

The background features a series of concentric circles and radial lines emanating from a central point, creating a sunburst or orbital effect. The lines are thin and light blue, set against a dark navy blue background.

INTEGRATED REPORT
2025

JAFCO

Fueling perpetual growth; investing in bold visions

Issuance of *JAFCO*
INTEGRATED REPORT 2025

We are pleased to issue *JAFCO INTEGRATED REPORT 2025*. We have been releasing integrated reports annually since the fiscal year ended March 31, 2022, making this year's report our fourth edition.

Over the years, the amount of content in our reports has increased, making it harder to communicate the information we wish to share with our stakeholders in a clear way. We therefore renewed our corporate website in the fiscal year ending March 31, 2026, consolidating general information there so that our integrated report could focus on essential content. As a result, the report is more concise and easier to read. We believe this will give stakeholders a better understanding of our value creation story.

The cover of this year's report reflects our new strategic direction announced in April 2025—shifting from a tripolar structure, which comprised Japan, the United States, and Asia, to focus on domestic investment. The cover also encapsulates our desire to realize our Purpose: "Fueling perpetual growth; investing in bold visions."

It is our hope that *JAFCO INTEGRATED REPORT 2025* will deepen your understanding of our initiatives for sustainable growth and our continued efforts to pursue future challenges.

Hiroaki Matsuda
Corporate Officer
In Charge of Administration

Frequently Asked Questions from Stakeholders

Q. Could you tell us more about senior management's approach and business policies?

P.04

CEO's Message

In this section, the president shares JAFCO's medium- to long-term business policies and discusses his personal values.



Q. What is JAFCO's approach to human resources and human capital management?

P.24

Human Resource Strategy

This section introduces our efforts to cultivate strong talent and establish a robust organizational foundation.

Q. Could you explain the background and aims of JAFCO's decision to focus on domestic investment?

P.14

Background of Decision to Focus on Domestic Investment

This section explains JAFCO's operating environment and current situation and introduces our targets for the future.

Note on Future Outlook

Information in this report relating to current plans, the future outlook, strategies, etc., has been determined based on the information available at the time that the report was prepared. Various factors may cause actual results to differ significantly from the outlook presented in this report. Risks and variables that may affect results include macroeconomic trends surrounding the Company's business environment, market competition, exchange rates, tax and various other regulations and systems, and internal and external factors.

Q. How effective is JAFCO's governance and what role do its independent directors play?

P.32

Roundtable Discussion Between the President and Independent Directors

In this section, the president and two independent directors discuss JAFCO's strategies, compliance, and governance.



Regarding Links Within This Report

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Clicking this link will take you to specific pages within the integrated report.

▶▶

Clicking this link will redirect you to specific pages on our corporate website.

↗

Clicking this link will redirect you to specific regulated disclosure materials

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JAFCO Group's Information Disclosure



Integrated Report

Discloses the overall picture of the Company's value creation for sustainable growth in an integrated manner, providing a systematic explanation of its strategies and measures from both financial and non-financial standpoints

Editorial Policy

We have published this report to help our shareholders and investors understand the social value that JAFCO Group has created to date, our business model that supports value creation, and the direction of our future growth. Seeking to further enhance our corporate value through dialogue, we have positioned this report as a means of communication with all of our stakeholders, including shareholders and investors, our fund investors, portfolio companies, and employees. In producing this report, we referenced the International Integrated Reporting Framework of the IFRS Foundation, the Guidance for Collaborative Value Creation released by the Ministry of Economy, Trade and Industry, and other resources.

Scope of Report

Scope: JAFCO Group Co., Ltd. and its Group companies (consolidated subsidiaries)
Reporting period: From April 1, 2024 to March 31, 2025
Note: Some information is based on activities that took place before or after this reporting period.

For more detailed information, please refer to the relevant medium of disclosure.

		Relevant sections in the integrated report	Classification of disclosed information	
Corporate Website	JAFCO renewed its corporate website in October 2025, adding a new sustainability section and enhancing the content of its investor relations section. Comprehensive information is now available on the website, and this information is updated regularly.	Whole report	Financial	Non-financial
Securities Report (in Japanese only)	Provides an overview of the Company, the status of its business, financial information such as financial statements, and non-financial information such as the corporate governance structure, based on the Financial Instruments and Exchange Act	Whole report	Financial	Non-financial
Financial Summaries and Briefing Materials	Provides quarterly financial information	Whole report	Financial	Non-financial
Notice of Convocation of the Annual General Meeting of Shareholders	Provides key information, agenda items, and business reports in preparation for the Annual General Meeting of Shareholders	Whole report	Financial	Non-financial
Presentation for New Investors	Contains an overview of JAFCO and its Basic Policy for Enhancing Corporate Value to help new investors gain a deeper understanding of the Company	Whole report	Financial	Non-financial
Corporate Governance Report	Provides information on the Company's corporate governance based on financial instruments exchange listing rules	Section 4: Business Foundation for Sustainable Growth	Financial	Non-financial
FACT BOOK	Published once a year separately from the integrated report, providing a summary of the Company's disclosure data, including the results of previous fiscal years and management indicators	Section 5: Data Section	Financial	Non-financial
& JAFCO POST	JAFCO's owned media that leverages its achievements, best practices, network, and expertise amassed over years of providing support for startups to present information to entrepreneurs and people who are looking to start their own businesses	Section 1: JAFCO Group's Value Creation Section 2: JAFCO's Growth Story for Corporate Value Enhancement	Financial	Non-financial

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Section 1

JAFCO Group’s Value Creation

CEO'S MESSAGE

Keisuke Miyoshi

President & CEO

We will pursue sustainable growth through our shift of focus to domestic investment and strengthen long-term trust-based relationships with our stakeholders. By doing so, we will realize our Purpose and enhance our corporate value.

Shifting Our Strategy to Strengthen the Likelihood of Corporate Value Enhancement Over the Medium to Long Term

In April 2025, we announced our decision to shift from our global tripolar structure, which comprised Japan, the United States, and Asia, to focus on domestic investment.

In Japan, we have cultivated a competitive edge over the years through our approach of highly selective, intensive investment. Under this approach, we carefully select portfolio companies by drawing on the extensive daily interactions we have with entrepreneurs while leveraging our wealth of management resources—including our investment professionals and Business Development Division personnel—to enhance investment performance. Conversely, at our overseas offices, it has been difficult to adopt the same investment approach as in Japan. Further, due to the highly local nature of the venture investment business, it has been difficult to replicate the success models we have cultivated domestically. In light of these circumstances, we believed the best course of action was to concentrate management resources in the domestic market, where our investment performance has been stronger and in which there is still substantial room for growth.

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This decision was ultimately made based on the Basic Policy for Enhancing Corporate Value, which was formulated and announced in 2022. With regard to our overseas offices, we introduced the “partnership model” in 2018, transitioning to a structure under which each office independently formed and managed its own funds. Since then, we have positioned the partnership model as an important management theme, but various challenges remained unresolved. Against this backdrop, we began to clarify medium- to long-term targets in tandem with the formulation of the Basic Policy for Enhancing Corporate Value. We then thought deeply about which path we should take as a management team to achieve these targets. Through this journey, we ultimately made the decision to revise our business portfolio. Reaching the targets adopted under the Basic Policy for Enhancing Corporate Value is no easy task, but with our shift in strategy, we will fully utilize our long-cultivated strengths and management resources. In addition, we aim to enhance corporate value by achieving profit growth, transitioning to a more stable profit structure, and steadily improving capital efficiency.

Further Refining Our Investment Style to Achieve Our New Targets

Following our shift of focus to domestic investment, we raised our target for average domestic multiple on invested capital (MOIC) from the previous 2.5x or more to 3.0x or more. While it will be a challenge to achieve an average MOIC of 3.0x or more, we have previously done so on a single-year basis, and our domestic investment has delivered an average of 2.7x over the past decade. Accordingly, we believe our target is certainly achievable.

Private equity investment is not only a highly volatile business but also significantly impacted by market conditions. Looking ahead, the outlook of the global economy remains uncertain, and highly unpredictable conditions are expected to continue. Nevertheless, although the domestic market is expanding, its size is still relatively small compared with that of other regions. We therefore believe significant room for growth exists from a medium- to long-term perspective, despite short-term market fluctuations.

What is important in our approach is not to be swayed by said fluctuations

but rather to invest from a long-term perspective and remain fully engaged with our portfolio companies. Furthermore, to achieve even greater results, we must remain committed to taking on challenges, no matter the obstacles. Particularly, in venture investment, steady investment and early risk-taking help create even larger businesses, which in turn leads to higher investment performance. We have consistently pursued such an investment style to date, and we will further refine this style moving forward as we aim to achieve our new targets.



Leveraging JAFCO's Unique Strengths and Value Creation

Venture investment and buyout investment are both essential for steadily achieving growth over the medium to long term while enhancing our investment performance. Venture investment is highly volatile and tends to pursue larger business scale with a view toward IPOs. The investment period for these investments can extend over a decade. In contrast, buyout investment is generally less impacted by stock market conditions, and the period up to exit is shorter compared with venture investment. Through an approach that balances both investment types, we can add stability to our investment performance while expanding the scale of venture and buyout investment, thereby bringing us closer to achieving our adopted targets and vision.

Engaging in two types of investment also enables us to provide our portfolio companies with value that other firms cannot. For example, with medium-sized companies in our buyout investment portfolio, we are able to accelerate their business growth by introducing the latest technologies and services from the startup companies we have encountered in our venture investment. We are also able to facilitate collaboration to create new services and business models. That being said, there have been times when we initially considered a company for

CEO'S
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venture investment but then shifted to buyout investment, and such flexibility in decision-making has endowed us with the ability to help realize the aspirations of entrepreneurs.

Executing both types of investment also has significance from the perspective of social value. In Japan, the birth rate is declining, and the population is aging. Thus, creating new industries and transforming the structures of existing ones have become significant challenges. Through venture investment, we create new industries that will lead the next generation, while executing buyout investment ensures we pass on outstanding businesses founded in the past. In combination, we believe we can revitalize industries and lead society in a better direction.

Moving forward, we will further strengthen and expand these two investment types and create new value for our portfolio companies and society as a whole, delivering a strong investment performance in the process.

Turning Changes in Japan's Growth Market into Growth Opportunities

In 2025, the Tokyo Stock Exchange announced a change in its criteria for companies to remain on the Growth Market, which prompted our shareholders and other investors to ask us about how this will impact our business as a result. The announced change increases the stringency of the market capitalization criteria for companies to remain on the Growth Market, requiring a market capitalization of at least ¥10 billion after five years of listing, compared with the previous ¥4 billion after 10 years. I personally believe that this change aligns excellently with the strategy we have been promoting.

If stricter criteria to remain listed result in more selective IPOs, then naturally the number of investors willing to invest both at the time of listing and thereafter will increase. Moreover, companies that have genuine potential for growth can expect to attract significant capital from overseas investors, which will undoubtedly help revitalize the domestic market as a whole. In the fiscal year ended March 31, 2025, our performance was driven by two large-scale IPOs of our portfolio companies, each with an initial market capitalization of over ¥100 billion. This demonstrates how creating larger businesses and having them appropriately valued by the market lead to higher investment performance for the Company.

Although the number of IPOs may decrease with the adoption of the new criteria, the M&A market is expected to become more active. Accordingly, as we engage in both venture and buyout investments, I am confident that the new criteria to remain listed will not impact us negatively but rather provide a boost if we remain committed to the direction in which we have been heading.

Remaining a Company That Is Trusted by Society

I will mention once again that investment is a long-term business with high volatility. As a company that engages in this business, we ought to be deeply aware that we must remain a company trusted by a broad range of stakeholders, including shareholders, external investors, and portfolio companies.

In order for us to execute investments, it is essential that entrepreneurs and external investors choose us over the numerous other firms. A key factor for entrepreneurs to consider is how partnering with us will help them realize their vision faster and on a larger scale. Meanwhile, for external investors, our performance will serve as a key reference point for their investment decisions-making. In other words, our track record is crucial for both entrepreneurs and external investors, which thus serves as the foundation and source of our future growth. To that end, we are actively investing in our organization and talent so that we can continue to build a track record founded on trust.

If a company's track record is sufficient for it to earn trust, then it must give the utmost priority to ensuring that its corporate foundation is built on respect for human rights and compliance. Over the past several years, we have been taking concerted steps to address this issue, positioning the establishment of a foundation for becoming a trusted company as our priority management issue. Human rights and compliance form the backbone for building long-term trust with our stakeholders.

For this reason, in the fiscal year ended March 31, 2025, we formulated the Harassment Prevention Policy and enhanced our whistleblowing system. We offer a variety of in-house training programs, but it is important for all Group employees, including executives, to update their awareness and knowledge on a regular basis so that they maintain a strong sense of responsibility. To that end, we will continue to emphasize efforts to bolster our corporate foundation.

CEO'S
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Engaging with Our Portfolio Companies from a Long-Term Perspective

JAFECO helps create the industries and society of the future. As we work closely with entrepreneurs and portfolio companies to achieve their visions, we must constantly provide support with a focus on the future, considering how the products and services they create will impact people and society as a whole. In other words, rather than chasing short-term profits, we can achieve greater returns by supporting long-term social value creation and promoting the growth of our portfolio companies, thereby contributing to the realization of a sustainable society. We must never lose sight of this concept.

To properly communicate our approach to stakeholders and become a more trusted company, we adopted the Principles for Responsible Investment (PRI) and became a signatory organization in July 2025. At the same time, we established our ESG Investment Policy. As a company that handles capital from our shareholders and external investors, it is imperative that we formulate clear policies and standards to ensure that the principles and beliefs that guide us when making investments are well understood.

Looking ahead, under our ESG Investment Policy, we will incorporate ESG perspectives into our overall investment decision-making process and engage in dialogues and collaborate with portfolio companies and other partners. In these ways, we will fulfill our social responsibilities and fiduciary duties to fund investors. In addition, we aim to contribute to the realization of a sustainable society by promoting the medium- to long-term growth of our portfolio companies.



Passing On JAFECO's Conviction to Realize Our Purpose

In recent times, we have undergone major changes, such as the formulation of the Basic Policy for Enhancing Corporate Value in 2022 and our recent strategic transition. In addition, our employees have become increasingly diverse in terms of the ratio of new graduates to mid-career hires as well as gender, nationality, and career history. While we will continue efforts to further diversify our organization moving forward, in the midst of our efforts to advance change, it is imperative that we pass on the conviction of JAFECO and share our long-cultivated experience if we are to sustain growth.

JAFECO's Purpose is "Fueling perpetual growth; investing in bold visions." This statement reflects our commitment to taking on challenges and embracing risk without hesitation in order to pave the way for the next generation and realize an even better society. I truly believe that "bold visions" lie at the core of the Company. In the years ahead, we will undoubtedly have to deal with various challenges and changes in the operating environment. In response, we need to continue to reflect on our Purpose and remain committed to pursuing bold visions. Of course, we will experience failures as we do so. Accordingly, we will continue to foster a culture that emboldens employees to deal with the failures that can come when pursuing unprecedented challenges. At the same time, we will focus on building a framework for actively sharing experience and know-how so that we can avoid repeating the same mistakes.

We must also ensure that we remain a company that is trusted by shareholders if we are to continue to aim for bold visions. By continuing to reinforce our corporate foundation, pursuing bold visions, and creating value that is uniquely JAFECO, we will strive to realize our Purpose moving forward.

October 2025

Kaishuke Miyoshi

JAFCO Group's Corporate Philosophy

JAFCO has been operating for around half a century, since a time when investing in unlisted companies was still a relatively unexplored practice in Japan. During this time, we have consistently maintained our stance of boldly investing in and committing to visions that create as-yet-unknown value to fuel perpetual growth and contribute to the realization of a sustainable society.

Purpose

Fueling perpetual growth; investing in bold visions

Based on its many years of investment experience, JAFCO has held the conviction that continuing to invest through good times and bad will lead to the realization of a sustainable society. We aim to fuel perpetual growth in society and markets by continuing to invest in companies and entrepreneurs as they take on new challenges.

Mission

Commit to new business creation and jointly shape the future

Since its founding, JAFCO has created a variety of innovative products and services in collaboration with companies and entrepreneurs. We will work together with stakeholders to pave the way for a new era by committing to the creation of new businesses that are essential to society and by helping companies achieve renewed growth.

Purpose / Mission / Values »

Cumulative number of portfolio companies
4,221

Cumulative funds under management
¥1.2 trillion

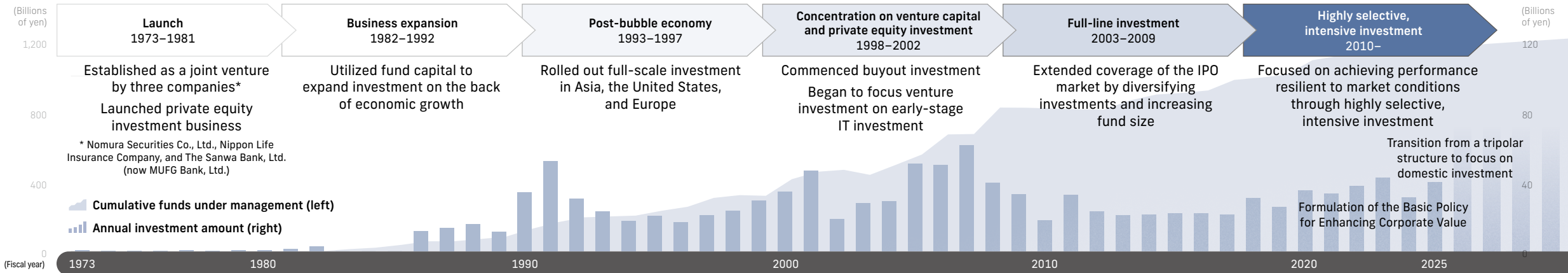
Years of investment
52

Total number of IPOs
1,039

Note: All figures are as of March 31, 2025.

JAFCO's History of Continuing to Invest Through Good Times and Bad

History of JAFCO »



JAFCO Group's Business Model

Our Three Sources of Income

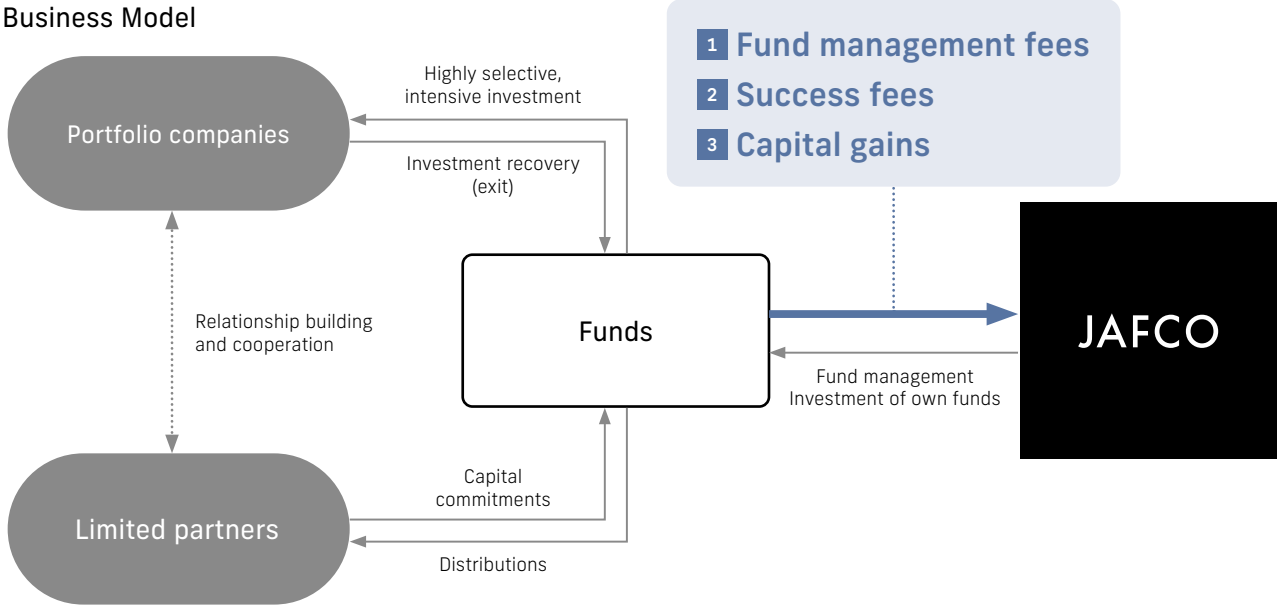
JAFCO engages in venture investment and buyout investment through fund management. We invest in unlisted securities by channeling capital gathered from investors into funds. Based on our policy of highly selective, intensive investment, we aim to improve investment performance (MOIC*) by continuously seeking out and investing in promising companies. After investment, we enhance management involvement and increase the corporate value of our portfolio companies to achieve exits through IPOs or trade sales such as M&A.

Our three sources of income are management fees and success fees derived from fund operations and capital gains on direct investment in funds. We aim to maximize profits by expanding the size of our funds in line with the market and achieving high MOIC.

By improving our investment management and fundraising capabilities, we will achieve high profitability while realizing our Purpose: "Fueling perpetual growth; investing in bold visions."

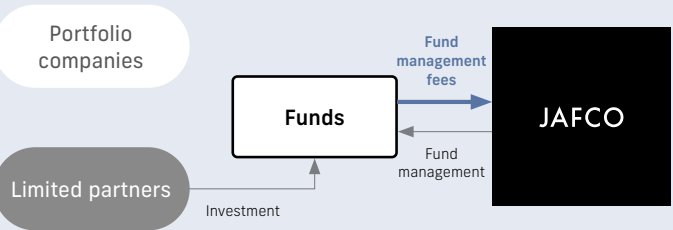
* MOIC (multiple on invested capital) = Revenue from operational investment securities ÷ Cost of sales of operational investment securities

Business Model



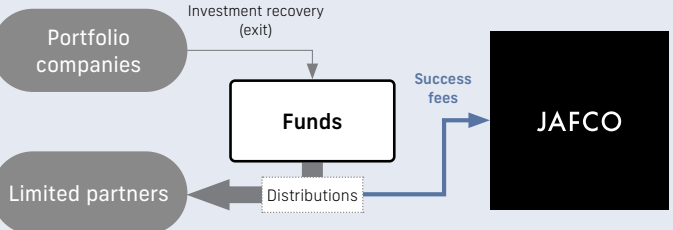
1 Fund management fees

- Fixed fees for the management of funds
- Capital commitments from limited partners × Average of 2% per annum
- Key driver: External capital commitments



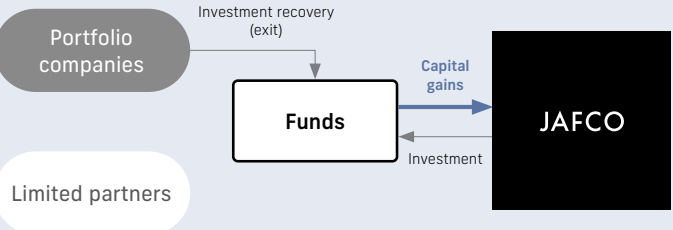
2 Success fees

- Performance-linked compensation for funds
- Profit from funds × Rate of limited partners' interests × 20%
- Key driver: MOIC

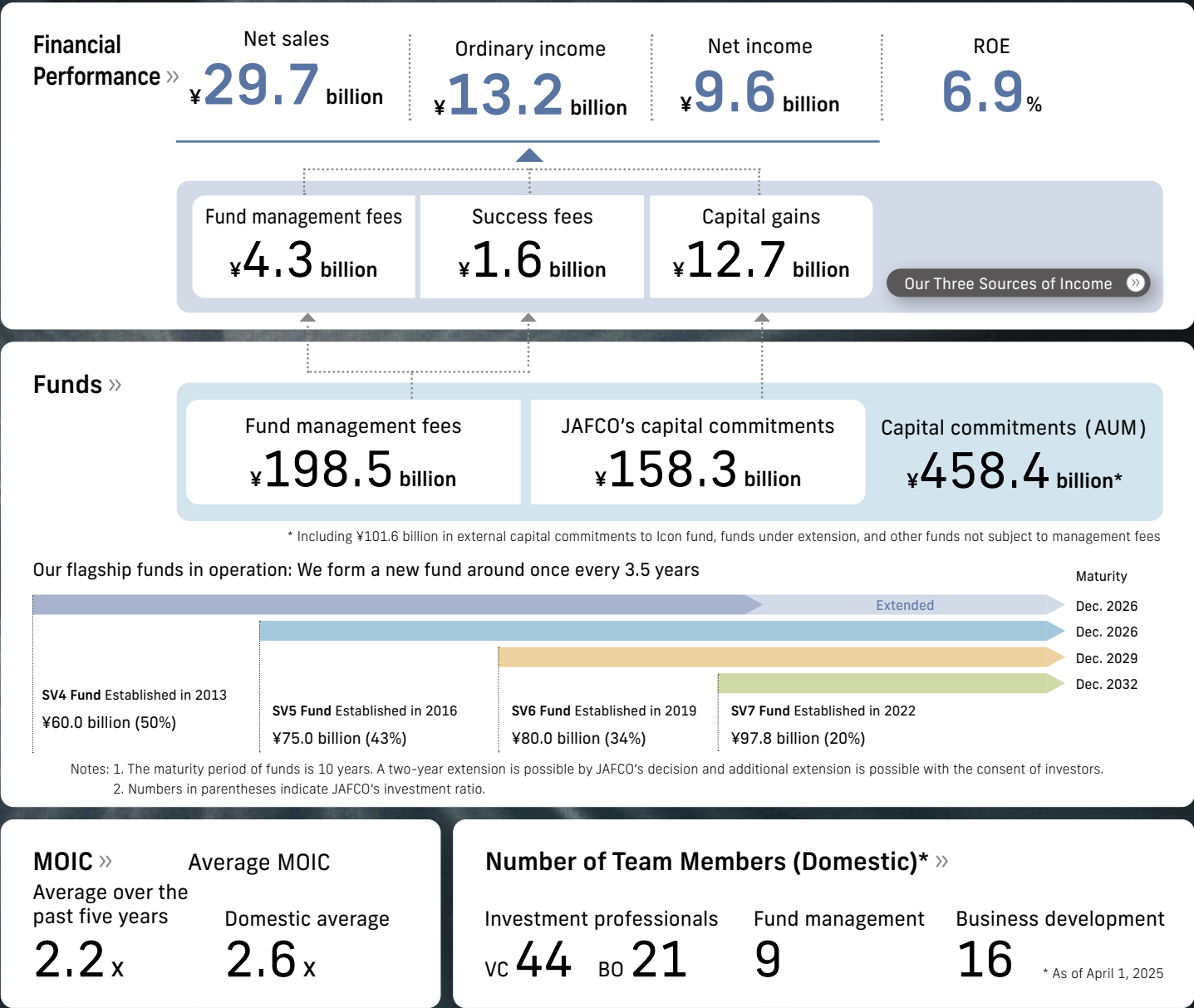


3 Capital gains

- Investment returns obtained by investing our own capital in funds
- Key driver: MOIC



JAFCO at a Glance (Results for the Fiscal Year Ended March 31, 2025)



Comparison of Venture Investment and Buyout Investment >>

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. The breakdown of results for the fiscal year ended March 31, 2025 is as follows.

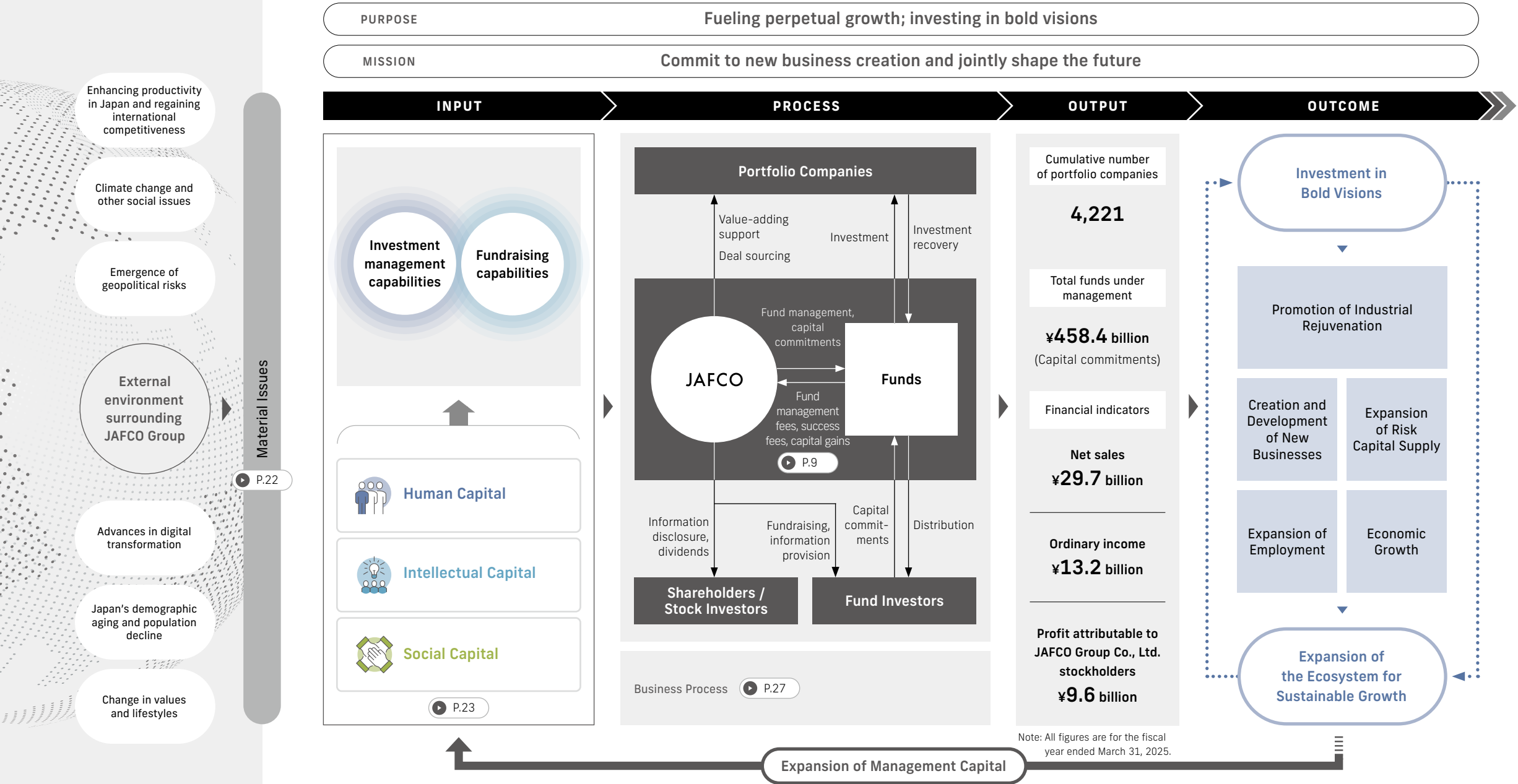


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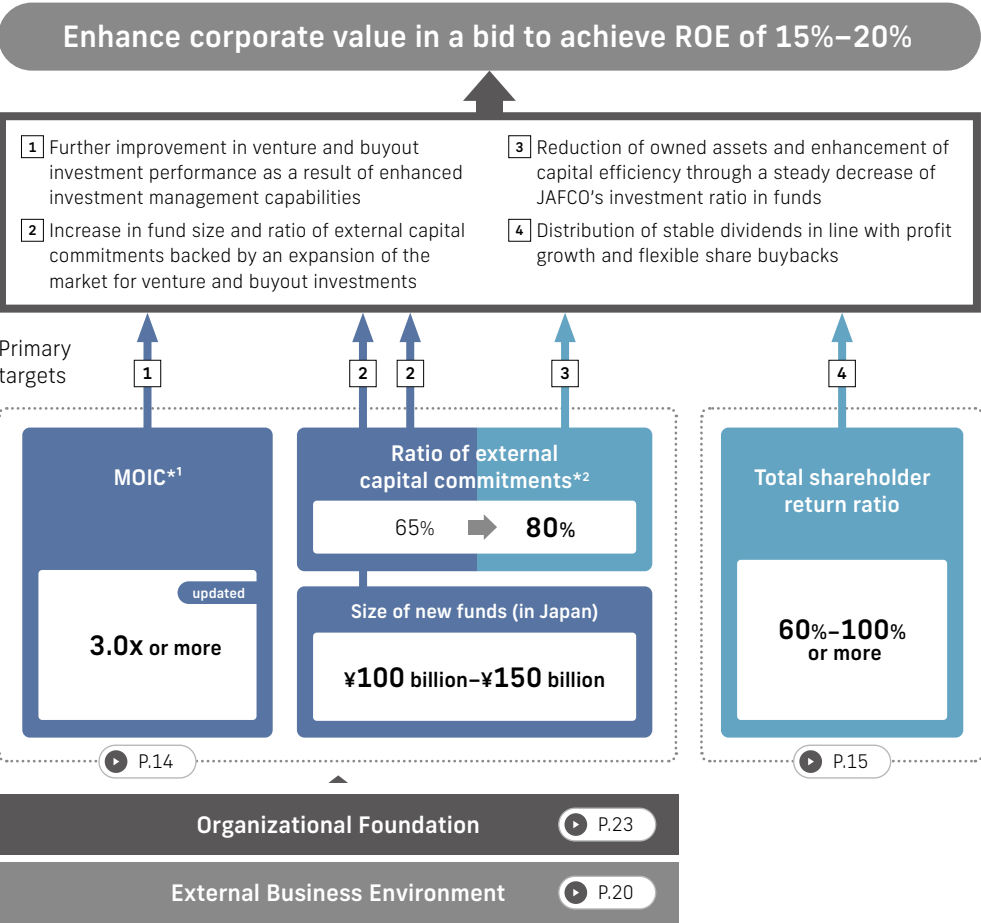
Section 2

JAFCO's Growth Story for Corporate Value Enhancement

Value Creation Process



Update to the Basic Policy for Enhancing Corporate Value
Reflecting Shift of Focus to Domestic Investment and
Enhanced Shareholder Returns (As of April 2025)



*1 MOIC (multiple on invested capital): Revenue from operational investment securities + Cost of sales of operational investment securities

*2 Ratio of external capital commitments: The ratio of limited partners' total amount of capital commitments in funds established about once every three and a half years

*3 Effective total payout ratio: Ratio of total amount of dividends paid and share buybacks (buybacks resolved at the earnings announcement in the next fiscal year are treated as buybacks for the current fiscal year) against net income.

In April 2025, we made the decision to focus on domestic investment and strengthen our shareholder return policy in order to improve capital efficiency and promote our growth strategy. In tandem with this shift, we revised our vision for our financial structure, capital efficiency, and shareholder returns from a medium- to long-term perspective. Through this decision, we aim to achieve profit growth, transition to a more stable profit structure, and improve capital efficiency.

Changes in Overview of Financial Targets and Management Indices

- 1
- For FY March 2026 onward, only external capital commitments among total capital commitments of new domestic funds will drive increase in annual management fees.
- Core income (management fees — SG&A expenses) to improve with the transfer of the consolidated subsidiaries in Asia.
- 2
- Necessary funds will decrease as we will only target domestic funds for investment in FY March 2026 onward; Net assets will also decrease.
- 3
- We will hold our interests in Asian and U.S. funds under management until maturity.
- We raised the target for MOIC of domestic funds to 3.0x for FY March 2026 onward. MOIC of overseas funds is expected to continue at 1.6x.

	Results			Medium-term targets	Long-term targets
(Billions of yen)	2023.3	2024.3	2025.3	2028.3–2030.3	2031.3–2033.3
Ordinary income (loss)	(3.0)	8.8	13.2	20.0	26.0
Net income	40.6*7	7.5	9.6	14.0	18.0
Net assets	130.7	137.6	141.1	130.0	115.0
Balance of operational investment securities*6	84.0	90.1	91.4	80.0	65.0
Effective total payout ratio*3	125%	50%	102%	60%–100% or more	60%–100% or more
ROE	24.7%*7	5.6%	6.9%	10%–15%	15%–20%
Total capital commitments*4 (AUM)	419.2	465.6	458.4	320.0	370.0
(Domestic)			312.8		
External capital commitments*5	157.6	194.9	198.5	250.0	290.0
Annual management fees	3.4	4.8	4.3	3.9	4.2
Annual SG&A expenses (excl. business tax)	4.3	4.4	4.6	3.5–4.0	3.5–4.0
MOIC*1	1.6x	1.7x	2.1x	Domestic: 3x (Overseas: 1.6x)	
	5-year average: 2.2x (Domestic: 2.6x)				

*4 Total capital commitments: The total amount of capital commitments of all JAFCO-managed funds in Japan, Asia, and the United States. Due to focusing on domestic investment, figures for medium- and long-term targets only apply to domestic funds.

*5 External capital commitments: Of total capital commitments, JAFCO's interest, funds managed by its non-consolidated U.S. subsidiary, and funds under extension are excluded. It is the amount subject to fund management fees. Due to focusing on domestic investment, figures for medium- and long-term targets only apply to domestic funds.

*6 Includes listings. Valuation after markdowns.

*7 Includes ¥63.8 billion in gain on sale of shares of Nomura Research Institute, Ltd.

Background of Decision to Focus on Domestic Investment

(Announced in April 2025)

Since expanding into overseas markets in the late 1980s, JAFCO has managed funds in Japan, the United States, and Asia—a tripolar structure—with each region employing its own investment strategy. In the late 1990s, JAFCO also launched its buyout investment business. Amid an evolving business environment, we have fueled perpetual growth by combining the strengths of venture investment and buyout investment. In April 2025, however, we decided to cease investment in funds managed by the Company Group in the United States and Asia so that we can further deepen and actively promote efforts to enhance corporate value. Accordingly, our overseas subsidiaries in the United States and Asia will be transferred. This will allow us to sharpen our competitive edge while focusing our investments on Japan, where the market is expected to grow, with the aim of enhancing corporate value.

Changes in Business Environment and the Company's Status

Domestic

Overseas

Changes in business environment and the Company's status

- Startup ecosystem is expanding backed by government policies.
- Fundraising for startups is active, centering on promising ventures.
- Each year, there are IPOs with more than ¥100 billion in market cap; Larger listings are expected with reforms in the Growth Market and private equity market.
- AUM of domestic and overseas private equity funds targeting Japan have been growing for more than 10 years.
- More than half of SMEs lack successors, and business succession needs are expected to accelerate.
- M&A involving Japanese companies are also on the rise.

Revenue status

Core income

- Most recent SV7 fund (¥97.8 billion) had a ratio of external capital commitments of 80%; Core income is generally in balance.

Capital gains

- While subject to the impact of the market, a degree of capital gains are continually realized through several IPOs, M&A, etc.

Unstable market trends in China and the United States stemming from geopolitical risks, regulatory issues, etc., can be seen.

- Fundraising for our funds remains difficult while local costs are rising and profitability is decreasing.
- Challenges in performance superiority of our funds compared with competitors are emerging.
- VC business is highly local and replicating success models across regions is difficult.

Results of Major Indices and Targeted Levels Going Forward

MOIC

Ratio of external capital commitments

Target level going forward

Initial targets

Results

Average MOIC for domestic investment:
3x or more

2.5x or more

Domestic MOIC exceeds 2.5x

	10-year average	5-year average
Overall	2.2x	2.2x
Domestic	2.7x	2.6x
Overseas	1.6x	1.3x

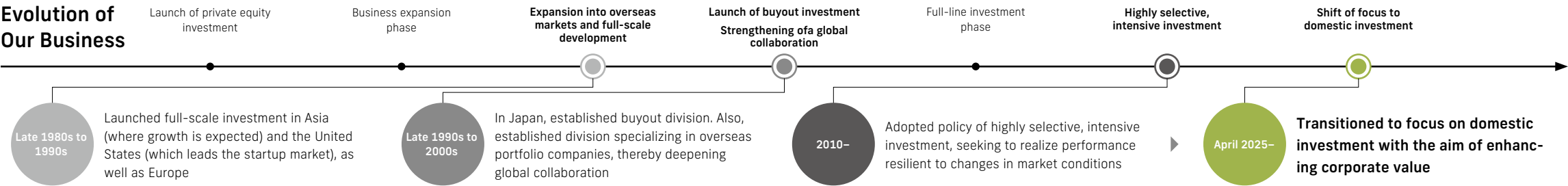
Increase size of next domestic fund and aim for
80% external capital commitments

80%

External investment accounts for 80% of most recent domestic funds

	Fund name	Ratio of external capital commitments
Japan	SV6 Series SV7 Series	66% 80%
Asia	JAFCO ASIA S-8 Fund Series	38%
United States	Icon Ventures VII, L.P.	57%

Evolution of Our Business



Strengthening of Shareholder Returns (Updated in April 2025)

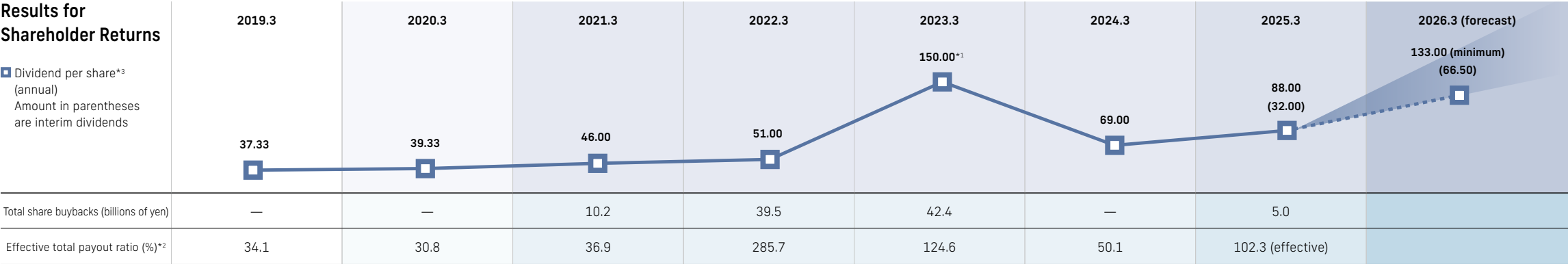
JAFCO has worked to strengthen shareholder returns on a continuous basis. Under the Basic Policy for Enhancing Corporate Value, announced in December 2022, we clarified the level of necessary funds and stated that we will consider the allocation of excess cash to share buybacks in order to reduce net assets and improve capital efficiency. To realize more stable dividends at a level higher than ever before, we have revised our dividend policy as of the fiscal year ending March 31, 2026. Under the revised policy, we will 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, further strengthening shareholder returns. This is an increase from the previous policy under which we paid out the greater of either 3% DOE (ratio of annual dividends to initial and term-end average value of shareholders' equity) or 50% of net income.

Shareholder Return Policy

		Up to FY March 2016	From FY March 2017	From FY March 2024	FY March 2025	From FY March 2026
Dividends	Policy / target	Flexible distribution with a focus on continuity	3% DOE	The greater of <u>3% DOE</u> *1 or 50% of net income		The greater of <u>6% DOE</u> *2 or a 50% payout ratio
	Dividend per share		Refer to table below for dividend results by year		Pay out 50% of net income Year-end dividend: ¥56 Annual dividend: ¥88	FY March 2026 Projected annual dividend: ¥133 (minimum) Interim dividend: ¥66.5; Year-end dividend: ¥66.5
	Frequency		Dividends implemented once a year (year-end dividend)		Dividends implemented twice a year (started interim dividends)	Interim dividends continued Dividends implemented twice per year
	Forecast			No dividend forecast disclosed		Minimum dividends to be disclosed at start of fiscal year as dividend forecast
Share Buybacks		Refer to table below for share buyback results by year			Share buybacks totaling ¥5 billion resolved on April 23, 2025 With this, the effective total return ratio for FY March 2025 will be 102%	Continue to consider additional shareholder returns, taking into account progress in exits and the fundraising environment for funds

*1 Calculated based on ratio of annual dividends to initial and term-end average of shareholders' equity *2 Ratio of annual dividends to shareholders' equity at end of previous fiscal year

Results for Shareholder Returns



*1 For the fiscal year ended March 31, 2023, the greater of (a) or (b), where (a) = ¥150 and (b) = Amount calculated by dividing net income in the fiscal year ended March 31, 2023, including the gain on the sale of shares of Nomura Research Institute, Ltd., and after deducting the amount of the share buyback through tender option bonds (TOBs), by the number of the Company's shares outstanding on the record date of the dividend (excluding treasury shares then held by the Company.)

*2 Effective total payout ratio: Ratio of total amount of dividends paid and share buybacks (buybacks resolved at the earnings announcement in the next fiscal year are treated as buybacks for the current fiscal year) against net income.

*3 Figures have been adjusted to reflect a 3-for-1 stock split conducted in the fiscal year ended March 31, 2022.

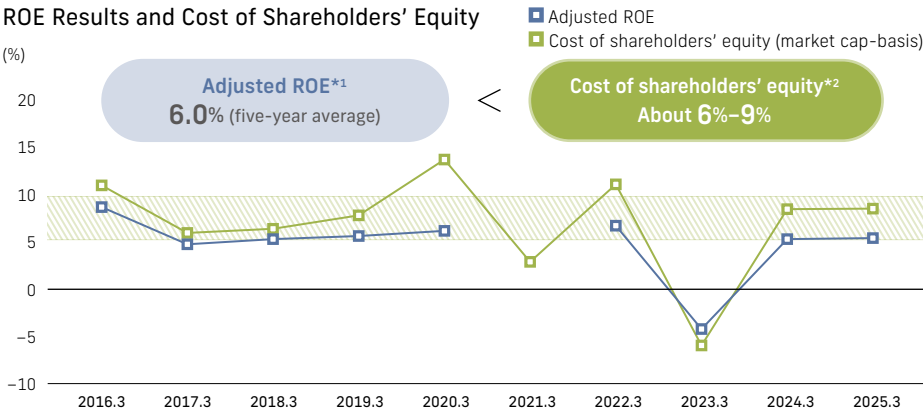
Promoting Management with an Awareness of Capital Costs and Share Price

Following our decision to focus on domestic investment, we partially revised the Basic Policy for Enhancing Corporate Value and are promoting initiatives accordingly, having shifted our focus to achieve our targets. We have also formulated a new shareholder return policy to further strengthen shareholder returns.

Policy	Partial revision to Basic Policy for Enhancing Corporate Value following transition to focus on domestic investment; Promotion of efforts to reach targets	Financial target: ROE of 15%–20%	Details of Initiatives ▪ Shift of focus to domestic investment with a view to achieving targets. Also, formulation of new shareholder return policy to further strengthen shareholder returns ▪ Payout of 50% of net income: Year-end dividends: ¥56; Annual dividends: ¥88 ▪ For additional returns, decided to implement a maximum of ¥5 billion of share buybacks. As a result, effective total return ratio was 102% for the fiscal year ended March 31, 2025 ▪ Improvement in outlook and stability by starting interim dividends and announcing minimum dividend amount as projected dividends at the beginning of the fiscal year
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Understanding of the Present Situation

- Our cost of shareholders' equity is perceived to be from roughly 6% to 9%.
- Average adjusted ROE*1 over the past five years was 6.0% (excluding period in the red).

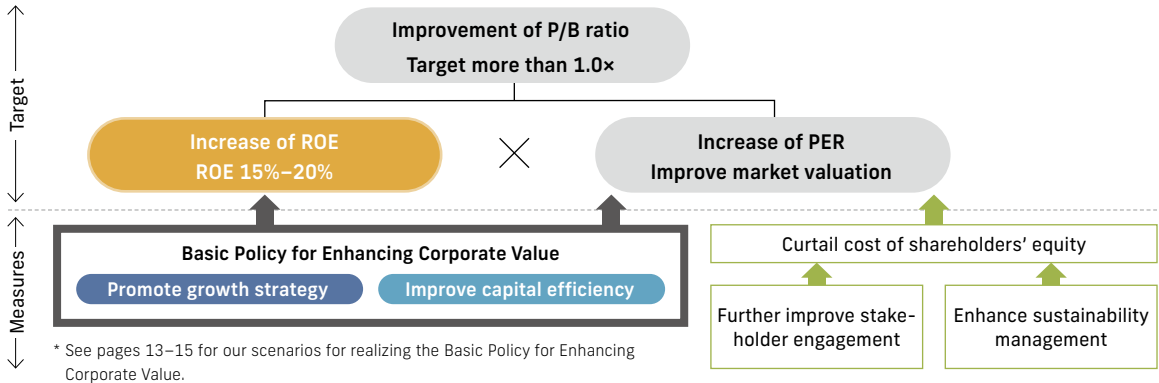


Current Situation

	ROE	PER	PBR
5-year average (year-on-year)	6.0%*1 (+0.1p)	8.7x (+0.8p)	0.8x (+0.1p)
Fiscal year ended March 31, 2025 (year-on-year)	6.9% (+1.3p)	11.8x (–1.9p)	0.8x (+0.1p)

*1 Adjusted ROE = (Net income – Extraordinary income or loss × 70%) ÷ Net assets

Efforts to Realize Management Focused on Capital Costs and Share Price



Measures

- Promote growth strategy and improve capital efficiency by focusing on domestic investment
- Promote growth strategy by increasing the fund size backed by market growth in venture and buyout investment
- Reduce owned assets by steadily decreasing JAFCO investment ratio in funds (target ratio of 20%), thereby enhancing capital efficiency
- Implement stable, profit-based dividends by paying out the greater of either 6% DOE (shareholders' equity at end of previous period) or a 50% payout ratio and implement flexible share buybacks
- Further improve stakeholder engagement
- Enhance sustainability management

*2 Approximation considering the CAPM-based five-year average cost of shareholders' equity and market cap-based five-year average cost of shareholders' equity (excluding when in the red)

- Cost of shareholders' equity (CAPM-basis) = Risk-free rate (risk-free interest rate of safe assets; based on 10-year government bonds) + Beta (β) sensitivity (risk specific to JAFCO) × Risk premium (rate of excess returns expected on equity investment; based on past stock market returns)
- Cost of shareholders' equity (market cap-basis) = (Net income – Extraordinary income or loss × 70%) ÷ Market capitalization

CFO'S MESSAGE



Hiroaki Matsuda
Corporate Officer
In Charge of Administration

Enhancing Corporate Value by Strengthening Our Earnings Base and Improving Capital Efficiency Through New Strategies

Achieving Two Major IPOs Amid Ongoing Market Volatility

The fiscal year ended March 31, 2025 saw continued stagnation in Japan's Growth Market, against the backdrop of greater uncertainty in the overall market environment. Furthermore, in August 2024, the Japanese stock market experienced its largest-ever single-day decline, which impacted our portfolio companies to a certain degree.

Despite this challenging operating environment, we successfully completed IPOs for six companies in our venture portfolio and two from our buyout portfolio. Among these, Astroscale Holdings Inc. and Timee, Inc. from our venture portfolio each had an initial price-based market cap exceeding ¥100 billion. As a result, we recorded capital gains of ¥12.7 billion and a multiple on invested capital (MOIC) of 2.1x (up from ¥7.9 billion and 1.7x in the previous fiscal year, respectively), which I consider to be solid achievements in these challenging market conditions.

We believe that the large-scale IPOs we achieved underscore the market's strong recognition of the exceptional business innovation of our portfolio companies. Astroscale Holdings has developed the world's first space debris removal service, which it is offering to the space industry. Meanwhile, Timee is creating unprecedented value by operating a short-term "spot" work platform that connects businesses with temporary workers to fill staffing gaps in full-time and part-time employment, thereby helping address the ongoing labor shortages in the Japanese labor market. Although JAFco's business is impacted greatly by the market environment, the fiscal year ended March 31, 2025 reaffirmed our conviction that truly innovative companies can

continue to perform strongly even amid challenging market conditions.

Shifting Our Focus to Domestic Investment

In April 2025, we announced our decision to shift from the global tripolar investment structure spanning Japan, the United States, and Asia, which we had adopted to date, toward a focus on domestic investment. With this shift, we will concentrate management resources in investment activities in Japan, where we have demonstrated a competitive investment performance and which we view as a growth market. While we will continue to hold our interests in funds established by our U.S. and Asian subsidiaries, we will not participate in any future funds. The transfer of the U.S. and Asian subsidiaries is scheduled to be completed during the fiscal year ending March 31, 2026.

The background to our decision to shift our focus lies in the challenges we faced with the investment performance and capital efficiency of our U.S. and Asian funds. Over the past five years, our overseas investments achieved an average MOIC of 1.3x, a level that is significantly below the 2.6x achieved in Japan and our initial target of 2.5x. Furthermore, under the Basic Policy for Enhancing Corporate Value, announced in December 2022, we set a target to raise the ratio of external capital commitments to 80% around the fiscal year ending March 31, 2030. Despite this, the most recent ratio of external capital commitments for the U.S. and Asian funds stood at 57% and 38%, respectively, falling significantly short of our target. Although we have had major successes with our overseas investments in the past, it has been difficult for us to deliver consistent results. We have

CFO’S MESSAGE

therefore determined that concentrating on domestic investment—where we can expect greater success—will improve the likelihood of us achieving our target.

It is generally believed that operating businesses across multiple countries and regions is an effective approach for diversifying risks. Indeed, we have had success with this approach, including after the 2008 global financial crisis when one of our portfolio companies in China was successfully listed on the U.S. stock market. Nevertheless, with the further progression of globalization, market fluctuations in one place can now instantly affect markets globally, and this has reduced the effectiveness of geographical diversification compared with the past. There are also high levels of volatility in the U.S. and Chinese markets, and we believe that focusing on the Japanese market, which is comparatively more stable, will help us curtail risks.

Looking ahead, we will fully leverage the management resources and know-how that we have cultivated in Japan to achieve our medium- to long-term target of an ROE of 15% to 20%.

Introducing New Dividend Policy to Realize Higher, More Stable Shareholder Returns

In tandem with our strategic shift of focus, we have revised our dividend policy. Under the revised policy, we will pay out the greater of either 6% DOE^{*1} or a 50% payout ratio, further strengthening shareholder returns (the previous policy was to pay out the greater of either 3% DOE^{*2} or a 50% payout ratio). This revision reflects our awareness of the share price.

Domestically, our core income is generally in balance, and we have a high ratio of buyout investment, which has a comparatively more stable MOIC. Accordingly, we will achieve a more consistent performance moving forward. Additionally, as we will not make investments in new overseas funds, our funding requirements will decline, making it possible to allocate the surplus capital generated from returns on investments to date

toward shareholder returns. With a view to improving our price-to-book ratio (P/B ratio), we have raised the DOE from 3% to 6% to place greater emphasis on dividend yield.

Additionally, we have changed the calculation method for DOE, from using the initial and term-end average value of shareholders’ equity to using the ratio of annual dividends to shareholders’ equity at the end of previous fiscal year. This change allows us to disclose the minimum dividend amount (forecast) at the beginning of the period. By offering stable shareholder returns in line with profit levels on an ongoing basis, we aim to continue to be a company in which investors can have long-term confidence.

^{*1} Calculated using the ratio of annual dividends to shareholders’ equity at end of previous fiscal year
^{*2} Calculated based on the initial and term-end average value of shareholders’ equity

Assessing the Path for Achieving Our ROE Target

Without a doubt, we have increased the likelihood of achieving our medium- to long-term ROE target of 15% to 20% with our shift in focus to domestic investment. In terms of net income, the numerator for ROE, we will improve our domestic MOIC, which has averaged 2.7x over the past 10 years, to 3x or more by concentrating our management resources on domestic investment. Although we will no longer receive management fees and success fees from Asia and the United States, we expect our core income to improve as we will no longer face the negative impact of having overseas SG&A expenses that exceed management fees. Regarding net assets, the denominator of ROE, the required capital for investments in the U.S. and Asian funds will decrease, and for the surplus beyond this required capital, we will consider allocating it to shareholder returns as part of our efforts to reduce net assets. By doing so, we aim to achieve profit growth, transition to a more stable profit structure, and improve capital efficiency.

To achieve our ROE target, it is essential that we expand the size of our funds in line with market growth and reach a ratio of

external capital commitments of 80%, as adopted under the Basic Policy for Enhancing Corporate Value. The SV7 Fund Series achieved a size of ¥97.8 billion (¥65.0 billion in venture investment and ¥32.8 billion in buyout investment) and a ratio of external capital commitments of 80%, exceeding its targets. Going forward, however, it will not be easy to maintain an 80% ratio while expanding the size of funds in line with market growth. With the SV8 fund (tentative name), slated to be established in the second half of the fiscal year ending March 31, 2026, we aim for a fund size exceeding that of the SV7 Fund Series. In addition to strengthening our relationships with existing investors, we will increase our MOIC by concentrating on domestic investment and seeking to make connections with new investors, including overseas investors, pension funds, and public investment trusts, on an ongoing basis.

Outlook for Financial Targets and Management Indices Within the Framework of the Basic Policy for Improving Corporate Value

	2025.3 (Results)	(Billions of yen)	
		2028.3– 2030.3	2031.3– 2033.3
Total capital commitments (domestic)	312.8	320.0	370.0
MOIC (5-year average)			
Domestic	2.6x	3.0x	3.0x
Overall	2.2x	—	—
Ordinary income	13.2	20.0	26.0
Net income	9.6	14.0	18.0
Net assets	141.1	130.0	115.0
ROE level	6.9%	10%–15%	15%–20%

CFO'S MESSAGE

Pursuing New Growth Opportunities by Developing the Private Equity Market

In the fiscal year ended March 31, 2025, we transferred part of our interests in SV6 and SV7, totaling ¥3.6 billion, to Japan's first publicly offered investment trust that incorporates unlisted securities. Launched in August 2024, this public investment trust was jointly developed by JAFCO and Nomura Asset Management Co., Ltd. and is managed through a crossover investment approach, under which investments are made across listed and unlisted companies. To date, Japan's private equity investment market has involved transactions between a limited number of players, primarily venture capital companies and certain business firms. Through the kind of scheme adopted with this public investment trust, a new segment of investors—including both institutional and individual investors—is given access to private equity investment, making this initiative highly significant in terms of our efforts to expand the size of our funds and strengthen our earnings base.

Furthermore, as more players enter the private equity market, we can expect the formation and development of a secondary market and the creation of exit strategies other than IPOs and M&A. Looking ahead, with an increase in the number of players in this market, we can also expect appropriate price discovery, which in turn will lead to market expansion. Although this kind of market development will take a considerable amount of time, we see it as a significant growth opportunity over the medium to long term and are actively working toward its realization.

Diversifying Fundraising Options in Anticipation of Risks

Expanding our fundraising options is essential to maintaining a sound financial base. We have continued our investment activities even amid unstable market conditions triggered by the wave of bank failures in the United States in March 2023. To maintain stable business operations, we issued ¥15 billion in zero coupon

convertible bonds due 2028 during the fiscal year ended March 31, 2024. At that time, it was difficult to secure financing through means other than convertible bonds. However, through subsequent dialogue with shareholders, we recognized that diversifying our funding sources was an important task, which we have begun to address. In the fiscal year ending March 31, 2026, we have made solid progress by securing a commitment line from banks for investment purposes. We will continue to examine fundraising options in a more flexible, agile manner to further reinforce our financial base.

Building a Foundation for Corporate Value Enhancement

As CFO, my main responsibility is to build our business foundation. In other words, my role is to establish an operational foundation, which ensures we achieve high-level investment performance on a continuous basis, and an organizational foundation, which helps us maintain trust with our shareholders, employees, portfolio companies, external investors, and other stakeholders.

To this end, raising compliance awareness is one of our highest priorities. We must not allow compliance violations to occur. As part of these efforts, we have established human rights and anti-harassment policies and enhanced our whistleblowing systems. We communicate messages from the president throughout the Company, hold training on an ongoing basis, and use surveys to improve compliance-related initiatives. To meet the expectations of our stakeholders, who put their trust in us, we will continue to improve compliance awareness from a broader perspective and based on high ethical standards.

More and more startups are being founded by entrepreneurs determined to use them to resolve social issues. Accordingly, there are greater expectations of private equity investments that underpin the growth of these startups, and our roles and responsibilities are increasing. Today, private equity investment management companies must do more than just achieve economic returns. We

believe that it is our social responsibility to contribute to the realization of a sustainable society through the medium- to long-term growth of our portfolio companies. Guided by this belief, in July 2025, we became a signatory to the Principles for Responsible Investment and established our ESG Investment Policy. Under this policy, we will incorporate ESG perspectives into our overall investment decision-making process, engage in dialogue and collaborations with portfolio companies and other partners, and further reinforce our monitoring framework. In these ways, we will further promote ESG investment within our investment activities.

Strengthening our relationships with shareholders and other investors is also crucial to bolstering our management foundation. Since announcing the Basic Policy for Enhancing Corporate Value in 2022, we have recognized growing expectations from many of our shareholders and other investors. Meanwhile, a fair number of investors are not fully aware of the recent changes at JAFCO, including changes to our management policies and business portfolio. We therefore will step up efforts to communicate with investors, including through information disclosure and dialogue.

Going forward, we will continue to make every effort to enhance corporate value through initiatives to enhance our management, operational, and organizational foundations.

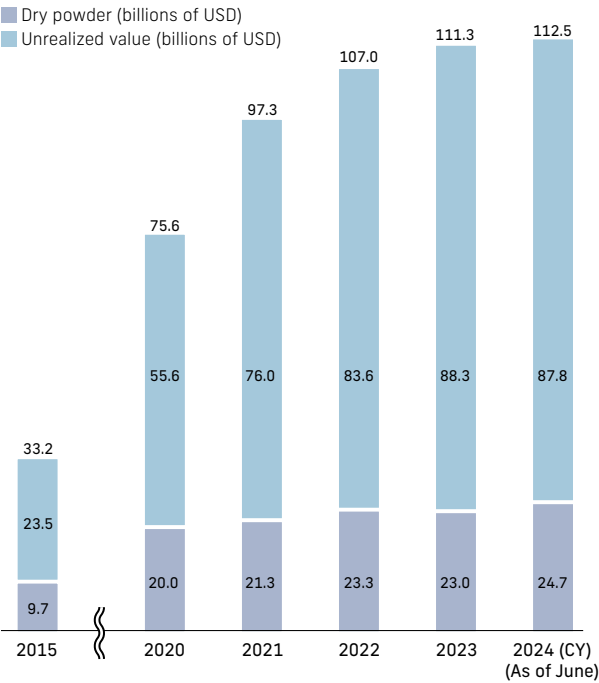


Assessment of Market Environment with a View to Realizing the Basic Policy for Enhancing Corporate Value

Increase of Risk Capital Supply in Japan

The amount of assets under management of Japanese and international private equity funds targeting Japan has been increasing in the past 10 years, backed by low interest rates and policy expectations, reaching \$112.5 billion by June 2024.

Risk Capital Supply in Japan*1



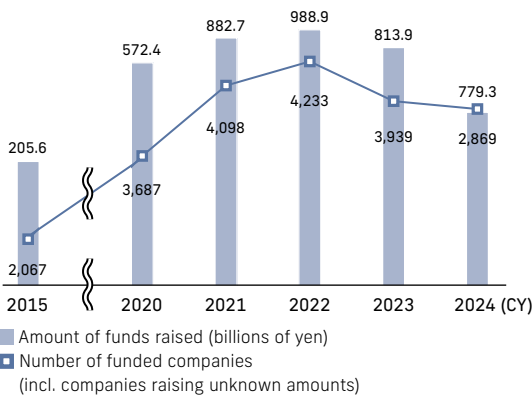
The market in Japan, where we are focusing our investment, remains highly promising, with risk capital from both domestic and overseas funds increasing steadily in recent years. With support from the government and the changes occurring in the Growth Market and private equity market, the startup market is showing signs of growth, including large-scale fundraising by promising startups and the emergence of IPOs with valuations exceeding ¥100 billion each year. The buyout market is also poised for continued growth, backed both by support from government policies and accelerated business succession needs due to the lack of successors at a vast number of SMEs. Accordingly, M&A activities involving Japanese companies are expected to increase even further.

High Expectations for the Private Equity Market—The Target of Risk Capital

Funding Environment for Startups in Japan

The global flow of funds into rapidly expanding startups has slowed down, and Japan has also seen somewhat of a slowdown. The amount raised and number of funded companies have been decreasing since peaking in 2022 given changes in the environment. Funding is focused on promising startups, with a growing trend toward selective investment.

Amount Raised and Number of Funded Companies*2



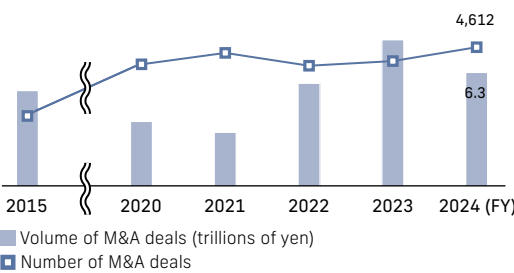
Top 10 Startups by Amount Raised*3 (2023 + 2024)

Ranking	Company name	Amount raised (billions of yen)	JAFCO portfolio companies
1	Sakana AI	30.1	●
2	ELIYY Power	25.0	
3	Gojo & Company	24.7	●
4	newmo	18.7	●
5	FRD Japan	15.4	
6	Mujin	14.3	●
7	Josys	13.5	●
8	CADDi	11.8	●
9	Astroscale Holdings	11.1	●
10	GO	10.6	

Trends in the Buyout Market in Japan

The number and volume of M&A deals has been growing recently with the backdrop of the post-pandemic recovery of economic activity in addition to economic slowdown and business succession-related issues. While Japan's private equity market is still small, the number of SMEs is relatively large. With the aging of owners of SMEs and the fact that more than half of such owners still lack successors, business succession is expected to accelerate further.

Number and Volume of M&A Deals Involving Japanese Companies (IN-IN only)*4



Potential of the Buyout Market in Japan

OECD ranking in number of SMEs*5

4th

Number of SMEs in Japan*6

500,000

Average age of company presidents*7

60.7 yrs.

Rate of lack of successors*8

52.1%

*1 Source: Data provided by Preqin: "Japan Focused Private Equity (including Venture Capital) AUM, 2013–2024"

*2 Source: "Japan Startup Finance 2024" (P. 11: Startup financing amount and number of funded companies; issued Jan. 28, 2025), Speeda Startup Insights, 2024 (as of Jan. 20, 2025)

Notes: 1. Figures for each year are those identified up to the time of aggregate calculation.
2. Due to the nature of the data, the figures, including those in the past, fluctuate with the progress of the survey. The smaller the value of a deal, the more likely it is to be affected by the progress of the survey, especially the number of funded companies.

*3 The fundraising amounts from the following two years' rankings were added to compile the top 10 companies. JAFCO defines its portfolio companies as those in which it had investments outstanding during the fiscal year ended March 31, 2025. Created by JAFCO.

2024: Speeda Startup Information Research "2024 Japan Startup Finance" (issued January 28, 2025), page 24, "Top 20 Companies by Fundraising Amount in 2024 (as of January 20, 2025)"
2023: Speeda Startup Information Research "2023 Japan Startup Finance" (issued January 31, 2024), pages 35 and 36, "Top 20 Companies by Fundraising Amount in 2023 (as of January 23, 2024)"

*4 Created by JAFCO based on RECOF M&A DATABASE (as of June 23, 2025). The number of deals includes deals classified as "M&A" and "In-group M&A" in the database.

*5 OECD SDBS ISIC Rev.4 Number of enterprises, SMEs (2017)

*6 Number of companies in 2021 Economic Census for Business Activity excluding large companies and small businesses (Ministry of Internal Affairs and Communications and Ministry of Economy, Trade and Industry)

*7 Teikoku Databank's National Survey on Average Age of Company Presidents (2024)
Based on the approximately 270,000 SMEs across all regions and industries available in Teikoku Databank's CCR credit investigation reports, etc.

*8 Teikoku Databank's Nationwide Survey on Rate of Lack of Successors (2024)
Based on the approximately 270,000 SMEs across all regions and industries available in Teikoku Databank's CCR credit investigation reports, etc.

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Section 3

JAFCO’s Value Creation Drivers

Material Issues

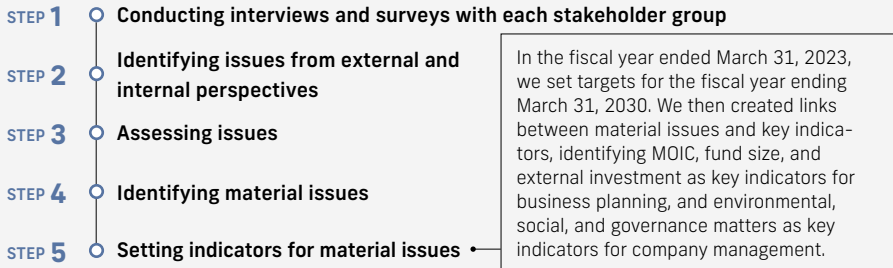
Purpose	Material Issues	Vision	Results for FY March 2025
Fueling perpetual growth; investing in bold visions	1. Creation of new businesses that lead the way in fulfilling social needs	Innovation is essential for the sustainable development of society and economic growth. We will accelerate the creation of new businesses by increasing the number of entrepreneurs while capturing actual and future social demand.	▶ Number of companies sourced 3,855 Number of new venture investments 22
	2. Growth of companies with social value and succession to the next generation	Amid a lack of successors, ongoing technological innovation, and diversifying competition, the environment around companies is becoming increasingly complex. We will enhance companies' capacity for renewed growth and continue to protect employment by passing on high-potential technologies and assets to the next generation to maintain and increase their social value.	▶ Number of new buyout investments 6 Total number of employees at companies subject to buyout investments 5,327
	3. Expansion of risk capital supply in Japan	Creating new industries and enhancing companies' capacity for renewed growth are vital to Japan's medium- to long-term growth, and risk capital is essential for supporting these efforts. As Japan continues to lack a sufficient supply of risk capital, we are committed to expanding the number of both domestic and overseas fund providers in Japan's private equity market.	▶ Total funds under management: ¥458.4 billion In Japan ¥312.8 billion External funds raised (SV7) ¥78.1 billion
	4. Establishment of an ecosystem that supports business creation and growth	Creating new businesses and reinvigorating corporate growth require a structure supported not only by specific companies but also wider society. We will establish an ecosystem in which professionals with expertise can work together to create a framework for supporting enterprising personnel and form networks for boosting corporate growth.	▶ Number of business matching cases facilitated 654 Number of executive-level hires assisted 52 Number of companies assisted establishing back-office infrastructure and preparing for listing 44
	5. Continuous organizational development to promote active roles of diverse human resources	A combination of diverse perspectives and wide-ranging strengths is essential for the sustainable development of society. We will create an environment in which diverse personnel can work together and continue to play active roles, regardless of their age, gender, or nationality, to boost the creativity of society as a whole.	▶ Number of new graduate hires 5 Number of mid-career hires 15 Resignation rate 12.4% Average training hours 23.2
	6. Reduction of business and management risks through strengthening of governance	As social issues become more complex, stakeholder expectations and the need for corporate responsibility will increase. In this environment, we will contribute to a sustainable society by strengthening governance and actively promoting sustainability initiatives.	▶ GHG emissions (Scope 1 and 2) 38.2 t-CO ₂ Ratio of independent directors 66.7% Number of whistleblowing reports received 2

Process for Identifying Material Issues

In identifying material issues, we conducted surveys and interviews with stakeholders about the significance of our existence and their requests for JAFCO. Specifically, we conducted in-depth interviews with five major institutional investors about the material issues we identified in the fiscal year ended March 31, 2022, and they gave our efforts and approach to materiality their solid approval.

Then, in the fiscal year ended March 31, 2023, based on the advice of experts, we examined our materiality from a medium- to long-term perspective with the aim of realizing our Purpose and once again identified issues from a broad viewpoint. We identified the same material issues as those in the fiscal year ended March 31, 2022, based on the axes of internal issues and external needs.

We have also identified the relationship between material issues and key business plan indicators, referencing the press release titled "Notice Regarding Shifting Focus to Domestic Investment and Strengthening Shareholder Returns for Enhancing Corporate Value" announced in April 2025.



Management Capital

Underpinning Corporate Value

Investment management capabilities and fundraising capabilities have been indispensable to the Company's growth. These capabilities have been supported by our organizational foundation, which comprises human, intellectual, and social capital. By strengthening these three types of capital, which have been passed down for many years, we work to continuously enhance corporate value amid changes in the operating environment.

JAFCO's Strengths

Investment Management Capabilities

We promote highly selective, intensive investment while continuously refining both our organizational ability to share, gather, and complement the experience of individuals and the ability of our investment professionals to contribute to the growth of portfolio companies.

Fundraising Capabilities

In fundraising and fund management, we will work to enhance our regular reports and offer support tailored to the individual needs of investors. By continuously raising our level of discipline and transparency, we will deepen our relationships of trust with existing investors while working to attract new ones.

Important Management Capital at JAFCO



Human Capital

- Our employees, or human capital, are the greatest source of value creation at JAFCO. The underlying foundation of our human capital is our investment professional recruitment and development model, which nurtures new graduates and young talent with high potential into full-fledged investment professionals. Through this model of cultivating strong talent, our new graduate hires go on to build robust careers as investment professionals.
- Another one of our strengths is that many members of our middle- and back-office divisions have investment experience. By thoroughly considering the value of private equity investment on a companywide basis, we have maintained a corporate culture that places the highest priority on creating value for portfolio companies.
- Recently, we have also been recruiting mid-career professionals, bringing in experienced personnel who can make an immediate contribution to the organization and respond to important issues at our portfolio companies. By taking on seasoned professionals with significant experience in corporate domains, we are building a hybrid organization made up of new graduates and mid-career hires with a diverse range of expertise.



Intellectual Capital

- While the private equity investment industry is expected to grow significantly in the future, it is also an industry with high levels of uncertainty. We believe we can boost our rate of success in the industry by accumulating knowledge from our many investment successes and failures and sharing this knowledge across the organization. Our investment professionals pass on tacit knowledge to each other, and we are working to compile such knowledge into databases. By doing so, we are converting this know-how into explicit knowledge.
- Regarding our efforts to enhance corporate value and our exit approach, our robust track record of investing in a large number of companies and realizing IPOs for many of them includes several successes and failures. Through these experiences, we have accumulated a wealth of insight into effective participation in the management of portfolio companies and the pursuit of IPOs and M&A. In addition to investment activities, we are working to turn our know-how on fund formation and management into explicit knowledge, and we are accumulating insights into providing people with the information they need. Looking ahead, we will strive to compile and proactively apply the insights we gain through our various business processes and thereby enhance our ability to repeat successes.



Social Capital

- When pursuing private equity investments, it is important to collaborate closely with a range of stakeholders. The success of portfolio companies leads to enhanced fund performance, which enables us to return a significant amount of profit back to our fund investors and shareholders. This in turn boosts the appeal of our funds as financial instruments, setting in motion a cycle that allows us to raise more risk capital and contribute to the growth of new portfolio companies.
- The relationships we have with business firms, including large corporations, are also important in opening up sales channels for portfolio companies and offering them greater opportunities for business collaboration and fundraising. Furthermore, we view our interactions with external business partners that support startups and with personnel who go on to pursue careers at startups as an important source of value that accelerates the growth of portfolio companies. Private equity investment is a long-term, collaborative business based on close relationships with our stakeholders. Accordingly, we will further our efforts to strengthen relationships with stakeholders throughout the startup and private equity investment industry and to expand the startup ecosystem.

Results for FY March 2025

Number of investment professionals with 10+ years of experience

22

Number of "most influential venture capital investors in Japan" (over past 8 years)*

14 (cumulative total)

Investments to date

4,221 companies

Total funds managed (cumulative)

¥1.2 trillion

Number of investors to date

Approx. 1,300

Number of business contacts

5,794 companies

* Based on Forbes Japan's Midas List of most influential venture capital investors in Japan (top 10), 2018 to 2025
Note: The above figures are as of March 31, 2025.



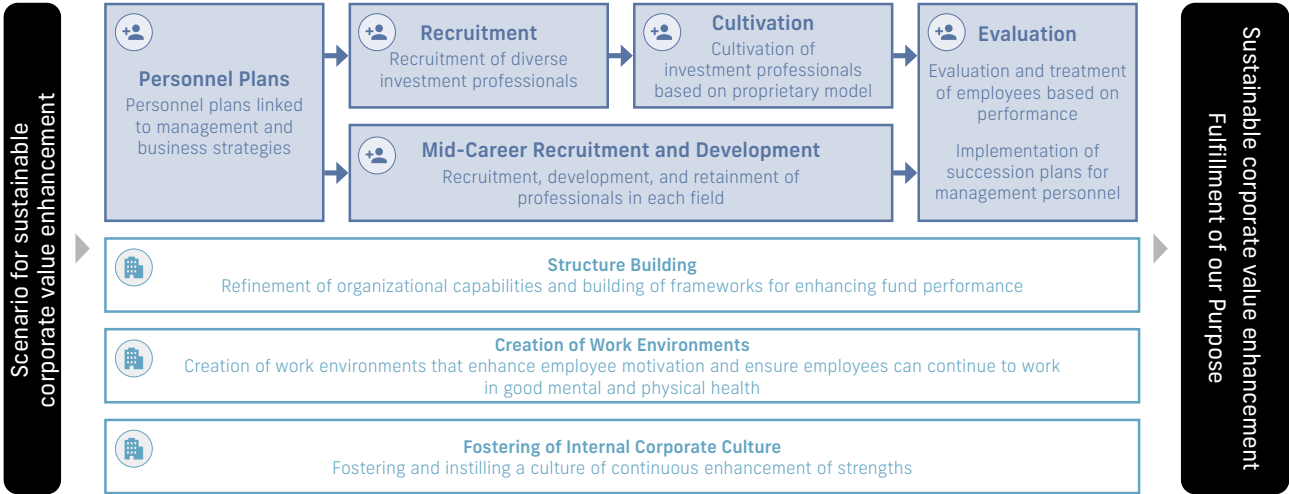
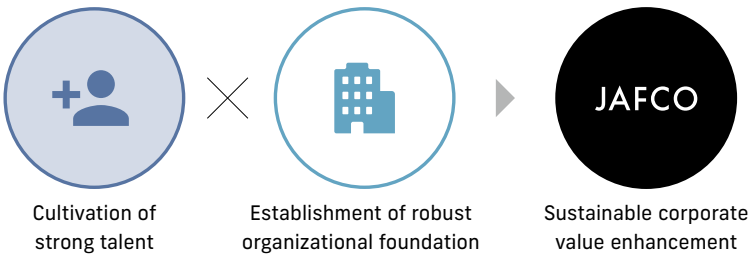
Yuichiro Araki
Group Leader, HR Planning Group
Administration Division

Human Resource Strategy

Cultivating Strong Talent and Establishing a Robust Organizational Foundation— Essential Elements for Ongoing Corporate Value Enhancement

Scenario for Sustainable Corporate Value Enhancement

Cultivating strong talent and establishing a robust organizational foundation are essential to the ongoing enhancement of our corporate value, and we have taken steps to strengthen them as the twin pillars of the Company's growth.



Cultivating Strong Talent

The Company's growth depends heavily on investment professionals and similar individual talent, due to the nature of its business. Cultivating strong talent has therefore long been a core focus for us. In addition to the ongoing recruitment of new graduates and promotion of our proprietary investment professional development model, in recent years we have been actively recruiting mid-career talent. In these ways, we seek to cultivate strong investment professionals who can execute excellent investment deals. We also recruit and develop other professionals with expertise in various fields, including portfolio company support, fund management, and corporate affairs. In January 2024, we revised our personnel system to secure and retain outstanding talent.

Establishing a Robust Organizational Foundation

In recent years, we have been stepping up efforts to establish a robust organizational foundation. To achieve the best possible results with a lean team of experts, it is essential to enhance and streamline our work. We must also build a framework for passing down and building on the know-how that we have cultivated over our more than 50-year history. To tackle these challenges, we have launched cross-organizational projects and are working to bolster work efficiency using generative AI and SaaS tools. It is also important for us to create work environments where employees can continue to work in good health and with peace of mind and to foster a corporate culture that helps employees refine their strengths continuously. In particular, given that we are becoming more diverse with the increase in mid-career hires, it is

more important than ever to carefully adapt our long-cultivated corporate culture. To that end, we have renewed our efforts to embed our core values and implemented training programs on fiduciary responsibility to enhance compliance awareness. Through such efforts, we have been working to foster and embed a robust corporate culture that might otherwise be diluted by an increase in diverse workstyles and mid-career hires.

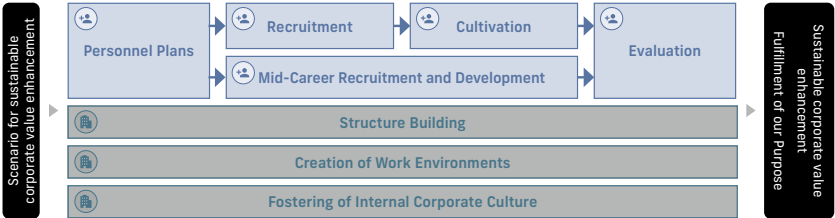
At JAFCO, our people are our greatest source of value. We will therefore continue to promote efforts to strengthen human capital, which we regard as our most important management asset.

Human Resource Strategy



Initiatives to Cultivate Strong Talent

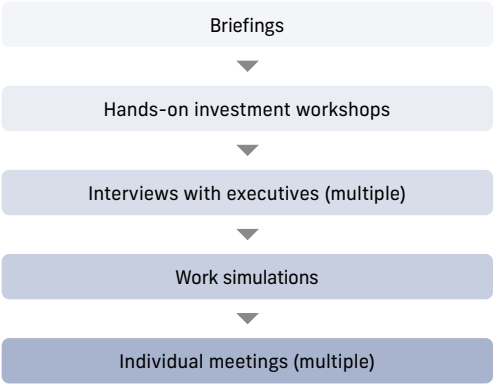
We have long placed emphasis on initiatives to nurture strong talent. In addition to conventional efforts such as the recruitment and cultivation of new graduates, in recent years we have been focusing on promoting mid-career hires and developing succession plans for next-generation talent.



New Graduate Recruitment

In the Venture Investment Division (Investment Division), we have continued to hire new graduates, securing talent with high potential. Given that our business involves long-term engagement with portfolio companies, employees must have not only business aptitude but also a deep connection with our Identity and Purpose and believe in JAFCO's work.

As part of the recruitment process, we have candidates interact with at least 10 employees, providing opportunities for them to engage in workshops and other simulated work experiences. Through this careful and meticulous selection process, we strive to establish mutual understanding so that we can secure talent capable of making long-term contributions.



Mid-Career Hires

In the Buyout Investment Division (Structured Investment Division), we have placed emphasis on recruiting experienced professionals who can make immediate contributions to the Company. In recent years, however, we have also focused on recruiting younger talent for senior associate positions. We are committed to recruiting and cultivating talent who identify deeply with our unique approach to investment in growth businesses.

In our Administration Division, we have been working for many years to hire talent specializing in each key area. By actively recruiting mid-career talent while keeping in mind succession plans for the next generation, we have been taking steps to pass on our long-cultivated insight and knowledge.

Enhancement of Personnel Systems
(Total number for FY March 2025)

	Male	Female	Total
New graduates	3	2	5
Mid-career hires	11	4	15

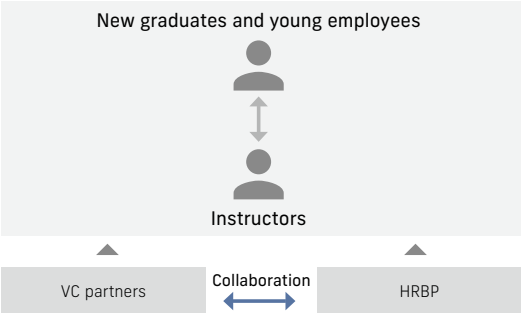
Ratio of Female Employees 27.5% (Target: One-third or higher)	Ratio of Mid-Career Hires in Management Positions 56.3% (Target: One-third or higher)
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▶ For details on human capital, see P.23

Cultivation of Talent

JAFCO has a unique development model for new graduates and young employees, reflecting the wealth of experience we have accumulated through years of regularly hiring new graduates. We not only provide structured training programs but also assign an instructor to each young employee to support them until they can work independently. Private equity investment does not follow a fixed pattern and requires a breadth of knowledge and skills. For this reason, establishing a swift cycle for feedback in the daily work of our young employees is the most effective way to ensure their growth. Furthermore, once employees can work independently, they themselves then take on an instructor role to help nurture the next generation of employees, thereby deepening understanding of their own work and realizing further growth. Developing investment professionals is a very difficult task, but we have enhanced our ability to achieve repeated success through initiatives such as on-the-job training via the instructor program.

Additionally, we have established the Human Resource Business Partner (HRBP) function in the Investment Division to promote initiatives that enhance recruitment, onboarding, and training. There are rapid changes in the venture investment industry but developing outstanding talent takes time. Through close collaboration between the HRBP, which has expertise in human resource development, and partners in the Investment Division, we are able to ensure a sustainable pipeline of talent.

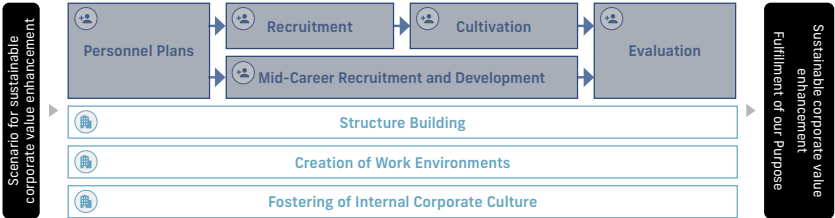


Human Resource Strategy



Initiatives to Establish a Robust Organizational Foundation

To consistently achieve a high level of performance, it is crucial that we establish a robust organizational foundation. Recently, we have focused on enhancing and streamlining our operations through the use of IT and by building frameworks for knowledge utilization. Furthermore, as the percentage of mid-career hires increases and our workstyles become more flexible, establishing a fulfilling work environment and fostering a strong corporate culture also play an essential part in strengthening our organizational foundation.



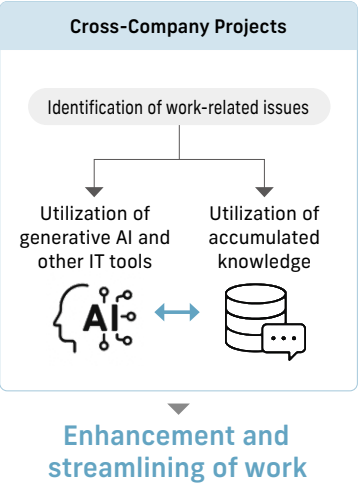
Structure Building: Enhancing and Streamlining Our Operations and Utilizing Knowledge

To generate maximum profit with a lean team of experts, we must enhance and streamline our work. To that end, we have launched cross-organizational projects and are working to identify work-related issues in each division, allowing us to examine more closely what can be improved, enhanced, or eliminated.

The utilization of AI and other IT tools is another significant focus. Securing a strong network is essential in investment work, and we are exploring how we can harness AI to refine our investment process while taking steps to use the technology accordingly.

We are also focused on utilizing the knowledge we have accumulated over the years. It can be difficult to turn tacit knowledge into explicit knowledge, so we are working to leverage technology to do so more effectively.

With these initiatives, we are taking a long-term perspective over multiple years. While paying close attention to evolving technologies, we will continue to pursue the establishment of frameworks from a long-term perspective.



Creation of Work Environments: Building Environments Where Employees Can Work in Good Physical and Mental Health Over the Long Term

JAFCO's business involves long-term collaborations with its stakeholders, so it is crucial for us to create work environments in which employees can make long-term commitments.

We therefore promote a broad range of initiatives to ensure that our diverse group of employees find their work fulfilling. These include establishing a full flextime system, hot-desking, and hybrid work, as well as allowing employees to work side jobs.

In addition, we must ensure that our employees are in good physical and mental health so that they can maintain peak performance. To that end, we partner with industrial physicians and public health nurses to offer individual consultations, communicate health-related information, and promote early medical checkups (with the goal of achieving a 100% screening rate), as well as providing follow-up care after such checkups. In March 2025, JAFCO was once again recognized in the Ministry of Economy, Trade and Industry's 2025 Certified Health & Productivity Management Outstanding Organizations Recognition Program (Small and Medium-Sized Enterprise Category).



Fostering of Internal Corporate Culture: Strengthening a Corporate Culture That Incorporates Diversity

Our organization is becoming more diverse as the percentage of mid-career hires increases and workstyles become more flexible. While we celebrate this increase in diversity, we also recognize the need to reinforce the corporate culture we have valued over many years.

Our efforts to embed our values, which we updated in October 2023, are ongoing, not temporary. Through initiatives such as internal newsletters and interviews with employees, we are working to pass down to the next generation the mindset and source of strengths that we have valued over the years. Doing so is critical to strengthening our competitiveness sustainably.

Furthermore, as we are a registered financial instruments business operator, our culture must stress the importance of adhering to rules and regulations. We therefore take measures to bolster our compliance, including holding multiple training sessions to deepen employee understanding of the true meaning of fiduciary duty.

To ensure that we can uphold our value of "Be pioneers, stand for integrity," we will continue to foster and embed our corporate culture from both offensive and defensive perspectives.

- **Own it and see it through**
We will be proactive in all we do, driven by our personal resolve, taking responsibility in every challenge and difficulty, and persevering until the end without giving up.
- **Move faster, dive deeper, reach higher**
By maintaining a forward-thinking mindset, discerning the essence of situations, and carefully evaluating all available options, we will strive to reach new heights and improve our capabilities.
- **Draw on differences to ignite creativity**
By valuing the unique experiences, perspectives, and wisdom of our members and leveraging these differences to their fullest extent, we will build a robust organization ready to achieve the next success together.
- **Be pioneers, stand for integrity**
We will uphold our frontier drive, fearlessly and with unwavering integrity continuing to embrace new challenges in developing new markets.

Investment Strategy for Value Creation

JAFCO establishes funds every few years combining venture and buyout investments. In addition to achieving high investment performance, we build robust, trust-based relationships with investors and respond to their diversifying needs. By doing so, we have focused on continuous investment through good times and bad.

In venture investment, we conduct highly selective, intensive investment, centered on startups in their seed and early stages. Under this approach, we adopt a “selective” stance by identifying promising investment targets from among the many startups we engage with and become “intensively” involved in the management thereof by holding an influential stake in these companies. For buyout investment, we target small and medium-sized companies using traditional buyout approaches. In addition, we leverage our venture investment expertise through our proprietary “venture buyout” strategy that aims to add value to our portfolio companies, thereby actively accelerating their growth. Furthermore, our dedicated Business Development Division plays an important role in supporting the business growth of portfolio companies. In these ways, we provide robust support for portfolio company growth by leveraging the skills of our personnel specializing in areas such as talent recruitment, customer acquisition, and back-office infrastructure.



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Section 4

Business Foundation for Sustainable Growth

Sustainability

Guided by the Basic Policy on Sustainability, we are dedicated to realizing our Purpose and building a sustainable society through investment, an approach that has remained unchanged since our founding, even amid substantial shifts in the global environment and social systems. In July 2025, we became a signatory to the Principles for Responsible Investment and established the ESG Investment Policy, which clearly outlines our approach regarding ESG investment as part of our overall investment activities. Expectations for private equity investment firms go beyond just economic returns. We believe that it is our social responsibility to contribute to the realization of a sustainable society through the medium- to long-term growth of our portfolio companies.

Sustainability at JAFCO

JAFCO’s approach to sustainability is divided into two main categories: contributing to sustainability through business and enhancing ESG efforts as a company. Through our private equity investment business, we not only provide management support to enhance the sustainability of our portfolio companies but also actively participate to ensure that their businesses contribute to the sustainability of society at large.

Sustainability »

	JAFCO Group Initiatives	Portfolio Company Initiatives
Contributing to sustainability through business	Investments in businesses that contribute to sustainability ▶ P.30	Directly contributing to sustainability ▶ P.30
	Identifying ESG risks at portfolio companies and promoting appropriate initiatives ▶ P.30	Promoting appropriate corporate activities from an ESG perspective
Enhancing ESG efforts as a company	Setting targets from an ESG perspective and conducting various activities to achieve them Environmental Social Governance	

Sustainable Investment Activities

We incorporate ESG factors throughout the investment process, from the identification of promising companies that aim to resolve social issues to the provision of post-investment growth support, all the way through to investment exit. Moreover, we enhance our competitiveness and corporate value by contributing to sustainability through the growth of our portfolio companies. Entrepreneurs with a strong desire to resolve social issues are launching startups one after another. Amid growing expectations for venture capital and private equity to support the growth of such companies, our role and responsibilities in this regard are becoming increasingly important.

Sustainable Investment Activities »

Establishment of the ESG Investment Policy

Since our founding, we have been discovering, investing in, and supporting promising companies with growth potential, and many of our portfolio companies have been listed. Expectations for private equity investment firms now go beyond simply economic returns. We believe that it is our social responsibility to contribute to the realization of a sustainable society through the medium- to long-term growth of our portfolio companies.

In order to further promote our ESG investment initiatives, we have formulated the ESG Investment Policy. We will fulfill our social responsibility and our fiduciary duty to fund investors through the formulation of said policy, incorporation of ESG-related perspectives into the entire decision-making investment process, promotion of dialogue and cooperation with our portfolio companies, and via other means.

Adopting and Becoming a Signatory Organization of the PRI

We have adopted the Principles for Responsible Investment (PRI) and became a signatory organization in July 2025.

ESG Investment Policy »



Environmental Initiatives (Endorsement of TCFD Recommendations)

Strategy

Following the Task Force on Climate-related Financial Disclosures (TCFD) framework for information disclosure, we have identified climate-related risks and opportunities via scenario analysis and have summarized those with the most significant impacts on our business.

Risk Management

We collect and analyze necessary data to appropriately assess and manage risks. We will also continue to promote mechanisms for preventing risks and responding appropriately if they do materialize.

Governance

We promote our sustainability initiatives on a companywide basis, with the Administration Division overseeing the management of all such activities. The Administration Division reports the status of these efforts at least once a year to the Board of Directors, which supervises sustainability initiatives by checking progress and discussing policies and measures.

Indicators

Since the fiscal year ended March 31, 2018, we have been calculating Scope 1 and Scope 2 GHG emissions.

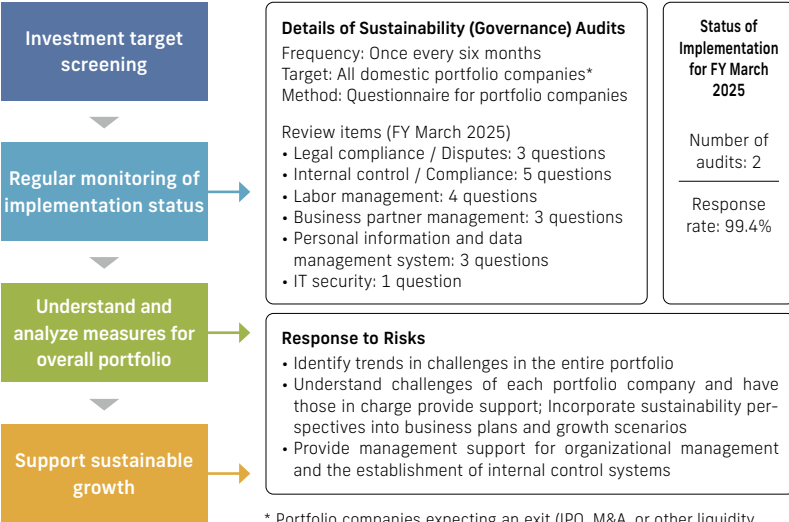
Change in GHG Emissions » P.41

Sustainability

JAFCO Group Initiatives **Contributing to Sustainability Through Business**

The core aim of our investment activities is strongly aligned with the concept of ESG investment. In the initial stage of investment activities, which involves selecting promising companies, risks from various ESG perspectives and social needs are important factors in evaluating business potential. Based on this evaluation, we also discuss the challenges faced in achieving sustainable growth with the management teams of potential portfolio companies and use these discussions as part of the decision-making process for executing investments.

The next stage in our investment activities is to resolve issues through dialogue and support the growth of portfolio companies through management involvement. In addition to monitoring business progress, we regularly determine how well portfolio companies are managing funds and confirm their compliance with relevant laws and regulations. While prioritizing the launch of their businesses, we also emphasize the importance of developing robust management systems in parallel. As companies grow, we support the establishment of sales, development, and administrative frameworks, as well as the talent acquisition necessary to fulfill these roles. Through such efforts, we aim to foster companies that will generate significant social impact in the future and contribute to achieving sustainability.



* 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.

Portfolio Company Initiatives **Contributing to Sustainability Through Business**

We believe that all JAFCO portfolio companies contribute to sustainability through their businesses. In identifying promising candidates, we consider whether their businesses have social significance and whether they can contribute to resolving social issues, as we believe achieving such social significance contributes to a sustainable society.

Economy: Contributing to Industrial Innovation and Development



JAPAN AI, Inc.
Engages in the research and development of AI and consulting services in the field of AI

JAPAN AI was established with a founding purpose of creating a society with a sustainable future. The company provides a one-stop platform with all the features necessary for applying generative AI to business, such as AI agents that can easily create “AI employees” that can autonomously execute tasks and AI chatbots for enterprises. By developing AI that learns Japanese business practices and serves as a partner to companies across various business scenarios, JAPAN AI contributes to addressing the social need to improve productivity.

Corporate Website

Society: Contributing to Resolving Social Issues



ATLAST HEALTH Inc.
Engages in the supply of online medical care system provision services and clinic digital transformation support services

ATLAST HEALTH is working to enhance medical practice through the use of technology. This includes building online medical consultation platforms, developing core systems to improve efficiency at clinics, and supporting the opening of affiliated clinics. In addition to improving access to mental healthcare, the company is working to draw out the full potential of this type of care by enhancing the medical care experience, with the aim of creating a world where all people can make positive steps to improve their own lives.

Corporate Website

Biosphere: Contributing to Resolving Environmental Issues



Planet Savers, Inc.
Engages in the development and sale of direct air-capture (DAC) equipment that collects CO₂ from the atmosphere using zeolite

Planet Savers has set forth a vision, which is to “capture 1 gigaton (1 billion tons) of CO₂ per year by 2050 and become a frontier runner in solving climate change.” The company is working to refine zeolite—commonly used in deodorizing products—for applying it in direct air capture, thereby enabling the efficient adsorption of atmospheric CO₂ at a feasible cost. This will help mitigate climate change and leave a cleaner planet for the next generation.

Corporate Website

Governance: Contributing to the Enhancement of Information Disclosure and the Resolution of Environmental Issues



sustainacraft, Inc.
Engages in the evaluation of and consultation regarding carbon credit projects

By combining remote-sensing and causal interference technology, sustainacraft provides a service that clearly visualizes the effects of both the reduction and absorption of greenhouse gas emissions in projects pertaining to afforestation or conservation of forests and peatlands. Leveraging this data, the company is building a platform that connects forest carbon credit project developers with credit buyers. At the investment and purchasing consideration stage, the platform provides highly accurate information on expected reduction effects and associated risks.

Corporate Website

Fulfilling Our Social Responsibility

Establishment of the JAFCO Group Human Rights Policy

JAFCO Group Human Rights Policy

JAFCO Group Co., Ltd. hereby establishes the following Human Rights Policy to respect the human rights of all our stakeholders and contribute to the realization of a sustainable society.

1. Importance of Respect for Human Rights and Corporate Value Enhancement

We recognize that respect for human rights is both a corporate social responsibility and indispensable for enhancing corporate value. By respecting the human rights of all our stakeholders, we contribute to a sustainable society and aim to raise our long-term corporate value.

2. Support for and Compliance with International Standards

We support international human rights norms. These include the International Bill of Human Rights, the United Nations Global Compact, and the International Labour Organization's ILO Declaration on Fundamental Principles and Rights at Work. Our respect for human rights is in accordance with the United Nations Guiding Principles on Business and Human Rights.

3. Implementation of Human Rights Due Diligence and Response to Issues

We continuously conduct human rights due diligence to identify and assess adverse impacts on human rights within our business activities and to prevent or mitigate such impacts. For issues identified, we formulate concrete response measures and manage and resolve them appropriately.

4. Promotion of Respect for Human Rights Through Collaboration with Portfolio Companies

Through constructive dialogue with our portfolio companies, we work together with them to support the practice of respecting human rights and to promote sustainable growth.

5. Promotion of Education and Awareness-Raising Activities

We provide appropriate education and awareness-raising activities so that all executives and employees understand the importance of respecting human rights and are able to put it into practice. Through this, we aim to instill respect for human rights as a part of our corporate culture.

6. Dialogue and Collaboration with Stakeholders

We value dialogue and consultation with stakeholders with regard to human rights issues, deepening mutual understanding and cooperation to advance our initiatives effectively.

7. Information Disclosure and Ensuring Transparency

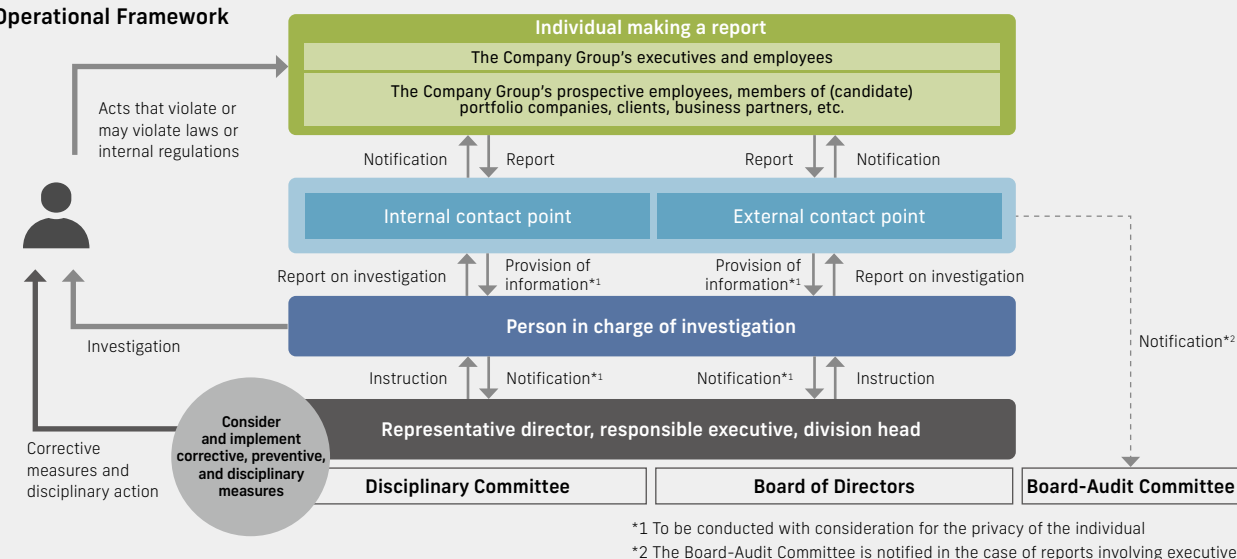
We disclose information on our efforts to respect human rights under this policy through our website and other channels, strive to ensure transparency, and aim to earn the trust of stakeholders.

Under its Basic Policy on Sustainability, the Company affirms its commitment to respecting the human rights and diverse values of all individuals associated with its activities, as well as striving to create a safe and healthy workplace environment. In November 2024, we formulated the Harassment Prevention Policy and also enhanced the internal reporting system. Since enhancing the internal reporting system, we received two reports during the fiscal year ended March 31, 2025, and we have sought to address each report in a sincere and appropriate manner. In addition, we established the JAFCO Group Human Rights Policy in May 2025. Guided by this policy, we will further strengthen our efforts to respect human rights both in the Company and at our portfolio companies.

Enhancement of the Internal Reporting System

- Established external contact point managed by an independent law firm
- Broadened eligible users to include external stakeholders such as portfolio companies

Operational Framework



Record of Reports Received Through the Internal Reporting System

	FY March 2023	FY March 2024	FY March 2025	Internal report details in FY March 2025
Number of reports received	0	0	2	 Suspected violations of laws and internal regulations Concerns regarding workplace environment and harassment

Note: Includes reports that were later determined to be unfounded after investigation

Response to Reports and Consultations

We carry out an appropriate response based on the details of each report or consultation. In addition, if we determine that the words or actions reported violate laws, the Code of Conduct, or other internal regulations, we implement disciplinary action, personnel measures, guidance, or warnings as needed.

DIALOGUE

Roundtable Discussion Between the President and Independent Directors

— Welcoming a New Independent Director

Tamura: At the General Meeting of Shareholders held in June 2025, Toshinori Doi was appointed as a new independent director. In considering a successor to Kenichi Akiba, who was scheduled to retire, the Nomination and Remuneration Committee reviewed candidates in light of JAFCO’s strategic vision and the need to establish effective approaches to unprecedented management challenges. The issues JAFCO has encountered in recent years are not unique to Japan or to the investment and startup sectors. They are challenges that can emerge in any industry, anywhere in the world.

Mr. Doi brings extensive experience from leadership roles in organizations both in Japan and overseas. Moreover, he has robust expertise in finance and financial management, which is essential for supervising an investment company, and we therefore deemed that he will perform his duties as an independent director appropriately.

Doi: I have been extensively involved in the financial sector over the years, including at banks, securities houses, and also in life insurance, where I work now. If you focus on the domestic market, it is difficult to envision dynamic growth for most of the major Japanese financial institutions. For the last 30 years after the collapse of the economic bubble, many Japanese companies focused on playing “defense,” and the Japanese economy stagnated. Firms have been excessively cautious in taking risks. Companies are expected to play a key role in driving the economy by leveraging financial resources in their business operations, but this role has not been sufficiently fulfilled. Private equity investment plays a critical role in maintaining the dynamism of



Fostering Governance That Balances Offense and Defense to Enhance Corporate Value Over the Long Term

Toshinori Doi
Independent Director Serving as Board-Audit Committee member
(Appointed in June 2025)
After joining Japan’s Ministry of Finance in 1984, Toshinori Doi served as Minister of Finance at the Embassy of Japan in the United States, Deputy Director-General of the International Bureau of the Ministry of Finance, President of the Policy Research Institute of the Ministry of Finance, and Director of the ASEAN+3 Macroeconomic Research Office (AMRO), before assuming his current position in June 2025.

Shigeru Tamura
Independent Director Serving as Full-Time Board-Audit Committee Member

Keisuke Miyoshi
President & CEO,
Representative Director

DIALOGUE Roundtable Discussion Between the President and Independent Directors



the economy by supporting all kinds of entrepreneurs and companies that are willing to take on challenges and risks. As Japan is finally about to overcome deflation, JAFCO’s strong support for risk-taking by start-ups will be the key in revitalizing the economy, improving productivity, and driving growth. I feel excited to be a part of such an effort.

Our role as independent directors is to share our views with management and give advice, taking into account the changing global economic and political conditions. My personal experience working in government agencies and international organizations will help me in providing advice that will improve corporate risk management and enhance JAFCO’s corporate value.

Miyoshi: JAFCO’s business centers on long-term investment. This kind of investment requires decision-making that looks 10 and sometimes even 30 years into the future. For this reason, we must constantly consider what we value as a company and what changes we should make in response to global developments. In this sense, it is essential that independent directors draw our attention to matters we may not have

noticed ourselves and actively participate in discussions based on their extensive insight and experience. I look forward to receiving diverse opinions from Mr. Doi on everything from big-picture perspectives on the direction the Company should move in to specific advice on how we ought to operate as an organization with diverse talent and the kind of risk management we should pursue.

— **Shifting Business Strategy**

Decision-Making with a View to 10 Years into the Future and Beyond

Tamura: In April 2025, we announced our decision to shift from our previous global tripolar structure, which comprised Japan, the United States, and Asia, to focus on domestic investment. The main driver behind this decision was the risk-return profile of our overseas business. As independent directors, we had long recognized the performance challenges in the overseas business, as well as the governance and risk management issues inherent in venture capital, which tends to be highly localized. Ultimately, we decided to withdraw from overseas markets, having determined that the expected returns did not justify the high levels of risk.

While this may appear sudden from an external perspective, it was in fact the result of four to five years of ongoing discussion at the board level. Reaching a conclusion took time, but the action taken to address this issue is a major step forward for JAFCO.

Miyoshi: In 2022, we formulated the Basic Policy for Enhancing Corporate Value, which communicates our future direction to our stakeholders. At that time, determining the Company’s overall strategic vision was our highest priority and most critical management issue. One of the key challenges in realizing this strategic vision was the overseas business. The U.S. venture capital market is massive and the market in Asia is expanding, leading to expectations for business growth. However,

with these growth opportunities came considerable risks. When we took these risks into account and evaluated them against our vision in the Basic Policy for Enhancing Corporate Value, we had doubts about continuing our overseas business strategy. Of course, concentrating our resources on domestic investment is not without risk. Nevertheless, Japan’s market has significant room for growth, and we believe we can fully leverage our competitive edge in this market. We therefore decided to concentrate management resources in Japan.

The independent directors provided us with a wide range of opinions in the lead up to this decision. We thoroughly assessed the market from a macro perspective as well as the situation in each business from a micro perspective. At the same time, we shared and discussed our assessments with all directors, taking long-term perspectives into account. Through this process, we arrived at our decision to shift our strategy. We therefore deem the decision-making process to be appropriate and that it was the diverse opinions and understanding of our independent directors that made this decision possible.

Drawing on Our Know-How in Japan and Our Competitive Management Resources

Doi: At first, I was surprised to hear that JAFCO had decided to transfer its overseas subsidiaries, as they operate in huge markets. However, as JAFCO’s domestic business is much more profitable than its overseas business, it makes sense to concentrate its resources on domestic operations that will enable us to make better use of management resources. If you look at the life insurance industry, entry into fast-growing overseas markets is strategically important, as the domestic market has limited prospects for growth. On the other hand, growth of JAFCO’s investment business is not directly correlated with national economic growth. JAFCO adopts a knowledge-intensive business model in which it engages closely with many companies, thoroughly assesses their potential, and partners with them to foster their growth. JAFCO’s strong performance in its domestic business is made possible by its

DIALOGUE Roundtable Discussion Between the President and Independent Directors

accumulated expertise in the Japanese market and its highly capable personnel. It will probably not be easy to simply deploy these management resources horizontally to overseas offices.

Miyoshi: You are absolutely right. The explanation for our current strong performance in the domestic business is that we have learned from our many successes and failures throughout our long history of operating in Japan and refined our approach accordingly, cultivating the know-how and talent that we possess today. As business practices differ by country, it is difficult to simply replicate the success model we have cultivated in Japan in overseas markets. We thus concluded that focusing on domestic investment would allow us to make the most of our strengths. Although the domestic market is smaller than the overseas market, it has tremendous potential for growth. In fact, we believe that concentrating on Japan is the surest way for us to realize steady growth over the medium to long term.

— Strengthening Shareholder Returns

Importance of Demonstrating Stability and Continuity

Tamura: Until a few years ago, we believed that if we made good investments and delivered strong results, these achievements would naturally be reflected in our share price. In addition, due to the long-term and highly volatile nature of our investment business, we refrained from disclosing performance forecasts. However, simply asking investors to trust us without offering any visibility was not convincing, and our share price remained sluggish as a result. From the perspective of shareholders and other investors, it does not matter how successful we are in a single period; they will not invest in us if we are unable to provide stable shareholder returns.

Aligned with our strategic shift, we raised the level of DOE for dividends from 3% to 6%, and we began disclosing dividend forecasts at the start of each fiscal year. These steps reflect our conviction that providing stable and continuous shareholder returns is essential to building investor confidence and ensuring long-term support for JAFCO.

Doi: Many Japanese companies have low capital efficiency because they do not make full use of their cash on hand. JAFCO also may not have been using its current assets effectively. I understand that the Company wished to maintain a buffer for investments and working capital in times of need, but the market did not fully appreciate this approach, and our price-to-book ratio fell below 1x as a result. The Company is now focusing more on enhancing shareholder value by improving capital efficiency, which I believe is the right approach. JAFCO advises its portfolio companies to do exactly that, so it is important that we set a good example ourselves.

Miyoshi: For a long time in Japan, there was a shortage of risk capital, and forming new funds was sometimes difficult depending on the economic situation. Even in such an environment, we were able to continue investment by channeling our own capital into the funds, supported by our robust financial base. This continuity led to good investments that yielded good returns, which we believed would ultimately lead to good shareholder benefits as well. However, this approach alone did not allow us to achieve the ROE levels our shareholders expected. Reassessing the balance between maintaining ongoing investment and strengthening shareholder returns, we formulated the Basic Policy for Enhancing Corporate Value to clarify our management strategy. In the investment business, there are times when we record major profits, but there is also the potential for losses. Given the nature of our business, we believe it is important to provide stable shareholder returns, and we therefore adopted DOE as our benchmark. We also raised the DOE benchmark from 3% to 6%, in line with the recent revisions to our business portfolio.



Tamura: In recent years, we have placed strong emphasis on dialogue with shareholders and investors, actively promoting investor relations activities. Over the past several years, the CFO and I have personally joined meetings with shareholders and investors to hear their views directly. The requests and feedback we have received through these discussions have been reflected in our Basic Policy for Enhancing Corporate Value.

As the business environment evolves, so do investors' priorities. Their perspectives not only offer valuable guidance for the Company but also reflect broader social trends. I therefore encourage the executive side to further strengthen its engagement with shareholders and investors.

— Addressing Human Rights and Harassment Issues

Tackling Compliance Issues as a Top Management Priority

Tamura: Following a harassment case within the Company, we have made a concerted effort to reform our corporate culture. At first, as independent directors, we felt that the Company's response had been sufficient overall. However, in 2024, Kanako Muraoka, an attorney-at-law with extensive experience in handling compliance matters as an independent director at other listed companies, joined the Company as an independent director. Since then, she has raised questions and concerns about JAFCO's previous responses and internal systems and regulations.

DIALOGUE Roundtable Discussion Between the President and Independent Directors

Her perspective prompted us to re-examine whether our earlier actions were truly adequate. It became clear that responding solely within the framework of existing rules and regulations was not enough. Social norms evolve, and sometimes rules themselves must be reconsidered. We now recognize the importance of continually reviewing and updating our standards in line with changing societal expectations and of incorporating fresh, external viewpoints into our governance.

Doi: Harassment is an extremely important risk management issue. Even a seemingly minor case can escalate into a major reputational risk that undermines the foundations of management if it is handled improperly. In my view, harassment issues should be a top priority for management. At the international organization where I served as a director, there were employees of various nationalities, each with their own values shaped by their distinct cultural backgrounds. Accordingly, clear rules and regulations had to be set and communicated to all employees. I also needed to thoroughly embed compliance awareness across the organization, as understanding of the importance of adhering to rules differed from employee to employee. The most important part of these efforts was to demonstrate strong commitment from senior management. On the day I was appointed as head of the international organization, I addressed all



employees, stating, "I will take a zero-tolerance approach to harassment—meaning it will not be tolerated under any circumstances. Any instances of harassment will be dealt with strictly." It is essential for the senior management of a company to convey a strong commitment and message that harassment will not be tolerated in any form, so that it is not dismissed as merely the words of a compliance officer.

Miyoshi: I wholeheartedly agree. When the case of harassment came to light, I was once again reminded that companies and businesses are built on the trust and confidence of a range of stakeholders. The occurrence of harassment is alone enough to undermine the foundations of a company. To maintain and bolster stakeholder trust and confidence moving forward, I firmly believe we must treat risk management as a top priority of management and work to further reinforce awareness of compliance.

— Closing

Fulfilling Our Roles and Pursuing Ambitions

Miyoshi: As executives, we sometimes assume that past approaches, including in relation to risk management, are the optimal solutions and we thus fail to recognize key issues and challenges. For this reason, I am fully aware of the need to review our organizational frameworks and rules on a regular basis, scrutinizing them from various perspectives and making revisions as appropriate. Also, executives can sometimes become so focused on a single issue that they miss the forest for the trees. At such times, the diverse opinions and alternative viewpoints we receive from the independent directors help prevent oversights and errors and lead to sound decision-making. I therefore ask that the independent directors continue to provide us with their advice and instruction from various perspectives.

Doi: Companies have a broad range of stakeholders and need to provide different kinds of value to each of them. For employees, this means creating an employee-friendly and fulfilling work environment. For external investors, this means providing a high level of returns. From a broader perspective, JAFCO creates significant value by supplying entrepreneurs with risk capital, thereby spurring industrial innovation and revitalizing the Japanese economy. With that said, a listed company is required to provide value to its shareholders, and working to maximize this shareholder value is essential to enhancing corporate value. I will draw on my experience to not only actively offer my opinions and advice so that the Company can position itself correctly amid the major and constant changes in the operating environment inside and outside Japan but also ensure sound organizational management by strengthening its risk management. I believe such efforts will help JAFCO improve its corporate value.

Tamura: Today's roundtable discussion reminded me of two important points. First, corporations are inherently fragile. From the outside, JAFCO may appear to be a successful listed company with a proud history, but there are aspects of its foundations that are in fact quite delicate. Accordingly, I once again recognize the significant role the non-executive independent directors play in terms of risk management. Second, while the executive side needs to focus on immediate management issues, it is the responsibility of independent directors to look further ahead and consider the Company's long-term future.

As I mentioned in last year's discussion with Ms. Muraoka, our mission as independent directors is to consistently engage the executive side on issues such as human capital and new business opportunities, always with the aim of enhancing corporate value over the medium to long term. Going forward, I will continue to fulfill my supervisory role with a clear, long-term perspective.

Strengthening of Corporate Governance

Board of Directors

		Directors		Independent Directors			
							
Experience / Expertise		Shinichi Fuki Chairman	Keisuke Miyoshi President & CEO (Representative Director)	Shigeru Tamura Director (Board-Audit Committee Member, Full-Time)	Yoshie Kajihara Director (Board-Audit Committee Member)	Kanako Muraoka Director (Board-Audit Committee Member)	Toshinori Doi Director (Board-Audit Committee Member)
Corporate Management		●	●	●	●		
Investment		●	●	●			
Fundraising and Fund Operations		●	●				
Overseas Operations		●		●		●	●
Expertise*	Personnel and Labor Affairs	●	●	●	●		
	Treasury and Accounting	●	●	●	●		●
	Legal Affairs and Compliance	●	●			●	
	Finance	●	●	●		●	●

* Directors Shinichi Fuki and Keisuke Miyoshi have experience in management team member recruitment, management figure analysis, investment legal affairs, fundraising arrangements, etc., at unlisted companies through their venture investment operations. Therefore, even if they have not worked in the relevant divisions, they are deemed to have expertise in personnel and labor affairs, treasury and accounting, and legal affairs.
Note: The table above does not represent all the knowledge or experience of the directors.

Senior Corporate Officer

Ko Minamikurosawa
General Manager of Structured
Investment Division

Corporate Officers

Hiroaki Matsuda
In Charge of Administration

Sueko Matsumoto
In Charge of Fund Management

Naoki Sato
General Manager of Business
Development Division

Partners

Atsushi Fujii
General Manager of Investment Division,
in Charge of Venture Investment

Tomotake Kitazawa
In Charge of Venture Investment

Mizuki Takahara
General Manager of the West Japan Branch,
in Charge of Venture Investment

Yutaro Saka
In Charge of Venture Investment

Haruyoshi Onuma
In Charge of Venture Investment

Strengthening of Corporate Governance

Governance Initiatives

To further ensure fair and prompt decision-making, the Company is working each year to gradually improve governance, focusing on such issues as the independence of management, sharing of value with shareholders, improvement of capital efficiency, and promotion of the growth strategy.



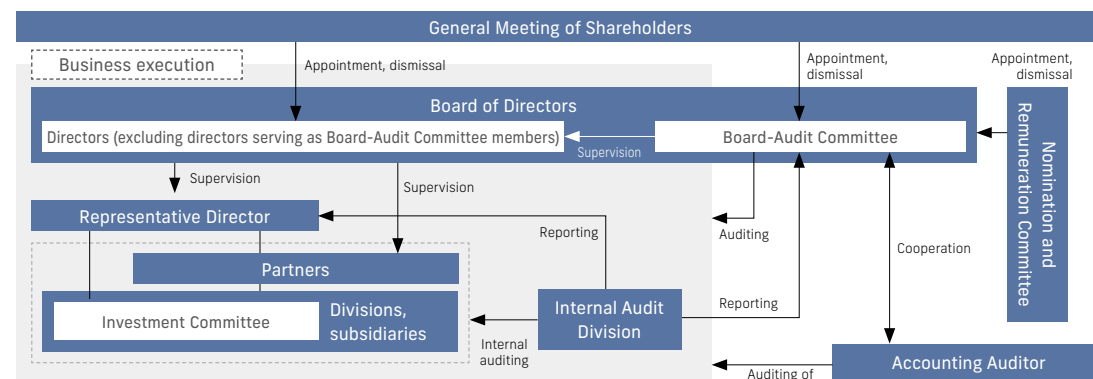
* Nomura Research Institute, Ltd.

Basic Views on Corporate Governance

Corporate Governance Report (submitted on June 18, 2025) Page 1
Securities report (in Japanese only) for the fiscal year ended March 31, 2025 Page 52

Corporate Governance Structure

JAFCO Group is a company with a board-audit committee, where both the Board of Directors and the Board-Audit Committee make important management decisions and audit and supervise business execution by directors.



Reasons for Adoption of Corporate Governance System

Securities report (in Japanese only) for the fiscal year ended March 31, 2025 Page 53

Evaluation of the Effectiveness of the Board of Directors in the Fiscal Year Ended March 31, 2025

Composition of the Board of Directors

In view of the supervisory functions of the Board of Directors, it is deemed appropriate that the majority of the Board consists of independent directors. Furthermore, the number of directors aligns well with JAFCO's scale and allows for substantive discussions. At the same time, there was the opinion that, while independent directors should continue to be the majority to ensure the further strengthening of the Board's supervisory functions, there is room for greater consideration with regard to the composition of the Board. Also, the experience and expertise of directors required for enriching discussions at Board meetings were deemed sufficient for the fiscal year ended March 31, 2025.

Operation of the Board of Directors

Multiple responses indicated improvements and progress in terms of the quality and liveliness of discussions, compared with the previous fiscal year. The evaluations of information provision to independent directors and support systems were once again positive, particularly due to pre-meeting agenda explanations. However, certain independent directors pointed out issues with the provision of additional information and follow-up for each agenda item, and this will be an issue to address moving forward.

Roles and Responsibilities of the Board of Directors

Under the Basic Policy for Enhancing Corporate Value (the "Policy") announced in December 2022, the Board of Directors has been supervising efforts to organize structures toward achieving 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. At meetings of the Board of Directors, lively discussions are held

based on the diverse perspectives held by each director, and it was determined that thorough discussions were held on certain themes in the fiscal year under review.

During the fiscal year ended March 31, 2025, the Board of Directors formulated the Harassment Prevention Policy, based on thorough discussions at Board meetings, and enhanced the Company's internal reporting system, with a view toward strengthening the supervision of the development and operation of internal control and risk management systems. Looking ahead, the Company will monitor the operation of the enhanced systems and make further improvements as needed. The Board will also continue discussions on bolstering the internal control system on a continuous basis.

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

Future Challenges

It was confirmed that continuous monitoring of the progress of the medium- to long-term goals outlined in the Policy, conducted at appropriate intervals during Board of Directors' meetings, is essential, coupled with constructive discussions. Further, it was determined that ongoing dialogue is needed to delve into various issues related to enhancing corporate value and matters that require deliberation from a medium- to long-term perspective.

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

Outline of Directors' Monetary Compensation

Director and Independent Director Remuneration in the Fiscal Year Ended March 31, 2025

Director classification	Total remuneration (millions of yen)	Total remuneration by category (millions of yen)				Number of applicable officers (persons)
		Basic compensation (fixed)	Basic compensation (performance-linked)	Extraordinary compensation (performance-linked)	Transfer- restricted share remuneration	
Directors (excluding Board-Audit Committee members and independent directors)	205	69	15	58	61	2
Directors (Board-Audit Committee members) (of whom, independent directors)	73 (73)	73 (73)	—	—	—	5 (5)
Total (of whom, independent directors)	278 (73)	143 (73)	15 (—)	58 (—)	61 (—)	7 (5)

Total Remuneration for Individuals with Remuneration Amounting to ¥100 Million or More in the Fiscal Year Ended March 31, 2025

Name	Total remuneration (millions of yen)	Director classification	Company classification	Total remuneration by category (millions of yen)				
				Basic compensation (fixed)	Basic compensation (performance-linked)	Extraordinary compensation (performance-linked)	Transfer-restricted share remuneration	Other
Keisuke Miyoshi	109	Director	Submitting company	34	7	32	30	3

Note: Non-monetary remuneration to Keisuke Miyoshi (director/submitting company) amounted to ¥30.0 million in transfer-restricted shares.

Policy for Determination of Directors' Remuneration

Notice of Convocation of the 53rd Annual General Meeting of Shareholders Pages 38-43

Strengthening of Corporate Governance

Status of Committee Activities

 Inside director

 Independent director

Board of Directors

Chairperson


Chairman President & CEO



The Board of Directors consists of a total of six directors, including two inside directors and four independent directors. Independent directors constitute a majority of the Board. The Board of Directors, which is chaired by the president & CEO, is responsible for making important management decisions and supervising directors' execution of duties. Independent directors supervise management from an objective and neutral standpoint.

Board-Audit Committee

Chairperson


Board-Audit Committee member, full-time



The Board-Audit Committee is composed of four independent directors and is currently chaired by the full-time Board-Audit Committee member. The Board-Audit Committee audits the execution of duties by directors and prepares an audit report. To ensure the independence of independent directors, the Company has established its own standards for the independence of independent directors and appoints independent directors based on these standards.

Nomination and Remuneration Committee

Chairperson


President & CEO



The Nomination and Remuneration Committee is composed of four independent directors and the president & CEO. The chairperson is elected from among the independent directors. To ensure the transparency and objectivity of nominations and remuneration, important decisions regarding the nomination and remuneration of directors, corporate officers, partners, and representatives of major subsidiaries are deliberated by the committee in advance. The Board of Directors discusses and makes decisions on nominations and remuneration based on deliberation by the committee. Investment decisions are made by the Investment Committee, comprising the president & CEO, partners, and other personnel, in order to expedite the decision-making process. Directors who are members of the Board-Audit Committee also participate in Investment Committee meetings as needed.

Activities in FY March 2025

Meetings held: **13** / Participation: **100%**

Main resolutions and reports

- Transition to focus on domestic investment and sale of JAFCO Investment (Asia Pacific) Ltd
 - Revision of divided policy, implementation of interim dividend, and acquisition of treasury shares
 - Joint development of investment trust that incorporates unlisted securities together with Nomura Asset Management Co., Ltd.
 - Formulation of Harassment Prevention Policy and enhancement of internal reporting system
 - Appointment of directors, executive officers, partners, and managing directors
 - Remuneration for directors, corporate officers, partners, and managing directors (basic, extraordinary, and stock-related compensation)
 - Directors' and officers' liability insurance
- Approval of potential conflict-of-interest transactions by directors
 - Surplus dividends
 - Convening of the General Meeting of Shareholders
 - Organizational reform
 - Important personnel changes and bonuses
 - Establishment, revision, and abolition of regulations
 - Approval of financial statements
 - Annual securities report
 - Expense budget and financial plan
 - Fund strategy
 - Portfolio status report
 - Matters related to corporate governance
 - Verification of cross-shareholdings
 - Risk management
 - Sustainability response policy and reports on response

Activities in FY March 2025

Meetings held: **13** / Participation: **100%**

Main resolutions and reports

- Resolutions

 - Board-Audit Committee audit plans and division of duties
 - Agreement on remuneration for the accounting auditor
 - Approval of the reappointment of the accounting auditor
 - Audit reports
 - Approval of potential conflict-of-interest transactions
 - Formation of opinions on the appointment and remuneration of directors (excluding Board-Audit Committee members)
 - Agreement on the proposal for nomination of directors who are Board-Audit Committee members, etc.
- Reports

 - Monthly audit reports (Administration Division and Internal Audit Division hearings, etc.)
 - Exchange of opinions with the officer in charge of administration, etc.
 - Reports on audit results related to the execution of duties by directors, etc.
 - Reports related to the General Meeting of Shareholders
 - Prior understanding of non-assurance services performed by the accounting auditor, etc.

Activities in FY March 2025

Meetings held: **5** / Participation: **100%**

Main resolutions

- Implemented CEO evaluation
- Matters related to composition and compensation (including basic compensation, extraordinary compensation, and stock-based compensation) of directors, executive officers, partners, and representatives of key subsidiaries

Investment Committee

Investment decisions are made by the Investment Committee comprising the president & CEO, partners, and other personnel to allow quick decision-making. Directors who are Board-Audit Committee members also participate in committee meetings on an as-needed basis.

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Shareholder/Investor Information

Section 5

Data Section

11-Year Summary

	2015.3	2016.3	2017.3	2018.3	2019.3	2020.3	2021.3	2022.3	2023.3	2024.3	(Millions of yen) 2025.3
Operating results											
Net sales	61,945	41,155	27,857	29,470	25,878	29,855	21,512	27,677	14,073	24,443	29,685
Revenue from operational investment securities	56,471	32,376	20,774	23,470	23,291	23,697	16,164	20,257	9,665	19,013	23,790
Income from fund management	5,218	8,688	7,062	5,987	2,586	6,155	5,340	7,410	4,402	5,425	5,885
Other	256	90	20	12	0	1	6	9	4	4	8
Operating income (loss)	38,419	19,226	12,324	14,252	12,239	14,970	8,964	16,876	(4,414)	8,175	12,520
Operating margin (%)	62.0	46.7	44.2	48.4	47.3	50.1	41.7	61.0	(31.4)	33.4	42.2
Profit attributable to JAFCO Group Co., Ltd. stockholders	27,707	17,018	11,073	24,235	10,162	11,839	38,504	15,080	40,571	7,494	9,576
Net profit margin (%)	44.7	41.4	39.8	82.2	39.3	39.7	179.0	54.5	288.3	30.7	32.3
Cash flows											
Cash flows from operating activities	28,822	12,788	15,117	7,425	(1,350)	12,177	8	(12,958)	(7,245)	(9,570)	10,442
Cash flows from investing activities	(5,744)	11,768	(1,580)	24,732	213	(277)	49,154	748	69,640	(100)	134
Cash flows from financing activities	(3,970)	(14,092)	(5,817)	(69,046)	(3,923)	(3,581)	(13,944)	(43,474)	(46,225)	6,836	(5,447)
Cash and cash equivalents at end of period	89,895	99,302	107,179	70,086	63,878	72,040	107,517	52,603	69,481	67,606	72,486
Financial position											
Total assets	239,035	214,245	237,902	191,550	184,213	222,059	262,383	233,024	159,847	165,540	169,970
Net assets	188,125	189,501	207,855	160,299	163,215	188,366	215,237	197,390	130,745	137,639	141,126
Total capital commitments	420,641	432,912	434,772	348,506	359,103	433,939	451,475	332,251	419,237	465,648	458,399
Balance of investment loss reserves*1	15,757	15,176	12,332	10,351	9,501	8,229	10,917	8,969	14,490	13,754	(13,468)
Major indicators											
Return on equity (ROE) (%)	15.9	9.0	5.6	13.2	6.3	6.7	19.1	7.3	24.7	5.6	6.9
Return on assets (ROA) (%)	11.6	7.9	4.7	12.7	5.5	5.3	14.7	6.5	20.7	4.6	5.7
Equity ratio (%)	78.7	88.5	87.4	83.7	88.6	84.8	82.0	84.7	81.8	83.1	83.0
Dividend payout ratio (%)	16.0	26.1	40.1	15.6	34.1	30.8	11.0	26.5	25.6	50.1	50.1
Total investment balance*2	155,176	128,839	119,596	120,879	133,424	144,227	164,146	190,046	225,029	241,867	259,549
Number of existing portfolio companies*2	483	378	327	279	266	235	251	269	294	307	322
Per share information											
Earnings per share (EPS) (¥)	208.2	127.9	83.2	229.0	109.5	127.6	416.5	192.5	586.9	137.6	175.6
Book value per share (BPS) (¥)	1,413.4	1,423.7	1,561.6	1,727.5	1,758.9	2,030.0	2,438.7	2,769.2	2,404.1	2,526.3	2,586.3
Annual dividend per share (¥)	33.3	33.3	33.3	35.7	37.3	39.3	46.0	51.0	150.0	69.0	88.0
Stock price indices											
Closing stock price at fiscal year-end (¥)	1,490.0	1,153.3	1,246.7	1,680.0	1,321.7	938.7	2,193.3	1,875.0	1,893.0	1,880.5	2,072.5
Market capitalization*3 (¥ billion)	198.3	153.5	165.9	155.9	122.6	87.1	193.6	133.7	102.9	102.4	113.1
Price earnings ratio (PER)	7.2	9.0	15.0	7.3	12.1	7.4	5.3	9.7	3.2	13.7	11.8
Price-to-book ratio (P/B ratio)	1.1	0.8	0.8	1.0	0.8	0.5	0.9	0.7	0.8	0.7	0.8
Investment amounts / Number of companies by region*4											
Japan	7,691/31	12,195/36	15,180/33	18,057/37	11,379/26	24,883/35	21,491/35	23,216/56	27,873/47	22,573/45	28,014/52
United States	10,005/21	5,008/10	3,938/12	7,101/19	10,753/19	8,425/24	7,637/18	7,775/16	8,630/16	4,046/14	7,283/13
Asia	3,947/19	4,236/16	1,786/10	5,063/11	3,014/11	1,459/12	3,684/13	6,060/21	5,286/22	4,070/10	4,080/10

Notes: 1. The Company conducted a 3-for-1 stock split of common shares as of February 1, 2022. For the purposes of comparison, figures prior to the fiscal year ended March 31, 2022 have been retroactively adjusted.
2. The Company's U.S. subsidiary is excluded from the scope of consolidation from the fiscal year ended March 31, 2019.

*1 Balance of investment loss reserves: Other funds are excluded from the fiscal year ended March 31, 2020.
*2 Figures for total investment balance and number of existing portfolio companies are for overall funds, including listed portfolio companies.
*3 Market capitalization excludes treasury shares.
*4 Figures for investment amounts and number of companies by region are for overall funds.

ESG Data

Environmental

		Unit	2021.3	2022.3	2023.3	2024.3	2025.3
Greenhouse gas emissions	(Scope 1 and Scope 2)	t-CO ₂	75.6	81.5	90.5	38.2	38.2
Energy consumption	Electricity consumption	Thousand kWh	64.7	77.5	82.1	80.4	79.6

Social

		Unit	2021.3	2022.3	2023.3	2024.3	2025.3
Employees							
Number of employees (non-consolidated)		Headcount	103	108	117	126	131
	Male		74	76	82	91	95
	Female		29	32	35	35	36
Number of employees (consolidated)* ¹		Headcount	132	135	147	159	163
	Male		84	83	93	104	107
	Female		48	52	54	55	56
Average years of service		Years, months	17 y, 1 m	16 y, 3 m	14 y, 11 m	14 y, 0 m	13 y, 6 m
	Male		15 y, 11 m	15 y, 6 m	13 y, 11 m	12 y, 10 m	12 y, 6 m
	Female		20 y, 3 m	18 y, 1 m	17 y, 4 m	17 y, 2 m	16 y, 2 m
Average age		Age	44 y, 3 m	44 y, 0 m	42 y, 11 m	42 y, 6 m	42 y, 5 m
	Male		43 y, 4 m	43 y, 5 m	42 y, 2 m	42 y, 1 m	42 y, 3 m
	Female		46 y, 6 m	45 y, 5 m	44 y, 9 m	43 y, 7 m	42 y, 10 m
Turnover rate* ²		%	13.3	6.7	8.9	13.6	12.4
Average annual working hours		Hours	2,109	2,144	2,128	2,142	2,101
Annual paid leave utilization rate		%	35.1	40.9	47.3	50.8	51.6
Remote working implementation rate* ³		%	99.4	98.2	96.3	95.1	93.5
Recruitment and diversity							
Number of new hires (new graduates)		Headcount	4	1	4	6	5
	Male		2	1	3	3	3
	Female		2	0	1	3	2
Number of new hires (mid-career)		Headcount	13	11	16	17	15
	Male		11	6	12	14	11
	Female		2	5	4	3	4
Ratio of women among new hires		%	50.0	0.0	25.0	50.0	40.0
Ratio of female employees		%	28.2	29.6	29.9	27.8	27.5
Front office (Investment, branches, Structured Investment)			11.9	10.9	10.2	14.0	15.9
			39.3	43.5	44.1	39.1	38.2
Ratio of female managers		%	15.4	16.2	16.9	15.4	13.8
Front office (Investment, branches, Structured Investment)			10.3	9.4	6.1	7.7	11.9
			19.4	22.2	26.3	23.1	15.8
Childcare leave utilization rate* ⁴	Male	%	0.0	25.0	25.0	40.0	50.0
	Female		—	—	100.0	100.0	100.0
Human resource development							
Average hours for training and human resource development		Hours per employee	10.1	13.8	17.6	20.3	23.2

Governance

		Unit	2021.3	2022.3	2023.3	2024.3	2025.3
Corporate governance							
Number of directors	Inside	Persons	3	3	2	2	2
	Male		3	3	2	2	2
	Female		0	0	0	0	0
	Independent	Persons	4	4	4	4	4
	Male		3	3	3	3	2
	Female		1	1	1	1	2
Average term of office for directors	Years, months		7 y, 9 m	8 y, 9 m	8 y, 9 m	9 y, 9 m	9 y, 3 m
Number of Board of Directors' meetings held	Times		14	13	17	14	13
Average attendance rate for Board of Directors' meetings	%		100	100	100	100	100
Ratio of independent directors	%		57.1	57.1	66.7	66.7	66.7
Ratio of female directors	%		14.3	14.3	16.7	16.7	33.3
Number of Board-Audit Committee members	Inside	Persons	0	0	0	0	0
	Independent		4	4	4	4	4
Number of Board-Audit Committee meetings held	Times		14	14	14	13	13
Average attendance rate for Board-Audit Committee meetings	%		100	100	100	100	100
Number of Nomination and Remuneration Committee members		Persons	5	5	5	5	5
	Inside		1	1	1	1	1
	Independent		4	4	4	4	4
Number of Nomination and Remuneration Committee meetings held	Times		3	5	3	5	5
Attendance rate for Nomination and Remuneration Committee meetings	%		100	100	100	100	100
Director remuneration (excludes directors serving as Board-Audit Committee members)		Millions of yen					
Basic compensation			90	90	94	83	85
Extraordinary compensation			84	92	46	55	58
Transfer-restricted share remuneration			—	—	52	72	61
Total			175	183	193	211	205
Remuneration of directors serving as Board-Audit Committee members		Millions of yen					
Basic compensation			73	75	76	78	73
Remuneration of independent directors* ⁵		Millions of yen					
Basic compensation			73	75	76	78	73
Number of whistleblowing reports received via reporting system			0	1	0	0	2

Note: Figures are calculated on a non-consolidated basis unless marked with an asterisk.
*1 Figures exclude the U.S. subsidiary.
*2 Figures include employees who retired at the mandatory retirement age.
*3 The percentage of employees who work from home at least once per month.
*4 Instances where there are no eligible employees for childcare leave are indicated with "—". Instances where there are eligible employees but none who have made use of childcare leave are indicated with "0.0".
*5 The remuneration of independent directors is included in the remuneration of directors who are Board-Audit Committee members.

Company Profile and Shareholder/Investor Information (As of March 31, 2025)

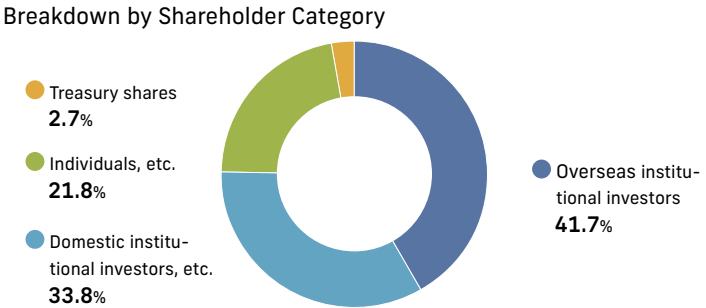
Company Profile

Trade name JAFCO Group Co., Ltd. (JAFCO)
President & CEO Keisuke Miyoshi
Address of head office ... Toranomon Hills Mori Tower 24F, 1-23-1
Toranomon, Minato-ku, Tokyo 105-6324, Japan
Established April 5, 1973
Capital ¥33,251 million
Number of employees 163 (consolidated); 131 (non-consolidated)
Financial instruments business operator Director-General of Kanto Local Finance Bureau (Kinsho) No. 1693
Industry organization membership Japan Investment Advisers Association
Type II Financial Instruments Firms Association

Stock Information

Authorized number of shares 240,000,000
Number of shares issued 56,060,000
Number of shareholders 12,713
Listed market TSE Prime Market
Securities code 8595
Administrator of shareholders' register and banking corporation Mitsubishi UFJ Trust
Fiscal year April 1 to March 31 of the following year

Shareholder Composition



Total Shareholder Return (Compared with March 31, 2020)

	March 2021	March 2022	March 2023	March 2024	March 2025
JAFCO Group	238.6%	210.1%	228.0%	234.0%	263.8%
Reference: TOPIX Net Total Return	142.1%	145.0%	153.4%	216.8%	213.4%

Share Price and Trading Volume



Major Shareholders

Name	Number of shares held (thousand shares)	Shareholding ratio (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	7,840	14.4
Custody Bank of Japan, Ltd. (Trust Account)	2,852	5.2
Yoshiteru Akita	2,027	3.7
NOMURA PB NOMINEES LIMITED OMNIBUS-MARGIN (CASHPB)	1,821	3.3
JPMorgan Securities Japan Co., Ltd.	1,387	2.5
BNYMSANV RE GCLB RE JP RD LMGC	1,195	2.2
Nippon Life Insurance Company	1,158	2.1
GOLDMAN SACHS INTERNATIONAL	1,138	2.1
HSBC HONG KONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	1,014	1.9
Hikari Tsushin Kabushiki Kaisha	970	1.8

Notes: 1. The Company holds 1,492 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.