

JAFCO Group Co., Ltd. (Ticker: 8595)
 1-23-1 Toranomom, Minato-ku,
 Tokyo 105-6324 Japan
<https://www.jafco.co.jp/english/>

Contact: Investor Relations
 Tel: +81-50-3734-2025
ir@jafco.co.jp

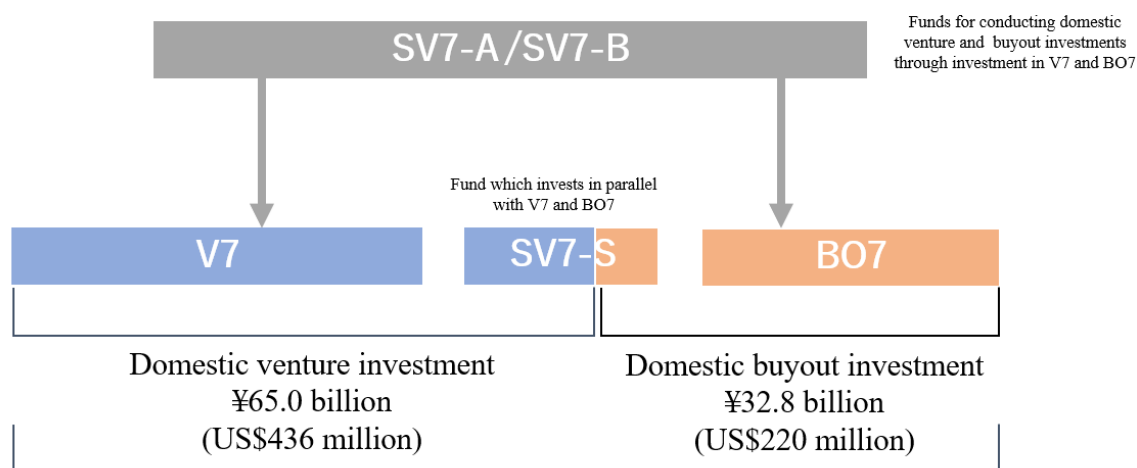
October 2, 2023

Announcement of Final Closing of JAFCO SV7 Fund Series

JAFCO Group Co., Ltd. (hereinafter referred to as “JAFCO”) hereby announces the final closing of its flagship SV7 Fund Series, established in June 2022, with total commitments of ¥97.8 billion on September 30, 2023.

This year, JAFCO is celebrating its 50th anniversary. In these 50 years, we have consistently continued to invest, regardless of circumstances, and have remained committed to the creation of new businesses. The cumulative capital commitments to the funds we manage in Japan and abroad have exceeded ¥1 trillion and the number of portfolio IPOs exceeds 1,000. In addition to venture investment, we have also been focusing on buyout investment since 1998. We have leveraged our network and experiential knowledge cultivated over the years to provide valuable expertise in management support (HR, marketing and sales, and back-office), contributing to the growth of our portfolio companies.

Since the establishment of the SV3 Series in 2007, JAFCO had been managing venture and buyout investments under the same funds. However, in response to the diverse needs of our investors, in the SV7 Series we established a dedicated fund for venture investment (V7) and a dedicated fund for buyout investment (BO7). Additionally, we established SV7-A and SV7-B which conduct both venture and buyout investment, and we have continued fundraising for all of these funds.



SV7 Series Total commitments: ¥97.8 billion (US\$656 million)
 (External commitments: ¥71.3 billion (US\$479 million), JAFCO’s commitments: ¥26.5 billion (US\$178 million))

* US\$1 = ¥149

Thanks to the support and endorsement of our investment track record and activities from numerous financial institutions, business firms, and other entities, V7 raised ¥65.0 billion and BO7 raised ¥32.8 billion, resulting in a total of ¥97.8 billion for the SV7 Series (consisting of external commitments of ¥71.3 billion and JAFCO's commitments of ¥26.5 billion), slightly surpassing the upper target of ¥95.0 billion and increasing from ¥80.0 billion for the SV6 Series.

(Note) Currently, there are a few institutional investors still considering investment. We plan to accept these investments by transferring a portion of JAFCO's interest of ¥26.5 billion. As such, the total size of the SV7 Series will remain unchanged at ¥97.8 billion.

Both V7 and BO7 have begun making investments, and we will continue portfolio building over the next two to three years. While managing both venture and buyout investments through separate funds, JAFCO's entire organization will commit as one team to the growth of its portfolio companies and support fund operations by leveraging the resources, business development capabilities, and back-office functions that it has cultivated to date.

With its Purpose of "Fueling perpetual growth; investing in bold visions," JAFCO will make bold investments in challenges that create new value, and continue to commit itself to improving fund performance and contributing to the sustainable growth of society.

Overview of the SV7 Series Fund

*Only main funds conducting investment are shown.

Official name	JAFCO V7 Investment Limited Partnership
General partner	JAFCO Group Co., Ltd and V7 Partner Limited Liability Partnership
Investment target	Domestic venture investment
Fund size	¥56.0 billion
Fund term	June 24, 2022 to December 31, 2032

Official name	JAFCO BO7 Investment Limited Partnership
General partner	JAFCO Group Co., Ltd.
Investment target	Domestic buyout investment
Fund size	¥28.8 billion
Fund term	June 24, 2022 to December 31, 2032

Official name	JAFCO SV7-S Investment Limited Partnership
General partner	JAFCO Group Co., Ltd.
Investment target	Domestic venture and buyout investment To invest in parallel with V7 and BO7
Fund size	¥13.0 billion
Fund term	March 24, 2023 to December 31, 2032

Flagship funds under management

Est. 2013	JAFCO SV4 Fund Series	¥60.0 billion
Est. 2016	JAFCO SV5 Fund Series	¥75.0 billion
Est. 2019	JAFCO SV6 Fund Series	¥80.0 billion
Est. 2022	JAFCO SV7 Fund Series	¥97.8 billion

Comment from President & CEO Keisuke Miyoshi representing V7 Partners

JAFCO has been creating investment models that align with the times since the days when venture capital didn't yet exist in Japan. Since 2010, our basic policy has been highly selective, intensive investment, where we channel our funds and resources into carefully chosen companies, primarily conducting seed- and early-stage investment. Over the past decade, the startup scene in Japan has undergone significant transformations. Startups play a crucial role in addressing complex societal challenges. With the V7 Fund, we aim to make investments in and actively engage with companies in the rapidly growing Japanese startup market, including those based in Japan and those aiming for overseas expansion. As a Partner working alongside determined entrepreneurs, I am committed to giving my all in this endeavor.

Comment from Ko Minamikurosawa, General Manager of the Structured Investment Division, representing BO7 Managing Directors

JAFCO's buyout investment began in 1998 with the establishment of the Structured Investment Division. We have invested in a total of 58 companies, with 40 of them achieving exits.

What makes JAFCO's buyout investment stand out is our unique approach that leverages our strengths as a venture capital firm. For example, we utilize our own network to expand sales channels and make use of startup technologies and solutions to support the growth of buyout portfolio companies.

Our goal is to facilitate the revitalization of portfolio companies by transcending the corporate lifecycle of founding, growth, maturity, and decline. Through the functions of private equity investments, we aim to contribute to breaking the so-called "lost 30 years" of perceived stagnation in Japan.

Comment from Naoki Sato, Corporate Officer in Charge of Business Development

Our Business Development Division is comprised of 14 specialists dedicated to improving the corporate value of our portfolio companies. We provide various types of support tailored to the growth stage, including customer development (sales and marketing), talent enhancement (recruitment, training, and organizational development), and back-office establishment (administrative structure and IPO support). JAFCO has accumulated overwhelming experience and numerous cases/insights in supporting portfolio companies. We place the utmost importance on the practicality gained from on-the-ground experience and the replicability that increases the likelihood of success. Building an ecosystem around startups is another crucial theme. We aim to circulate people, money, and things throughout the economy, fostering collaboration with major corporations for new business creation and initiatives to increase the startup population. Through this we will contribute to the overall expansion of the startup market.