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Notice Concerning Results of Tender Offer by Issuer and Completion of Share Buyback

JAFCO Group Co., Ltd. (the “Company”) resolved at the meeting of Board of Directors held on December 21, 2022 to conduct a share buyback and to implement an issuer tender offer (the “TOB by Issuer”) as a specific means to achieve the share buyback pursuant to the Company’s Articles of Incorporation based on Article 459(1) of the Companies Act (Law No. 86 of 2005, as amended) and Article 156(1) of the Companies Act. The TOB by Issuer commenced on December 22, 2022 and concluded on January 25, 2023. The Company hereby announces the results as follows.

The Company also announces that, with the conclusion of the TOB by Issuer, it has completed the share buyback based on the resolution of the Board of Directors meeting held on December 21, 2022.

I. Results of the TOB by Issuer

1. Outline of the Purchase

(1) Name and location of the tender offeror

JAFCO Group Co., Ltd. 1-23-1 Tranomon, Minato-ku, Tokyo, Japan

(2) Type of share certificate, etc. to be purchased

Common shares

(3) Purchase period

a. Purchase period (the “Tender Offer Period”)

From Thursday, December 22, 2022 to Wednesday, January 25, 2023 (20 business days)

b. Date of public notice of the commencement of the tender offer

Thursday, December 22, 2022

(4) Purchase price

2,500 yen per common share

(5) Settlement method

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.”) (or 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 of the Company’s capital corresponding to the shares that are the basis of the delivery included in the TOB by Issuer, (i.e., the purchase price per share exceeds the Company’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 Company’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 of the Company’s capital corresponding to the shares that are the basis of the delivery included in the TOB by Issuer, the amount of the excess portion is deemed to be dividends and, in principle, 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 on the deemed dividend amount reduced or exempted pursuant to an applicable tax treaty must submit a written notice regarding the tax treaty

with the tender offer application form to the Tender Offer agent.

2. Results of the Purchase

(1) Number of share certificates etc. purchased

Class of share certificate, etc.	Number of shares to be purchased	Expected number of excess shares	Number of shares tendered	Number of shares purchased
Common share	16,800,000 shares	- share(s)	24,260,359 shares	16,800,000 shares

(2) Calculation in case of purchase using the pro rata method

As the total number of the share certificates etc. tendered in the TOB by Issuer (“Tendered Share Certificates etc.”) exceeded the number of shares to be purchased (16,800,000 shares), all or part of the excess shares will not be purchased in accordance with the public notice of the TOB by Issuer and the Tender Offer Statement. The Company will implement the delivery or other settlement for the purchase of the share certificates, etc. using the pro rata method provided for in Article 27-13, Section 5 of the Financial Instruments and Exchange Act (Act No.25 of 1948, as amended, “Financial Act”) as applied mutatis mutandis pursuant to Article 27-22-2, Section 2 of the Financial Act, and in Article 21 of the Cabinet Office Ordinance on Disclosure Required for Tender Offer for Listed Share Certificates etc. by Issuer (Ordinance of Ministry of Finance No. 95 of 1994, as amended). (If the number of the Tendered Share Certificate etc. contains shares constituting less than one unit (100 shares), the purchasable number of shares calculated using the pro rata method shall be up to the number of the Tendered Share Certificate etc.).

Since the total number of share purchases from each Tendering Shareholder, Etc. calculated by rounding less-than-one-unit shares using the pro rata method exceeded the number of shares to be purchased, the Company reduced by one unit the number of share purchases from each Tendering Shareholder, Etc. (if the number of share purchases calculated using the pro rata method contains a portion of less-than-one-unit shares, the purchase will be reduced by the number of the relevant less-than-one-unit shares) in descending order beginning with the Tendering Shareholders, Etc. owing the largest number of rounded-up shares. However, as the number of share purchases using this method from all tendering shareholders with an equal number of rounded-up shares was less than the number of shares to be purchased, the Company decided to select the relevant Tendering Shareholders, Etc. by drawing lots, to the extent that the total number of share purchases does not fall below the number of shares to be purchased.

[Reference]

In the TOB by Issuer, pursuant to the terms and conditions of the TOB Agreement (as defined below), City Index Eleventh Co., Ltd. (“City”) and 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 Act) tendered their entire holdings in the Company (13,904,500 shares). However, as a result of the above calculation using the pro rata method, the number of their shareholdings and their ownership ratio after the TOB by Issuer will be as follows:

Name	Before the TOB by Issuer		After the TOB by Issuer	
	Number of shareholdings	Ownership ratio	Number of shareholdings	Ownership ratio
City Index Eleventh Co., Ltd.	7,026,700 shares	9.59%	2,160,800 shares	2.95%
Kabushiki Kaisha Minami-Aoyama Fudosan	6,877,800 shares	9.39%	2,115,000 shares	2.89%
Total	13,904,500 shares	18.97%	4,275,800 shares	5.83%

(Note) “Ownership ratio” refers to the ratio of their shareholdings to the number of outstanding shares (including treasury shares) as of December 31, 2022 (73,280,00 shares) (rounded to two decimal places).

As of December 21, 2022, the Company executed a tender offer agreement (the “TOB Agreement”) with City, Minami-Aoyama Fudosan and Ms. Aya Nomura (together with City and Minami-Aoyama Fudosan, “City and Other Parties”) and Mr. Yoshiaki Murakami, a person to be deemed a shareholder of the parent company of City. In the TOB Agreement, the City and Other Parties state and agree that (i) they have an intention of promptly selling the Company’s common shares (the “Company Shares”) held by City and Other Parties that were tendered in the TOB by Issuer, but not acquired by the Company, at or above an appropriate share price so as not to affect the share price to the extent possible, (ii) City and Other Parties and their related parties have no intention of acquiring, or attempting to make others acquire, the Company Shares on or after the execution date of the TOB Agreement or even after the completion of the TOB by Issuer, and (iii) City and Other Parties and their related parties have no intention of directly or indirectly accepting voting rights related to the Company Shares (including solicitations for such acceptance) from other shareholders, agreeing, or making others agree, to the joint exercise of voting rights with other shareholders. Further, it is stipulated that such intentions shall not be withdrawn.

3. Places for Public Inspection of Copies of the Tender Offer Report

JAFCO Group Co., Ltd.	1-23-1 Tranomon, Minato-ku, Tokyo, Japan
JAFCO Group Co., Ltd., West Japan Branch	3-1-9 Awajimachi, Chuo-ku, Osaka, Japan
Tokyo Stock Exchange, Inc.	2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo, Japan

II. Completion of Share Buyback

1. Details of Share Buyback

(1) Type of shares bought back

Common shares

(2) Total number of shares bought back

16,800,000 shares

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

The Company plans to promptly cancel the treasury shares bought back so that the shareholding ratio of treasury shares held by the Company will be 3% of the total number of issued shares.

(3) Total amount of shares bought back

42,000,000,000 yen

(Note) The figure does not include fees paid to the tender offer agent and other miscellaneous expenses.

(4) Period of share buyback

From Thursday, December 22, 2022 to Wednesday, January 25, 2023

(5) Method of share buyback

Issuer tender offer

With the conclusion of the TOB by Issuer, the share buyback based on the resolution of the Board of Directors dated December 21, 2022, pursuant to the provisions of the Company’s Articles of Incorporation under Article 459, Section 1 of the Companies Act and Article 156, Section 1 of the Companies Act, was completed.

[Reference]

Details of the resolution on share buyback at the meeting of the Board of Directors on December 21, 2022

- (1) Type of shares
Common shares
- (2) Total number of shares to be bought back
16,800,100 shares (upper limit)
(Note) Ratio to the total number of issued and outstanding shares: 22.93% (rounded to two decimal places)
- (3) Total amount of share buyback
42,000,250,000 yen (upper limit)
- (4) Period of share buyback
From Thursday, December 22, 2022 to Wednesday, March 29, 2023