shares; purchase period: from February 12, 2021 to June 15, 2021; total purchase amount: 34,999,614,000 yen), and (vi) through on-market purchases on the Tokyo Stock Exchange based on a

resolution at the Company's board of directors' meeting held on October 22, 2021 (number of acquired shares: 7,409,800 shares; purchase period: from October 25, 2021 to April 4, 2022; total purchase amount: 14,999,931,814 yen).

Under such circumstances, as a result of the Company's review of the necessary funds for investments and measures to enhance shareholder value in the future as described in "(2) Background Leading to the Decision to Implement the TOB by Issuer" below, the Company has reached the conclusion that to stabilize the Company's management through smooth business operations, especially smooth fundraising operations, by reducing net assets, increasing the return on equity (ROE), and reducing the ownership ratio of Company Shares of City and Other Parties, the Company should also reduce the standard of the funds for future investment held by it by half to 60 billion yen, convert all of the NRI Shares into cash through the Sale of NRI Shares, and implement a share buyback using 42 billion yen of the converted money. As such, at the board of directors' meeting held on November 25, 2022, the Company resolved that (i) it will conduct a share buyback and implement the Initial 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, subject to fulfillment of all of the Initial Conditions Precedent to Commencement or waiver thereof by the Company, (ii) the Initial TOB Price is scheduled to be a price that is a discount of 1% of the VWAP (rounded to the nearest whole number), and (iii) the number of shares to be purchased in the Initial TOB by Issuer will be the number calculated by dividing 42 billion yen by the Initial TOB Price (rounded to the nearest whole number).

Moreover, the Company executed the Initial TOB Agreement with Mr. Murakami and Others on November 25, 2022, to the effect that if the Company conducts the Initial TOB by Issuer, City and Other Parties will tender all of the Company Shares owned by them (13,904,500 shares, ownership ratio: 19.53%) in the Initial TOB by Issuer (Note 7). In the Initial TOB Agreement, the following were provided as the conditions precedent for City and Other Parties to tender: (i) all representations and warranties by the Company ((Note 5) above) are true and correct in all material respects on the Initial Commencement Date; (ii) the Company has not violated its obligations set forth in the Initial TOB Agreement ((Note 6) above) in any material respects; and (iii) the Initial TOB Price is 2,500 yen or more (note that City and Other Parties may, at their discretion, waive all or a part of the conditions precedent in writing and tender in the Initial TOB by Issuer).

However, since the VWAP was 2,362.4136 yen, and thus less than the lower limit of the Price Range, the Company confirmed whether City and Other Parties were willing to tender all of the Company Shares held by City and Other Parties by waiving all or part of the conditions precedent for City and Other Parties to tender provided in the Initial TOB Agreement, and City and Other Parties replied that they were not willing to tender pursuant to the Initial TOB Agreement. Accordingly, it was not expected that City and Other Parties would tender even if the Initial TOB by Issuer was commenced as initially scheduled, and that all of the Initial Conditions Precedent to Commencement would not be satisfied or waived by the Company because the purpose of the Initial TOB by Issuer (i.e., to stabilize the Company's management through smooth business operations, especially smooth fundraising operations, by reducing the ownership ratio of Company Shares of City and Other Parties) would not be achieved, and therefore, the Company decided not to conduct the Initial TOB by Issuer. The Initial TOB Agreement was terminated as of December 7, 2022 through agreement between City and Other Parties and the Company.

Subsequently, the Company continued to have discussions with Mr. Murakami and Others on the handling of the Company Shares held by City and Other Parties. Although the Initial Conditions Precedent to Commencement were not satisfied, the Company still believed that stabilizing management through smooth business operations, especially smooth fundraising operations, by reducing the ownership ratio of Company Shares of City and Other Parties would lead to management stability and enhancement of shareholder value;

therefore, as conditions that were expected to lead to an agreement with Mr. Murakami and Others, the Company proposed that it aim to conduct the TOB by Issuer with contents and on terms that are fundamentally equal to those of the Initial TOB by Issuer, and during the continued discussions with Mr. Murakami and Others, the Company proposed to them: to conduct a tender offer with the tender offer price set at 2,500 yen, which is the lower limit of the Initial TOB Price, and for which the total acquisition value will be set at 42 billion yen, which is the same amount as that of the Initial TOB by Issuer, and to execute the TOB Agreement on substantially the same terms as those of the Initial TOB Agreement. In response, Mr. Murakami and Others replied that the Company's proposal was acceptable and proposed that the Company consider increasing the amount of dividend for the fiscal year ending March 2023 from the perspective of enhancement of shareholder returns, because an increase in the dividend for the fiscal year ending March 2023 would be better for the shareholders to remain after the TOB by Issuer, despite reducing the total acquisition value. After deliberating internally, the Company decided to conduct the TOB by Issuer with a tender offer price of 2,500 yen, which is the lower limit of the Initial TOB Price, and for which the total acquisition value will be 42 billion yen, which is the same amount as that of the Initial TOB by Issuer, and to increase the minimum amount of the dividend per share for the fiscal year ending March 2023 from 100 yen, which was announced in the press release dated November 25, 2022 titled "Review of Shareholder Return Policy and Measures to Improve Capital Efficiency" to 150 yen, from the perspective of enhancement of shareholder returns, and the Company executed the TOB Agreement with Mr. Murakami and Others on December 21, 2022, to the effect that City and Other Parties will tender the City Tendering Shares (13,904,500 shares, ownership ratio: 19.53%) in the TOB by Issuer (Note 8). As is the case with the Initial TOB by Issuer, in the TOB Agreement, the following are provided as the conditions precedent for City and Other Parties to tender: (i) all representations and warranties by the Company (Note 9) are true and correct in all material respects on the Commencement Date; and (ii) the Company has not violated its obligations set forth in the TOB Agreement (Note 10) in any material respects (note that City and Other Parties may, at their discretion, waive all or a part of the conditions precedent in writing and tender in the TOB by Issuer). Therefore, the number of shares to be purchased in the TOB by Issuer will be 16,800,000 shares (ownership ratio: 23.60%), which is the number calculated by dividing 42 billion yen by the TOB Price (rounded to the nearest whole number). The TOB Agreement was executed on substantially the same conditions as those of the Initial TOB Agreement (except for the changes related to the TOB by Issuer and the Initial TOB by Issuer in association with the schedule, purchase price or number of shares to be purchased, and other changes, and the changes to the content and the terms in accordance with the differences in the terms between the TOB by Issuer and the Initial TOB by Issuer, such as (i) the completion of delivery pertaining to the Sale of NRI Shares no longer being a condition precedent to commencement of the TOB by Issuer as set in the TOB Agreement (the "Condition Precedent to Commencement"), because the delivery pertaining to the Sale of NRI Shares has been completed as of the TOB Agreement Execution Date, and (ii) the market price of the Company Shares being within a certain Price Range no longer being a Condition Precedent to Commencement, because the TOB Price is set at the fixed amount of 2,500 yen under the TOB Agreement, unlike the Initial TOB Price, and the TOB Price being higher than a certain price no longer being a condition precedent for City and Other Parties to tender).

The Company plans to use its own money for the entire amount of the funds required for the TOB by Issuer. The Company will apply 42 billion yen of the money paid into the Company as the consideration for the Sale of NRI Shares to the entire amount of its own money. The Company's consolidated liquidity on hand as of March 31, 2022 was approximately 52.6 billion yen, but the liquidity on hand after settlement of the TOB by Issuer will be approximately 51.5 billion yen (less taxes payable); therefore, the Company believes that its future business operations, as well as the soundness and safety of its finances, will be maintained after the TOB by Issuer. Even if the Company purchases the maximum number of shares to be purchased in the TOB by Issuer, the total purchase amount of 42 billion yen falls within the scope of the Company's distributable amount; therefore, the Company will not be forced into a situation where it cannot make a purchase in the TOB by Issuer.

In the TOB by Issuer, if the total number of share certificates, etc. tendered in the TOB by Issuer (“Tendered Share Certificates, etc.”) exceeds the number of shares to be purchased, then the Company will not purchase all or some of the excess portion, and will acquire some shares from the shares to be tendered (13,904,500 shares), in accordance with the purchase by a pro rata method specified in Article 21 of the Cabinet Office Order on Disclosure Required for TOB by Issuer for Listed Share Certificates by Issuers (Ministry of Finance Order No. 95 of 1994, as amended (the “Order”)), referred to in Article 27-13(5) of the FIEA as applied *mutatis mutandis* pursuant to Article 27-22-2(2) of the FIEA. As is the case with the Initial TOB Agreement, in the TOB Agreement, the parties represent, and agree not to withdraw such representation, that (i) the Company Shares held by City and Other Parties that were tendered in the TOB by Issuer but not acquired by the Company will be promptly sold in the market in a manner and form that does not affect the market price to the maximum extent if the market price exceeds a certain threshold, and (ii) City and Related Parties will not acquire, or attempt to make others acquire, the Company Shares on or after the execution date of the TOB Agreement or after completion of the TOB by Issuer, and (iii) City and Related Parties will not and will not attempt to make others, whether under their names or not, be directly or indirectly entrusted (including solicitations for such entrustment) by other shareholders to exercise voting rights in relation to the Company Shares or agree with other shareholders to jointly exercise voting rights. In addition, as is the case with the Initial TOB Agreement, there is no provision in the TOB Agreement offering benefits from the Company to Mr. Murakami and Others except for payment of the consideration for shares to be tendered in the TOB by Issuer. Accordingly, as is the case with the Initial TOB by Issuer, no benefits are provided from the Company to Mr. Murakami and Others except for the consideration for tendering shares purchased in the TOB by Issuer.

(Note 7) However, the Initial TOB Agreement set forth that City and Other Parties may sell the City Tendering Shares at a price higher than 2,800 yen (or after the Initial TOB Price is fixed and the Company announces the determined Initial TOB Price, then a price higher than that price).

(Note 8) However, as is the case with the Initial TOB Agreement, the TOB Agreement sets forth that City and Other Parties may sell the City Tendering Shares at a price higher than the TOB Price (i.e., 2,500 yen). As is the case with the Initial TOB Agreement, in the TOB Agreement, the following are provided as Mr. Murakami and Others’ representations and warranties: (i) power necessary for the execution and performance of the TOB Agreement has been granted, (ii) the TOB Agreement is enforceable pursuant to lawful and effective execution of the TOB Agreement, (iii) there is no violation of laws or regulations, regulations of financial instruments exchanges, or the Company’s articles of incorporation or other internal rules, (iv) there are no bankruptcy proceedings, civil rehabilitation proceedings, corporate reorganization proceedings, or special liquidation proceedings, or any other similar legal insolvency proceedings, (v) there is no relationship at all with any anti-social forces, and (vi) City and Other Parties hold the City Tendering Shares. Moreover, as is the case with the Initial TOB Agreement, under the TOB Agreement, Mr. Murakami and Others are obligated: (vii) not to dispose of the Company Shares (excluding sales of the City Tendering Shares at a price higher than 2,500 yen) from the execution date of the TOB Agreement until the commencement date of settlement of the TOB by Issuer, (viii) not to exercise certain shareholders rights with respect to the City Tendering Shares by City and Related Parties, (ix) not to take any action that conflicts with the TOB by Issuer or makes it difficult to execute the TOB by Issuer, (x) to give notice in case of receipt of a proposal from a third party other than Mr. Murakami and Others to acquire the Company Shares or to commence a tender offer for the Company Shares, (xi) not to acquire the Company Shares or any right to instruct the exercise of voting rights in relation to the Company Shares by

themselves or through City and Related Parties, and (xii) not to accept any delegation to exercise voting rights with respect to the Company Shares from other shareholders (including solicitation for such delegation) or agree to jointly exercise such voting rights together with other shareholders by themselves or through City and Related Parties.

- (Note 9) As is the case with the Initial TOB Agreement, in the TOB Agreement, the following are provided as the Company's representations and warranties: (i) power necessary for the execution and performance of the TOB Agreement has been granted, (ii) the TOB Agreement is enforceable pursuant to lawful and effective execution of the TOB Agreement, (iii) there is no violation of laws or regulations, regulations of financial instruments exchanges, or the Company's articles of incorporation or other internal rules, (iv) there are no bankruptcy proceedings, civil rehabilitation proceedings, corporate reorganization proceedings, or special liquidation proceedings, or any other similar legal insolvency proceedings, and (v) there is no relationship at all with any anti-social forces.
- (Note 10) As is the case with the Initial TOB Agreement, in the TOB Agreement, the Company bears (i) an obligation to implement the TOB by Issuer and (ii) an obligation to abolish the Company's Response Policy if the City and Others tender the City Tendering Shares without withdrawal in accordance with the TOB Agreement and the tender offer period of this TOB by Issuer (the "Tender Offer Period") expires.
- (Note 11) As is the case with the Initial TOB Agreement, under the TOB Agreement, the parties shall compensate the other party (for the Company, City and Other Parties and Mr. Murakami and Others, and for City and Other Parties and Mr. Murakami and Others, the Company; the same applies hereinafter) for any losses and costs (including, but not limited to, attorney fees to a reasonable extent) incurred by the other party arising out of any of the following events:
- (i) if any of its representations and warranties under the TOB Agreement is discovered to be untrue or incorrect; or
  - (ii) if it violates its obligations under the TOB Agreement.
- (Note 12) As is the case with the Initial TOB Agreement, the TOB Agreement may be canceled if: (i) the other party's representations and warranties under the TOB Agreement are discovered to be untrue or incorrect in any material respect, or the other party violates any of its obligations under the TOB Agreement in any material respect, and (ii) insolvency proceedings or other proceedings are commenced against the other party, or the other party becomes insolvent or unable to pay its debts, or has suspended payments of such debts. In addition, the TOB Agreement shall automatically terminate in the following cases:
- (i) if the parties agree to terminate the TOB Agreement in writing;
  - (ii) if the TOB by Issuer is withdrawn; and
  - (iii) if the TOB by Issuer is not commenced by December 22, 2022.

The Company plans to cancel treasury shares acquired by the Company through the TOB by Issuer promptly and to make the shareholding ratio of treasury shares held by the Company 3% of the total issued and outstanding number of Company Shares.

## (2) Background Leading to the Decision to Implement the TOB by Issuer

### Summary of the Background

Following the Company's first meeting with City and Other Parties on August 4, 2022 upon their request to

discuss management strategies and capital policy of the Company, the Company has had discussion with City and Other Parties, through IR explanation at each quarterly fiscal year and opinion exchanges, to improve its enterprise value.

As to the shareholder value enhancement policy, the Company has been considering it as one of the management issues and internally discussing various alternatives. The Company sincerely considered the sale of the NRI Shares and the share repurchase using the consideration thereof proposed by Mr. Murakami and Others as an option to enhance the shareholder value, and continued its dialogue with City and Other Parties. Separately, in addition to the sale of the NRI Shares and the share repurchase, Mr. Murakami and Others proposed to decrease the Company's stake in the fund, to enhance shareholder returns, and to reduce net assets and pursue thorough ROE improvement. Since these proposals from Mr. Murakami and Others are basically in line with the Company's existing understanding of issues in the point that the Company pursues the enhancement of the shareholder value, the Company continued discussions with Mr. Murakami and Others, and sincerely considered the proposals while considering the opinion of Mr. Murakami and Others. As a result, City and Other Parties accepted the Shareholder Value Enhancement Policy, which led to the execution of the Initial TOB Agreement on November 25, 2022 and the public announcement on the shareholder value enhancement policy and the Initial TOB by Issuer.

Thereafter, although the Initial TOB by Issuer was unable to be conducted in the initially assumed form, and the Initial TOB Agreement was terminated, the Company subsequently continued its discussions with Mr. Murakami and Others. During the discussions, the Company proposed a tender offer with a price of 2,500 yen, which is the lower limit of the share price in the Initial TOB by Issuer, and for which the total acquisition value will be set at 42 billion yen, which is the same amount as that of the Initial TOB by Issuer. In response, Mr. Murakami and Others replied that they were willing to accept the proposal and proposed that the Company consider increasing the amount of dividend for the fiscal year ending March 2023, because it would be better for the shareholders who remain after the closing of the TOB by Issuer despite reducing the total acquisition value planned for the Initial TOB by Issuer. After deliberating internally, as stated in "1. Purpose of the Purchase" above, in order to maximize the number of Company Shares to be acquired from City and Other Parties through the TOB by Issuer, ensure that shareholders other than City and Other Parties will be able to secure an opportunity to consider whether to tender in the TOB by Issuer, set the upper limit of the number of shares to be purchased higher than the number of Company Shares held by City and Other Parties, maintain 42 billion yen as the total purchase amount, and show that the Company will pursue shareholder returns with greater intensity, the Company decided to set the tender offer price at 2,500 yen and the total acquisition value at 42 billion yen, and to increase the minimum amount of dividend per share for the fiscal year ending March 2023 from 100 yen, which was disclosed on November 25, 2022, to 150 yen, and executed the TOB Agreement on December 21, 2022.

Please also note that the Company's Response Policy announced on August 15, 2022 will be abolished upon commencement of the TOB by Issuer, the tender in accordance with the TOB Agreement, and completion of the TOB by Issuer.

#### Detail of the Background

According to the large shareholding report on Company Shares submitted by City Index Eleventh for the first time on August 9, 2022, for the purpose of providing advice to management and making material proposals as investments and conditions arise, City Index Eleventh held 3,454,500 shares (ownership ratio as of March 31, 2022 (Note): 4.85%, equivalent to the 4th largest shareholder when applied to the Company's shareholder register as of that date), Ms. Aya Nomura held 466,000 shares (ownership ratio as of March 31, 2022: 0.65%), and Minami-Aoyama Fudosan held 873,100 shares (ownership ratio as of March 31, 2022: 1.22%); in total, City Index Eleventh, Ms. Aya Nomura, and Minami-Aoyama Fudosan held 4,793,600 shares

in the Company (ownership ratio as of March 31, 2022: 6.72%) as of August 2, 2022. Subsequently, between August 9, 2022, when City Index Eleventh first submitted its large shareholding report, and November 1, 2022, City and Other Parties acquired or disposed of the Company Shares through on-market and off-market transactions, resulting in City Index Eleventh holding 7,026,700 shares (ownership ratio: 9.87%), Ms. Aya Nomura holding 0 shares (ownership ratio: 0%), and Minami-Aoyama Fudosan holding 6,877,800 shares (ownership ratio: 9.66%), for a total of 13,904,500 Company Shares (ownership ratio: 19.53%), as of November 1, 2022, according to Change Report No. 11 dated November 9, 2022, the most recent change report on the large shareholding report submitted by City Index Eleventh as of today.

(Note) Ownership ratio as of March 31, 2022 means the ratio of the number of shares issued and outstanding by the Company as of March 31, 2022 (80,910,000 shares) stated in the Annual Securities Report for the 50th fiscal year (the “50th Annual Securities Report”) filed by the Company on June 22, 2022, less the number of treasury shares held by the Company (9,628,015 shares) as of that date stated in the 50th Annual Securities Report (71,281,985 shares), rounded to two decimal places.

Although the Company had a meeting with City Index Eleventh on August 4, 2022 and with Mr. Murakami and Others on August 5 regarding management strategies and capital policy, and the Company has discussed how the Company can improve its enterprise value, the Company has been informed that City and Other Parties have acquired approximately 15% of the Company Shares through on and off-market transactions, and they indicated that they would acquire more than 51% of the Company Shares by buying more Company Shares (the “Additional Purchase”), and the Company has been requested to, after liquidation of the NRI Shares, conduct a share buyback of approximately 50 billion yen amounting to approximately one-third of the Company’s market value, equivalent to 40% of the Company’s consolidated shareholders’ capital. Thereafter, the Company had discussions and exchanged views with Mr. Murakami and Others, through IR explanation at each quarterly fiscal year in order to improve its shareholder value.

The management of the Company has been deliberating on the shareholder value enhancement policy and internally discussing various alternatives. Under such recognition, the Company’s board of directors has resolved that, based on the understanding that the Company can rationally judge that the Company has specific concerns about the Additional Purchase by City and Other Parties aiming to obtain more than 20% voting rights and that, in that situation, the Company is concerned that if City and Other Parties buy a large portion of the Company Shares, then other stakeholders might plan to buy a large portion of the Company Shares as well, such action of large share purchasing must be performed based on certain procedures decided by the Company’s board of directors’ meeting which contribute to maximization of the Company’s enterprise value and shareholders’ common benefit, in order for the Company’s board of directors’ meeting to be able to negotiate and consult with the buyers of large portions of the Company Shares, as well as to ensure information and time for all shareholders to make appropriate decisions regarding the possible impact on the Company’s value from large share purchases.

As a result, the Company’s board of directors decided on August 15, 2022 the principal policy (the “Company’s Response Policy”) on the person who is to control the decisions on the Company’s financial and business plans (Article 118(3) of the Regulations for Enforcement of the Companies Act) aiming to ensure and improve the Company’s enterprise value and the common benefit of shareholders, and furthermore, as an initiative to prevent inappropriate persons from controlling the Company’s decisions on financial and business plans (Article 118(3)(b)(2) of the Regulations for Enforcement of the Companies Act), the Company’s board of directors has resolved to introduce a response policy toward other large share purchases, etc. in the following two situations: 1. large share purchases of the Company Shares by City and Other Parties with specific concerns, and 2. large share purchases by other stakeholders that might be planned in the situation where City and Other Parties buy a large portion of the Company Shares.

In response, the Company reviewed the measures to secure necessary investment capital and enhance shareholder value in the Company in the future and decided to further improve investment performance by improving investment management capabilities and expanding fund size by strengthening external recruitment capabilities in line with expansion of target markets as the core of the Company's growth strategy, as well as to reduce the Company's stake in newly established funds from 40% at present to 20% in 10 years. In line with this, the required funds (cash and deposits) will be gradually reduced, and any amount exceeding the limit will be considered for shareholder returns. Accordingly, in order to reduce net assets and increase the return on equity (ROE), as well as to stabilize management through business execution, particularly through facilitating fund offerings, by reducing the ownership ratio of City and Other Parties in the Company, the Company halved the level of the Company's future investment capital to 60 billion and concluded that the Company should cash out all of the NRI Shares through the Sale of NRI Shares, of which 42 billion yen should be used as funds in the share buyback. The NRI shares were acquired mainly during the 1980s and 1990s, when the Company was a group company of Nomura Holdings, Inc. Since the cross-shareholding relationship between Nomura Holdings, Inc. and its group companies ended after the Company acquired all of the Company Shares held by Nomura Holdings, Inc. and NRI through a share buyback in 2017, the purpose of the Company's ownership of NRI Shares was positioned as a net investment. Because of the large market value of the NRI Shares, there have been many opportunities to discuss the significance of holding the NRI Shares in dialogue with shareholders, and the Company has decided to sell all the NRI Shares for the above purposes.

Additionally, the Company, on November 1, 2022, started discussions with Mr. Murakami and Others regarding the offering of shares that City and Other Parties are holding, with the conclusion of a non-disclosure agreement. During the discussions, the Company explained to City and Other Parties that the Company was sincerely considering the sale of NRI Shares proposed by Mr. Murakami and Others and the share buyback to be funded by the sales proceeds as alternatives for the shareholder value enhancement policy, and that the Company was considering conducting the Initial TOB by Issuer for the purpose of ensuring investment capital and increasing shareholder returns, and requested that they execute the Initial TOB Agreement (please refer to "(1) Overview of the TOB by Issuer" above) to the effect that City and Other Parties will tender all of the Company Shares held by them in the Initial TOB by Issuer. As to the Initial TOB Price, the Company indicated to City and Other Parties that a certain price discounted from the market price will be agreed on in the Initial TOB Agreement, because the Company determined that a purchase price at a certain discount from the market price will minimize the outflow of assets from the Company to the maximum extent possible and is reasonable from the standpoint of respecting the interests of shareholders who do not tender their Company Shares in the Initial TOB by Issuer and continue to hold the Company Shares. In response to the request, Mr. Murakami and Others expressed their view that they would consider tendering in the Initial TOB by Issuer but felt that the Company's market price was lower than they think is an appropriate price for the Company Shares whose PBR is x1 and if a certain price discounted from the market price would be agreed on in the Initial TOB Agreement as the Initial TOB Price, the Initial TOB Price would be further discounted from the undervalued market price, and they thus could not tender in the Initial TOB by Issuer unless the price is fixed at PBR x1 as an appropriate market price of the Company Shares. Although the Company came to recognize the difference in opinion between the Company and Mr. Murakami and Others through the discussions with them, the Company determined on November 1, 2022 that the suggestion from Mr. Murakami and Others on November 1, 2022 that the price should be fixed at PBR x1 as an appropriate market price of the Company Shares should not be approved because it will be able to minimize the outflow of assets from the Company to the maximum extent possible by setting the Initial TOB Price at a certain price discounted from the market price from the perspective of respecting the interests of shareholders who do not tender their Company Shares in the Initial TOB by Issuer and continue to hold the Company Shares. Nevertheless, after that, the Company aimed to reach an agreement with Mr. Murakami and Others and discussed the Initial TOB Price and the Initial TOB Agreement



with them on seven occasions on November 4, November 8, November 9, November 11, November 14, November 17, and November 21, 2022. During the discussion on November 8, 2022, the Company suggested that the Company set a lower limit on the Initial TOB Price so that it will not be a price not expected by City and Other Parties, that the Company at the same time set an upper limit in light of the consideration that setting only a lower limit might pose an arbitrage risk and impact the share transaction market, and that the Company set the lower limit of the Initial TOB Price at 2,500 yen as an approximately 5% discount from the net asset value per Company Share. In response to the Company's suggestions, Mr. Murakami and Others showed respect for the suggestions and suggested that the upper limit of the Initial TOB Price be set at 2,800 yen as an approximately 5% premium on the net asset value per Company Share. Considering that suggestion from Mr. Murakami and Others, the Company determined that the method to set such lower and upper limits was feasible given that similar conditions that adopt tender offer price calculation methods based on market prices with upper and lower limits have actually been set in precedents of other takeover bids according to publicly available information and that setting only a lower limit on the Initial TOB Price might pose an arbitrage risk. As a result, in the conference on November 11, 2022, Mr. Murakami and Others expressed that they would execute the Initial TOB Agreement with the Company if the Company agreed to determine the Initial TOB Price based on the market price of the Company Shares for a certain period following execution of the Initial TOB Agreement and that if the Initial TOB Price would range between 2,500 yen to 2,800 yen, they would tender all their Company Shares (13,904,500 shares; ownership ratio: 19.53%), and they proposed to decrease the Company's stake in the fund, to enhance shareholder returns, and to reduce net assets and pursue thorough ROE improvement. Considering the discussions the Company has held with Mr. Murakami and Others and as a result of reconsidering the necessary capital and shareholder value improvement in the future, the Company has re-recognized that the Initial TOB by Issuer and the Sale of NRI Shares would decrease its net assets and improve the ROE and that by decreasing the ownership ratio of Mr. Murakami and Others, the Company can maintain management stability by smoothing the fund offering. In addition, on the premise that the Initial TOB by Issuer and the Sale of NRI Shares will be implemented after obtaining a legal commitment through the execution of the Initial TOB Agreement with Mr. Murakami and Others that City and Other Parties will tender all of their Company Shares in the Initial TOB by Issuer, if the Initial Conditions Precedent to Commencement include the Initial TOB Price being set between a minimum price of 2,500 yen and a maximum price of 2,800 yen as suggested in the discussion with Mr. Murakami and Others on November 11, although such lower limit and upper limit exceed the market price of the Company Shares as of November 24, 2022 (2,391 yen, the closing price), which is the business day preceding the Initial TOB Agreement Execution Date, by 109 yen to 409 yen, in terms of equality among shareholders and transparency of transactions, shareholders other than City and Other Parties will be able to secure an opportunity to consider whether to tender in the Initial TOB by Issuer while observing trends in the market share price and will be able to minimize the outflow of assets from the Company to the maximum extent possible by purchasing the Company Shares at a certain discount on their market price as at a time proximate to the Initial Commencement Date, the Company acknowledges that the Price Range and the Initial TOB Price are appropriate for the purpose of the Initial TOB by Issuer and that they pose no problem from the standpoint of the fiduciary duties of directors. If the Initial TOB by Issuer is to be accepted, it is appropriate from the perspective of harmonizing the interests of shareholders who will continue to hold the Company Shares with the execution of business by reducing the ownership ratio of City and Other Parties, especially from the perspective of stabilizing management by facilitating fund offerings, which may lead to shareholder returns for shareholders other than City and Other Parties. Based on this, the Company determined that it would further pursue negotiations with Mr. Murakami and Others and specifically consider implementing the Initial TOB by Issuer at a price that was a discount of 1% of the VWAP (rounded to the nearest whole number) and negotiated the specific terms of the Initial TOB Agreement with Mr. Murakami and Others, and on November 25, 2022, the Company reached an agreement with Mr. Murakami and Others on the terms of the Initial TOB Agreement and concluded the Initial TOB Agreement.

Based on the matters above, at the board of directors' meeting held on November 25, 2022, the Company resolved that (i) it will conduct a share buyback and implement the Initial 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, subject to fulfillment of all of the Initial Conditions Precedent to Commencement or waiver thereof by the Company, (ii) the Initial TOB Price is scheduled to be a price that is a discount of 1% of the VWAP (rounded to the nearest whole number), and (iii) the number of shares to be purchased in the Initial TOB by Issuer will be the number calculated by dividing 42 billion yen by the Initial TOB Price (rounded to the nearest whole number).

However, as announced in the Company's press release dated December 8, 2022 titled "Notice Regarding the Non-implementation of Scheduled Share Buyback and Tender Offer by Issuer," since the VWAP was 2,362.4136 yen and was less than the lower limit of the Price Range, the Company confirmed whether City and Other Parties were willing to tender all of the Company Shares held by City and Other Parties by waiving all or part of the conditions precedent for City and Other Parties to tender provided in the Initial TOB Agreement, and City and Other Parties replied that they were not willing to tender pursuant to the Initial TOB Agreement. Accordingly, it was not expected that City and Other Parties would tender even if the Initial TOB by Issuer was commenced as initially scheduled and all of the Initial Conditions Precedent to Commencement were satisfied or waived by the Company, because the purpose of the Initial TOB by Issuer (i.e., to stabilize the Company's management through smooth business operations, especially smooth fundraising operations, by reducing the ownership ratio of Company Shares of City and Other Parties) would not be achieved; therefore, the Company decided not to conduct the Initial TOB by Issuer. The Initial TOB Agreement was terminated as of December 7, 2022 through agreement between City and Other Parties and the Company.

Subsequently, immediately after City and Other Parties, under the influence of Mr. Murakami and Others, submitted a large shareholding report and the acquisition by City and Other Parties of the Company Shares became known, investors who were considering investing in the Company's new fund, including existing investors, became concerned and suspended their decision to invest in that fund to monitor the impact of the ongoing acquisition of the Company Shares by City and Other Parties. Thus, the Company concluded another non-disclosure agreement with City and Other Parties on December 7, 2022 and decided to continue discussing with Mr. Murakami and Others the handling of the Company Shares held by them.

During the discussions, the Company proposed that it conduct a tender offer whose tender offer price will be set at 2,500 yen, which is the lower limit of the Initial TOB Price, and whose total acquisition price will be set at 42 billion yen, which is the same amount as that of the Initial TOB by Issuer. In response, Mr. Murakami and Others replied that the Company's proposal was acceptable and proposed that the Company consider an increase in the amount of the dividend for the fiscal term ending March 2023 from the perspective of enhancement of shareholder returns, because it will be better for the shareholders to remain after the closing of the TOB by Issuer even by reducing the total acquisition price planned for the Initial TOB by Issuer. In response, as a result of considerations, as stated in "1. Purpose of the Purchase" above, in order to maximize the number of Company Shares to be acquired from City and Other Parties through the TOB by Issuer, ensure that shareholders other than City and Other Parties will be able to secure an opportunity to consider whether to tender in the TOB by Issuer, set the upper limit of the number of shares to be purchased higher than the number of Company Shares held by City and Other Parties, maintain 42 billion yen as the total purchase amount, and show that the Company will pursue shareholder returns with greater intensity, the Company decided to set the tender offer price at 2,500 yen, which is the lower limit of the Initial TOB Price, and the total acquisition price at 42 billion yen, which is the same amount as that of the Initial TOB by Issuer, and to increase the minimum dividend amount per share for the period ending March 2023 from 100 yen, which was announced in the press release dated November 25, 2022 titled "Review of Shareholder Return Policy and Measures to Improve Capital Efficiency," to 150 yen from the

perspective of enhancement of shareholder returns.

As stated above, the Company had considered the Initial TOB Price with the idea that it would be impossible to conduct the Initial TOB by Issuer at a level higher than the market price of the Company Shares in mind. Although the TOB Price exceeded the market price of the Company Shares (2,310 yen, the closing price) as of December 20, 2022, which was the business day preceding the TOB Agreement Execution Date, the Company decided to conduct the TOB by Issuer with the TOB Price higher than the market price of the Company Shares, because it believed that in terms of equality among shareholders and transparency of transactions, shareholders other than City and Other Parties will be able to secure an opportunity to consider whether to tender in the TOB by Issuer while observing trends in the market share price and it is appropriate from the perspective of harmonizing the interests of shareholders who will continue to hold the Company Shares with the execution of business by reducing the ownership ratio of City and Other Parties, especially from the perspective of stabilizing management by facilitating fund offerings, which may lead to shareholder returns for shareholders other than City and Other Parties. In addition, in order to provide more returns to shareholders who will continue to hold the Company Shares, the Company decided to increase the minimum dividend amount per share for the period ending March 2023 from 100 yen, which was announced in the press release dated November 25, 2022 titled “Review of Shareholder Return Policy and Measures to Improve Capital Efficiency,” to 150 yen.

Furthermore, in determining the TOB Price of 2,500 yen, the Company obtained the Fairness Opinion from PLUTUS as a third-party valuation organization independent from the Company to the effect that the TOB Price is fair as a tender offer price for treasury shares in light of the share valuation analysis based on the Company’s business plans (for the details, please see “a. Basis for Calculation” of “(3) Basis for Calculation of the Purchase Price” of “3. Outline of the Purchase” below).

Based on the background of the discussions with City and Other Parties above and the Fairness Opinion, the Company determined that there is no problem from the standpoint of the fiduciary duties of directors and decided to further proceed with specific considerations to conduct the TOB by Issuer at the TOB Price of 2,500 yen and negotiations with Mr. Murakami and Others. While the Company was negotiating the specific terms of the TOB Agreement with Mr. Murakami and Others, it reached an agreement on the terms of the TOB Agreement with them; therefore, the Company executed the TOB Agreement on December 21, 2022 and resolved at the board of directors’ meeting held on the same day: (i) to conduct a share buyback and to implement the TOB by Issuer as a specific means to achieve the share buyback with the Commencement Date on December 22, 2022, 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, and (ii) to set the number of shares to be purchased in the TOB by Issuer as 16,800,000 shares (ownership ratio: 23.60%) and the TOB Price at 2,500 yen, and to increase the minimum dividend amount per share for the period ending March 2023 from 100 yen, which was announced in the press release dated November 25, 2022 titled “Review of Shareholder Return Policy and Measures to Improve Capital Efficiency,” to 150 yen. The number of shares to be purchased in the TOB by Issuer (16,800,000 shares) is set as the number calculated by dividing 42 billion yen, which are the funds for the TOB by Issuer, by the TOB Price.

As stated above, by reducing the ownership ratio of City and Other Parties in the Company through the TOB by Issuer, the Company aims to achieve more agile and stable business operations by stabilizing the Company’s management through smooth business operations, especially smooth fundraising operations, to further improve investment performance by enhancing investment management capabilities, and to expand fund size by strengthening external solicitation capabilities in line with the expansion of the target market. As the axis of its growth strategy, the Company also aims to reduce its stake in newly established funds from the current 40% to 20% in 10 years, and in line with this, the Company will gradually reduce the required funds (cash and deposits) and consider shareholder returns for the portion exceeding the current 40% limit.

The Company believes that it will be able to improve its corporate value over the medium to long term even after the TOB by Issuer. Therefore, the Company hopes that shareholders other than City and Other Parties will continue to hold the Company Shares, but of course, the Company recognizes that the final decision as to whether to tender in the TOB by Issuer rests with the shareholders.

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 ownership ratio as a result of the Company's share buyback through the TOB by Issuer. As announced in the Company's press release dated December 21, 2022 titled "Notice Concerning Revision of Dividend Forecast for the Fiscal Year ending March 31, 2023" 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 will be paid in accordance with the following, whichever is greater.

With respect to the amount of a., the Company decided to increase it from 100 yen per share, which was announced in "Review of Shareholder Return Policy and Measures to Improve Capital Efficiency" on November 25, 2022, to 150 yen per share, taking into account the VWAP having not reached the Price Range in the Initial TOB by Issuer, and in order to provide more returns to the shareholders who will continue to hold the Company Shares:

- a. 150 yen; or
- b. if the TOB by Issuer is successfully concluded, then the dividend amount calculated by dividing the Company's net income attributable to JAFCO Group Co., Ltd. shareholders for the fiscal year ending March 31, 2023, including the gain on the Sale of NRI Shares 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).

Please also note that the Company's Response Policy announced on August 15, 2022 will be abolished upon commencement of the TOB by Issuer, the tender in accordance with the TOB Agreement, and completion of the TOB by Issuer.

## 2. Details of the Board of Directors' Resolution Concerning the Share Buyback

### (1) Details of the Resolution

Type of shares	Total number of shares	Total acquisition value
Common shares	16,800,100 shares	42,000,250,000 yen

(Note 1) Total number of issued and outstanding shares: 73,280,000 shares.

(Note 2) Ratio to the total number of issued and outstanding shares: 22.93% (rounded to two decimal places)

(Note 3) Acquisition period: From December 22, 2022 (Thursday) to March 29, 2023 (Wednesday).

(Note 4) As it is possible that there will be more tenders than the number of shares to be purchased and the number of shares to be purchased will be exceeded as a result of adjusting units on a pro rata basis, the total number of shares in the board of directors' resolution added 1 unit (100 shares) to the number of shares to be purchased.

## (2) Listed Own Share Certificates, Etc. Already Obtained Pursuant to the Resolution

Not applicable.

## 3. Outline of the Purchase

## (1) Schedule, Etc.

(i)	Date of board of directors' resolution	Wednesday, December 21, 2022
(ii)	Announcement date of commencement of the TOB by Issuer	Thursday, December 22, 2022 The Company will issue an electronic public notice and will publish to that effect in the <i>Nihon Keizai Shimbun</i> . Address of the electronic public notice: ( <a href="https://disclosure.edinet-fsa.go.jp/">https://disclosure.edinet-fsa.go.jp/</a> )
(iii)	Submission date of notification of the TOB by Issuer	Thursday, December 22, 2022
(iv)	Purchase period	From Thursday, December 22, 2022 to Wednesday, January 25, 2023 (20 business days)

## (2) Purchase Price

2,500 yen per common share.

## (3) Basis for Calculation of the Purchase Price

## a. Basis for Calculation

In determining the TOB Price of 2,500 yen, the Company obtained the Fairness Opinion from PLUTUS as a third-party valuation organization independent from the Company (Note). According to the Fairness Opinion, in light of the fact that it is up to shareholders of the Company whether to tender in the TOB by Issuer, their right to remain shareholders of the Company has been secured, fairness among tendering shareholders has been secured because the settlement will be conducted on a pro rata basis, and the TOB Price (2,500 yen) is within the range (from 2,365 yen to 2,845 yen) of the share value of the Company Shares evaluated based on the discounted cash flow method (the "DCF"), which is a method to discount free cash flow to be generated by the Company with a certain discount rate to present value based on the Company's business plan (from the fiscal year ending March 2023 to the fiscal year ending March 2032), the TOB Price is fair as a tender offer price for treasury shares. In the above business plan, which is the basis of the DCF, no significant increase or decrease in profit is expected. In addition, since it was difficult to estimate the effects and costs expected to arise from the TOB by Issuer at the time of preparation of the above business plan, the business plan is not based on implementation of the TOB by Issuer.

(Note) When PLUTUS prepared and submitted the Fairness Opinion and analyzed the share value on which the Fairness Opinion is based, it relied on the information and basic materials provided by and discussed with the Company on the assumption that published materials are generally accurate and complete and that there were no facts undisclosed to PLUTUS that may have a significant impact on the analysis of the share value of the Company Shares, and it did not independently investigate or examine them, nor was it obligated to do so. Therefore, PLUTUS does not bear any responsibility resulting from any defect in these materials or failure to disclose any material facts.

The Company's business plans and other materials that PLUTUS used as basic materials for the Fairness Opinion were assumed by PLUTUS to have been reasonably prepared based on the best forecasts and determinations as of preparation of these materials, and PLUTUS does not guarantee the feasibility of the forecasts or express any views regarding the analyses or forecasts that served as the assumptions for preparation of these materials or the conditions precedent on which these materials were based.

PLUTUS did not independently evaluate or appraise the Company's or its affiliates' assets and liabilities (including off-the-book assets and liabilities and other contingent liabilities), nor did it analyze or evaluate non-consolidated assets and liabilities, and PLUTUS did not receive any certificate of evaluation or appraisal. Moreover, PLUTUS did not evaluate the Company's or its affiliates' creditworthiness under applicable laws and regulations on insolvency, suspension of payment, and other matters similar thereto.

PLUTUS is not a legal, accounting, or tax expert organization, and it did not, and was not obligated to, independently analyze or consider the presence or absence of legal, accounting, or tax issues concerning the TOB by Issuer.

The Fairness Opinion was prepared to examine the fairness of the Company's TOB Price. Therefore, the Fairness Opinion neither refers to the strategic business position of the Transaction compared with the proposed alternatives that can be conducted by the Company or the benefits to be generated by the implementation of the Transaction nor expresses the Company's opinion on the appropriateness of implementing the Transaction.

The Fairness Opinion expresses an opinion as of the preparation date thereof as to whether the TOB Price is fair from a financial perspective in light of the share value analysis based on the Company's business plans, the financial and capital markets, the economic situation, and other circumstances as of the preparation date thereof, as well as the information provided to or obtained by PLUTUS by the preparation date; although subsequent changes in the situation may affect the Fairness Opinion, PLUTUS is not obligated to amend, change, or supplement the Fairness Opinion. Moreover, the Fairness Opinion does not have any opinions to be inferred or indicated other than the matters specified in the Fairness Opinion or express any opinions on matters on and after the submission date of the Fairness Opinion.

The Fairness Opinion only expresses an opinion on the TOB Price being fair as a tender offer price for treasury shares in light of the share value analysis based on the Company's business plans and does not express opinions or recommendations regarding whether to implement the TOB by Issuer, to tender in the TOB by Issuer, or to take other actions or express opinions to holders of securities issued by the Company, creditors, or other related parties.

In addition, the Fairness Opinion was provided by PLUTUS to be used as basic materials for the determination by the Company's board of directors of the TOB Price, and anyone may rely on it.

In regard to the most recent share buyback by the Company, the Company acquired the Company Shares through on-market purchases on the Tokyo Stock Exchange based on a resolution at the Company's board of directors' meeting held on October 25, 2021 (number of acquired shares: 7,409,800 shares; purchase period: from October 25, 2021 to April 4, 2022; total purchase amount: 14,999,931,814 yen) at the simple average acquisition price of 2,024 yen. It is possible that there will be a difference of 476 yen between the acquisition price (2,024 yen) and the TOB Price (2,500 yen), because the TOB Price was determined based

on the results of discussions and negotiations with City Index Eleventh, while the acquisition price was determined by the market price on each acquisition date.

The TOB Price of 2,500 yen includes a premium of 8.23% of 2,310 yen, which is the closing price of the Company Shares on the business day (December 20, 2022) preceding December 21, 2022, which is the date of the board of directors' resolution that decided the implementation of the TOB by Issuer, a premium of 5.31% of 2,374 yen, which is the simple average of the closing price of the Company Shares for one month to the same day, a premium of 9.75% of 2,278 yen, which is the simple average of the closing price of the Company Shares for three months by the same day, and a premium of 18.54% of 2,109 yen, which is the simple average of the closing price of the Company Shares for six months to the same day.

b. Background to the Calculation

In calculating and determining the TOB Price, the Company emphasized the clarity and objectivity of the criteria and conducted a review based on the market price of the Company's common shares, considering that the Company Shares are listed on a financial instruments exchange and that share buybacks by listed companies are often conducted through on-market purchases through financial instruments exchanges in order to trade at a price that reflects supply and demand at the time.

As stated in "1. Purpose of the Purchase" above, although the Company had a meeting with City Index Eleventh on August 4, 2022 and with Mr. Murakami and Others on August 5 regarding management strategies and capital policies, and the Company has discussed how it can improve its enterprise value, the Company has been informed that City and Other Parties have acquired approximately 15% of the Company Shares through on- and off-market transactions, and they indicated that they would acquire more than 51% of the Company Shares through the Additional Purchase, and the Company has been requested to, after liquidating the NRI Shares, conduct a share buyback of approximately 50 billion yen amounting to approximately one-third of the Company's market value, equivalent to 40% of the Company's consolidated shareholders' capital. Thereafter, the Company has had discussions with Mr. Murakami and Others, through IR explanations in each fiscal quarter and opinion exchanges, to improve its enterprise value.

As to the shareholder value enhancement policy, the Company has been considering it as one of the management issues and internally discussing various alternatives. Under such recognition, the Company's board of directors has resolved that, based on the understanding that the Company can rationally judge that the Company has specific concerns about the Additional Purchase by City and Other Parties aiming to obtain more than 20% voting rights and that, in that situation, the Company is concerned that if City and Other Parties buy a large portion of the Company Shares, then other stakeholders might plan to buy a large portion of the Company Shares as well, such action of large share purchasing must be performed based on certain procedures decided by the Company's board of directors' meeting which contribute to maximization of the Company's enterprise value and shareholders' common benefit, in order for the Company's board of directors' meeting to be able to negotiate and consult with the buyers of large portions of the Company Shares, as well as to ensure information and time for all shareholders to make appropriate decisions regarding the possible impact on the Company's value from large share purchases.

As a result, the Company's board of directors decided on August 15, 2022 the principal policy on the person who is to control the decisions on the Company's financial and business plans (Article 118(3) of the Regulations for Enforcement of the Companies Act) aiming to ensure and improve the Company's enterprise value and the common benefit of shareholders; furthermore, as an initiative to prevent inappropriate persons from controlling the Company's decisions on financial and business plans (Article 118(3)(b)(2) of the Regulations for Enforcement of the Companies Act), the Company's board of directors has resolved to introduce a response policy toward other large share purchases, etc. in the following two situations: 1. large

share purchases of the Company Shares by City and Other Parties with specific concerns, and 2. large share purchases by other stakeholders that might be planned in the situation where City and Other Parties buy a large portion of the Company Shares.

In response, the Company reviewed the measures to secure necessary investment capital and enhance shareholder value in the Company in the future and decided to further improve investment performance by improving investment management capabilities and expanding fund size by strengthening external recruitment capabilities in line with expansion of target markets as the core of the Company's growth strategy, as well as to reduce the Company's stake in newly established funds from 40% at present to 20% in 10 years. In line with this, the required funds (cash and deposits) will be gradually reduced, and any amount exceeding the limit will be considered for shareholder returns. Accordingly, in order to reduce net assets and increase the return on equity (ROE), as well as to stabilize management through business execution, particularly through facilitating fund offerings, by reducing the ownership ratio of City and Other Parties in the Company, the Company halved the level of the Company's future investment capital to 60 billion and concluded that the Company should cash out all of the NRI Shares through the Sale of NRI Shares, of which 42 billion yen should be used as funds in the share buyback. The NRI Shares were acquired mainly during the 1980s and 1990s, when the Company was a group company of Nomura Holdings, Inc. Since the cross-shareholding relationship between Nomura Holdings, Inc. and its group companies ended after the Company acquired all of the Company Shares held by Nomura Holdings, Inc. and NRI through a share buyback in 2017, the purpose of the Company's ownership of NRI Shares was positioned as a net investment. Because of the large market value of the NRI Shares, there have been many opportunities to discuss the significance of holding the NRI Shares in dialogue with shareholders, and the Company has decided to sell all the NRI Shares for the above purposes.

Additionally, the Company, on November 1, 2022, started discussions with Mr. Murakami and Others regarding the offering of shares that City and Other Parties are holding, with the conclusion of a non-disclosure agreement. During the discussions, the Company explained to City and Other Parties that the Company was sincerely considering the sale of NRI Shares proposed by Mr. Murakami and Others and the share buyback to be funded by the sales proceeds as alternatives for the shareholder value enhancement policy, and that the Company was considering conducting the Initial TOB by Issuer for the purpose of ensuring investment capital and increasing shareholder returns, and requested that they execute the Initial TOB Agreement (please refer to "(1) Overview of the TOB by Issuer" of "1. Purpose of the Purchase" above) to the effect that City and Other Parties will tender all of the Company Shares held by them in the Initial TOB by Issuer. As to the Initial TOB Price, the Company indicated to City and Other Parties that a certain price discounted from the market price will be agreed on in the Initial TOB Agreement, because the Company determined that a purchase price at a certain discount from the market price will minimize the outflow of assets from the Company to the maximum extent possible and is reasonable from the standpoint of respecting the interests of shareholders who do not tender their Company Shares in the Initial TOB by Issuer and continue to hold the Company Shares. In response to the request, Mr. Murakami and Others expressed their view that they would consider tendering in the Initial TOB by Issuer but felt that the Company's market price was lower than they think is an appropriate price for the Company Shares whose PBR is x1 and if a certain price discounted from the market price would be agreed on in the Initial TOB Agreement as the Initial TOB Price, the Initial TOB Price would be further discounted from the undervalued market price, and they thus could not tender in the Initial TOB by Issuer unless the price is fixed at PBR x1 as an appropriate market price of the Company Shares. Although the Company came to recognize the difference in opinion between the Company and Mr. Murakami and Others through the discussions with them, the Company determined on November 1, 2022 that the suggestion from Mr. Murakami and Others on November 1, 2022 that the price should be fixed at PBR x1 as an appropriate market price of the Company Shares should not be approved because it will be able to minimize the outflow of assets from the Company to the maximum extent possible by setting the Initial TOB Price at a certain price discounted from the market price from the perspective of



respecting the interests of shareholders who do not tender their Company Shares in the Initial TOB by Issuer and continue to hold the Company Shares. Nevertheless, after that, the Company aimed to reach an agreement with Mr. Murakami and Others and discussed the Initial TOB Price and the Initial TOB Agreement with them on seven occasions on November 4, November 8, November 9, November 11, November 14, November 17, and November 21, 2022. During the discussion on November 8, 2022, the Company suggested that the Company set a lower limit on the Initial TOB Price so that it will not be a price not expected by City and Other Parties, that the Company at the same time set an upper limit in light of the consideration that setting only a lower limit might pose an arbitrage risk and impact the share transaction market, and that the Company set the lower limit of the Initial TOB Price at 2,500 yen as an approximately 5% discount from the net asset value per Company Share. In response to the Company's suggestions, Mr. Murakami and Others showed respect for the suggestions and suggested that the upper limit of the Initial TOB Price be set at 2,800 yen as an approximately 5% premium on the net asset value per Company Share. Considering that suggestion from Mr. Murakami and Others, the Company determined that the method to set such lower and upper limits was feasible given that similar conditions that adopt tender offer price calculation methods based on market prices with upper and lower limits have actually been set in precedents of other takeover bids according to publicly available information and that setting only a lower limit on the Initial TOB Price might pose an arbitrage risk. As a result, in the conference on November 11, 2022, Mr. Murakami and Others expressed that they would execute the Initial TOB Agreement with the Company if the Company agreed to determine the Initial TOB Price based on the market price of the Company Shares for a certain period following execution of the Initial TOB Agreement and that if the Initial TOB Price would range between 2,500 yen to 2,800 yen, they would tender all their Company Shares (13,904,500 shares; ownership ratio: 19.53%), and they proposed to decrease the Company's stake in the fund, to enhance shareholder returns, and to reduce net assets and pursue thorough ROE improvement. Considering the discussions the Company has held with Mr. Murakami and Others and as a result of reconsidering the necessary capital and shareholder value improvement in the future, the Company has re-recognized that the Initial TOB by Issuer and the Sale of NRI Shares would decrease its net assets and improve the ROE and that by decreasing the ownership ratio of Mr. Murakami and Others, the Company can maintain management stability by smoothing the fund offering. In addition, on the premise that the Initial TOB by Issuer and the Sale of NRI Shares will be implemented after obtaining a legal commitment through the execution of the Initial TOB Agreement with Mr. Murakami and Others that City and Other Parties will tender all of their Company Shares in the Initial TOB by Issuer, if the Initial Conditions Precedent to Commencement include the Initial TOB Price being set between a minimum price of 2,500 yen and a maximum price of 2,800 yen as suggested in the discussion with Mr. Murakami and Others on November 11, although such lower limit and upper limit exceed the market price of the Company Shares as of November 24, 2022 (2,391 yen, the closing price), which is the business day preceding the Initial TOB Agreement Execution Date, by 109 yen to 409 yen, in terms of equality among shareholders and transparency of transactions, shareholders other than City and Other Parties will be able to secure an opportunity to consider whether to tender in the Initial TOB by Issuer while observing trends in the market share price and will be able to minimize the outflow of assets from the Company to the maximum extent possible by purchasing the Company Shares at a certain discount on their market price as at a time proximate to the Initial Commencement Date, the Company acknowledges that the Price Range and the Initial TOB Price are appropriate for the purpose of the Initial TOB by Issuer and that they pose no problem from the standpoint of the fiduciary duties of directors. If the Initial TOB by Issuer is to be accepted, it is appropriate from the perspective of harmonizing the interests of shareholders who will continue to hold the Company Shares with the execution of business by reducing the ownership ratio of City and Other Parties, especially from the perspective of stabilizing management by facilitating fund offerings, which may lead to shareholder returns for shareholders other than City and Other Parties. Based on this, the Company determined that it would further pursue negotiations with Mr. Murakami and Others and specifically consider implementing the Initial TOB by Issuer at a price that was a discount of 1% of the VWAP (rounded to the nearest whole number) and negotiated the specific terms of the Initial TOB Agreement with Mr. Murakami and Others, and on November 25, 2022, the Company reached

an agreement with Mr. Murakami and Others on the terms of the Initial TOB Agreement and concluded the Initial TOB Agreement. Based on the matters above, as stated in “(1) Overview of the TOB by Issuer” of “1. Purpose of the Purchase” above, the Company resolved that the Initial TOB Price is scheduled to be a price that is a discount of 1% of the VWAP (rounded to the nearest whole number) per Company Share on November 25, 2022.

However, as announced in the Company’s press release dated December 8, 2022 titled “Notice Regarding the Non-implementation of Scheduled Share Buyback and Tender Offer by Issuer,” since the VWAP was 2,362.4136 yen and was less than the lower limit of the Price Range, the Company confirmed whether City and Other Parties were willing to tender all of the Company Shares held by City and Other Parties by waiving all or part of the conditions precedent for City and Other Parties to tender provided in the Initial TOB Agreement, and City and Other Parties replied that they were not willing to tender pursuant to the Initial TOB Agreement. Accordingly, it was not expected that City and Other Parties would tender even if the Initial TOB by Issuer was commenced as initially scheduled and all of the Initial Conditions Precedent to Commencement were satisfied or waived by the Company, because the purpose of the Initial TOB by Issuer (i.e., to stabilize the Company’s management through smooth business operations, especially smooth fundraising operations, by reducing the ownership ratio of Company Shares of City and Other Parties) would not be achieved; therefore, the Company decided not to conduct the Initial TOB by Issuer. The Initial TOB Agreement was terminated as of December 7, 2022 through agreement between City and Other Parties and the Company.

Subsequently, immediately after City and Other Parties, under the influence of Mr. Murakami and Others, submitted a large shareholding report and the acquisition by City and Other Parties of the Company Shares became known, investors who were considering investing in the Company’s new fund, including existing investors, became concerned and suspended their decision to invest in that fund to monitor the impact of the ongoing acquisition of the Company Shares by City and Other Parties. Thus, the Company concluded another non-disclosure agreement with City and Other Parties on December 7, 2022 and decided to continue discussing with Mr. Murakami and Others the handling of the Company Shares held by them.

During the discussions, the Company proposed that it conduct a tender offer whose tender offer price will be set at 2,500 yen, which is the lower limit of the Initial TOB Price, and whose total acquisition price will be set at 42 billion yen, which is the same amount as that of the Initial TOB by Issuer. In response, Mr. Murakami and Others replied that the Company’s proposal was acceptable and proposed that the Company consider an increase in the amount of the dividend for the fiscal term ending March 2023 from the perspective of enhancement of shareholder returns, because it will be better for the shareholders to remain after the closing of the TOB by Issuer even by reducing the total acquisition price planned for the Initial TOB by Issuer. In response, as a result of considerations, in order to show that the Company will pursue shareholder returns with greater intensity, the Company decided to set the tender offer price at 2,500 yen, which is the lower limit of the Initial TOB Price, and the total acquisition price at 42 billion yen, which is the same amount as that of the Initial TOB by Issuer, and to increase the minimum dividend amount per share for the period ending March 2023 from 100 yen, which was announced in the press release dated November 25, 2022 titled “Review of Shareholder Return Policy and Measures to Improve Capital Efficiency,” to 150 yen from the perspective of enhancement of shareholder returns.

As stated above, the Company had considered the Initial TOB Price with the idea that it would be impossible to conduct the Initial TOB by Issuer at a level higher than the market price of the Company Shares in mind. Although the TOB Price exceeded the market price of the Company Shares (2,310 yen, the closing price) as of December 20, 2022, which was the business day preceding the TOB Agreement Execution Date, the Company decided to conduct the TOB by Issuer with the TOB Price higher than the market price of the Company Shares, because it believed that in terms of equality among shareholders and transparency of

transactions, shareholders other than City and Other Parties will be able to secure an opportunity to consider whether to tender in the TOB by Issuer while observing trends in the market share price and it is appropriate from the perspective of harmonizing the interests of shareholders who will continue to hold the Company Shares with the execution of business by reducing the ownership ratio of City and Other Parties, especially from the perspective of stabilizing management by facilitating fund offerings, which may lead to shareholder returns for shareholders other than City and Other Parties. In addition, in order to provide more returns to shareholders who will continue to hold the Company Shares, the Company decided to increase the minimum dividend amount per share for the period ending March 2023 from 100 yen, which was announced in the press release dated November 25, 2022 titled “Review of Shareholder Return Policy and Measures to Improve Capital Efficiency,” to 150 yen.

Furthermore, in determining the TOB Price of 2,500 yen, the Company obtained the Fairness Opinion from PLUTUS as a third-party valuation organization independent from the Company to the effect that the TOB Price is fair as a tender offer price for treasury shares in light of the share valuation analysis based on the Company’s business plans (for the details, please see “a. Basis for Calculation” above).

Based on the background of the discussions with City and Other Parties above, and the Share Value Analysis Report and the Fairness Opinion, the Company determined that there is no problem from the standpoint of the fiduciary duties of directors and decided to further proceed with specific considerations to conduct the TOB by Issuer at the TOB Price of 2,500 yen and negotiations with Mr. Murakami and Others. Having negotiated the specific terms of the TOB Agreement with Mr. Murakami and Others, the Company reached an agreement on the terms of the TOB Agreement with them and executed the TOB Agreement on December 21, 2022.

In light of the above, the board of directors’ resolution on December 21, 2022 resolved to implement the TOB by Issuer at the TOB Price of 2,500 yen.

#### (4) Planned Number of Shares to Be Purchased

Class of share certificate, etc.	Number of shares to be purchased	Number of shares to exceed	Total
Common share	16,800,000 shares	- share(s)	16,800,000 shares

(Note 1) If the total number of Tendered Share Certificates, etc. does not exceed the number of shares to be purchased (16,800,000 shares), all of the Tendered Share Certificates, etc. will be purchased. If the total number of Tendered Share Certificates, etc. exceeds the number of shares to be purchased (16,800,000 shares), all or part of the excess will not be purchased, and delivery pertaining to the purchase of share certificates, etc. and other settlement will be conducted on a pro rata basis in accordance with Article 27-13(5) of the FIEA applied *mutatis mutandis* in Article 27-22-2(2) of the FIEA and Article 21 of the Order.

(Note 2) Shares less than one unit are also subject to the TOB by Issuer. If shareholders exercise their right to request that the Company purchase their shares less than one unit pursuant to the Companies Act, the Company may purchase its own shares during the Tender Offer Period in accordance with the procedures under laws and regulations.

#### (5) Funds Necessary for the Purchase

42,092,630,100 yen

(Note) The total of the purchase price in the case of a purchase of all the shares to be purchased

(16,800,000 shares) and the estimated amount of purchase procedure fees and other expenses (various expenses for announcements relating to the TOB by Issuer and printing expenses for TOB by Issuer explanatory documents and other necessary documents).

(6) Settlement Method and Commencement Date

- a. Name of the financial instruments broker or bank that will perform settlement relating to the purchase and address of its main branch

Nomura Securities Co., Ltd. 1-13-1 Nihonbashi, Chuo-ku, Tokyo, Japan

- b. Settlement Commencement Date

Thursday, February 16, 2023

- c. Settlement Method

Promptly after the end of the Tender Offer Period, a notice of purchase pursuant to the TOB by Issuer will be sent to shareholders who accept the purchase offer or apply for the sale (the “Tendering Shareholders, Etc.”) (in the case of shareholders who are foreign residents and do not have an eligible account at a tender offer agent (including corporate shareholders; the “Foreign Shareholders, Etc.”), their standing proxies) at their designated addresses or locations.

Purchases will be made in cash. An amount equal to the purchase proceeds relating to the purchased share certificates, less applicable withholding taxes (see note), will be remitted without delay after the settlement commencement date in accordance with instructions from the Tendering Shareholders, Etc. (remittance fees may apply).

(Note) Regarding taxation on shares purchased in the TOB by Issuer

Please consult a tax accountant or other professional concerning specific tax-related questions and make your own determinations.

- (i) Taxation is as follows for individual shareholders tendering for the TOB by Issuer:

- (a) In cases where the Tendering Shareholders, Etc. are residents or non-residents with a permanent domestic establishment

If the amount of money received for tendering and delivering shares pursuant to the TOB by Issuer exceeds the amount of the portion corresponding to the shares that are the basis of the delivery included in the TOB by Issuer, offeror’s capital (in the case of a consolidated corporation, the amount of consolidated capital; the same hereafter) (i.e., the purchase price per share exceeds the purchaser’s capital per share), the amount of the excess portion will be deemed to be dividends and is subject to taxation. Furthermore, the amount of monies received for tendering and delivering shares pursuant to the TOB by Issuer, minus the amount deemed to be dividends, is considered income from the transfer of shares. If there is no amount that is deemed to be dividends (i.e., the purchase price per share is no more than the offering shareholder’s capital per share), all monies received for tendering and delivering shares pursuant to the TOB by Issuer is considered income from the transfer of shares.

The portion considered dividends is subject to a withholding tax equal to 20.315% (15.315% in income taxes and the Special Reconstruction Income Tax under the Act on Special Measures concerning Securing Financial Resources Necessary for Implementing Measures for Reconstruction in Response to the Great East Japan Earthquake (Law No. 117 of 2011, as amended; referred to as the “Special Reconstruction Income Tax”) and 5% in resident taxes; non-residents with a permanent domestic establishment are specially exempt

from the 5% resident tax); however, in cases where a shareholder is a large shareholder as specified in Article 4-6-2(37) of the Order for Enforcement of the Act on Special Measures Concerning Taxation (Cabinet Order No. 43 of 1957, as amended) (“Large Shareholders, Etc.”), 20.42% of the payment is withheld (income tax and Special Reconstruction Income Tax only). In addition, the amount of income from the transfer of shares, minus acquisition expenses relating to the shares, is, in principle, subject to separate self-assessment taxation.

- (b) In cases where the Tendering Shareholders, Etc. are non-residents without a permanent domestic establishment

The amount deemed to be dividends is subject to a 15.315% withholding tax (income tax and Special Reconstruction Income Tax only). If the shareholders fall under Large Shareholders, Etc., then the deemed dividends are subject to a 20.42% withholding tax (income tax and Special Reconstruction Income Tax only). Further, income arising from the transfer of shares is, in principle, not subject to taxation in Japan.

- (ii) Corporate Shareholders

In cases where a tendering shareholder is a corporate shareholder, if the amount of money received for tendering and delivering shares pursuant to the TOB by Issuer exceeds the amount of the portion corresponding to the shares that are the basis of the delivery included in the TOB by Issuer, offeror’s capital (i.e., the purchase price per share exceeds the purchaser’s capital per share), the amount of the excess portion is deemed to be dividends and is subject to a 15.315% withholding tax (income tax and Special Reconstruction Income Tax only).

Foreign Shareholders, Etc. who wish to have the income tax and Special Reconstruction Income Tax on the deemed dividend amount reduced or exempted pursuant to an applicable tax treaty must inform the Tender Offer agent by March 1, 2022 that a written notice regarding the tax treaty will be submitted and submit the notice to the Tender Offer agent by the business day (March 23, 2022) immediately prior to the payment commencement date.

- (7) Other

- a. The TOB by Issuer is not conducted in the United States or for the United States, either directly or indirectly, and is not conducted by means of U.S. mail or other interstate or international commerce methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail, and Internet communications), and moreover, it is not conducted through any securities exchange facility in the United States. The TOB by Issuer may not be subscribed through any of the aforementioned methods or means, or through the aforementioned facilities, or from the United States. Furthermore, this document and related documents are not sent to or distributed in, and may not be sent to or distributed in, the United States, or sent from the United States by means of mail or any other method. The Company will not accept any subscriptions for the TOB by Issuer that directly or indirectly violate the aforementioned restrictions. Tendering Shareholders, Etc. (standing proxies in the case of Foreign Shareholders, Etc.) are requested to make the following representations and warranties to the Tender Offer agent when tendering shares in the TOB by Issuer: Tendering Shareholders, Etc.: (i) are not in the United States at the time of subscription and submission of the tender offer subscription form; (ii) have not received or sent any information regarding the TOB by Issuer (including any copies), directly or indirectly, in the United States, to the United States, or from the United States; (iii) have not used, directly or indirectly, any U.S. mail, other interstate or international commercial methods or means (including, but not limited to, telephone, telex, facsimile, electronic mail, and Internet communications), and securities exchange facilities in the United States, when signing and delivering any offer or tender offer subscription forms; and (iv) do not act as any other party’s agent, trustee, or mandatary without discretionary power (except when such other party gives all instructions regarding the offer from outside the

United States).

- b. The Company entered into the TOB Agreement with Mr. Murakami and Others on December 21, 2022. Please refer to “1. Purpose of the Purchase” above for more details.
- c. Details of the Sale of NRI Shares

Secondary offering of shares (secondary offering by way of purchase by underwriters)

(1) Number and Type of Offered Shares	36,968,100 common shares of Nomura Research Institute, Ltd.	
(2) Seller and Number of Shares to Be Offered	Name	Number of shares to be offered
	JAFCO Group	23,968,100 shares
	Nomura Holdings	13,000,000 shares
(3) Offer Price	3,011 yen per share	
(4) Total Offer Price	111,310,949,100 yen	
(5) Underwriting Value	2,886.80 yen per share	
(6) Total Underwriting Value	106,719,511,080 shares	
(7) Application Period	From Tuesday, December 6, 2022 to Wednesday, December 7, 2022	
(8) Delivery Date	Monday, December 12, 2022	