

(Securities Code: 8595)

**NOTICE OF CONVOCATION OF  
THE 54TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**JAFCO**

Your closest partner

## ■ To our shareholders:

The global economy continues to face geopolitical risks from the prolongation of existing conflicts and the emergence of new tensions, placing persistent strain on economic activity and supply chains. In the stock market, while AI-driven growth led by big tech companies has supported performance, the market remains vulnerable to shifts in the policies of governments and changes in the geopolitical landscape. As a result, the performance of the domestic TSE Growth Market as well as the IPO market was at a low level during the current fiscal year.

Meanwhile, both the public and private sectors are advancing various initiatives to harness the power of startups to drive growth and create new industries. Japan's private equity market, which is now in the midst of an unprecedented period of transformation, is generating immense medium- to long-term investment opportunities, as the pool of startup entrepreneurs continues to deepen and demand for growth-oriented business successions expands.

In this environment, JAFCO completed the transfer of its Asia and US subsidiaries, in October 2025 and January 2026 respectively. With this, we have established a structure, as announced in April 2025, that concentrates management resources on domestic investment, in line with the promotion of the growth strategy and improvement of capital efficiency. (Note that JAFCO will continue to hold its interests in existing funds managed by the transferred subsidiaries.) In connection with this, the Company has transitioned from consolidated to non-consolidated (standalone) financial statements.

Also, the Company has established the JAFCO SV8 Series, its first flagship fund in about three and a half years. With the launch of this fund, which targets total commitments of ¥100 billion, we will carefully identify companies poised to lead the next generation and make bold and ambitious

investments based on our two key drivers, venture investment and buyout investment. In today's highly uncertain environment, I believe the value of JAFCO's stable capital supply and approach of deep involvement with the management of our portfolio companies will become even more pronounced.

A key priority in our shareholder returns is achieving both improved capital efficiency and stable dividend payments. Starting with the fiscal year ended March 2026, we have strengthened our dividend policy to pay out the greater of either 6% dividend on equity (DOE) or a 50% payout ratio.

Going forward, we will continue to pay close attention to political developments, the financial environment, and startup-related policies in Japan and overseas, while steadily advancing initiatives to enhance our corporate value and achieve our medium- to long-term ROE targets.

Lastly, in this year's Annual General Meeting of Shareholders, we have submitted a proposal to amend the Articles of Incorporation to change our company name to JAFCO Co., Ltd., effective October 2026. This change is intended to maximize the value of the JAFCO brand following the completion of the transfer of the overseas subsidiaries. Under our new name, we will strive to fulfill our mission of creating new businesses while taking on new challenges.



Keisuke Miyoshi  
President & CEO

*This is an excerpt translation of the Japanese original for convenience only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.*

(Securities Code: 8595)

May 25, 2026

(Electronic Provision Measures Commencement Date: May 15, 2026)

To Shareholders:

Keisuke Miyoshi  
President & CEO  
**JAFCO Group Co., Ltd.**  
1-23-1 Toranomom, Minato-ku, Tokyo

## NOTICE OF CONVOCATION OF THE 54TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are hereby informed that the 54th Annual General Meeting of Shareholders (the "Meeting") of JAFCO Group Co., Ltd. (the "Company") will be held as described below.

The Company has taken measures of electronic provision of information including the contents of Reference Documents for the Meeting (matters regarding measures for electronic provision). Contents of the notice of convocation are posted on the Company's website under the title of "Notice of Convocation of the 54th Annual General Meeting of Shareholders" and so please visit the following website:

Company Website: <https://www.jafco.co.jp/english/ir/meeting/>

In addition to the above-mentioned website, the matters regarding measures for electronic provision are also posted on the website of JPX. Please access the following website and search them by entering either "JAFCO" in "Issue name (company name)" or "8595" in "Code" and select "Basic Information" and then "Documents for public inspection/PR information."

JPX Website (Listed Company Search):  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend in person, please examine the Reference Documents for the General Meeting of Shareholders and exercise your voting rights either of the following ways no later than 5:00 p.m. on Monday, June 15, 2026 (Japan Time).

### **[Voting via Internet, etc.]**

Please review "How to exercise your voting rights via Internet, etc." on page 65, and access the website for voting designated by the Company (<https://evote.tr.mufg.jp/>). Follow the instructions on the screen and enter for or against each proposal by the voting deadline indicated above.

### **[Voting by postal mail]**

Please indicate on the enclosed voting form whether you are for or against each proposal and return it by postal mail to us so that it arrives by the voting deadline indicated above.

- 1. Date and Time** Tuesday, June 16, 2026, at 10:00 a.m. (Japan Time)
- 2. Place** Grand Hall on the 5th floor, Nomura Conference Plaza Nihonbashi  
Nihonbashi Muromachi Nomura Bldg. (YUITO)  
2-4-3 Nihonbashi-Muromachi, Chuo-ku, Tokyo
- 3. Purpose of the Meeting**
- Matters to be reported:** Business Report and Financial Statements for the 54th Fiscal Year (from April 1, 2025 to March 31, 2026)
- Matters to be resolved:**
- Proposal 1:** Partial Amendments to the Articles of Incorporation
- Proposal 2:** Election of Two (2) Directors (Excluding Directors Serving as Board-Audit Committee Members)
- Proposal 3:** Election of Two (2) Director Serving as Board-Audit Committee Members

#### 4. Notice Regarding Exercise of Voting Rights

- 1) If you vote twice by postal mail and via Internet, etc., the vote via Internet shall be deemed valid.
- 2) If you vote via Internet more than once, only the last vote shall be deemed valid.
- 3) If you vote by postal mail and do not express for or against each proposal, it is deemed that you agree to the proposal.
- 4) If you wish to vote by proxy, one other shareholder with voting rights may attend the meeting as your proxy. However, please note that a written document certifying the proxy's authority of representation must be submitted.

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- For the Meeting, regardless of whether or not a request for the delivery of the documents has been made, we send the documents including the matters regarding measures for electronic provision in paper-based form to all shareholders. Please note that, however, out of the matters regarding measures for electronic provision the following items are excluded from this document pursuant to the applicable laws and regulations and the Articles of Incorporation of the Company. Please visit the above-mentioned websites where they are posted as "the Matters omitted from the Notice of Convocation of the 54th Annual General Meeting of Shareholders."
- Excerpt from Status of Directors (Outline of liability limitation agreements, Outline of indemnification agreement, and Outline of directors and officers liability insurance contract)
  - Systems for ensuring appropriate operations
  - Overview of the operation status of the systems for ensuring appropriate operations
  - Notes to Financial Statements

The materials above are part of the documents audited by the Board-Audit Committee and the financial auditor in the course preparing their respective audit reports.

- Please be advised that in the event of any revisions to the matters regarding measures for electronic provision, we will post the contents of modification on each of the website mentioned above.

- For those attending the Meeting, please present the voting form at the reception desk on arrival at the meeting.
- Any major change in operation of the Meeting due to future situation will be informed on the above-mentioned Company's website. Please check the website in advance if you plan to attend the Meeting in person. No drink will be served at the Meeting.
- We will inform you of the results of resolutions of the Meeting by posting them on our website.

## Reference Documents for the General Meeting of Shareholders

### Proposal 1: Partial Amendment to the Articles of Incorporation

The Company proposes to amend the Articles of Incorporation of the Company as follows:

1. Reason for the amendments

Following the completion of the transfer of overseas subsidiaries to focus on domestic investments, and in order to establish a consistent corporate brand and maximize brand value, the Company has decided to align the company name with the company logo.

2. Details of Amendments

The details of the amendments are shown below.

(Underlined parts will be amended.)

| Current Articles of Incorporation  | Proposed Amendments  |
|--|--|
| <p><b>CHAPTER I</b></p> <p><b>GENERAL PROVISIONS</b></p> <p><b>Article 1. (Trade Name)</b></p> <p>The name of the Company shall be <u>JAFCO Group Kabushiki Kaisha</u> and shall be written in English as <u>JAFCO Group Co., Ltd.</u> (hereinafter referred to as the "Company").</p> | <p><b>CHAPTER I</b></p> <p><b>GENERAL PROVISIONS</b></p> <p><b>Article 1. (Trade Name)</b></p> <p>The name of the Company shall be <u>Kabushiki Kaisha JAFCO</u> and shall be written in English as <u>JAFCO Co., Ltd.</u> (hereinafter referred to as the "Company").</p> |
| <p>(Newly established)</p>   | <p><u>(Supplementary Provision)</u></p> <p><u>The amendment to Article 1 shall come into effect on October 1, 2026. This Supplementary Provision shall be deleted on the effective date of Article 1.</u></p>  |

**Proposal 2: Election of Two (2) Directors (Excluding Directors Serving as Board-Audit Committee Members)**

The terms of office of all two (2) directors (excluding directors serving as Board-Audit Committee members; the same applies hereafter in this Proposal 2) will expire at the conclusion of the Meeting. Accordingly, the Company proposes to elect two (2) directors. This Proposal has been deliberated by the Nomination and Remuneration Committee.

With regard to the election of directors, the summary of opinions of the Board-Audit Committee (the "Committee") is as follows.


The Committee discussed the election of directors based on the deliberations by the Nomination and Remuneration Committee composed of all four (4) independent directors and the President. As a result, the Committee reached a conclusion that it has no objection to the nomination of director candidates in this Proposal with regard to oversight, execution and future focus of the Board of Directors, the composition of the Board of Directors, the business execution structure, and expertise, experience and track record of each candidate.


The Committee has also expressed an opinion regarding the remuneration of directors as follows.

The Committee discussed the remuneration of directors based on the "Policy for Determination of Remuneration of Directors, etc." and the deliberation by the Nomination and Remuneration Committee composed of all four (4) independent directors and the President. As a result, the Committee has judged the current remuneration is appropriate after taking into account fairness in remuneration calculation, balance between remuneration levels and duties/ responsibilities of directors, its links to the Company's business performance, and the details and conditions of the system, etc.

The candidates for director are as follows.

| No. | Name            | Current position and responsibilities at the Company, and significant concurrent positions outside the Company | Attribute   | Number of attendances at the BOD meetings |
|-----|-----------------|--|-------------|---|
| 1   | Shinichi Fuki   | Chairman   | Re-election | 13 out of 13 (100%)                       |
| 2   | Keisuke Miyoshi | President & CEO<br>[Representative Director]<br>In charge of Investment,<br>Partner                            | Re-election | 13 out of 13 (100%)                       |

| No.   | Name<br>(Date of birth)   | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company   | Number of the Company's shares owned |
|---|---|--|--------------------------------------|
| 1   |  <p><b>Shinichi Fuki</b><br/>(November 1, 1961)</p> <p>&lt;Re-election&gt;</p> | <p>April 1985      Joined JAFCO</p> <p>June 2003      Director in charge of Investment Group II, Kansai Branch and Planning &amp; Administration, JAFCO</p> <p>February 2005    Managing Director in charge of Finance, Investment Group II, Kansai Branch and VA Department III, JAFCO</p> <p>March 2007      Executive Managing Director in charge of Finance, Structured Investment, Kansai Branch and VA Department III, JAFCO</p> <p>January 2010     President &amp; CEO, JAFCO (Representative Director)</p> <p>April 2022      Chairman, JAFCO (Present)</p> | 130,725 shares                       |
| <p><i>Number of attendances at the Board of Directors meetings: 13 out of 13 meetings (100%)</i></p> <p><i>Reason for nomination as candidate for director</i></p> <p>Shinichi Fuki has taken charge of the Company's overall operations, including venture investment, buyout investment and fund management. As President (CEO) between January 2010 and March 2022 and as Chairman since April 2022, he has enhanced the Board of Directors' effective decision-making and supervisory function by capitalizing on his extensive experience and deep insight. Based on his track record, the Board of Directors deemed it appropriate that he continues to execute and supervise business activities as a director of the Company.</p> |   |  |                                      |

| No.  | Name<br>(Date of birth)  | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company  | Number of the Company's shares owned |
|--|--|---|--------------------------------------|
| 2  | <br><b>Keisuke Miyoshi</b><br>(September 18, 1969)<br><Re-election> | April 1993      Joined JAFCO<br>August 2011    Group Officer of Investment Group II, JAFCO<br>April 2013      Corporate Officer in charge of Investment, JAFCO<br>June 2015      Director in charge of Investment, JAFCO<br>March 2018     Director in charge of Investment, Partner, JAFCO<br>April 2022      President & CEO (Representative Director), in charge of Investment, Partner, JAFCO (Present) | 92,770 shares                        |
| <p><i>Number of attendances at the Board of Directors meetings: 13 out of 13 meetings (100%)</i></p> <p><i>Reason for nomination as candidate for director</i></p> <p>Keisuke Miyoshi serves as an executive in charge of the domestic venture investment division, and is one of the Partners who make important investment decisions. Since assuming President (CEO) in April 2022, he has taken charge of the Company's overall operations. Based on his broad experience, expertise and track record of domestic investment, the Board of Directors deemed it appropriate that he continues to execute and supervise business activities as a director of the Company.</p> |  |   |                                      |

- Notes: 1. Candidate for director Keisuke Miyoshi participates as a partner in SV6 Partners Limited Liability Partnership ("SV6 Partners LLP"), which is the joint general partner of JAFCO SV6 Fund Series ("SV6"), with other Partners and the Company, and has made partner commitment in SV6 through SV6 Partners LLP. Mr. Miyoshi also participates as a partner in V7 Partners Limited Liability Partnership ("V7 Partners LLP"), which is the joint general partner of JAFCO V7 Fund ("V7") which is a fund in SV7 specializing in venture investment, with other Partners and the Company, and has made partner commitment in V7 through V7 Partners LLP. The Company has provided loans for Mr. Miyoshi for his partner commitments in the above funds. The financing details are as shown in "9. Notes to related party transactions" in the "Notes to Financial Statements" of the Matters omitted from the Notice of Convocation of the 54th Annual General Meeting of Shareholders. There are no special interests between the Company and other candidates.
2. The Company has entered into an indemnification agreement with each candidate as stipulated in Article 430-2, Paragraph 1 of the Companies Act, under which the Company shall indemnify them for the expenses provided for in item (i) and the loss provided for in item (ii) of said paragraph to the extent provided for in laws and regulations. If each candidate is reelected, the Company plans to continue such indemnification agreement with each candidate. In order to ensure that the appropriateness of the execution of duties by the Company's directors is not impaired by said indemnification agreement, the BOD resolution approving the execution of an indemnification agreement shall be subject to the approval of all the independent directors (excluding the director to be covered by the said agreement).

3. The Company has concluded a Directors and Officers liability insurance contract, which covers all directors, with an insurance company as prescribed in Article 430-3, Paragraph 1 of the Companies Act, and if candidates are reelected, they will remain covered by the said contract. The contract covers the liability of the insured for compensation for damages, legal dispute fees, etc. arising from claims for damages from third-parties, shareholders, etc. However, there are certain exemptions such as in cases where violation of laws and regulations were knowingly committed. The premium, including the portion for riders, will be borne by the Company and its subsidiaries and there are no premiums to be borne by the insured individuals. The Company plans to renew the said contract during their term in office under the similar contents as the current contract.

### Proposal 3: Election of Two (2) Director Serving as Board-Audit Committee Member

In order to strengthen and enhance the audit structure, the Company proposes to elect two (2) additional directors serving as Board-Audit Committee members. Prior consent to this Proposal has been obtained from the Board-Audit Committee after the deliberations by the Nomination and Remuneration Committee.

The candidates for director are as follows. There is no special interest between any of the candidates and the Company.


| No. | Name          | Current position and responsibilities at the Company, and significant concurrent positions outside the Company  | Attribute                   | Number of attendances at the Board of Directors meetings | Number of attendances at the Board-Audit Committee meetings |
|-----|---------------|---|-----------------------------|--|---|
| 1   | Eiji Enomoto  | Representative Director, LEAP management consulting Co., Ltd. Independent Director, FinTech Asset Management Inc.   | New election<br>Independent | -  | -   |
| 2   | Keiko Hayashi | Representative, Keiko Hayashi Certified Public Accountants Office Independent Director (Board-Audit Committee member), Meidensha Corporation (scheduled to retire in June 2026) Supervisory Director, Nippon Building Fund Inc. Independent Director (Board-Audit Committee member), TERUMO CORPORATION Professor, Graduate School of Accountancy, Waseda University) | New election<br>Independent | -  | -   |

| No.   | Name<br>(Date of birth)  | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company  | Number of the Company's shares owned |
|---|--|---|--------------------------------------|
| 1   |  <p><b>Eiji Enomoto</b><br/>(April 8, 1962)</p> <p>&lt;New election&gt;<br/>&lt;Independent&gt;</p> | <p>April 1985      Joined Nomura Real Estate Development Co., Ltd.</p> <p>April 2008      Executive Officer, Nomura Real Estate Development Co., Ltd.</p> <p>October 2011    Representative Director &amp; Executive Vice President, Nomura Real Estate Asset Management Co., Ltd.</p> <p>April 2013      Managing Executive Officer, Nomura Real Estate Development Co., Ltd.</p> <p>April 2015      Director &amp; Senior Managing Executive Officer, Nomura Real Estate Urban Net Co., Ltd. (currently Nomura Real Estate Solutions Co., Ltd.)</p> <p>April 2017      Representative Director &amp; Executive Vice President, Nomura Real Estate Urban Net Co., Ltd. (currently Nomura Real Estate Solutions Co., Ltd.)</p> <p>April 2024      Executive Officer, in charge of DX Planning, Nomura Real Estate Holdings, Inc.</p> <p>April 2025      Executive Advisor, Nomura Real Estate Holdings, Inc.</p> <p>April 2026      Representative Director, LEAP management consulting Co., Ltd. (present)<br/>Independent Director, FinTech Asset Management Inc. (present)</p> | 1,000 shares                         |
| <p><i>Significant concurrent positions outside the Company</i><br/>Representative Director, LEAP management consulting Co., Ltd.<br/>Independent Director, FinTech Asset Management Inc.</p> <p><i>Reason for nomination as candidate for director</i><br/>Mr. Eiji Enomoto is a candidate for independent director.<br/>Mr. Enomoto has been involved in the management of listed companies and other organizations as a representative director, executive officer, etc. and possesses extensive management experience and deep insights as a business executive. He also has experience in fund formation and management, as well as in collaborating with startups in connection with the digital transformation of the real estate industry. We expect him to utilize these achievements, insights, and expertise by contributing to discussions at Board of Directors meetings, participating in significant decision-making processes regarding the management of the Company, and fulfilling the role of overseeing our business operations from an independent standpoint. We also expect that he will serve as a member of the Nomination and Remuneration Committee and be involved in the</p> |  |   |                                      |

decision-making process regarding the nomination and remuneration of executives. Based on the above, the Company believes that he will appropriately perform his duties as an independent director serving as Board-Audit Committee member.

*Matters regarding independence*

Mr. Enomoto served at the Nomura Real Estate Group (Nomura Real Estate Holdings, Inc., Nomura Real Estate Development Co., Ltd., and Nomura Real Estate Solutions Co., Ltd.) as an officer, etc. until March 2026. There are transactions between this Group and the Company related to shared office services, as well as agency transactions concerning insurance contracts. However, the transaction amount over the past three fiscal years (extending back to the fiscal year ended March 31, 2024) has averaged approximately ¥12 million per year, representing less than 1% of the above Group's annual consolidated sales in each of those fiscal years, and is therefore negligible. In addition, there have been no transactions between Mr. Enomoto or LEAP management consulting Co., Ltd., where Mr. Enomoto serves as Representative Director, and the Company, and the Company has deemed that he maintains sufficient independence to serve as an independent director of the Company.

| No. | Name<br>(Date of birth)   | Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company   | Number of the Company's shares owned |
|-----|---|--|--------------------------------------|
| 2   |  <p data-bbox="337 932 550 999"><b>Keiko Hayashi</b><br/>(August 11, 1960)</p> <p data-bbox="347 1037 540 1104">&lt;New election&gt;<br/>&lt;Independent&gt;</p> | <p data-bbox="578 300 1179 363">April 1986      Joined Tokyo Regional Taxation Bureau</p> <p data-bbox="578 373 1149 436">March 1994      Registered as certified public accountant</p> <p data-bbox="578 447 1214 510">July 2006      Partner, Tohmatsu &amp; Co. (currently Deloitte Touche Tohmatsu LLC)</p> <p data-bbox="578 520 1157 615">July 2016      Executive Board Member, the Japanese Institute of Certified Public Accountants</p> <p data-bbox="578 625 1187 688">November 2018      President, Tohmatsu Challenged Co., Ltd.</p> <p data-bbox="578 699 1187 867">July 2019      Chair, Audit Practice and Review Committee (currently the Audit Practice Review Committee), the Japanese Institute of Certified Public Accountants</p> <p data-bbox="578 877 1203 1014">June 2020      Independent Director (Board-Audit Committee member), Meidensha Corporation (present) (scheduled to retire in June 2026)</p> <p data-bbox="578 1024 1154 1087">Independent Director, Lifenet Insurance Company</p> <p data-bbox="578 1098 1219 1192">July 2020      Representative, Keiko Hayashi Certified Public Accountants Office (present)</p> <p data-bbox="578 1203 1187 1266">February 2021      Independent Corporate Auditor, NIPPON FILCON CO., LTD.</p> <p data-bbox="578 1276 1149 1339">March 2021      Supervisory Director, Nippon Building Fund Inc. (present)</p> <p data-bbox="578 1350 1219 1455">June 2021      Independent Director (Board-Audit Committee member), Lifenet Insurance Company</p> <p data-bbox="578 1465 1187 1560">April 2023      Professor, Graduate School of Accountancy, Waseda University (present)</p> <p data-bbox="578 1570 1154 1665">June 2025      Independent Director (Board-Audit Committee member), TERUMO CORPORATION (present)</p> | 0 shares                             |

*Significant concurrent positions outside the Company*

Representative, Keiko Hayashi Certified Public Accountants Office  
Independent Director (Board-Audit Committee member), Meidensha Corporation  
(scheduled to retire in June 2026)  
Supervisory Director, Nippon Building Fund Inc.  
Independent Director (Board-Audit Committee member), TERUMO CORPORATION  
Professor, Graduate School of Accountancy, Waseda University

*Reason for nomination as candidate for director*

Ms. Keiko Hayashi possesses extensive expertise and experience in the field of accounting, having conducted corporate audits as well as audits of venture capital firms and investment partnerships as a certified public accountant, serving also as Executive Board Member and Audit Practice and Review Committee Chair at the Japanese Institute of Certified Public Accountants. We expect her to utilize her ample experience and deep insights by contributing to discussions at Board of Directors meetings, participating in significant decision-making processes regarding the management of the Company, and fulfilling the role of overseeing our business operations from an independent standpoint. We also expect that she will serve as a member of the Nomination and Remuneration Committee and be involved in the decision-making process regarding the nomination and remuneration of executives.

Based on the above, the Company believes that she will appropriately perform her duties as an independent director serving as Board-Audit Committee member.

*Matters regarding independence*

There have been no transactions between the Company and Ms. Hayashi or Keiko Hayashi Certified Public Accountants Office, where she is currently affiliated.

While there have been no transactions between the Company and Deloitte Touche Tohmatsu LLC, where Ms. Hayashi was affiliated until June 2020, the Company has entered into an agreement with Deloitte Tohmatsu Tax Co., a group entity of that firm, for tax advisory and related services. However, Ms. Hayashi has never been affiliated with that tax firm, nor has she directly provided any professional services to the Company. Also, the amount of fees paid by the Company to the tax firm over the past three fiscal years (extending back to the fiscal year ended March 31, 2024) has averaged approx. ¥4.2 million per year, which is negligible.

Based on the above, the Company has deemed that Ms. Hayashi maintains sufficient independence to serve as an independent director of the Company.

- Notes:
1. Mr. Eiji Enomoto and Ms. Keiko Hayashi meet the “Standards for Independence of Independent Directors” established by the Company, as set forth below.
  2. Mr. Eiji Enomoto and Ms. Keiko Hayashi meet the requirements for independent officer as stipulated by the Tokyo Stock Exchange, and if they are elected and assume office as directors serving as Board-Audit Committee members, the Company plans to designate them as independent officers.
  3. If Mr. Eiji Enomoto and Ms. Keiko Hayashi are elected and assume office as directors serving as Board-Audit Committee members, the Company plans to enter into agreements with them to limit the liability for damages set forth in Article 423, paragraph 1 of the Companies Act, pursuant to the provisions of Article 427, paragraph 1 of the same Act. The maximum amount of liability under these agreements shall be the amount prescribed by laws and regulations.
  4. If Mr. Eiji Enomoto and Ms. Keiko Hayashi are elected and assume office as directors serving as Board-Audit Committee members, the Company plans to enter into indemnification agreements with them as stipulated in Article 430-2, Paragraph 1 of the Companies Act, under which the Company shall indemnify them for the expenses provided for in item (i) and the loss provided for in item (ii) of said paragraph to the extent provided for in laws and regulations. In order to ensure that the appropriateness of the execution of duties by the Company’s directors is not impaired by said indemnification agreement, the BOD resolution approving the execution of an indemnification agreement shall be subject to the approval of all the independent directors (excluding the director to be covered by the said agreement).
  5. The Company has concluded a Directors and Officers liability insurance contract, which covers all directors, with an insurance company as prescribed in Article 430-3, Paragraph 1 of the Companies Act, and if Mr. Eiji Enomoto and Ms. Keiko Hayashi are elected and assume office as Directors serving as Board-Audit Committee members, they will be covered by the said contract. The contract covers the liability of the insured for compensation for damages, legal dispute fees, etc. arising from claims for damages from third-parties, shareholders, etc. However, there are certain exemptions such as in cases where violation of laws and regulations were knowingly committed. The premium, including the portion for riders, will be borne by the Company and its subsidiaries and there are no premiums to be borne by the insured individuals. The Company plans to renew the said contract during their term in office under the similar contents as the current contract.

## [Reference]

### Standards for Independence of Independent Directors

In order to ensure the independence from the Company, independent directors of the Company shall satisfy the following criteria:

- (1) An independent director is not, and has not been in the past ten (10) years, an officer (limited to persons executing business) or employee of the Company or any of its subsidiaries (collectively referred to as the "Company Group").
- (2) An independent director is not, and has not been in the past three (3) years, any of the following:
  - 1) A person executing business (\*1) of another company at which a person executing business of the Company serves, or has served in the past three (3) years, as a director or officer.
  - 2) A major shareholder (a shareholder holding 10% or more of the voting rights directly or indirectly) of the Company or a person executing business of that shareholder.
  - 3) A partner at the financial auditor of the Company or an employee engaged in auditing of the Company at the same.
  - 4) A person executing business of a major lender of the Company (\*2).
  - 5) A person executing business of a major business partner of the Company Group (\*3).
  - 6) An expert in a field such as legal matters, accounting or taxation, a consultant or other such person receiving remuneration from the Company Group in excess of ¥10 million per year outside of remuneration for officers.
  - 7) A partner or a person executing business of an organization such as a corporation or an association that provides services for legal matters, accounting, taxation or consulting, or other specialist services, where the organization is deemed as a major business partner.
  - 8) A person executing business of an organization that receives a donation exceeding a certain amount (\*4) from the Company Group.
- (3) A person who is a spouse or a relative within the second degree of kinship of, or who shares living expenses with, an independent director is none of the following (excluding persons without importance):
  - 1) A person who executes business of the Company Group or has done so in the past three (3) years.
  - 2) A person to whom any of the above (2) 1) to 8) applies.

#### (Notes)

- \*1 A person executing business is an executive director, an executive (*shikkoyaku*), an administrative officer (*rjji*), or other such equivalent manager (limited to persons executing business) or an important employee such as an executive officer.
- \*2 A major lender of the Company is a lender of an amount equivalent to at least 2% of consolidated total assets (or total assets if the Company has no consolidated subsidiaries).
- \*3 A major business partner of the Company Group is a business partner whose transactions with the Company Group were equivalent to more than 2% of that business partner's annual consolidated net sales in its last fiscal year.
- \*4 A donation exceeding a certain amount is a donation to an organization exceeding an amount in a year of ¥10 million or 2% of the relevant organization's total revenue or ordinary income, whichever is the larger.

## [Reference] Experience and specialty of the Company's directors

Experience and expertise required for directors serving the Company's Board of Directors are as shown below.

| Experience and expertise          | Explanation  |
|-----------------------------------|--|
| 1. Corporate management           | Experience in corporate management as a corporate director or an equivalent role   |
| 2. Investment                     | Experience and expertise in venture investment, buyout investment, etc.  |
| 3. Fundraising and fund operation | Experience and expertise in fundraising and fund operation   |
| 4. Overseas operation             | Professional experience overseas and experience in global business   |
| Expertise                         |  |
| (a) Personnel / labor affairs     | Experience in human capital strategy, HR, and labor affairs; Expertise in HR/labor for enhancing value and organizational structures of portfolio companies  |
| (b) Treasury accounting           | Qualifications such as Certified Public Accountant or Tax Accountant; Experience in financial accounting or accounting departments; Expertise in finance/accounting for enhancing value and organizational structures of portfolio companies, etc. |
| (c) Legal affairs and compliance  | Legal qualification; Experience in legal and compliance operations; Expertise in legal/compliance for improving value and governance frameworks of portfolio companies   |
| (d) Finance                       | Experience in financial institutions, financial administrations, or other financial sector experience; Financial expertise   |

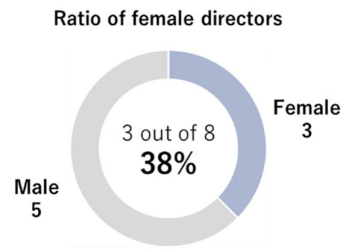
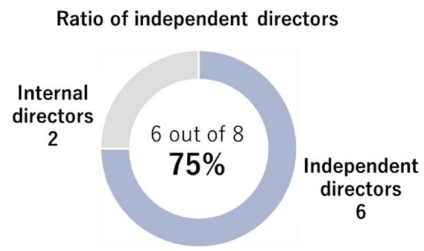
Experience and expertise of each director after the election at the Annual General Meeting of Shareholder are as shown below.

| Directors       | Experience/expertise   | 1 | 2 | 3 | 4 | Expertise <sup>+</sup> |     |     |     |
|-----------------|------------------------|---|---|---|---|------------------------|-----|-----|-----|
|                 |                        |   |   |   |   | (a)                    | (b) | (c) | (d) |
| Shinichi Fuki   |                        | ● | ● | ● | ● | ●                      | ●   | ●   | ●   |
| Keisuke Miyoshi |                        | ● | ● | ● |   | ●                      | ●   | ●   | ●   |
| Shigeru Tamura  | (Independent Director) | ● | ● |   | ● | ●                      | ●   |     | ●   |
| Yoshie Kajihara | (Independent Director) | ● |   |   |   | ●                      | ●   |     |     |
| Kanako Muraoka  | (Independent Director) |   |   |   | ● |                        |     | ●   | ●   |
| Toshinori Doi   | (Independent Director) |   |   |   | ● |                        | ●   |     | ●   |
| Eiji Enomoto    | (Independent Director) | ● | ● | ● |   | ●                      | ●   |     | ●   |
| Keiko Hayashi   | (Independent Director) | ● |   | ● |   |                        | ●   |     | ●   |

\* Note: Expertise

Directors Shinichi Fuki and Keisuke Miyoshi have experienced management team member recruitment, management figure analysis, investment legal affairs, fundraising arrangement, etc. at unlisted companies through their venture investment operations. Therefore, even if they have not worked in the relevant divisions, they are judged to have expertise in personnel/ labor affairs, treasury/ accounting, and legal affairs.

After the election at the Annual General Meeting of Shareholders, the composition of the Board of Directors will be as follows.



## **Business Report**

(From April 1, 2025 to March 31, 2026)

### **I Current Status of JAFCO Group Co., Ltd. (hereinafter the “Company”)**

#### **1. About the Company**

##### **1) Business Environment**

During the fiscal year under review, the business environment surrounding the Company continued to be uncertain with a backdrop of rising geopolitical risks, soaring prices, financial policy trends, etc.

On the other hand, promising startups and young entrepreneurs who will lead the next generation are emerging in Japan as well. The evolution and proliferation of technology such as generative AI and changes in values are creating investment opportunities for new businesses and providing strong tailwinds for our portfolio companies expected to address societal issues.

Various support measures, such as the promotion of funding for startups and tax reforms, have been implemented, and the domestic venture investment market is expected to continue growing as a promising field.

Buyout investment, another pillar of our business, is also expected to expand further in the future due to factors such as the enhancement in transparency of acquisition rules and establishment of guidelines amid an increase in M&A deals as well as ongoing efforts of the government to revise the tax system in relation to business succession of small and medium enterprises.

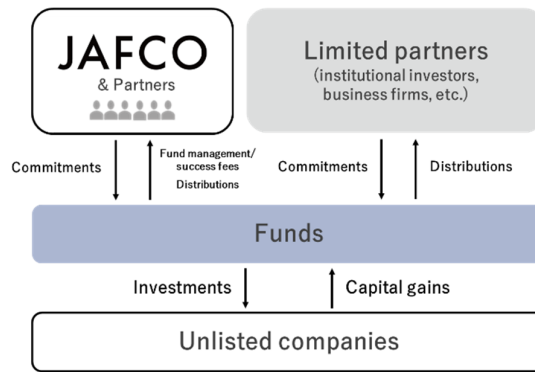
##### **2) JAFCO’s Line of Business and Business Model**

Since establishment, the Company has moved forward with cutting-edge entrepreneurs. In addition to a number of investment professionals with broad experience, we have accumulated abundant resources and built extensive networks to foster growth of portfolio companies. Not only as an investor but also as “Co-Founder,” we commit to expanding business and adding corporate value with entrepreneurs through management involvement from the business conception stage.

Since adopting the partnership model in 2018, we have been focusing on building a flat organization centered around Partners, who are responsible for fund management as top capitalists. From the SV6 Fund Series (“SV6”) onwards, Partners and employees have invested alongside JAFCO, bearing the risk of fund performance while receiving carried interest based on fund performance and degree of individual contribution. We are also enhancing long-accumulated organizational strength to further improve fund performance through deep involvement in the management of portfolio companies.

JAFCO’s business is venture and buyout investment through fund management. Our main income sources are fund management fees and success fees that we receive from fund operations, and capital gains from direct investment in funds.

The fund term is 10 years with a possible extension of two years in general. A portfolio of a newly established fund is built over a period of about three and half years since the start of fund operation. We believe that stable performance can be achieved by continually identifying and investing in high-potential companies regardless of the timing of establishment and business sentiment. After investment, we deepen management involvement to raise corporate value with entrepreneurs and lead their exits (sales) through IPO, M&A, etc.

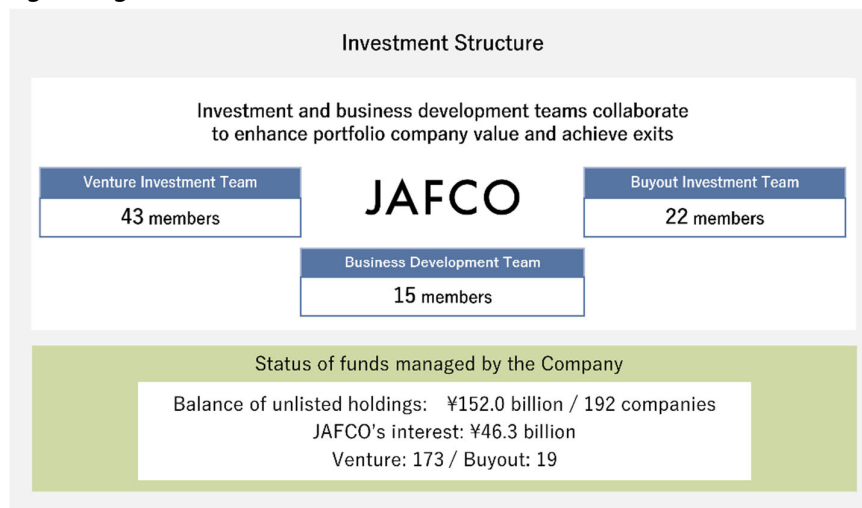


### 3) Business Domain and Investment Structure/Strategy

Our investment business consists of two types: venture investment, which is the founding business of JAFCO, and buyout investment, which we have established as our second business pillar. While venture investment can offer high growth potential, it also comes with high volatility. By combining it with the stable revenue of buyout investment, we are stabilizing our operations. Bringing together the strengths of these two investment domains, we will establish a unique organizational foundation in an aim to achieve an even greater level of performance.

For our venture investment, we implement highly selective, intensive investment, where we rigorously select promising companies primarily in their seed and early stages to boost investment amount and stake in each company, thereby increasing management involvement in portfolio companies. Not only as an investor, but also with a spirit of “Co-Founder,” we will offer deep management involvement from the business conception stage. We will commit to expanding business and raising corporate value with entrepreneurs.

In buyout investment, we mainly target small to midsize deals (worth around ¥5-15 billion in corporate value or ¥2-5 billion in equity investment amount). Using the knowledge and networks cultivated through venture investment, we excel in using cutting-edge technologies and services to support business transformation and growth of our portfolio companies. We also have a track record of IPOs achieved by investing in early-stage companies and supporting their growth.



- Notes:
1. Number of members: as of April 1, 2026
  2. Balance of unlisted holdings includes funds
  3. Balance of unlisted holdings is as of March 31, 2026
  4. Exchange rate: 1US\$=¥159.88 as of March 31, 2026

### **From a Global Tripolar Structure to Focusing on Domestic Investment (Transfer of Shares of Overseas Subsidiaries)**

Since entering overseas markets in the late 1980s, the Company has been managing its own funds based on different investment strategies in Japan, Asia, and the US, a tripolar structure. As the business environment and the Company's situation change, we have decided to shift our focus to domestic investment in April 2025, where we have an advantage in investment performance and market expansion is expected. Accordingly, the Company has completed the sale of its Asian subsidiary, JAFCO Investment (Asia Pacific) Ltd, in October 2025, and its US subsidiary, JAFCO America Ventures Inc. (Icon) in January 2026. The Company will continue to hold its interests in existing funds managed by the transferred Asian and US companies until maturity.

Going forward, by combining the strengths of venture investment and buyout investment domestically, we aim to create cycles of growth, achieve profit growth, evolve toward a stable revenue structure, and improve capital efficiency, ultimately enhancing our corporate value.

#### **4) Funds Under Management**

During the current fiscal year, the Company's overseas subsidiaries were transferred under its policy determined in the previous fiscal year to focus on domestic investment. Accordingly, all of the funds managed by the Company are now domestic funds. Total capital commitments of domestic funds under management stand at ¥312.8 billion.

Flagship funds currently under management are as shown in the figure below. By establishing a new fund approximately every three and half years and operating multiple flagship funds, the Company pursues continuity of exit deals and a more stable revenue structure.

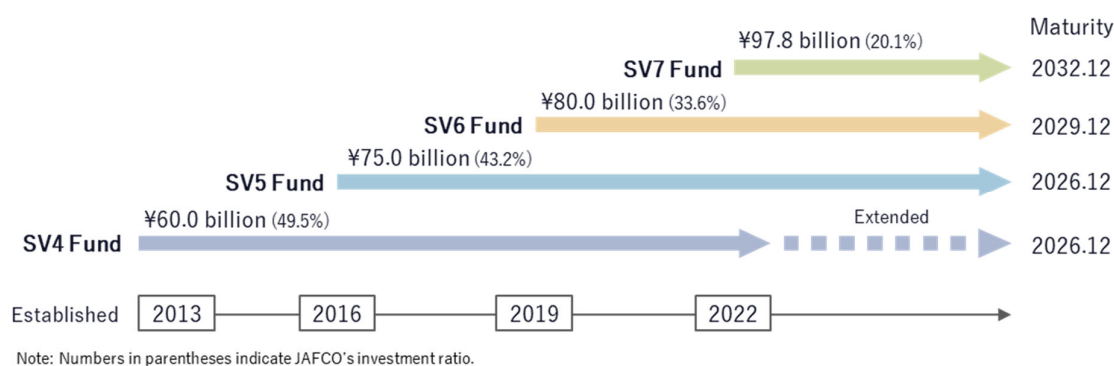
During the current fiscal year, the Company established the SV8 Series, its first flagship fund in about three and a half years, in December 2025. Capital commitments for the SV8 Series stands at approx. ¥58 billion as of April 23, 2026. With the market environment changing significantly, we are aiming to raise ¥100 billion, comparable in scale to our SV7 Series which we established in 2022.

Through the SV8 Series, JAFCO will invest in bold visions and embrace the challenge of fostering companies that will lead the next generation. We will further expand the scope of our investment activities, supporting the growth of private companies that can emerge from Japan and compete on the global stage.

As Japan's pioneer in VC funds, we will preserve discipline and transparency under the following three management policies. We believe that genuine pursuit of portfolio companies' growth and fund performance is in the best interest of fund investors and the Company.

- We will not establish industry-specific funds.
- We will not establish investor-specific funds.
- We will not engage in any business other than PE investment and fund management.

## Flagship funds under management



### 5) Business Support and Governance Establishment for Portfolio Companies

The most important aspect of investment in startup companies is the speed with which to launch business. Investment staff attend important meetings at portfolio companies and contact with the management team on a daily basis to address management issues.

At the Business Development division, professional members with strengths in recruitment / organizational development (HR), marketing/sales, back-office construction support, and other fields form teams with our investment professionals in the venture and buyout investment divisions to raise corporate value of portfolio companies. We provide free services that support efficient business launch with a minimum burden on startups which only have limited resources.

We have extensive resources and networks accumulated over the years. In recent years, we have been expanding networks with large companies promoting new business development and seeking tie-ups with startups. By utilizing the knowledge of these large companies, we aim to strengthen their collaboration with portfolio companies to support business expansion of portfolio companies.

For portfolio companies to achieve sustainable business growth and be recognized as a listed company, construction of an internal control structure is also an important issue. As it is not unusual for a startup company with a couple of members to raise several hundreds of millions of yen, we provide cash management support and staff recruitment / organizational development in line with its growth stage. For IPO preparations, we support the selection of corporate auditor, securities agency, and lead managing securities company, the establishment of internal rules, and preparation of IPO applications.

#### [Reference] Business development support in the current fiscal year

| Most pressing issues                       | Support details  | Results for FY March 2026                                      |
|--|--|--|
| Recruitment and organizational development | <ul style="list-style-type: none"> <li>C-level and other executive referrals</li> <li>Organizational development consulting</li> <li>Executive coaching</li> </ul> | Companies supported in organizational/HR issues <b>74</b> cos. |
| Customer referrals (marketing/support)     | <ul style="list-style-type: none"> <li>Lead acquisition support</li> <li>Tie-up arrangements</li> <li>PoC project referrals</li> </ul>                             | Business matching <b>403</b> matches                           |
| Back-office development                    | <ul style="list-style-type: none"> <li>IPO consulting</li> <li>Administrative division establishment</li> <li>Tool selection</li> </ul>                            | IPO consulting <b>42</b> cos.                                  |

## 2. Business Summary and Results

### 1) Transfer of Overseas Subsidiaries and Transition to Non-Consolidated Financial Statements

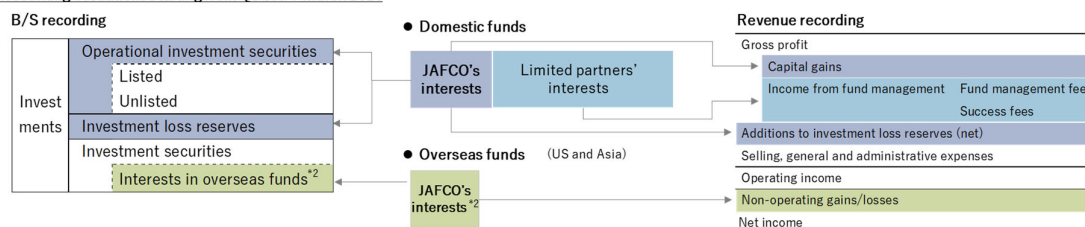
During the current fiscal year, the Company completed the transfer of all of the shares of its consolidated subsidiary JAFCO Investment (Asia Pacific) Ltd and its non-consolidated subsidiary in the US, JAFCO America Ventures Inc. (whose investment business is operated under the name "Icon Ventures"). Having completed the transfer, the Company transitioned from consolidated to non-consolidated financial statements starting from the third quarter of the fiscal year ended March 31, 2026. As such, no consolidated financial statements have been prepared for the current fiscal year. The changes resulting from the transfer of the overseas subsidiaries as well as accounting changes resulting from the transition to non-consolidated financial statements are as follows.

#### Changes Resulting from Transfer of Overseas Subsidiaries

|                             | Prior to 3Q of FY March 2026   | 3Q of FY March 2026 onward   |
|-----------------------------|--|--|
| <u>Operational hubs</u>     | Japan, Asia, and the US<br>*Decided to focus on domestic investment as of Apr. 23, '25   | Focus all resources on Japan (domestic)<br>Completed transfer of JIAP (Oct. 31, '25) and Icon (Jan. 6, '26)  |
| <u>Financial statements</u> | Consolidated financial statements  | Transitioned to non-consolidated (standalone) financial statements   |
| <u>Revenue recording</u>    | Fund management fees, success fees, and capital gains recorded as operating gains/losses | Capital gains from interests in overseas funds <sup>*1</sup> to be recorded as non-operating gains/losses<br>*There will be no fund management fees or success fees following the transfer of the overseas subsidiaries. |
| <u>B/S recording</u>        | All is recorded as operational investment securities                                     | Interests in overseas funds <sup>*1</sup> to be reclassified as investment securities<br><br><small>*1 JAFCO's interests in existing funds operated by the transferred Asian and US companies.</small>                   |

#### Change in Accounting Treatment from Transition to Non-Consolidated Financial Statements

##### Accounting Treatment Starting from Q3 of FY March 2026



\*2 The figure reflects provision deductions, etc. and is processed by the net method.

##### Recording in the Current Fiscal Year

|       | Capital gains       | Income from fund management (fund management fees & success fees) | SG&A expenses | Non-operating gains/losses (interests in overseas funds) |
|-------|---------------------|---|---------------|--|
| Japan | ○                   | ○   | ○             | -  |
| Asia  | ○<br>Until Sep. '25 | -   | -             | ○<br>From Oct. '25                                       |
| USA   | ○<br>Until Dec. '25 | ○<br>Partial; Until Dec. '25                                      | -             | ○<br>From Jan. '26                                       |

### 2) Changes in the Business Environment and Impact on Portfolio Companies

During the current fiscal year, the TSE Growth Market has continued to slump. There were 32 IPOs in the Growth Market during the current fiscal year, a significant drop from 59 in the previous fiscal year. However, with IPOs being selectively limited to exceptional companies, it

is expected that institutional investors will view the Growth Market more favorably. Also, the M&A market continues to be active, and exit methods are expected to continue diversifying. We will continue to pay close attention to political developments and the financial environment in Japan and overseas, as well as domestic startup-related policies and the impact of the TSE's change of criteria for continued listing.

### 3) Financial Highlights

During the current fiscal year, there were IPOs for two portfolio companies, and capital gains decreased, resulting in net sales of ¥21.6 billion (down 23.3% from ¥28.2 billion in the previous fiscal year) and ordinary income of ¥5.9 billion (down 55.1% from ¥13.2 billion in the previous fiscal year).

Net income was ¥6.6 billion (down 31.7% from ¥9.6 billion in the previous fiscal year), with a return on equity (ROE) of 4.8% (7.1% in the previous fiscal year).

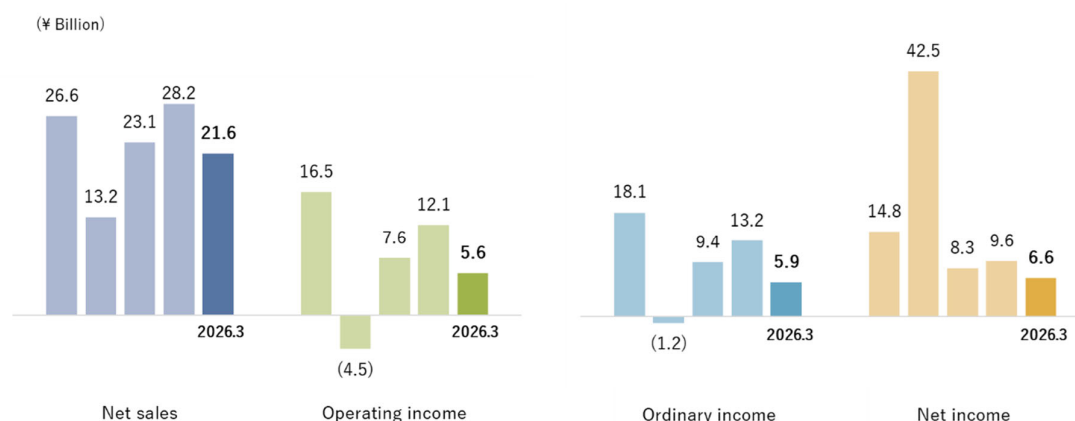
Although our performance changes significantly each fiscal year depending on the number of large exits, the continuous improvement in performance of each fund under management will lead to strong performance over the long term. We will continue to pursue IPOs, M&As, and other exits that would generate large capital gains.

#### Net sales, ordinary income, and net income for the current fiscal year

|                        | (¥ Billion) |
|------------------------|-------------|
| Net sales              | 21.6        |
| Operating income       | 5.6         |
| Ordinary income        | 5.9         |
| Net income             | 6.6         |
| ROE (Return on equity) | 4.8%        |

#### Net sales, operating income, ordinary income, and net income

- Change over the five periods from FY March 2022 to FY March 2026 -

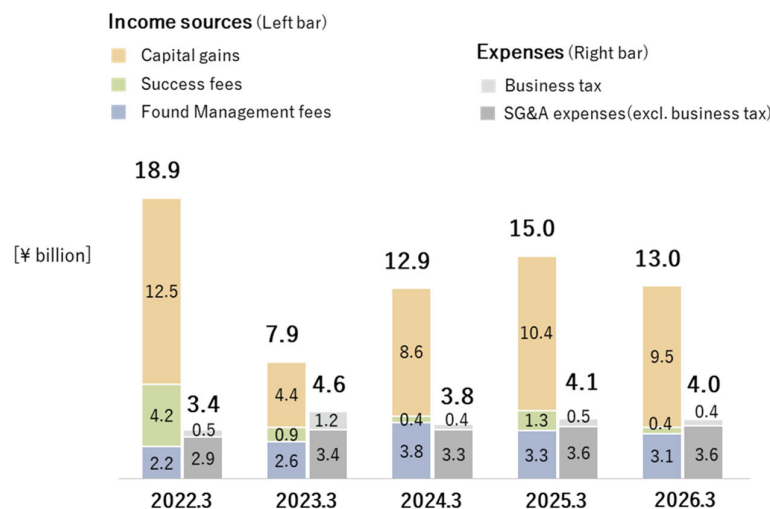


#### 4) Net Sales and Selling, General and Administrative (SGA) Expenses (Domestic only, with overseas funds excluded)

In the current fiscal year, fund management fees were ¥3.1 billion (¥3.3 billion in the previous

fiscal year). Capital gains decreased to ¥9.5 billion (total for listed and unlisted operational investment securities: ¥10.4 billion in the previous fiscal year) and success fees to ¥0.4 billion (¥1.3 billion in the previous fiscal year).

### Profits and selling, general and administrative (SGA) expenses (domestic only, with overseas funds excluded)

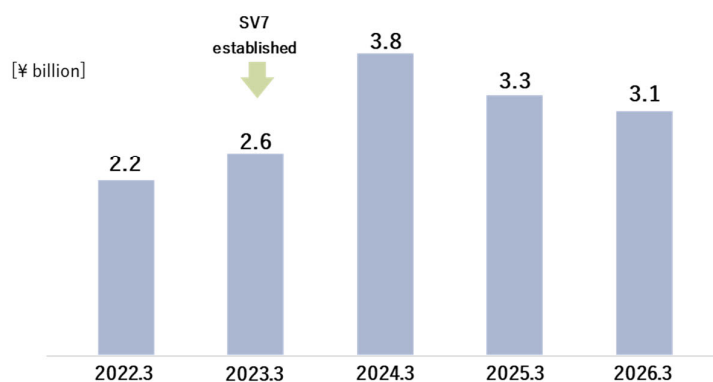


|                          |     |     |      |     |     |
|--------------------------|-----|-----|------|-----|-----|
| Number of employees:     | 108 | 117 | 126  | 131 | 133 |
| Admin. expense coverage: | 83% | 81% | 120% | 97% | 89% |

Note: The fund management fees of ¥3.8 billion for FY2024.3 include ¥0.4 billion corresponding to FY2023.4. (due to the increase in external capital commitments in the SV7 Fund).

Total capital commitments to funds amounted to ¥312.8 billion. External capital commitments, which are subject to management fees, amounted to ¥173.8 billion, remaining unchanged from the previous fiscal year. Management fees for the newly established flagship fund, the SV8 Series, is scheduled to start contributing from the fiscal year ending March 31, 2027.

### Fund management fees (domestic only, with overseas funds excluded)



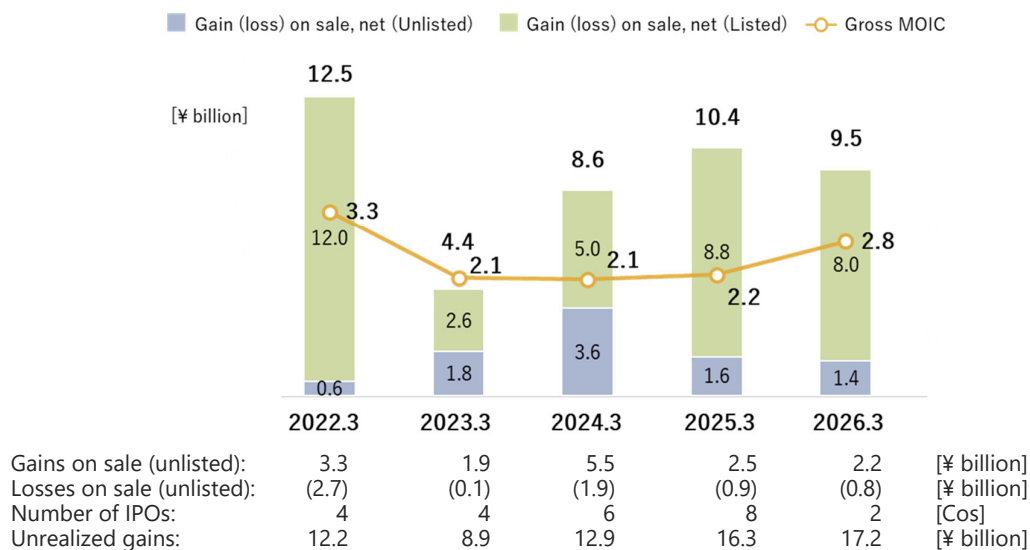
|   |       |       |       |       |       |             |
|---|-------|-------|-------|-------|-------|-------------|
| Total capital commitments:              | 215.0 | 289.4 | 312.8 | 312.8 | 312.8 | [¥ billion] |
| Of which, external capital commitments: | 123.8 | 139.9 | 169.3 | 173.8 | 173.8 | [¥ billion] |

Note: External capital commitments refer to funds entrusted for management by external investors.

During the current fiscal year we had a total of two IPOs in Japan; one from venture investment and one from buyout investment. Capital gains were ¥9.5 billion (¥10.4 billion in the previous fiscal year) and the MOIC was 2.8x (2.2x in the previous fiscal year). The ratio of the buyout exits in capital gains was 32%.

At the end of the current fiscal year, the unrealized gains of listed portfolio companies was ¥17.2 billion (¥16.3 billion at the end of the previous fiscal year).

### Capital gains and multiple on invested capital (MOIC)





Notes: 1. Gains/ losses include other portfolio-related revenues and impairment losses.

2. Unrealized gains are valuation gains on listed operational investment securities.



Going forward, we will adhere to highly selective, intensive investment and aim to increase our investment management capabilities. Also, by enhancing our fundraising capabilities, we will increase the fund size and expand external capital contributions in the medium to long term, backed by the growth of target markets. In this way we will increase our success fees and fund management fees.

[Reference] Primary exits during the current fiscal year

IPOs: Two (2)

|   |   |  |
|---|---|--|
|  | <p><b>Izawa Towel Co., Ltd.</b><br/>                 Planning, manufacture, and sale of towel products<br/>                 (Buyout investment)</p>                           | <p>IPO period: June 2025<br/>                 IPO market: Standard</p>   |
|  | <p><b>Mirrativ, Inc.</b><br/>                 Operation of "Mirrativ," a mobile live-streaming and communication app for gamers<br/>                 (Venture investment)</p> | <p>IPO period: December 2025<br/>                 IPO market: Growth</p> |

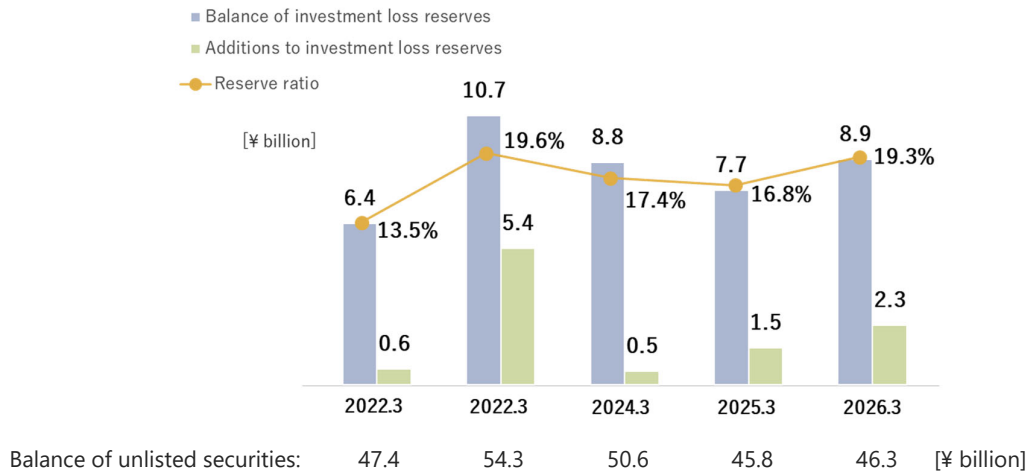
M&A: Two (2)

|   |   |                                   |
|---|---|-----------------------------------|
|  | <p><b>PAPABUBBLE JAPAN Inc.</b><br/>                 Operation of several brands of sweets stores including "PAPABUBBLE" (art candies)<br/>                 (Buyout investment)</p> | <p>Exit period: August 2025</p>   |
|  | <p><b>Waterfront Co., Ltd.</b><br/>                 Design, manufacture, and wholesale of umbrellas<br/>                 (Buyout investment)</p>                                    | <p>Exit period: December 2025</p> |

## 5) Status of Investment Loss Reserves (Domestic only, with overseas funds excluded)

Additions to investment loss reserves was ¥2.3 billion (¥1.5 billion in the previous fiscal year), the balance of investment loss reserves was ¥8.9 billion (¥7.7 billion in the previous fiscal year), and the reserve ratio was 19.3% (16.8% in the previous fiscal year), up from the previous fiscal year.

### Additions to investment loss reserves (domestic only, with overseas funds excluded)



Note: Excluding investment in other funds.

We will continue to monitor the impact of the changes of business environment on the private equity market. The reserves may increase when future performance and fundraising of our portfolio companies are affected.

## 6) Assets

A majority of our portfolio consists of unlisted companies, shares of which are highly illiquid. For this reason, we need to maintain a solid financial base to allow us to continue investing under any circumstances.

Of the total assets of ¥157.9 billion at the end of the current fiscal year, the balance of unlisted operational investment securities was ¥46.3 billion (¥82.8 billion in the previous fiscal year, ¥45.8 of which was domestic). Net assets at the end of the current fiscal year were ¥134.1 billion, a decrease of ¥3.4 billion from the end of the previous year, and the equity ratio was 85.0%.

## Total assets and net assets

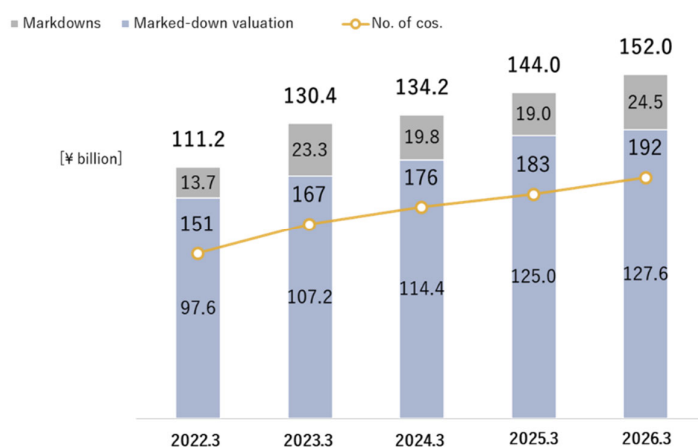


## 7) Fund Management: Balance of Unlisted Securities

(Domestic only, with overseas funds excluded)

In the current fiscal year, the balance of unlisted securities for all funds was ¥152.0 billion. The increase of the balance of unlisted securities under management is ongoing.

**Balance of unlisted securities (domestic only, with foreign funds excluded)**



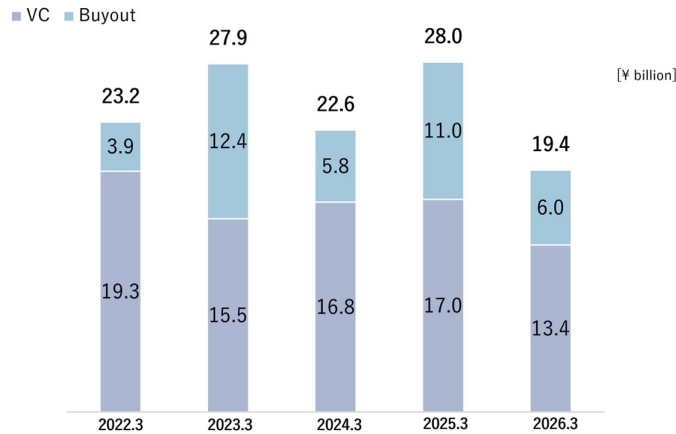
Note: Exchange rate US\$1=¥159.88 is used for all period

## 8) Fund Management: Investment

In the current fiscal year, the amount of investment amounted to ¥19.4 billion.

The amount of investment per year is ¥25-30 billion, and this fiscal year saw an decrease in the investment.

### Investment Amount



## 9) Status of Interests in Overseas Funds

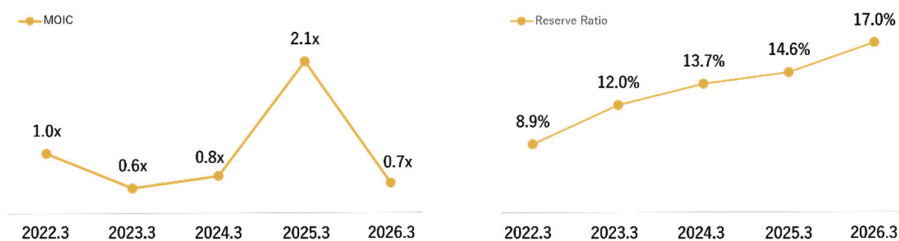
The balance of the Company's interests in existing overseas funds managed by the transferred Asia and US subsidiaries stands ¥34.9 billion (recorded to the balance of investment securities). These interests will continue to be held until the maturity of the funds. Profit/loss on investment for the Company's interests in overseas funds are recorded as non-operating profit/loss. In the current fiscal year, the MOIC of interests in overseas funds was 0.7x and the reserve ratio was 17.0%.

Note: Operating profit/loss = Capital gains – (Fund management fees + Success fees) – Additions to investment loss reserves (net amount)

### Balance of Interests in Overseas Funds and Uncalled Commitments



### Change in MOIC and Reserve Ratio



### 3. Shareholder Returns

#### 1) Shareholder Return Policy

In order to achieve higher and more stable dividends than in the past, the Company reviewed its shareholder return policy in April 2025 as follows.

The policy will be to pay out the greater of either 6% DOE (ratio of annual dividends to shareholders' equity at the end of the previous fiscal year) or a 50% payout ratio as dividends.

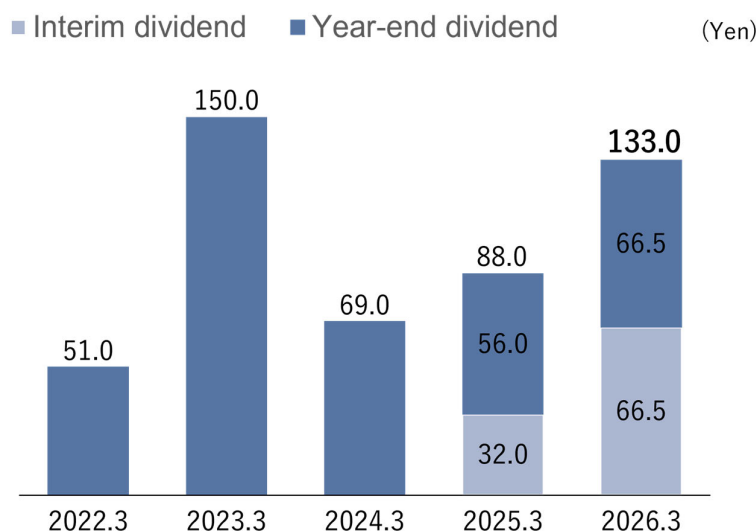
In addition to the dividend policy above, we plan to reduce necessary funds (calculated by deducting interest-bearing debts, accrued taxes, and expected dividend payments at the end of March of each fiscal year from cash and deposits) to ensure continuous investment in stages and will consider allocating the excess amount for shareholder returns including share buybacks.

#### 2) Status of Shareholder Returns

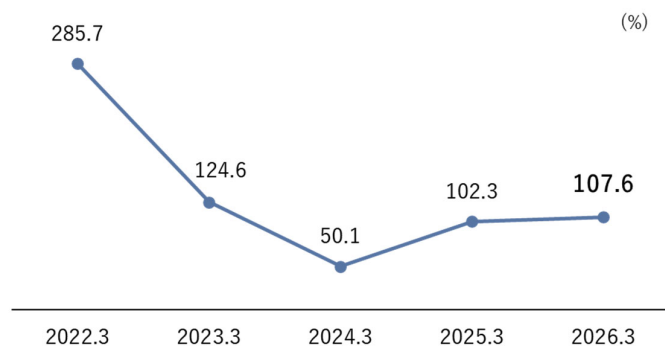
Starting in the previous fiscal year, we have begun implementing interim dividends in order to increase opportunities for shareholder returns. In the current fiscal year, with September 30, 2025 as a record date, ¥66.5 per share of interim dividends were implemented (¥32.0 in the previous fiscal year).

Also, as 6% DOE was greater than a 50% payout ratio in the current fiscal year, based on the policy mentioned above, we have decided to pay annual dividends of ¥133.0 per share (previous fiscal year: ¥88.0 per share) for the current fiscal year. As ¥66.5 per share of interim dividends were implemented, ¥66.5 per share (¥56.0 in the previous fiscal year) of year-end dividends will be paid out. As such, the effective total return ratio for the current fiscal year was 107.6%.

#### Dividend per share



## Total return ratio



- Notes:
1. Total return ratio (%) = (Total dividends paid + Total share buyback)/ Net income
  2. Share buybacks were implemented in FY2022.3 and FY2023.3.
  3. The figure for FY2025.3 is the effective total return ratio in which share buybacks (¥5 billion) resolved by the Board of Directors on April 23, 2025 are counted as shareholder returns for that period.
  4. The figure for FY2026.3 is the effective total return ratio in which share buybacks (¥5 billion) resolved by the Board of Directors on April 23, 2025 are excluded as shareholder returns for the previous period.

## [Reference] Shareholder returns policy (FY March 2026 onward)

|                |                    |  |
|----------------|--------------------|--|
| Dividends      | Standard           | The greater of 6% DOE* or a 50% payout ratio   |
|                | Dividend per share | Dividends for FY March 2026<br>Interim dividend: ¥66.5; Year-end dividend: ¥66.5; Annual dividend: ¥133<br><br>Projected dividends (minimum) for FY March 2027<br>Interim dividend: ¥66.5; Year-end dividend: ¥66.5; Annual dividend: ¥133 |
|                | Frequency          | Interim dividends continued<br>Dividends implemented twice per year (interim and year-end)   |
|                | Forecast           | Minimum dividend to be disclosed at start of fiscal year as dividend forecast  |
| Share buybacks |                    | Continue to consider additional shareholder returns, taking into account progress in exits and the fundraising environment for funds   |

\*Ratio of annual dividends to shareholders' equity at the end of the previous fiscal year

## 4. Issues to Be Addressed

The issues to be addressed by the Company are as follows:

- 1) Further evolution of highly selective, intensive investment and efforts to enhance corporate value of portfolio companies
- 2) Improve investment performance (MOIC)
- 3) Improve fundraising capabilities
- 4) Recruit and develop diverse human resources
- 5) Maintain a certain level of solid financial foundation

We will address these issues through efforts to achieve the medium- and long-term goals in the Basic Policy for Enhancing Corporate Value below.

- **Basic Policy for Enhancing Corporate Value**

The Company's basic policy is to promote growth strategies and improve capital efficiency by reducing net assets, with the aim of increasing corporate value that leads to greater profits for shareholders.

- i) **Promotion of the Growth Strategy**

Investment management capabilities and fundraising capabilities are the two wheels our profit growth underpinned by our organizational infrastructure.

- Enhance Investment Management Capabilities**

Since 2010, with our investment policy of highly selective, intensive investment and management involvement, we have focused on maximizing capital gains and improving fund performance by identifying promising companies at an early stage and proactively working on their post-investment growth.

In order to further enhance our investment management capabilities, we will further evolve our highly selective, intensive investment and management involvement in each investment process as follows:

- Investment: Identify companies with high growth potential at an early stage and make investments as a lead investor
- Growth support: Improve the growth speed of portfolio companies by utilizing various management resources and being deeply involved in business development and organizational infrastructure enhancement.
- Exit: Get deeply involved in management to achieve IPOs and developmental M&As that maximize corporate value.

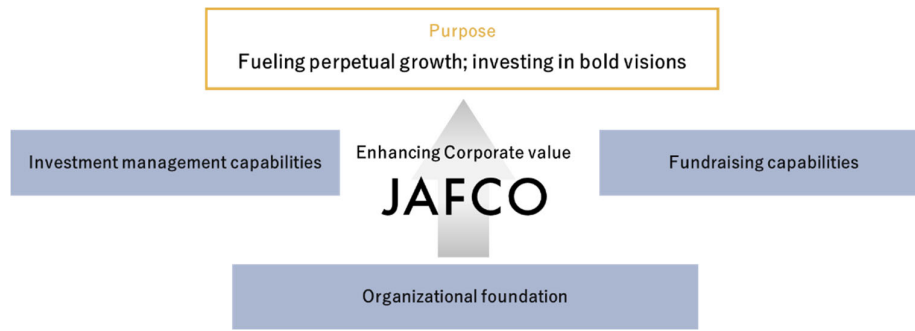
- Enhance Fundraising Capabilities (expanding funds from external investors)**

In addition to ensuring stable fund performance, we will manage funds with discipline and transparency and provide information according to investors' needs. These will allow us to receive continued investment from existing investors, while also attracting a new investor base that shares social and economic significance with our funds, thereby increasing the amount of funds raised from external investors.

- Reinforce Organizational Foundation**

We will continue to develop investment professionals, who constitute the basis of our investment management capabilities, through our unique recruitment and training model that combines continuous recruitment of new graduates, passing-on of expertise, and the hiring of specialists in specialized fields.

At the same time, we will further strengthen the organizational structure that comprehensively supports the investment process, and work to continuously improve our investment management capabilities without excessive reliance on individuals.



## ii) Improve Capital Efficiency

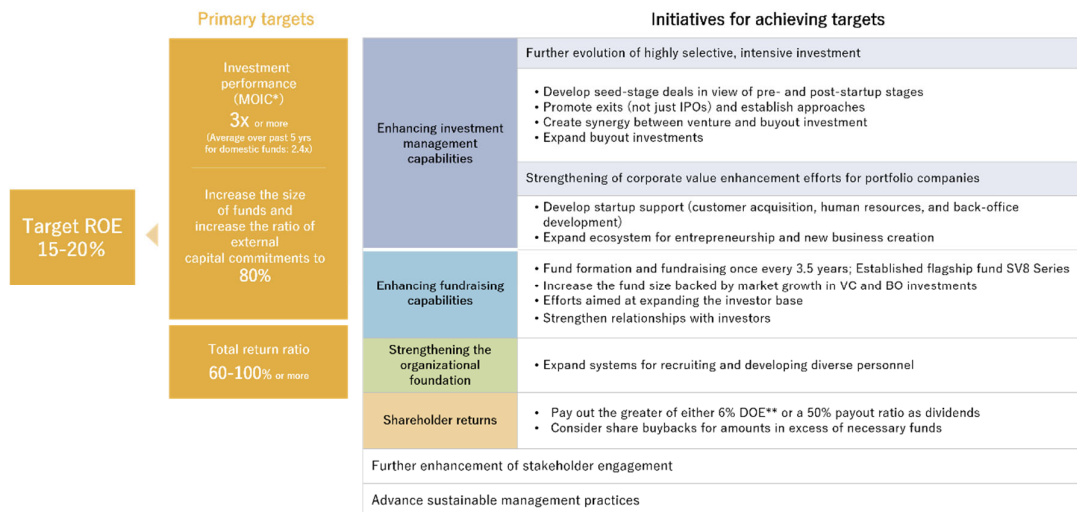
Going forward, we will increase the size of our new funds gradually in line with the target market, while reducing our investment ratio in stages, with the medium- to long-term goal of reducing the ratio to 20%.

By doing so, we will aim for a high level of capital gains by keeping the necessary funds at a certain amount while maintaining the balance of operating investment securities. As an investment management company, we will pursue our unique model of investment management business that allows us to earn stable management fees while continuing to generate high profitability. We will implement measures based on the aforementioned shareholder return policy and aim to improve capital efficiency.

## iii) Medium- to Long-term Goals

The key indicators as medium- to long-term goals we have set as part of the aforementioned Basic Policy for Enhancing Corporate Value are as indicated in the chart below. Of these, regarding investment performance (MOIC), we have revised our business portfolio and decided to focus on domestic investments in April 2025, amending our target from "2.5x or more" to "3x or more." With our shift of focus to domestic investment, we will advance the promotion of the growth strategy and improvement of capital efficiency in an aim to achieve our target ROE of 15-20%, and in continuing initiatives aimed at achieving these targets we will conduct management that is mindful of capital costs and the stock price.

### Key indicators as medium-to long-term goals and initiatives for achieving them



\*MOIC: Revenue from operational investment securities ÷ Cost of operational investment securities  
 \*\*DOE: ratio of annual dividends to shareholders' equity at the end of the previous fiscal year

- **Sustainability Initiatives**

The Company has formulated its Basic Policy on Sustainability with the aim of sharing its basic approach on sustainability as well as ESG challenges and measures with its stakeholders and contributing to the realization of a sustainable environment and society.

Under this Basic Policy, the Company is committed to respecting the human rights and diverse values of all individuals involved in its business activities, and strives to create a safe and healthy working environment that supports the physical and mental well-being of its employees. During the current fiscal year, the Company formulated the Human Rights Policy.

Also, to further promote ESG investment initiatives within our investment activities, we formulated our ESG Investment Policy and became a PRI (Principles for Responsible Investment) signatory. More and more startups are being founded by entrepreneurs determined to use them to resolve social issues. Accordingly, there are greater expectations of venture capital and private equity investments that underpin the growth of these startups, and their roles and responsibilities are becoming increasingly important. JAFCO believes that it must do more than just achieve economic returns—we view our social responsibility as contributing to the realization of a sustainable society through the medium- to long-term growth of its portfolio companies.

- **Sustainability and ESG in Investment Activities**

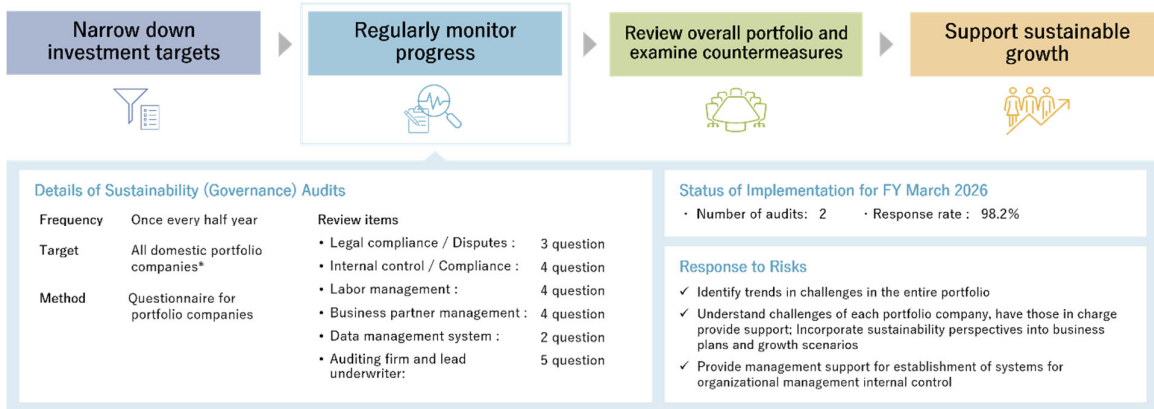
The essence of the Company's investment activities matches strongly with the concept of ESG investing.

When evaluating the business potential of promising companies at the initial stage of investment, factors such as environmental (E), social (S), and aspects related to the SDGs, are crucial in assessing risks and societal needs. Based on the evaluation, we discuss the challenges for achieving sustainable growth with the management of potential portfolio companies and use these discussions as a basis for making investment decisions.

The next stage of investment activity involves supporting growth by resolving issues through dialogue and providing management involvement. We regularly check the cash management and legal compliance status of our portfolio companies in addition to tracking their business status. While placing top priority on their business launch, we also place importance on building an administrative structure in parallel. Through dialogue with management teams, we share and resolve issues. We support the establishment of sales, development and administrative structures, including human resource recruitment, according to growth stages. We also provide hands-on support for management teams to build a governance (G) structure.

Through the above initiatives, we contribute to the realization of sustainability by producing companies that will generate large social impacts in the future.

[Reference] Initiatives in investment activities

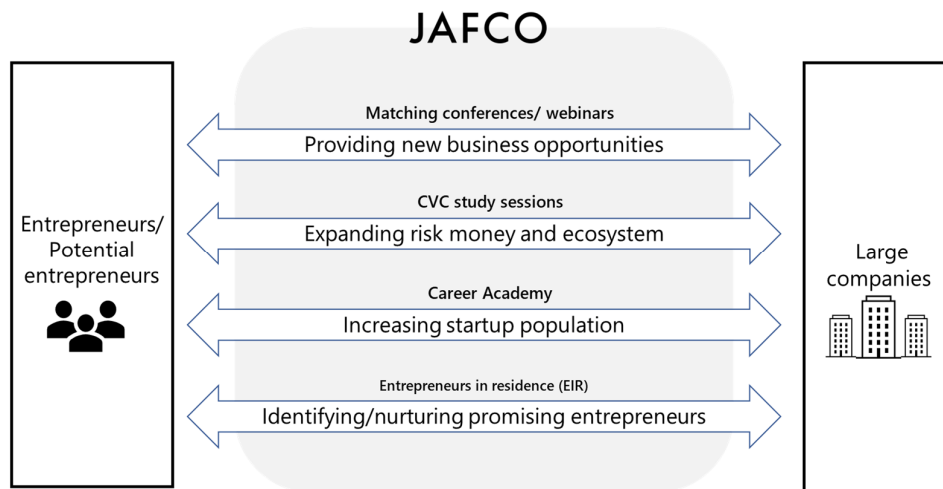


\*Portfolio companies expecting an exit (IPO, M&A, or other liquidity event) in the near future or that were invested in shortly before the timing of sustainability (governance) audits (about a month before the standard date) are excluded from the scope of the audit.

● Contribution to expansion of the startup ecosystem

Utilizing the abundant resources we have developed over the years and our extensive network with many companies, we offer various services and events, including matching entrepreneurs with big businesses, study sessions with large companies promoting new business development, and a managerial human resource support service (Career Academy) for startups. In addition, as an initiative to broaden the base of entrepreneurship, we offer an entrepreneurship support program that invites aspiring entrepreneurs to participate as “entrepreneurs in residence” (EIRs) and provides them with a place to prepare for business startup.

We will nurture new businesses by connecting entrepreneurs with big businesses and leveraging the strengths of both parties, while contributing to the expansion of the startup ecosystem by taking these actions in realizing our Purpose.



## 5. Assets and profit (loss)

|   | 51st Fiscal Year<br>(From April 1, 2022<br>to March 31, 2023) | 52nd Fiscal Year<br>(From April 1, 2023<br>to March 31, 2024) | 53rd Fiscal Year<br>(From April 1, 2024<br>to March 31, 2025) | 54th Fiscal Year<br>(From April 1, 2025<br>to March 31, 2026) |
|---|---|---|---|---|
| Net sales<br>(Millions of yen)              | 13,156  | 23,144  | 28,192  | 21,619  |
| Ordinary income (loss)<br>(Millions of yen) | (1,169)   | 9,438   | 13,151  | 5,905   |
| Net income<br>(Millions of yen)             | 42,502  | 8,271   | 9,632   | 6,576   |
| Profit per share<br>(Yen)                   | 614.85  | 151.91  | 176.61  | 123.65  |
| Total assets<br>(Millions of yen)           | 153,205   | 158,210   | 163,832   | 157,856   |
| Net assets<br>(Millions of yen)             | 126,739   | 133,518   | 137,540   | 134,113   |
| Net assets per share<br>(Yen)               | 2,330.45  | 2,450.62  | 2,520.55  | 2,548.70  |

Note: 1. Regarding funds operated by the Company, assets, liabilities, income, and expenses are recorded pro rata to the interest of the Company in each fund.  
2. The Company transitioned from consolidated to non-consolidated (standalone) financial statements starting in the third quarter of the 54th Fiscal Year. As such, figures in assets and profit (loss) in the above are all non-consolidated figures.

## 6. Significant subsidiaries (as of March 31, 2026)

There are no significant subsidiaries as of the end of the current fiscal year.

Note: All shares of JAFCO Investment (Asia Pacific) Ltd were transferred on October 31, 2025, and accordingly, it and its consolidated subsidiaries have been excluded from the scope of significant subsidiaries.

## 7. Principal offices (as of March 31, 2026)

| Name              | Location         |
|-------------------|------------------|
| Head Office       | Minato-ku, Tokyo |
| West Japan Branch | Kita-ku, Osaka   |

Note: JAFCO Investment (Asia Pacific) Ltd (including its subsidiaries), the Company's former consolidated subsidiary in Asia, and JAFCO America Ventures Inc., the Company's former non-consolidated subsidiary in the US, both of which had been principal offices as of the end of the previous fiscal year, were excluded from the Company's principal offices as all of their shares were transferred during the current fiscal year.

## 8. Employees (as of March 31, 2026)

| Number of employees | Increase (decrease)<br>from previous fiscal<br>year | Average age                  | Average years of<br>service |
|---------------------|---|------------------------------|-----------------------------|
| 133                 | 2   | 43 years and<br>3 months old | 13 years and<br>8 month     |

Note: The number of employees is the number of personnel at work.

## 9. Outline of financing

In the current fiscal year, repayments on maturity were made, and as a result, the balance of long-term borrowings including the current portion was ¥149 million (previous fiscal year-end: ¥183 million).

## 10. Principal creditors (as of March 31, 2026)

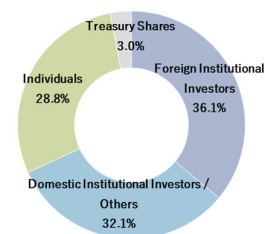
(Millions of yen)

| Creditor                      | Balance of borrowings |
|-------------------------------|-----------------------|
| Nippon Life Insurance Company | 100                   |
| Resona Bank, Limited          | 49                    |

## II Current Status of the Company

### 1. Shares (as of March 31, 2026)

- 1) Authorized number of shares 240,000,000 shares
- 2) Number of shares issued 54,250,000 shares
- 3) Number of shareholders 17,306
- 4) Major shareholders



| Shareholder  | Number of shares held<br>(Thousand shares) | Shareholding ratio<br>(%) |
|--|--|---------------------------|
| The Master Trust Bank of Japan, Ltd. (Trust Account)                         | 6,298                                      | 12.0                      |
| STATE STREET BANK AND TRUST COMPANY 505018                                   | 2,775                                      | 5.3                       |
| Custody Bank of Japan, Ltd. (Trust Account)                                  | 2,569                                      | 4.9                       |
| JPMorgan Securities Japan Co., Ltd.  | 2,251                                      | 4.3                       |
| Yoshiteru Akita  | 2,178                                      | 4.1                       |
| Nippon Life Insurance Company  | 1,158                                      | 2.2                       |
| Hikari Tsushin KK Investment Limited Partnership                             | 970  | 1.8                       |
| GOLDMAN SACHS INTERNATIONAL  | 877  | 1.7                       |
| BNYM SA/NV FOR BNYM FOR BNYM GCM CLIENT ACCTS M ILM FE                       | 862  | 1.6                       |
| NORTHERN TRUST CO.(AVFC) RE IEDU UCITS CLIENTS NON TREATY ACCOUNT 15.315 PCT | 801  | 1.5                       |

- Notes: 1. The Company holds 1,629 thousand treasury shares, which are excluded from the above list of major shareholders.
2. The shareholding ratio is calculated after deducting the number of treasury shares.

### 5) Shares granted to Company officers during the current fiscal year as consideration for performance of duties

At the 50th Annual General Meeting of Shareholders held on June 21, 2022, the Company passed a resolution to introduce a restricted stock compensation plan to provide incentives to continuously improve the Company's corporate value and to promote further value sharing with shareholders.

The number of shares with transfer restrictions allocated to the Company's officers, etc. under this stock compensation plan during the current fiscal year is as follows. An overview of the stock compensation plan is shown on page 45.

|   | Number of shares allocated | Number of allottees |
|---|----------------------------|---------------------|
| Directors (excluding director serving as audit committee members and independent directors) | 35,816                     | 2                   |
| Corporate officers who do not concurrently serve as directors                               | 27,627                     | 4                   |

## 6) Other important matters concerning shares

### ● Share buyback and cancellation of treasury shares

i) The Company passed a resolution regarding a share buyback at the meeting of the Board of Directors held on April 23, 2025 based on the Articles of Incorporation complying with Article 459, Paragraph 1 of the Companies Act.

- Type and number of buyback shares: Common stock; 3.5 million shares (upper limit)
- Buyback amount: ¥5 billion (upper limit)
- Buyback period: From April 24, 2025 to October 23, 2025
- Buyback method: Market purchase on the Tokyo Stock Exchange

Cumulative number of treasury shares acquired based on the above resolution of the Board of Directors: 2,011,100 shares for ¥4,999 million

ii) The Company cancelled part of the treasury shares in accordance with the provisions of Article 178 of the Companies Act.

| Date of resolution of the Board of Directors | Date of cancellation | Number of total outstanding shares before cancellation | Number of shares cancelled | Ratio to total outstanding shares before cancellation |
|--|----------------------|--|----------------------------|---|
| October 24, 2025                             | November 6, 2025     | 56,060,000   | 1,810,000                  | 3.2%  |

## 2. Stock acquisition rights, etc.

The status of stock acquisition rights at the end of the current fiscal year was as follows:

|  | Stock acquisition rights attached to Zero Coupon Convertible Bonds due 2028 |
|--|---|
| Date of issuance resolution  | September 12, 2023  |
| Number of stock acquisition rights                                     | 1,500   |
| Class of shares that are the objective of the stock acquisition rights | Ordinary shares   |
| Stock acquisition rights issuance value                                | ¥1,912.0 per share  |
| Stock acquisition rights exercise period                               | From October 12, 2023 to September 14, 2028                                 |
| Balance of convertible bonds   | ¥15,000 million   |

Notes: 1. With the decision at the Board of Directors meeting held on May 12, 2026 to pay out year-end dividends of ¥66.5 per share for the current fiscal year, the issuance value (conversion price) of the stock acquisition rights has been adjusted to ¥1,860.1 per share as of April 1, 2026 pursuant to the conversion price adjustment clauses in the terms and conditions of the Bonds.

2. Under the scheme of the convertible bonds, until May 28, 2028, which is four months prior to the maturity date (September 28, 2028), the acquisition rights cannot be exercised unless the price of the Company's common shares exceeds 130% of the conversion price for a certain period of time. Also, the Company is able to acquire all remaining Convertible Bonds by issuing a notice from May 29, 2028 to June 28, 2028.

### 3. Status of Directors

#### 1) Directors (as of March 31, 2026)

| Position   | Name            | Responsibilities at the Company and significant concurrent positions          |
|--|-----------------|---|
| Chairman   | Shinichi Fuki   |   |
| President & CEO<br>[Representative<br>Director]          | Keisuke Miyoshi | In charge of Investment<br>Partner  |
| Director (Board-Audit<br>Committee member,<br>full-time) | Shigeru Tamura  |   |
| Director (Board-Audit<br>Committee member)               | Yoshie Kajihara |   |
| Director (Board-Audit<br>Committee member)               | Kanako Muraoka  | Attorney-at-Law, Gofukubashi Law Office<br>Outside Director, Fujiya Co., Ltd. |
| Director (Board-Audit<br>Committee member)               | Toshinori Doi   |   |

- Notes:
1. Directors Shigeru Tamura, Yoshie Kajihara, Kanako Muraoka and Toshinori Doi are independent directors.
  2. The Company has designated Directors Shigeru Tamura, Yoshie Kajihara, Kanako Muraoka and Toshinori Doi as Independent Officers based on the regulations of the Tokyo Stock Exchange, and their names are registered with the exchange.
  3. Director Yoshie Kajihara has adequate knowledge in finance and accounting through her long years of work experience in accounting and finance divisions of listed/unlisted companies.
  4. Shigeru Tamura was appointed a full-time member of the Board-Audit Committee to allow him to gather timely information related to execution of duties from directors/employees, attend important meetings, and ensure close cooperation between the Board-Audit Committee and the Internal Audit Division.
  5. Director Toshinori Doi was newly elected and assumed office at the 53rd Annual General Meeting of Shareholders held on June 17, 2025.
  6. Director (Board-Audit Committee member) Kenichi Akiba resigned due to the expiration of his term in office at the close of the 53rd Annual General Meeting of Shareholders held on June 17, 2025.

[Reference]

The Company has established a corporate officer system. Corporate officers as of April 1, 2026 are as follows:

| Position                 | Name              | Responsibilities at the Company                              |
|--------------------------|-------------------|--|
| Senior Corporate Officer | Ko Minamikurosawa | General Manager of Structured Investment Division            |
| Corporate Officer        | Hiroaki Matsuda   | In charge of Administration and Organization & Human Capital |
| Corporate Officer        | Sueko Matsumoto   | In charge of Fund Management                                 |
| Corporate Officer        | Naoki Sato        | General Manager of Business Development Division             |

The Company has appointed Partners who execute investment opportunities and management of JAFCO-operated funds. As of April 1, 2026, Partners who do not concurrently serve as director are as follows:

| Position | Name              | Responsibilities at the Company   |
|----------|-------------------|---|
| Partner  | Atsushi Fujii     | General Manager of Investment Division<br>In charge of Venture Investment |
| Partner  | Tomotake Kitazawa | In charge of Venture Investment   |
| Partner  | Mizuki Takahara   | West Japan Branch Manager<br>In charge of Venture Investment              |
| Partner  | Yutaro Saka       | In charge of Venture Investment   |
| Partner  | Haruyoshi Onuma   | In charge of Venture Investment   |

## 2) Remunerations, etc. of directors, etc.

### ● Total remunerations for the fiscal year ended March 31, 2026

| Classification   | Number of persons paid | Total amount paid (¥ millions) | Total amount by compensation type (¥ millions) |   |   |                               |
|--|------------------------|--------------------------------|--|---|---|-------------------------------|
|  |                        |                                | Basic compensation (fixed)                     | Basic compensation (performance-linked) | Extraordinary compensation (performance-linked) | Restricted stock compensation |
| Directors (excluding Board-Audit Committee members)                                  | 2                      | 221                            | 69   | 17                                      | 54  | 80                            |
| Directors serving as Board-Audit Committee members [of which, Independent Directors] | 5<br>[5]               | 70<br>[70]                     | 70<br>[70]                                     | -                                       | -   | -                             |
| Total [of which, Independent Directors]  | 7<br>[5]               | 292<br>[70]                    | 140<br>[70]                                    | 17<br>[-]                               | 54<br>[-]                                       | 80<br>[-]                     |

- Notes: 1. Part of basic compensation is paid to directors (excluding directors serving as Board-Audit Committee members) as performance-linked remuneration. The details of the performance indicators selected as a basis for calculating the said amount and the method of calculating the amount are as given in the "Outline of policy for determination of remuneration of directors, etc." below. The reason for selecting the said performance indicators is to reflect the Company's short-term performance.

Of the above performance-linked basic compensation, ¥4 million paid between April and June 2025 was determined based on the performance indicators for the fiscal year ended March 31, 2024, and ¥12 million paid in and after July 2025 was determined based on the performance indicators for the fiscal year ended March 31, 2025 at the Board of Directors meetings after the deliberations by the Nomination and Remuneration Committee. Actual results of key performance indicators (consolidated, hereinafter the same) for the year ended March 31, 2024 were capital gains of ¥7,937 million, reversal of investment loss reserves of ¥775 million, and ordinary income of ¥8,822 million, and those for the year ended March 31, 2025 were capital gains of ¥12,703 million, reversal of investment loss reserves of ¥283 million, and ordinary income of ¥13,205 million. Evaluation based on the above was at the 3 (base amount) of the 5-point rating scale for the year ended March 31, 2024 and at the 3 (base amount) for the year ended March 31, 2025.

2. Extraordinary compensation is paid to directors (excluding directors serving as Board-Audit Committee members) as performance-linked remuneration. The details of the performance indicators selected as a basis for calculating the said amount and the method of calculating the amount are as given in the "Outline of policy for determination of remuneration of directors, etc." below. The reason for selecting the said performance indicators is to reflect not only the Company's short-term performance, but also fund performance, which is linked to the Company's medium- to long-term performance.

The amount of the above extraordinary compensation was determined at the meeting of the Board of Directors after the deliberations by the Nomination and Remuneration Committee based on the performance indicators for the current fiscal year. Year-over-year actual results of the performance indicators were a 0.5% increase in MOIC on funds, which is used as the indicator for fund performance, an increase of ¥16,522 million in total fund commitments from the end of the previous year, (non-consolidated basis, hereinafter the same) an decrease of ¥7,245 million in ordinary income, a decrease of ¥197 million in core income, and an increase of ¥245 million in unrealized gains. Based on the above, the said compensation level for each position decreased by 5% from the previous year.

3. Part of basic compensation (fixed) includes director stock ownership association enrollment promotion charge, for which ¥0 million is paid to directors (excluding directors serving as Board-Audit Committee members) and ¥2 million to directors serving as Board-Audit Committee members (including ¥2 million paid to independent directors), totaling ¥3 million.

4. Restricted stock compensation is paid to directors (excluding directors serving as Board-Audit Committee members) as performance-linked and non-monetary remuneration. The details of the performance indicators selected as a basis for calculating the said amount and the method of calculating the amount are as given in the "Outline of policy for determination of remuneration of directors, etc." below. The reason for selecting the said performance indicators is to provide incentives to continuously improve the corporate value of the Company and to further share the value with shareholders.

The amount of the above stock-based compensation was determined at the meeting of the Board of Directors after deliberations by the Nomination and Remuneration Committee based on the Company's stock price growth rate and TOPIX (Tokyo Stock Price Index) growth rate, which are performance indicators. The actual results of these

performance indicators were 131.9% for the Company's stock price growth rate, reflecting a dividend payment of ¥88 per share for the previous fiscal year, and 100.7% for TOPIX growth rate. Based on these indicators, the payment ratio relative to the base amount was set at the maximum of 125%.

The status of delivery of restricted stock as stock-based compensation is as stated in "II (1) 5) Shares granted to Company officers during the current fiscal year as consideration for performance of duties" in the Business Report.

5. In the above remunerations, ¥1 million in fund performance-linked distributions to persons involved paid to a director (excluding directors serving as Board-Audit Committee members) are not included.

#### ● Outline of policy for determination of remuneration of directors, etc.

The Company has established the Nomination and Remuneration Committee composed of independent directors and the president to strengthen corporate governance and enhance fairness, transparency and objectivity in procedures related to nomination and remuneration of directors, corporate officers and partners (hereinafter "Directors"). Based on the results of deliberations by the Committee, the Company determines the "Policy for Determination of Remuneration of Directors, etc." at the Board of Directors meeting.

#### (Basic policy)

- The levels and structure of remuneration shall be sufficient to attract, retain, and motivate competent personnel for the realization of the Company's purpose of "Fueling perpetual growth; investing in bold visions" and its mission of "Commit to new business creation and jointly shape the future."
- Remuneration shall motivate our directors, etc. to commit to an increase in corporate value and the improvement of not only short-term financial results, but also medium-to long-term results.
- Given the Company's business nature of being an investment company managing funds investing in unlisted companies, the remuneration of Directors, etc. executing company business shall reflect fund management performance.
- With the aim of gaining stakeholders' trust, the remuneration plan shall be transparent, fair, and rationalized, determined through an appropriate and transparent process.
- The plan shall also be designed to prevent fraud and over-emphasis on short-term performance.

#### (Remuneration of directors (excluding Board-Audit Committee members))

The remuneration of directors (excluding Board-Audit Committee members) is determined by the Board of Directors based on deliberations by the Nomination and Remuneration Committee. The monetary compensation of directors (excluding Board-Audit Committee members) shall consist of basic compensation and extraordinary compensation. Part of basic compensation is linked to the Company's ordinary income and other business performance, and extraordinary compensation additionally takes into account fund performance. In addition, from the perspective of improving the Company's corporate value in the medium to long term, stock-based remuneration shall be paid to directors (excluding Board-Audit Committee members). As an investment company managing highly volatile venture and buyout investment funds, the level of compensation shall reflect the amount of assets under management, the Company's business performance as a result of asset management, and shareholder value and be appropriate for securing highly capable human resources.

The maximum total amount of monetary compensation of directors (excluding Board-Audit

Committee members) shall be within ¥600 million per annum (based on a resolution of the 43rd Annual General Meeting of Shareholders held on June 16, 2015; the number of directors (excluding Board-Audit Committee members) as of the end of this Annual General Meeting of Shareholders mentioned above was six).

As stock-based remuneration to be paid to directors (excluding Board-Audit Committee members and independent directors), the total amount of monetary claims for granting transfer-restricted shares (hereinafter referred to as "Restricted Stocks") shall be no more than ¥300 million, and the total number of the Company's common shares to be issued or disposed of as transfer-restricted shares shall be within 300,000 shares per year (based on a resolution of the 50th Annual General Meeting of Shareholders held on June 21, 2022; the number of directors (excluding Board-Audit Committee members and independent directors) as of the end of this Annual General Meeting of Shareholders mentioned above is two).

**[Outline of directors' monetary compensation]**

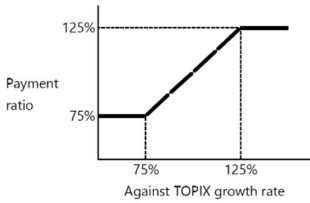
|   |   |
|---|---|
| Basic compensation (fixed)                      | Fixed monetary remuneration paid monthly, determined by importance of roles and responsible areas of each job position, years in service, etc.  |
| Basic compensation (performance-linked)         | Monetary remuneration paid monthly, determined once a year, in principle, by the Board of Directors on a scale of 1 to 5 by reflecting short-term results based on the comparison of the Company's profit levels (capital gains, net additions to investment loss reserves, ordinary income, etc.) and its details for the preceding fiscal year with the past results. A standard percentage of performance-linked basic compensation in total basic compensation is about 20%, and the relevant portion increases/decreases within a range of 30% based on the above 5-point scale.   |
| Extraordinary compensation (performance-linked) | The year-on-year increase/ decrease in percentage terms of extraordinary compensation level for each position is determined by the Board of Directors based on the year-on-year comparison of ordinary income, core income (amount of management fees subtracted by SG&A expenses), unrealized gains, fund performance, which is a major management index over the medium- to long-term, and total fund commitments. The amount is then determined by the Board of Directors by taking into account their job responsibilities and the degree of contribution, and paid to each director once a year. Extraordinary compensation may not be paid when the Company's performance deteriorates sharply. |

**[Outline of stock-based remuneration]**

In order to provide incentives to continuously improve the corporate value of the Company and to further share the value with shareholders, the Company shall pay a remuneration for granting transfer-restricted shares to directors (excluding Board-Audit Committee members and independent directors; hereinafter referred to as the "Eligible Directors").

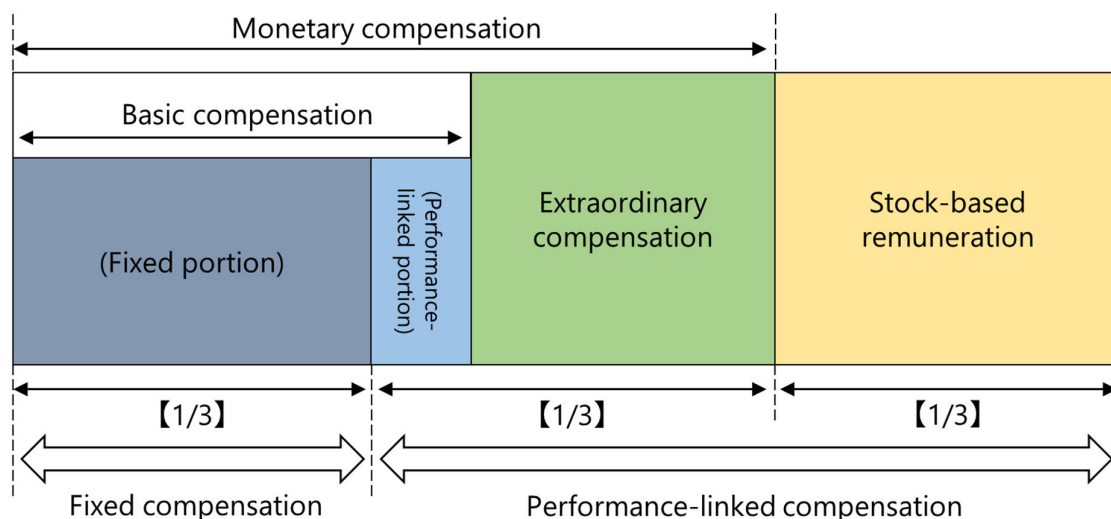
The outline of the restricted-stock remuneration plan is as shown below.

|  |   |
|--|---|
| Granting of transfer-restricted shares | The Company shall grant transfer-restricted shares (hereinafter the "Allotted Shares") in an amount determined by the Board of Directors of the Company based on a base amount corresponding to the positions of the Eligible Directors |
|--|---|

|                                 |   |
|---------------------------------|---|
|                                 | <p>and a comparison of the Company's stock price growth rate and the TOPIX (Tokyo Stock Price Index) growth rate for a certain period of time prior to the grant.</p> <p><b>Payment ratio against base amount</b></p>  <p>Amount of stock-based remuneration = Base amount x Payment ratio<br/>= Base amount x Against TOPIX growth rate</p> <p>Against TOPIX growth rate = <math>\frac{(A + B) \div C}{D \div E}</math></p> <ul style="list-style-type: none"> <li>A Average closing price of the Company's common shares for the three months immediately preceding the month within which the allotment resolution date falls</li> <li>B Dividend per share for the previous fiscal year</li> <li>C Average closing price of the Company's common shares for the three months immediately preceding the month within which the date one year prior to the allotment resolution date falls</li> <li>D Average closing price of TOPIX for the three months immediately preceding the month within which the allotment resolution date falls</li> <li>E Average closing price of TOPIX for the three months immediately preceding the month within which the date one year prior to the allotment resolution date falls</li> </ul> <p>The number of the Allotted Shares granted to the Eligible Directors shall be no more than the maximum of 300,000 shares per year as approved at the Annual General Meeting of Shareholders held on June 21, 2022.</p>  |
| Transfer restriction period     | <p>From the allotment date to the time of retirement or resignation from director or other position of the Company or its subsidiaries as determined in advance by the Company's board of Directors.</p> <p>Provided, however, if the time immediately after such retirement or resignation is prior to the date after a lapse of three months since the end of the fiscal year within which the date of the allotment of the Allotted Shares falls, the end of the Transfer Restriction Period may be adjusted to a reasonable extent.</p>   |
| Removal of transfer restriction | <p>(1) On the condition that the Eligible Directors continue to hold their position as director or other position of the Company or its subsidiary, as determined in advance by Company's Board of Directors, during a period of time determined in advance by Company's Board of Directors (the "Service Period"), the Company shall remove the Transfer Restriction as of the expiration of the Transfer Restriction Period. Provided, however, that: (a) if an Eligible Director retires or resigns from his or her position as director or other position of the Company or its subsidiary, as determined in advance by Company's Board of Directors, before the expiration of the Service Period for justifiable reasons; or (b) if an Eligible Director resigns or retires from his or her position as director or other position of the Company or its subsidiary, as determined in advance by Company's Board of Directors for any reason other than justifiable reasons even after the expiration of the Service Period, the number of the Allotted Shares to be removed from Transfer Restriction and the timing of the removal of Transfer Restriction shall be reasonably adjusted as necessary.</p> <p>(2) If any matter relating to a merger agreement under which the Company becomes the disappearing company, contract of share exchange, share transfer plan, or any other reorganization in which the Company becomes a wholly-owned subsidiary is approved at a General Meeting of Shareholders of the Company (provided, however, that if the approval of such reorganization is not required by the General Meeting of Shareholders of the Company, the Board of Directors of the Company) during the Transfer Restriction Period, the Company shall, by resolution of the Board of Directors of the Company, remove the Transfer Restriction with respect to the number of Allotted Shares reasonably determined based on the period</p> |

|  |  |
|--|--|
|  | from the commencement date of the Transfer Restriction Period until the effective date of such reorganization, etc., prior to the effective date of such reorganization, etc.  |
| Acquisition of the Allotted Shares without consideration | <p>(1) The Company shall acquire, without consideration, the Allotted Shares, for which the Transfer Restriction has not been removed immediately after the removal of the Transfer Restriction pursuant to the "Removal of transfer restriction" above, as a matter of course.</p> <p>(2) If an Eligible Director resigns or retires from his or her position as director or other position of the Company or its subsidiary, as determined in advance by Company's Board of Directors, before the expiration of the Service Period, the Company shall acquire the Allotted Shares without consideration as a matter of course, unless there are reasonable grounds for the retirement or resignation such as the expiration of the term of office or the death of the Eligible Director.</p> <p>(3) If the Board of Directors of the Company recognizes that an Eligible Director has violated laws, regulations, internal rules or the Allotment Agreement in any material respect during the Transfer Restriction Period, or in the case of certain grounds set forth in the Allotment Agreement, the Company shall acquire, without consideration, all of the Allotted Shares held by the Eligible Director at the relevant time as a matter of course.</p> |

The standard ratio of the performance-linked portion of monetary compensation (the sum of the performance-linked basic compensation and extraordinary compensation) and stock-based remuneration to total compensation for directors is approximately one-third, respectively. In introducing stock-related remuneration, the Company partially reduced monetary compensation paid prior to the introduction based on a review of its level, and then paid the restricted-stock remuneration in the ratio shown above as a guideline. As a result, the ratio of fixed compensation to performance-linked compensation (performance-linked monetary compensation and stock-based remuneration) in total compensation for directors was approximately 1:2.



(Note) Figures in 【】 are round numbers.

### **(Remuneration of directors serving as Board-Audit Committee members)**

The remuneration of directors serving as Board-Audit Committee members shall be within ¥300 million per annum (based on a resolution of the 43rd Annual General Meeting of Shareholders held on June 16, 2015).

Note: The number of directors serving as Board-Audit Committee members as of the end of this Annual General Meeting of Shareholders mentioned above was four.

The remuneration of directors serving as Board-Audit Committee members is determined through discussions between the Board-Audit Committee members. The remuneration of directors serving as Board-Audit Committee members consists only of basic compensation excluding performance-linked portion, and there is no extraordinary compensation nor stock-based remuneration. The remuneration system, which is not easily affected by the Company's performance, ensures their independence to the Company's management.

The Articles of Incorporation of the Company do not stipulate that decisions on the execution of important business can be delegated to directors. Such decisions are made based on thorough discussions by the Board of Directors, including independent directors serving as Board-Audit Committee members. The level of remuneration for directors serving as Board-Audit Committee members is set by taking into account their involvement in important management decision-making and their duties of supervising business execution.

### **(Remuneration of corporate officers and partners)**

Remuneration of corporate officers and partners is determined by the Board of Directors based on deliberations by the Nomination and Remuneration Committee, as in the case of directors (excluding directors serving as Board-Audit Committee members). Monetary remuneration of corporate officers and partners consists of basic compensation and extraordinary compensation. The amount of extraordinary compensation is determined by taking into account the Company's business results and fund performance and reflecting their respective degree of contributions, etc.

The Company also provides corporate officers restricted-stock remuneration with the similar details as those for directors (excluding Board-Audit Committee members and independent directors) as stock-based remuneration.

- Reason why the Board of Directors judged that the details of remuneration of directors (excluding directors serving as Board-Audit Committee members) for the current fiscal year are consistent with the Policy.

In determining the details of remuneration of directors (excluding directors serving as Board-Audit Committee members), the Nomination and Remuneration Committee carries out deliberation, including the consistency between the draft and the Policy, and the Board of Directors makes the decision based on the deliberation. Therefore, the remuneration details are judged to be consistent with the Policy,

### **3) Independent directors**

- Attendance at the Board of Directors meeting and the Board-Audit Committee meeting

|  | Number of attendances at the Board of Directors meetings | Number of attendances at the Board-Audit Committee meetings |
|--|--|---|
| Shigeru Tamura<br>Director (Board-Audit Committee member, full-time) | 13 out of 13 meetings                                    | 13 out of 13 meetings                                       |

|   |                       |                       |
|---|-----------------------|-----------------------|
| Yoshie Kajihara<br>Director (Board-Audit<br>Committee member) | 13 out of 13 meetings | 13 out of 13 meetings |
| Kanako Muraoka<br>Director (Board-Audit<br>Committee member)  | 13 out of 13 meetings | 13 out of 13 meetings |
| Toshinori Doi<br>Director (Board-Audit<br>Committee member)   | 9 out of 10 meetings  | 9 out of 10 meetings  |

Note: The number of attendances at the Board of Directors meetings and the Board-Audit Committee meetings of Director (Board-Audit Committee member) Toshinori Doi is for the period following his election/appointment at the 53rd Annual General Meeting of Shareholders held on June 17, 2025.

● **Main activities**

- Director serving as Board-Audit Committee member Shigeru Tamura attended all meetings of the Board of Directors held during the current fiscal year, and expressed opinions from an independent perspective based on his broad experience and expertise gained while serving in executive positions at other companies. He also attended Investment Committee and other important internal meetings as a full-time Board-Audit Committee member, while assuming the chair of the Nomination and Remuneration Committee and performing important duties during deliberations on Directors' nomination and remuneration. Furthermore, during the current fiscal year he participated in individual meetings with institutional investors and provided feedback to the Board of Directors and others on the content of these meetings.
- Director serving as Board-Audit Committee member Yoshie Kajihara attended all meetings of the Board of Directors held during the current fiscal year, and expressed opinions in important decision-making and supervising business execution from an independent perspective based on her long years of experience in accounting and management planning operations and her broad experience and expertise gained while serving in executive positions at other companies. She also serves as a member of the Nomination and Remuneration Committee and actively expresses her opinions.
- Director serving as Board-Audit Committee member Kanako Muraoka attended all meetings of the Board of Directors held during the current fiscal year, and expressed opinions in important decision-making and supervising business execution from an independent perspective based on her extensive knowledge and expertise in corporate legal affairs and corporate governance. She also serves as a member of the Nomination and Remuneration Committee and actively expresses her opinions.
- Director serving as Board-Audit Committee member Toshinori Doi attended nine out of 10 meetings of the Board of Directors held during the current fiscal year after his appointment on June 17, 2025, and expressed opinions in important decision-making and supervising business execution from an independent perspective based on his extensive experience in managing organizations, global perspective, and high level of expertise. He also serves as a member of the Nomination and Remuneration Committee and actively expresses his opinions.

● **Significant concurrent positions held at other organizations and the relationships between these organizations and the Company**

- The Company has no special relationships with organizations where independent directors hold a significant concurrent position.

#### 4. Financial Auditor

##### 1) Name

Ernst & Young ShinNihon LLC

##### 2) Amount of remuneration, etc.

|  | Amount paid<br>(Millions of yen) |
|--|----------------------------------|
| Amount of remuneration, etc. to be paid to the financial auditor for the fiscal year                 | 45                               |
| Total amount of money and other economic benefits to be paid by the Company to the financial auditor | 45                               |

Notes: 1. In the audit agreement between the Company and the financial auditor, the amount of remuneration, etc. for audit under the Companies Act and audit under the Financial Instruments and Exchange Act are not clearly distinguished. As it is not possible to effectively distinguish the two, the total amount of both remunerations is described as the amount of remuneration, etc. to be paid to the financial auditor for the fiscal year.

##### 2. Reasons for the approval of remuneration, etc. for the financial auditor by the Board-Audit Committee

The Board-Audit Committee received the necessary materials and reports from directors, relevant departments and the financial auditor to confirm and examine the details of the audit plan of the financial auditor, results of audit for the previous year, the status of execution of duties and the reasonableness of the basis for the estimate of remuneration, etc. As a result, the Board-Audit Committee determined and approved that the remuneration, etc. regarding the financial auditor are appropriate.

##### 3) Policy on how to determine dismissal or non-reappointment of the financial auditor

In the event that the execution of duties by the financial auditor is disrupted or in any other case deemed necessary, the Board-Audit Committee shall determine the contents of proposals regarding the dismissal and non-reappointment of the financial auditor, and the Board of Directors shall submit such proposals to a general meeting of shareholders.

In the case that the financial auditor is deemed to fall under any of the items set forth in Article 340, paragraph 1 of the Companies Act, and that dismissal is deemed appropriate, the Board-Audit Committee shall, upon consent of all members of the Committee, dismiss the financial auditor.

In addition to the above, the Company shall periodically review the appointment in order to maintain a healthy and appropriate relationship with the financial auditor.

#### 5. Structure for corporate governance

##### 1) Basic views on corporate governance

The Company's basic views on corporate governance are as outlined below. With an eye to increasing corporate value over the medium to long term, the Company will make continuous efforts to enhance corporate governance.

- Build respectful relationships with stakeholders
- Maintain transparency and fairness in decision making
- Establish an appropriate supervision structure
- Establish a corporate structure that ensures effective and swift business execution

##### 2) Outline of structure

The Company is a “company with a board-audit committee,” whereby the Board of Directors and the Board-Audit Committee make important management decisions and audit/ supervise business execution by directors. The details are as shown on the figure “Corporate governance structure” on next page.

### 3) Evaluation of the effectiveness of the Board of Directors

The summary of the results of the evaluation of the effectiveness of the Board of Directors (“BOD”) for the fiscal year ended March 31, 2026 is as follows.

The BOD evaluates its effectiveness on an annual basis. In the fiscal year ended March 31, 2026, the BOD held deliberations over items such as its composition, operation, role, responsibilities, etc. as in previous years based on questionnaires and interviews administered to all directors. As a result, the effectiveness of the BOD for the fiscal year ended March 31, 2026 has been confirmed as follows.

#### Composition of the BOD

In view of the supervisory functions of the BOD, it is deemed appropriate that the majority of the BOD consists of independent directors. Furthermore, the number of directors allows for substantial discussions considering JAFCO's scale. At the same time, there was the opinion that, while independent directors should continue to be the majority for further strengthening of the BOD's framework, there is room for further consideration of the composition of the BOD. Additionally, while the experience and expertise required for enriching discussions are deemed to have been sufficient for the fiscal year ended March 31, 2026, there were opinions expressed regarding the possible appointment of a financial and accounting experts.

#### Operation of the BOD

A notable number of responses indicated improvements and progress in the quality and engagement of discussions compared to the previous year. Regarding the evaluations of information provision to external directors, there were opinions noting room for improvement in how information is organized for each agenda item and in the timing of advance distribution, identifying these as areas for future improvement.

#### Roles and Responsibilities of the BOD

Under the Basic Policy for Enhancing Corporate Value (the “Policy”) formulated in December 2022, the BOD has been conducting supervision for organizing structures toward medium- to long-term goals and advancing operations through discussions on challenges and issues revealed during the deliberation of proposals and reports on business execution. Active deliberations have taken place at BOD meetings based on the diverse perspectives of each director. This year as well, the BOD has assessed that sufficient discussions have been conducted on certain themes. On the other hand, amid changes in the composition of the BOD, there was a view that deeper discussions should be had on the direction the Company aims to pursue.

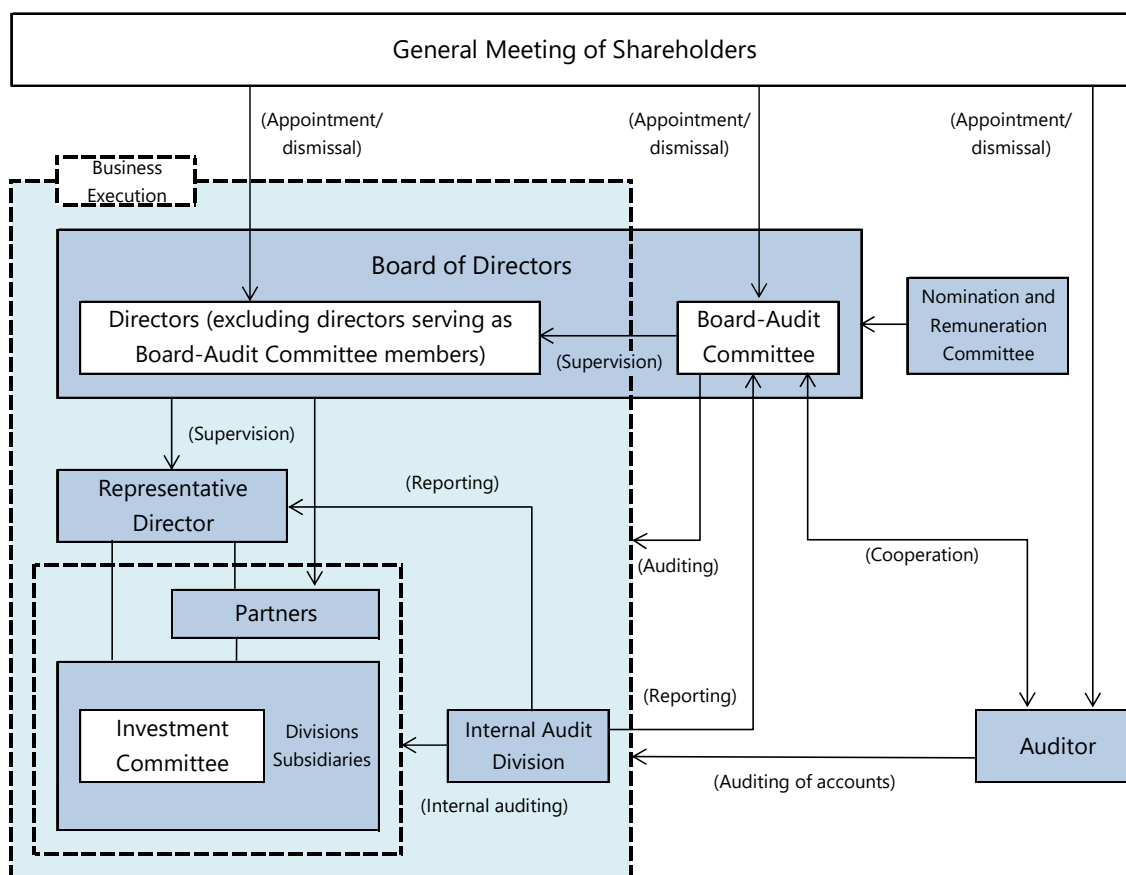
Taking these factors into account, a comparison with the previous fiscal year indicates that the composition, operation, roles, and responsibilities of the BOD have generally remained the same, demonstrating the overall effectiveness of the BOD.

#### Future Challenges

It was confirmed that continuous monitoring of the progress of medium- to long-term goals outlined in the Policy, conducted at appropriate intervals during BOD meetings, is necessary, coupled with constructive discussions, and that renewed discussions from a medium- to long-term perspective are needed to delve into various issues related to enhancing corporate value and matters requiring deliberation.

We will continue to conduct regular evaluations to further increase the effectiveness of the BOD.

## Corporate governance structure



### Board of Directors

The Board of Directors consists of six (6) members, four (4) independent directors and two (2) internal directors, with the majority being independent directors. The President chairs the Board of Directors.

The Board of Directors supervises important management decision-making and the execution of duties by directors. Independent directors supervise management from a neutral and objective standpoint.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee is composed of four (4) independent directors, and the President. To ensure transparency and objectivity of nomination and remuneration, important decisions regarding the nomination and remuneration of directors, corporate officers, partners and representatives of major subsidiaries are deliberated by the Nomination and Remuneration Committee in advance. The Board of Directors discusses and makes decisions on the nomination and remuneration based on the deliberations by the Committee.

### Board-Audit Committee

The Board-Audit Committee is composed of four (4) independent directors. Currently the full-time director serving as Board-Audit Committee member heads the Committee. The Board-Audit Committee audits the execution of duties by directors and prepares audit reports.

The Company has set out the Standards for Independence of Independent Directors to ensure the independence of independent directors. We elect independent directors who meet these standards.

### Investment Committee

Investment decisions are made by the Investment Committee comprising the President and partners, etc. to allow quick decision-making. Directors serving as Board-Audit Committee members also participate in the Investment Committee on an as-needed basis.

The Company has established the "Corporate Governance Policy" that outlines its concrete corporate governance measures. The policy is available on its website below.

[https://www.jafco.co.jp/english/sustainability/corporate\\_governance/](https://www.jafco.co.jp/english/sustainability/corporate_governance/)

**[Reference] Matters Regarding Investment Shares Not Held Solely for Investment Purposes (commonly referred to as policy shareholdings)**

● **Shareholding Policy**

The Company shall not newly acquire shares which are not solely for investment purposes with the exception of the following.

- (1) Where it is deemed useful for maintaining or strengthening business relationships
- (2) Where the asset value is deemed financially beneficial to the Company

● **Method of Verification of the Rationality of Shareholdings**

The appropriateness of holding existing investment shares not held solely for investment purposes is reviewed periodically at the Board of Directors meeting each June. In addition to the above shareholding policy, if, after considering the medium- to long-term returns and risks associated with such holdings, the Company determines that there is insufficient rationale for continued ownership, it will endeavor to sell such shares to the extent possible.

● **Details of Review by the Board of Directors Regarding the Appropriateness of Holding Individual Stocks**

Regarding the appropriateness of holding specific stocks, the Company continuously monitors its transaction status with companies whose shares it holds, as well as their financial condition and operating performance. Based on this monitoring, the Board of Directors conducts an annual review each June, in accordance with the above shareholding policy and method of verification, to comprehensively assess whether such holdings contribute to the promotion of the Company's business and the enhancement of its corporate value in the medium to long term, taking into account factors such as the ownership status for interests in funds managed by the Company.

● **Number of Stock Holdings and the Amount Recorded in the Balance Sheet (as of March 31, 2026)**

|                                   | Number of stock holdings | Total amount recorded in balance sheet (¥ million) |
|-----------------------------------|--------------------------|--|
| Unlisted shares                   | 8                        | 285  |
| Shares other than unlisted shares | 3                        | 640  |

There were no stock holdings in which the number of shares increased or decreased during the current fiscal year.

- Number of Shares, Amount Recorded in the Balance Sheet, and Other Information of Specified Investment Shares by Stock Holding

| Stock                                | Current fiscal year                          | Previous fiscal year (reference)             | Purpose of shareholding, overview of business alliance, quantitative effects, and reason for increase in shares  | Ownership of JAFCO shares |
|--------------------------------------|--|--|--|---------------------------|
|                                      | Number of shares                             | Number of shares                             |  |                           |
|                                      | Amount recorded in balance sheet (¥ million) | Amount recorded in balance sheet (¥ million) |  |                           |
| Ichiyoshi Securities Co., Ltd.       | 300,000                                      | 300,000                                      | Purpose of shareholding: To promote the Company's business operations, such as through ownership of interests in funds managed by the Company. Quantitative effects: Amount invested in the Company's funds as well as dividends received. | None                      |
|                                      | 433  | 226  |  |                           |
| Suruga Bank Ltd.                     | 50,000                                       | 50,000                                       | Purpose of shareholding: To promote the Company's business operations, such as through ownership of interests in funds managed by the Company. Quantitative effects: Amount invested in the Company's funds as well as dividends received. | None                      |
|                                      | 99   | 67   |  |                           |
| Mitsubishi UFJ Financial Group, Inc. | 41,200                                       | 41,200                                       | Purpose of shareholding: To promote the Company's business operations, such as through ownership of interests in funds managed by the Company. Quantitative effects: Amount invested in the Company's funds as well as dividends received. | None                      |
|                                      | 107  | 82   |  |                           |

Note: Specified investment shares refer to investment shares not held solely for investment purposes which are not unlisted shares.

- Number of Shares, Amount Recorded in the Balance Sheet, and Other Information of Deemed Shareholdings by Stock Holding

Not applicable.

## [Reference] Governance Initiatives

For the Company, which operates in a risky business of venture and buyout investments, it is extremely important to enhance management governance and carry out fair and prompt decision-making. We have been upgrading governance in stages each year, focusing on themes such as management independence, sharing value with shareholders, improving capital efficiency and promoting growth strategies. We will continue to make efforts to further enhance our governance.

|           |   |
|-----------|---|
| FY 2016.3 | •Transitioned to company with a board-audit committee   |
| FY 2017.3 | •Announced Basic Policy on Dividends<br>•Independent directors are more than 1/3 of BOD   |
| FY 2018.3 | •Eliminated cross-shareholdings with Nomura Group and bought back all shares held by Nomura Group for ¥61.3 billion<br>•Introduced partnership model  |
| FY 2019.3 | •Appointed a female independent director  |
| FY 2020.3 | •Independent directors are majority of BOD<br>•Established Nomination and Remuneration Committee  |
| FY 2021.3 | •Sold Nomura Research Institute (NRI) shares<br>•Disclosed Shareholder Returns Policy, after which share buybacks were implemented twice, totaling ¥50 billion  |
| FY 2022.3 | •Director Miyoshi appointed as new President following deliberation by the Nomination and Remuneration Committee  |
| FY 2023.3 | •Introduced transfer-restricted share remuneration<br>•Sold NRI shares and announced ¥42.0 billion of share buybacks funded by proceeds from the sale<br>•Announced Basic Policy on Enhancing Corporate Value |
| FY 2024.3 | •Appointed a female independent director, making the ratio of female directors 1/3 of BOD<br>•Formulated Basic Policy on Sustainability   |
| FY 2025.3 | •Formulated Harassment Prevention Policy<br>•Enhanced internal reporting system   |
| FY 2026.3 | •Formulated the Human Rights Policy<br>•Formulated the ESG Investment Policy and became a PRI signatory   |

**Balance Sheet**  
(As of March 31, 2026)

(Millions of yen)

| Item                                  | As of<br>Mar. 31,<br>2026 | (Reference)<br>As of Mar.<br>31, 2025 | Item   | As of<br>Mar. 31,<br>2026 | (Reference)<br>As of Mar.<br>31, 2025 |
|---------------------------------------|---------------------------|---------------------------------------|--|---------------------------|---------------------------------------|
| <b>Assets</b>                         |                           |                                       | <b>Liabilities</b>   |                           |                                       |
| <b>Current assets</b>                 | <b>120,472</b>            | <b>157,449</b>                        | <b>Current liabilities</b>                                   | <b>1,679</b>              | <b>4,812</b>                          |
| Cash and deposits                     | 61,183                    | 66,095                                | Current portion of long-term borrowings                      | 134                       | 34                                    |
| Operational investment securities     | 64,562                    | 103,123                               | Accounts payable   | 582                       | 542                                   |
| Investment loss reserves              | (8,940)                   | (13,090)                              | Income taxes payable   | 276                       | 3,615                                 |
| Accrued income                        | 76                        | 191                                   | Deposits received  | 42                        | 37                                    |
| Accounts receivable                   | 3,286                     | 956                                   | Provision for bonuses  | 193                       | 211                                   |
| Other                                 | 302                       | 173                                   | Allowance for extraordinary compensation for directors       | 55                        | 61                                    |
|                                       |                           |                                       | Other  | 394                       | 309                                   |
| <b>Non-current assets</b>             | <b>37,384</b>             | <b>6,382</b>                          | <b>Non-current liabilities</b>                               | <b>22,064</b>             | <b>21,479</b>                         |
| <b>Property, plant and equipment</b>  | <b>94</b>                 | <b>115</b>                            | Convertible-bond-type bonds with share acquisition rights    | 15,000                    | 15,000                                |
| Buildings                             | 76                        | 89                                    | Long-term borrowings   | 15                        | 149                                   |
| Furniture and fixture                 | 18                        | 25                                    | Deferred tax liabilities                                     | 6,673                     | 5,952                                 |
| <b>Intangible assets</b>              | <b>29</b>                 | <b>16</b>                             | Provision for retirement benefits                            | 333                       | 335                                   |
| Software                              | 29                        | 16                                    | Other  | 42                        | 42                                    |
| <b>Investments and other assets</b>   | <b>37,260</b>             | <b>6,250</b>                          | <b>Total liabilities</b>                                     | <b>23,743</b>             | <b>26,292</b>                         |
| Investment securities                 | 36,450                    | 2,897                                 | <b>Net assets</b>  |                           |                                       |
| Shares of subsidiaries and associates | 38                        | 2,731                                 | <b>Shareholders' equity</b>                                  | <b>115,373</b>            | <b>120,213</b>                        |
| Other                                 | 770                       | 621                                   | <b>Share capital</b>   | <b>33,251</b>             | <b>33,251</b>                         |
|                                       |                           |                                       | <b>Capital surplus</b>                                       | <b>32,806</b>             | <b>32,806</b>                         |
|                                       |                           |                                       | Legal capital surplus  | 32,806                    | 32,806                                |
|                                       |                           |                                       | <b>Retained earnings</b>                                     | <b>53,347</b>             | <b>57,820</b>                         |
|                                       |                           |                                       | Legal retained earnings                                      | 1,435                     | 1,435                                 |
|                                       |                           |                                       | Other retained earnings                                      | 51,911                    | 56,384                                |
|                                       |                           |                                       | Retained earnings brought forward                            | 51,911                    | 56,384                                |
|                                       |                           |                                       | <b>Treasury shares</b>                                       | <b>(4,031)</b>            | <b>(3,664)</b>                        |
|                                       |                           |                                       | <b>Valuation and translation adjustments</b>                 | <b>18,739</b>             | <b>17,327</b>                         |
|                                       |                           |                                       | <b>Valuation difference on available-for-sale securities</b> | <b>18,739</b>             | <b>17,327</b>                         |
|                                       |                           |                                       | <b>Total net assets</b>                                      | <b>134,113</b>            | <b>137,540</b>                        |
| <b>Total assets</b>                   | <b>157,856</b>            | <b>163,832</b>                        | <b>Total liabilities and net assets</b>                      | <b>157,856</b>            | <b>163,832</b>                        |

Note: All amounts have been rounded down to nearest million yen.

**Statement of Income**  
(April 1, 2025 to March 31, 2026)

(Millions of yen)

| Item   | For the year ended<br>March 31, 2026 | (Reference)<br>For the year ended<br>March 31, 2025 |
|--|--------------------------------------|---|
| <b>Net sales</b>   | <b>21,619</b>                        | <b>28,192</b>                                       |
| Revenue from operational investment securities                       | 17,973                               | 23,382  |
| Income from investment partnership management                        | 3,639                                | 4,791   |
| Other sales  | 7                                    | 18  |
| <b>Cost of sales</b>   | <b>11,041</b>                        | <b>12,344</b>                                       |
| Cost of operational investment securities                            | 9,934                                | 10,840  |
| Other costs  | 1,106                                | 1,504   |
| <b>Gross profit</b>  | <b>10,578</b>                        | <b>15,847</b>                                       |
| (Reversal of) Additions to investment loss reserves                  | 751                                  | (311)   |
| (Reversal of) unrealized losses on operational investment securities | 177                                  | (2)   |
| <b>Gross profit - net</b>  | <b>9,649</b>                         | <b>16,162</b>                                       |
| <b>Selling, general and administrative expenses</b>                  | <b>4,042</b>                         | <b>4,095</b>  |
| <b>Operating income</b>  | <b>5,607</b>                         | <b>12,066</b>                                       |
| <b>Non-operating income</b>  | <b>2,663</b>                         | <b>1,367</b>  |
| Interest on deposits   | 33                                   | 66  |
| Interest and dividends on securities                                 | 2,601                                | 1,218   |
| Gain on investment in other funds                                    | -                                    | 34  |
| Miscellaneous income   | 28                                   | 47  |
| <b>Non-operating expenses</b>  | <b>2,365</b>                         | <b>283</b>  |
| Interest expenses  | 10                                   | 1   |
| Foreign exchange losses  | 220                                  | 252   |
| Loss on investment in other funds                                    | 2,073                                | -   |
| Miscellaneous losses   | 59                                   | 29  |
| <b>Ordinary income</b>   | <b>5,905</b>                         | <b>13,151</b>                                       |
| <b>Extraordinary income</b>  | <b>2,493</b>                         | <b>-</b>  |
| Gain on sale of shares of subsidiaries                               | 350                                  | -   |
| Gain on sale of investment securities                                | 2,143                                | -   |
| <b>Extraordinary losses</b>  | <b>163</b>                           | <b>-</b>  |
| Loss on sale of shares of subsidiaries                               | 163                                  | -   |
| <b>Income before income taxes</b>                                    | <b>8,234</b>                         | <b>13,151</b>                                       |
| <b>Income taxes - current</b>  | <b>1,587</b>                         | <b>3,732</b>  |
| <b>Income taxes - deferred</b>                                       | <b>70</b>                            | <b>(213)</b>  |
| <b>Net income</b>  | <b>6,576</b>                         | <b>9,632</b>  |

Note: All amounts have been rounded down to nearest million yen.

## Statement of Changes in Shareholders' Equity

(April 1, 2025 to March 31, 2026)

(Millions of yen)

|  | Shareholders' equity |                       |                       |                         |  |                         |                 |                            |
|--|----------------------|-----------------------|-----------------------|-------------------------|--|-------------------------|-----------------|----------------------------|
|  | Share capital        | Capital surplus       |                       | Retained earnings       |  |                         | Treasury shares | Total shareholders' equity |
|  |                      | Legal capital surplus | Total capital surplus | Legal retained earnings | Other retained earnings<br>Retained earnings brought forward | Total retained earnings |                 |                            |
| Balance as of April 1, 2025                          | 33,251               | 32,806                | 32,806                | 1,435                   | 56,384   | 57,820                  | (3,664)         | 120,213                    |
| Changes of items during the period                   |                      |                       |                       |                         |  |                         |                 |                            |
| Dividends of surplus                                 |                      |                       |                       |                         | (6,571)  | (6,571)                 |                 | (6,571)                    |
| Net income   |                      |                       |                       |                         | 6,576  | 6,576                   |                 | 6,576                      |
| Purchase of treasury shares                          |                      |                       |                       |                         |  |                         | (4,999)         | (4,999)                    |
| Disposition of treasury shares                       |                      |                       |                       |                         | (0)  | (0)                     | 155             | 154                        |
| Cancellation of treasury shares                      |                      |                       |                       |                         | (4,477)  | (4,477)                 | 4,477           | -                          |
| Net changes of items other than shareholders' equity |                      |                       |                       |                         |  |                         |                 |                            |
| Total changes of items during the period             | -                    | -                     | -                     | -                       | (4,472)  | (4,472)                 | (367)           | (4,840)                    |
| Balance as of March 31, 2026                         | 33,251               | 32,806                | 32,806                | 1,435                   | 51,911   | 53,347                  | (4,031)         | 115,373                    |

|  | Valuation and translation adjustments                 |   | Total net assets |
|--|---|---|------------------|
|  | Valuation difference on available-for-sale securities | Total valuation and translation adjustments |                  |
| Balance as of April 1, 2025                          | 17,327  | 17,327                                      | 137,540          |
| Changes of items during the period                   |   |   |                  |
| Dividends of surplus                                 |   |   | (6,571)          |
| Net income   |   |   | 6,576            |
| Purchase of treasury shares                          |   |   | (4,999)          |
| Disposition of treasury shares                       |   |   | 154              |
| Cancellation of treasury shares                      |   |   | -                |
| Net changes of items other than shareholders' equity | 1,412   | 1,412                                       | 1,412            |
| Total changes of items during the period             | 1,412   | 1,412                                       | (3,427)          |
| Balance as of March 31, 2026                         | 18,739  | 18,739                                      | 134,113          |

Note: All amounts have been rounded down to nearest million yen.

## Independent Auditor's Report

May 12, 2026

To the Board of Directors of JAFCO Group Co., Ltd.

**Ernst & Young ShinNihon LLC**

Tokyo office

Designated and Engagement Partner  
Certified Public Accountant

Ryuji Takagi

Designated and Engagement Partner  
Certified Public Accountant

Takashi Hasegawa

### *Opinion*

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of JAFCO Group Co., Ltd. (the "Company") applicable to the 54th Fiscal Year from April 1, 2025 through March 31, 2026.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Company applicable to the period referred to above in conformity with accounting principles generally accepted in Japan.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section below. In accordance with requirements on professional ethics in Japan (including requirements applicable to audits of financial statements of entities with high social impact), we are independent of the Company and meet our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Other information*

The other information comprises the business report and its supplementary schedule. Management is responsible for preparing and disclosing the other information. The responsibility of the Board-Audit Committee is to supervise the execution of duties by directors to establish and operate the reporting process of the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in regard to the other information.

#### *Responsibilities of Management and Board-Audit Committee for the Financial Statements*

Management is responsible for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether it is appropriate to prepare financial statements based on the premise of a going concern, and if it is necessary to disclose matters regarding going concern based on accounting standards generally accepted in Japan, management is required to disclose the relevant matters.

The Board-Audit Committee is responsible for supervising business execution by directors in designing and operating the financial reporting process.

#### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our responsibilities are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, based on audit that we conducted, and express our opinion on the financial statements as an independent auditor in the auditor's report. Misstatements, whether due to fraud or error, are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users made on the basis of these financial statements.

In accordance with accounting standards generally accepted in Japan, we exercise professional judgement and maintain professional skepticism throughout the audit and perform the following:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Selection and application of audit procedures shall be based on our judgement. Obtain sufficient and appropriate audit evidence that provides a basis for our audit opinion.
- Examine internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates and adequacy of related disclosures made by management.
- Conclude whether it is appropriate for management to prepare financial statements based on the premise of a going concern, and whether a material uncertainty exists related to events or conditions that raise substantial doubt on the Company's ability to continue as a going concern based on audit evidence that has been obtained. If a material uncertainty related to going concern exists, we are required to draw attention to the relevant note disclosures in the financial statements; if such disclosures are inadequate, we are required to express qualified opinion on financial statements. Our conclusions are based on audit evidence obtained by the date of the Auditor's Report, but future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of financial statements, including disclosures, comply with accounting standards generally accepted in Japan, and whether presentation, structure and

content of financial statements, including related disclosures, and the presentation of the underlying transactions and accounting events are appropriate.

- Plan and implement audit of financial statements in order to obtain sufficient and appropriate audit evidence related to financial information of the components included in the financial statements, which is the foundation for expressing our opinion on financial statements. We are required to instruct, supervise and check matters related to the audit of financial statements, and are independently responsible for the audit opinion.

We communicate with the Board-Audit Committee regarding, among other matters required by the audit standards, the planned scope and timing of the audit, significant audit findings, including material weakness in internal controls identified during the audit.

We also provide the Board-Audit Committee with a statement that we have complied with requirements on professional ethics regarding independence, and communicate with the Committee regarding matters that may reasonably be thought to bear on our independence and, where applicable, measures that have been taken to eliminate identified threats to our independence or safeguards that have been applied to reduce such threats to an acceptable level.

#### *Conflicts of Interest*

Our firm or engagement partners have no interest in the Company which should be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

## Audit Report

The Board-Audit Committee has audited the Directors' performance of their duties during the 54th Fiscal Year (from April 1, 2025 to March 31, 2026), and hereby reports on the method and results as follows:

### **1. Method and Contents of Audit**

The Board-Audit Committee has received reports on a regular basis from the Directors and employees, etc. with respect to the details of the Board of Directors' resolutions regarding matters set forth in Article 399-13, paragraph 1, item 1 (b) and (c) of the Companies Act of Japan, and the construction and operation of the structures based on such resolutions (internal control systems), requested explanations as necessary, and expressed opinions. The Board-Audit Committee has also conducted audits in the following manners:

- 1) In accordance with the audit policies and assignment of duties, etc. set up by the Board-Audit Committee, members of the Committee, in cooperation with the internal audit and other divisions and by utilizing telephone lines, internet and other means, attended important meetings, received reports on the status of execution of duties from the Directors and employees, etc., requested explanations as necessary, inspected important decision approval documents, and investigated the status of business operations and assets related to the head office and other major offices. Also, the Company has transitioned from consolidated to non-consolidated financial statements during the current fiscal year, and the members of the Committee worked to promote communication and information exchange with the Directors, etc. of each subsidiary and received business performance reports from subsidiaries as necessary.
- 2) Members of the Board-Audit Committee monitored and verified whether the financial auditor maintained its independence and properly conducted its audit, received reports from the financial auditor on the status of its performance of duties, and requested explanations as necessary. The members of the Committee were notified by the financial auditor that it had established a "system to ensure that the performance of the duties of the financial auditor was properly conducted" (the matters set forth in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council), and requested explanations as necessary.

Based on the above-described methods, the Board-Audit Committee examined the Business Report and its supplementary schedule as well as the financial statements (balance sheet, statement of income, statement of changes in net assets, and notes to financial statements) and its supplementary schedule for the fiscal year.

### **2. Results of Audit**

(1) Results of Audit of Business Report, etc.

- 1) We acknowledge that the Business Report and its supplementary schedule fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

- 2) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.
- 3) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the Directors' performance of their duties concerning the internal control systems.

(2) Results of Audit of Financial Statements and Their Supplementary Schedules

We acknowledge that the methods and results of audit performed by the financial auditor Ernst & Young ShinNihon LLC, are appropriate.

May 12, 2026

Board-Audit Committee of JAFCO Group Co., Ltd.

Full-Time Member

(Independent Director)

Shigeru Tamura [Seal]

Member

(Independent Director)

Yoshie Kajihara [Seal]

Member

(Independent Director)

Kanako Muraoka [Seal]

Member

(Independent Director)

Toshinori Doi [Seal]

## Guidance for Exercising Voting Rights

Please exercise your voting rights after examining the Reference Documents for the General Meeting of Shareholders (pages 5–18).

You may exercise your voting rights using one of the following three methods.

### 1. Internet, etc.

Please access the voting website designated by the Company shown below and follow the instructions on the screen to enter for or against each proposal.

<https://evote.tr.mufg.jp/>

The voting rights shall be exercised by 5:00 p.m. on Monday, June 15, 2026 (Japan Time). Please refer to the following page for details.

### 2. Postal mail

Please indicate on the voting form whether you are for or against each proposal and mail it by post.

The voting forms that are returned and received by 5:00 p.m. on Monday, June 15, 2026 (Japan Time) will be valid.

### 3. Attendance

Please present the enclosed voting form at the reception desk on arrival at the meeting.

If you choose to attend the Meeting, you are not required to vote by postal mail (using the voting form) or via Internet, etc.

- Please note that your online vote will prevail should you exercise your voting rights both by postal mail and via Internet, etc.
- If you exercise your voting rights more than once via Internet, etc., only the last vote shall be deemed valid.

## How to exercise your voting rights via Internet, etc.

- At the voting website (<https://evote.tr.mufg.jp/>), use the login ID and provisional password provided on the voting form, and follow the instructions on the screen to enter for or against each proposal.
- By scanning the QR code printed on the voting form, you can login the voting website without entering the login ID and password.

For inquiries about the system for exercising voting rights via Internet, etc., please contact:

|   |
|---|
| Corporate Agency Business Division (Help Desk)<br>Mitsubishi UFJ Trust and Banking Corporation<br>Phone: 0120-173-027 (toll free (Japan only)) / 9:00 to 21:00 (Japan Time) |
|---|

### **Information for institutional investors**

The electronic voting platform for institutional investors, which is operated by ICJ, Inc., is available for institutional investors.