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Announcement on Establishment of Basic Policy on Sustainability

JAFCO Group Co., Ltd. (the “Company”) announces that the Company’s Board of Directors has resolved at a meeting held today to establish the basic policy on sustainability as follows:

The Basic Policy on Sustainability

The Company promotes the following philosophy and initiatives regarding sustainability.

1. Purpose of establishing the basic policy
 - The basic policy is established for the purpose of sharing our philosophy regarding sustainability as well as our ESG issues and response policies with our stakeholders, and ultimately realizing a sustainable environment and society.
2. Our philosophy on sustainability
 - The Company has established a Purpose of “Fueling perpetual growth; investing in bold visions” based on its management policy of creating circular growth and contributing to the realization of a sustainable society by boldly investing in initiatives that create as-yet-known values and committing to their growth.
 - In addition to continually creating new values through investment based on our strong determination to invest at all times despite drastic changes in global environment and social systems, the Company aims to achieve the Purpose and realize sustainable society by continuing our initiatives that contribute to market development.
 - The Company will pursue the initiatives on sustainability in two ways; one is by enhancing its own ESG initiatives and another is by contributing to sustainability through our business.
 - The Company will promote dialogue and collaboration with its stakeholders on sustainability and ESG issues and aim to realize a better future together.
3. Recognition of issues
 - (Environment)
 - We have recognized that mitigation of and adaptation to climate change, conservation of natural environment and biodiversity, sustainable use of resources are primarily important social issues and will work on reducing our environmental impact and addressing the issues through our business.
 - (Society)
 - We aim to circulate society and economy by identifying high-potential companies capable of solving social issues, supporting their growth through post-investment communication, and guiding them to exit, which comprise the essence of our business, and also by contributing to the development of the startup ecosystem through our initiatives for market development.

- We respect human rights and diverse values of all individuals associated with our activities, and strive to maintain and improve physical and mental health of our employees and ensure their training and development with the aim of creating a safe and healthy work environment.
- We value communications and good relationships with all stakeholders including employees, companies/entrepreneurs, investors, business partners and local communities.

(Governance)

- We aim to improve our corporate value through long-term growth by developing transparent decision-making and oversight functions while implementing proactive and appropriate disclosure of information and communication with shareholders and investors.
- We strive to comply with laws and regulations and other social rules, and sincerely respond to requests and expectations from all stakeholders.
- Recognizing the importance of identifying ESG risks of our portfolio companies, we promote activities to enhance their ESG initiatives.

4. Structure

- We work on sustainability initiatives on a company-wide basis and the Administration Division manages and reports to the Board of Directors their implementation status more than once a year.
- The Board of Directors supervises the initiatives by reviewing and deliberating the progress of detailed action policies and promotional measures.

5. Revision or abolition

- The basic policy shall be revised as necessary, and any revision and abolition of the basic policy shall be subject to the approval of the Board of Directors.

Established on June 20, 2023