■ To our shareholders:

Global excessive liquidity has caused massive capital inflows to the illiquid private equity market. Not only buyout funds primarily targeting corporate acquisitions, the amount raised by venture capital (VC) funds is also surging rapidly.

Funds raised by start-up companies have increased by several times in the last few years, and valuations are also soaring. A factor behind this increase is a surge in the number of corporate VCs and direct investments by big businesses looking to acquire innovative technologies and services of start-up companies. Under the policy of "highly selective, intensive investment," we aggressively identify up-and-coming start-ups, while also approaching high-potential entrepreneurs before business launch. We have been focusing on investment in newborn startups to establish our corporate identity as "Co-Founder." Regarding buyout investment, we work to boost our unique competitive strength by incorporating growth strategies developed through VC investment, with the aim of playing the role of "Co-Founder" for the post-acquisition relaunch of the companies.

In terms of our capital policy, we purchased and cancelled all JAFCO shares held by Nomura Holdings and Nomura Research Institute, founding and large stakeholders, at the end of July 2017.



Moreover, we will transform our business from "corporate model" VC, which we have pursued since establishment, to "partnership model" VC. Partners will invest their own capital as individual investors in new funds with JAFCO and receive carried interest.

In both startup and buyout investment, "individual" has been gaining attention, and greater importance is being placed on "who" is making investment and adding value. Together with the new partners, JAFCO will take large risks and more clearly demonstrate our commitment to entrepreneurs launching new businesses and to our fund investors. This, I believe, will lead to higher fund performance and JAFCO's sustainable growth.

Shinichi Fuki
President & CEO
JAFCO Co., Ltd.

■ To achieve our mission

To achieve our mission of “Commit to new business creation and jointly shape the future,” each one of JAFCO members is required to commit to supporting entrepreneurs and portfolio companies’ businesses as a venture capitalist. To make this happen, we will transform to a partnership-model VC from existing corporate-model VC.

We implemented the following reforms in the fiscal year ended March 2018.

① Transform to partnership model

- Six partners with solid track record were appointed, regardless of age and background
- Partners make critical decisions on investment management and commit to improving fund performance
- Partners invest individually in funds and receive carried interest

② Introduce cutting-edge workstyles

- Introduction of complete flextime
- Free seating system at new head office
- Promotion of remote workstyle through cloud/ mobile IT systems
- Encouragement of side businesses

Six newly appointed partners

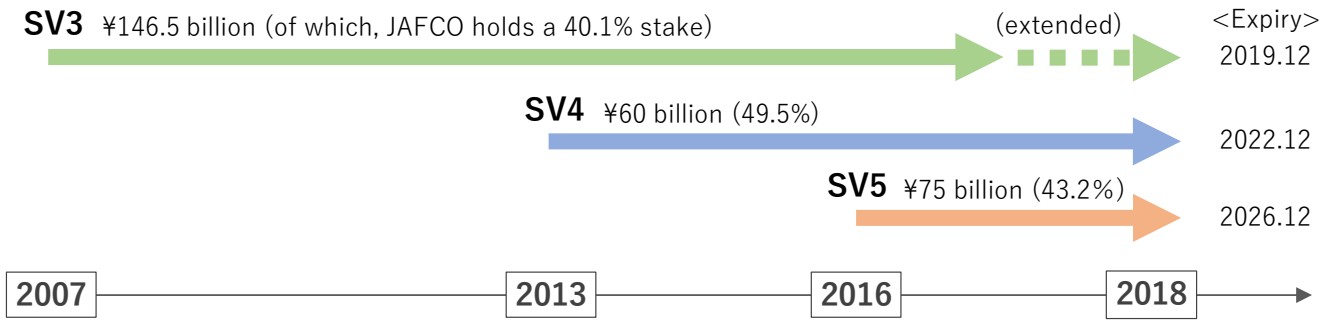


From left: Ko Minamikurosawa (45), Naoki Sato (49), Tomotake Kitazawa (32), Atsushi Fujii (37), Keisuke Miyoshi (48), Shozo Isaka (36) (At new office in Toranomon)

■ Business outline

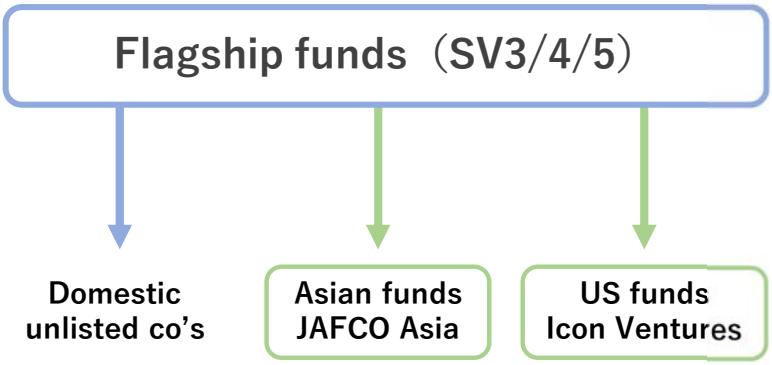
◇ Funds under management

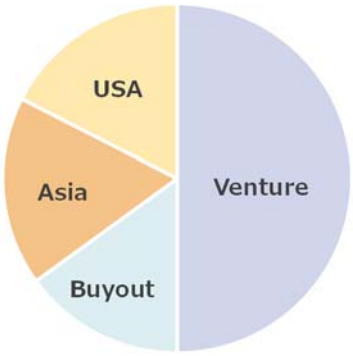
JAFCO is a fund management company specializing in venture capital and buyout investment. As a fund manager, we receive fund management fees and carried interest based on investment performance. We also invest our own capital in funds and earn capital gains. Currently, we manage the following three flagship funds.



◇ Portfolio

In Japan, we carry out venture and buyout investment. We also invest in overseas startups through the flagship funds, which make capital commitments to our Asian and US funds managed independently in respective regions.

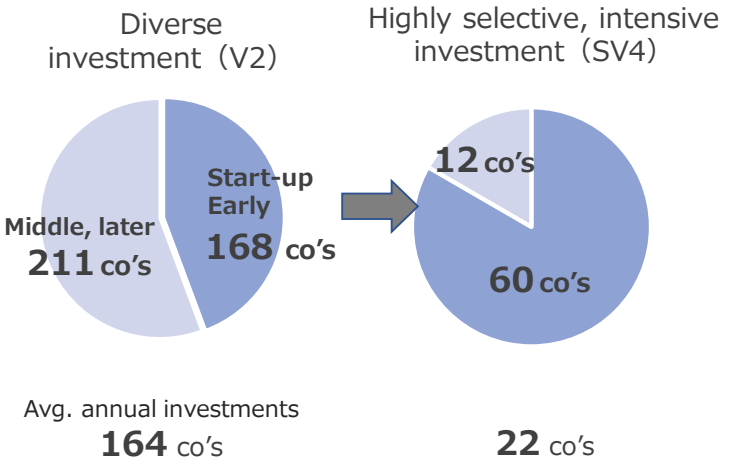


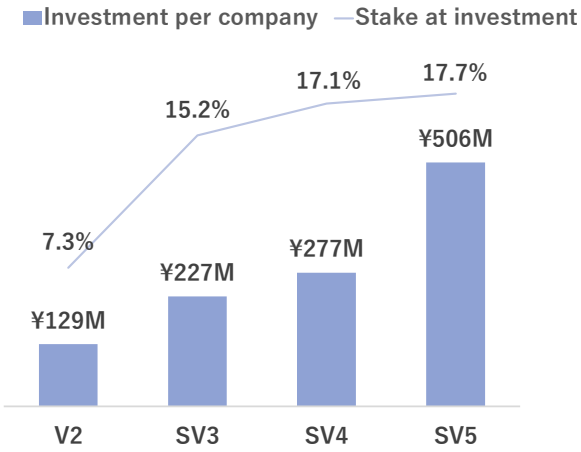


(Portfolio mix model of flagship funds)

◇ Highly selective, intensive investment

Since the financial crisis, JAFCO has dramatically switched its investment strategy from diverse investment, based on which we aimed to gain a large share of the IPO market, to the "highly selective, intensive investment" strategy, which involves rigorous selection of high-potential companies, a decent shareholding, and deep management involvement.





Average of initial investment amount and shareholding (as of March 31, 2018)

◇ Business Development

In startup and early-stage investment, the speed with which to launch and expand business is most important. At JAFCO, venture capitalists cooperate with specialist members in the following fields and boost corporate value of portfolio companies.

Marketing	HR	IPO consulting	Operational/ capital tie-up
IT efficiency	Overseas development	Internal admin. structure	Market research

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

(Securities Code: 8595)

May 22, 2018

To Shareholders:

Shinichi Fuki
President & CEO
JAFCO Co., Ltd.
1-23-1 Toranomon, Minato-ku, Tokyo
(Registered Address: 1-5-1 Otemachi, Chiyoda-ku, Tokyo)

NOTICE OF CONVOCATION OF THE 46TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 46th Annual General Meeting of Shareholders (the "Meeting") of JAFCO Co., Ltd. (the "Company"). The meeting will be held as described below.

If you are unable to attend the Meeting in person, you may exercise your voting rights either by postal mail or electronic means as shown on the next page. You are requested to exercise your voting rights by 5:00 p.m. on Monday, June 18, 2018 (Japan Time).

1. Date and Time	Tuesday, June 19, 2018, at 10:00 a.m. (Japan Time)
2. Place	Grand Hall on the 5th floor, Nomura Conference Plaza Nihonbashi Nihonbashi Muromachi Nomura Bldg. (YUITO) 2-4-3 Nihonbashi-Muromachi, Chuo-ku, Tokyo
3. Purpose of the Meeting	
Matters to be reported:	Business Report, Consolidated Financial Statements, Non-Consolidated Financial Statements, and Results of Audit by the Financial Auditor and the Board-Audit Committee of the Consolidated Financial Statements, for the 46th Fiscal Year (from April 1, 2017 to March 31, 2018)
Matters to be resolved:	
Proposal 1:	Partial Amendments to the Articles of Incorporation
Proposal 2:	Election of Three (3) Directors (Excluding Directors Serving as Board-Audit Committee Members)

4. Voting When You Are Unable to Attend the Meeting

Please examine the attached Reference Documents for the General Meeting of Shareholders and vote by either of the following methods by 5:00 p.m. on Monday, June 18, 2018 (Japan Time).

[Voting by postal mail]

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

[Voting by electronic means (via Internet)]

Please review the Key Points When Exercising Voting Rights by Electronic Means (via Internet) on page 49, and access the website for voting designated by the Company (https://evote.tr.mufg.jp/). Follow the instructions on the screen and enter for or against each proposal by the voting deadline indicated above.

5. Notice Regarding Exercise of Voting Rights

If you vote twice by postal mail and via Internet, the vote via Internet shall be deemed valid. If you vote via Internet more than once, only the last vote shall be deemed valid.

- For those attending the Meeting, please present the enclosed voting form at the reception desk on arrival at the meeting.
- Pursuant to the provisions of applicable laws and regulations and Article 15 of the Articles of Incorporation of the Company, the following materials are not provided in this document but they have been posted on the Company's website. Note that the following materials are part of the Consolidated Financial Statements and Non-Consolidated Financial Statements audited by the Board-Audit Committee and the financial auditor in the course of the preparation of their respective audit reports.
  - Notes to Consolidated Financial Statements
  - Notes to Non-Consolidated Financial Statements
- Please be advised that in the event of any revisions to the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements or Non-Consolidated Financial Statements, the Company will post the contents of modification on its website below.
- The Company will inform you of the results of resolutions of the Meeting by posting the matter on its website below.

JAFCO website: http://www.jafco.co.jp/english/ir/shareholder/meeting/

Reference Documents for the General Meeting of Shareholders

Proposal 1: Partial Amendments to the Articles of Incorporation

The Company proposes to amend part of the Articles of Incorporation as follows.

1. Reason for amendments

(1) Addition to Business Purpose

The Company introduces personnel and provides proactive recruitment support for portfolio companies with the aim of boosting their growth and corporate value. The amendment is to add personnel placement business (employment placement business pursuant to the Employment Security Act) to the Company's business purpose.

The Company specializes in venture and buyout investment through fund management. The personnel placement business will be offered only as part of the fund management business, and we do not intend to derive direct profit from it.

(2) Change in Location of Head Office

The Company relocated its headquarters to Minato-ku, Tokyo from Chiyoda-ku, Tokyo in February 2018. The amendment is to change the location of head office in the Articles of Incorporation.

2. Description of amendments

(Underlined parts will be amended.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER I GENERAL PROVISIONS	CHAPTER I GENERAL PROVISIONS
Article 2. (Purpose) The purpose of the Company shall be to engage in the following businesses: (1) to (16) (Omitted) (Newly established) (17) Any other businesses incidental or related to the foregoing.	Article 2. (Purpose) The purpose of the Company shall be to engage in the following businesses: (1) to (16) (Unchanged) (17) Free employment placement business and fee-charging employment placement business pursuant to the Employment Security Act; and (18) Any other businesses incidental or related to the foregoing.
Article 3. (Location of Head Office) The Company shall have its head office in Chiyoda-ku, Tokyo.	Article 3. (Location of Head Office) The Company shall have its head office in Minato-ku, Tokyo.

Proposal 2: Election of Three (3) Directors (Excluding Directors Serving as Board-Audit Committee Members)

The terms of office of all three (3) directors (excluding directors serving as Board-Audit Committee members; the same applies hereafter in this Proposal 2) will expire at the conclusion of the Meeting. Accordingly, the Company proposes to elect three (3) directors.

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

The Board-Audit Committee discussed the election of directors following the exchange of opinions with the Representative Director with regard to oversight, execution and future focus of Board of Directors, the status of performance of duties by director candidates, etc. As a result, the Committee reached a conclusion that it has no objection to the nomination of director candidates in this proposal after taking into account the composition of the Board of Directors, the business execution structure, and expertise, experience and track record of each candidate.

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

The Board-Audit Committee discussed the remuneration of directors who execute business of the Company following the exchange of opinions with the representative director. As a result, the Committee has judged the remuneration is appropriate after taking into account fairness in remuneration, balance between remuneration levels and duties/ responsibilities of directors, and its links to the Company’s business performance.

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

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">1</td><td>

Shinichi Fuki
(November 1, 1961)

<Re-election></td><td>April 1985
June 2003

February 2005

March 2007

January 2010</td><td>Joined JAFCO
Director in charge of Investment Group II, Kansai Branch and Planning & Administration, JAFCO
Managing Director in charge of Finance, Investment Group II, Kansai Branch and VA Department III, JAFCO
Executive Managing Director in charge of Finance, Structured Investment, Kansai Branch and VA Department III, JAFCO
President & CEO (Representative Director), JAFCO (Present)</td><td>13,481 shares</td></tr>
<tr><td colspan="4">Number of attendance at the Board of Directors meetings: 14 out of 14 meetings (100%)

Reason for nomination as candidate for director
Since joining JAFCO, Shinichi Fuki has constantly been involved in private equity investment, and has taken charge of the Company’s overall operations, including investment and fund management. Since assuming the office as President and CEO in January 2010, he has enhanced the Board of Directors’ effective decision- making and supervisory function by capitalizing on his extensive experience and deep insight. Based on his track record, the Board of Directors deemed it appropriate that he continues to execute and supervise business activities as a director of the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">2</td><td>

Yoshiyuki Shibusawa
(October 5, 1969)

<Re-election></td><td>April 1992
March 2007

June 2007

October 2012

April 2014</td><td>Joined JAFCO
Corporate Officer in charge of Investment Group II, JAFCO
Director in charge of Investment Group II, JAFCO
President & CEO, JAFCO America Ventures Inc. (Present)
President & CEO, JAFCO Investment (Asia Pacific) Ltd (Present)
In charge of Business Development (Present)
Managing Director, JAFCO (Present)</td><td>7,795 shares</td></tr>
<tr><td colspan="4">Number of attendance at the Board of Directors meetings: 14 out of 14 meetings (100%)

Reason for nomination as candidate for director

Yoshiyuki Shibusawa has constantly been involved in private equity investment since joining JAFCO and gained experience taking charge of the domestic venture investment division. Since October 2012, he has been stationed in Singapore and has been responsible for the Company’s overseas operations as President of the Company’s Asian and US subsidiaries. Based on his experience, expertise and track record of domestic/ overseas investment activity, the Board of Directors deemed it appropriate that he continues to execute and supervise business activities as a director of the Company.</td></tr>
</table>

<table>
<tr><th>No.</th><th>Name
(Date of birth)</th><th colspan="2">Career summary, position and responsibilities at the Company, and significant concurrent positions outside the Company</th><th>Number of the Company’s shares owned</th></tr>
<tr><td rowspan="2">3</td><td>
Keisuke Miyoshi
(September 18, 1969)

<Re-election></td><td>April 1993
August 2011

April 2013

June 2015</td><td>Joined JAFCO
Group Officer of Investment Group II, JAFCO
Corporate Officer in charge of Investment, JAFCO
Director in charge of Investment, JAFCO (Present)</td><td>3,508 shares</td></tr>
<tr><td colspan="4">Number of attendance at the Board of Directors meetings: 14 out of 14 meetings (100%)
Reason for nomination as candidate for director
Since joining JAFCO, Keisuke Miyoshi has been involved in private equity investment operations, and currently, he is one of the Partners who make major decisions on domestic venture investment. Based on his broad experience, expertise and track record of domestic investment, the Board of Directors deemed it appropriate that he continues to execute and supervise business activities as a director of the Company.</td></tr>
</table>

(Document to be provided)

Business Report

(From April 1, 2017 to March 31, 2018)

I Current Status of JAFCO Group (hereinafter "JAFCO" or "we")

1. About JAFCO

1) Transform to partnership model in order to put "Co-Founder" in practice

Digital revolution, which causes drastic changes in global industrial structure, is accelerating at a high speed after a running start. It is changing the fundamental mechanism of existing industries and creating new industries. In Japan, high-potential startups are emerging in numbers. Young entrepreneurs who lead the next generation are increasing rapidly. Against this backdrop, VC investment targets are significantly shifting to startup companies. In addition, a sharp increase in venture investment by business firms, institutional investors, etc. has intensified competition.

Since establishment, JAFCO has moved forward with cutting-edge entrepreneurs. In addition to a number of venture capitalists with broad experience, we have accumulated abundant resources and built extensive networks to foster growth of portfolio companies. Through deep involvement in management from the business concept stage, we commit to expanding business and adding corporate value with entrepreneurs.

With a mindset of "Co-Founder" rather than an investor, we aim to achieve our mission of "Commit to new business creation and jointly shape the future." We will dramatically switch our business structure from corporate model, on which we have based since inception, to partnership model to more clearly demonstrate our commitment to up-and-coming entrepreneurs and fund investors, mainly institutional investors. High-potential individuals (partners) will take the initiatives in setting up new funds, in which they invest with JAFCO, and receive carried interest. We will further enhance long-accumulated organizational strength and aim for further improvement in corporate value of portfolio companies and fund performance.

2) JAFCO's business line and business model

JAFCO specializes in venture and buyout investment through fund management. We raise capital for our funds from institutional investors and business firms about once in every three years. We also invest our own capital in all funds, normally about 30-40% of fund size, and commit to improving fund performance. The fund term is 10 years with a possible extension of two years.

Regardless of the timing of fundraising, JAFCO continually identifies high-potential companies and focus on new investment activity over a period of about three years to build a high-quality portfolio for each fund. We increase post-investment involvement in management to accelerate business growth and raise corporate value with entrepreneurs with the aim of achieving exits (sales) through IPO, M&A, etc. Our main income sources are capital gains from fund investment, fund management fees, and success fees.

3) Funds under management

Total commitments of funds under management stand at ¥348.5 billion, raised from

more than 100 investors for each fund, including business firms. We plan to reduce the number of investors by mainly targeting institutional investors for future fundraising. Our flagship funds under management are shown below.

Fund series	Inception	Fund size	JAFCO's stake
SV3	2007	¥146.5 billion	40.1%
SV4	2013	¥60.0 billion	49.5%
SV5	2016	¥75.0 billion	43.2%

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

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

4) Investment target and global investment structure

In Japan, JAFCO specializes in venture investment, mainly in start-ups, and buyout investment involving business succession, spin-outs, etc. Overseas, we invest in Asian companies, mainly in China, and Silicon Valley-based promising ventures in the US to diversify regional risk.

Venture investment is a locally-oriented business and VC firms are required to be deeply rooted in local communities. Highly experienced local venture capitalists identify promising companies and make investment decisions to achieve higher fund performance. We invest part of the flagship funds and our own capital in Asian and US funds to add overseas promising ventures to our portfolios.

5) Highly selective, intensive investment

Since the financial crisis, JAFCO has shifted its investment strategy from diverse investment, through which we aimed to gain a large share of the IPO market, to highly selective, intensive investment. We rigorously select promising companies to boost investment amount and stake in each company, thereby increasing management involvement in portfolio companies.

Previously, JAFCO had been making over 100 new investments every year. Following the change of the investment policy, the number has declined to around 20, while the average shareholding at investment has risen from several percent to approximately 20%. The average amount invested per company has also risen from about ¥100 million to about ¥500 million. With regard to promising start-ups (so-called mega ventures and game changers), we have seen cases where several billions of yen are raised in a single financing round. At JAFCO, investments of over ¥1 billion in a company are also increasing.

Through large shareholdings and management involvement, JAFCO fosters growth and corporate value of portfolio companies to maximize capital gains and ROI at

exits. We will continue to promote highly selective, intensive investment and pursue large capital gains, rather than chasing a higher number of IPOs among our portfolio.

2. Business Summary and Results

1) Financial highlights and capital gains

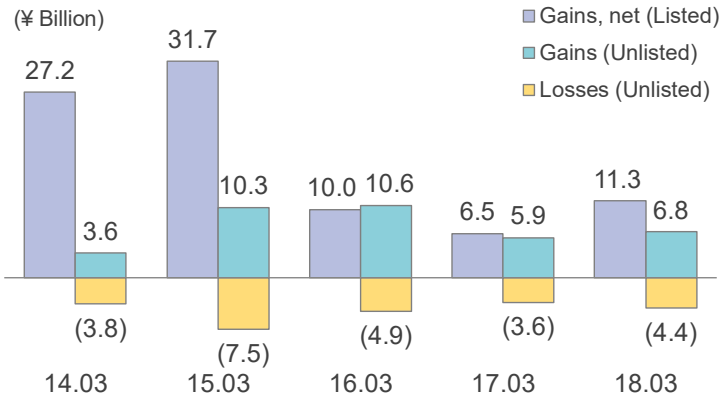
During the fiscal year, large capital gains related to major domestic IPOs and the acquisition of a buyout investee contributed to overall results. Net income surged due to an extraordinary gain on the partial sale of shareholdings in Nomura Research Institute.

JAFCO's biggest management focus is to maintain high fund performance over the long term. Based on the policy of highly selective, intensive investment, the number of new investments per year has been around 20 in Japan and 10 overseas. This inevitably reduces the number of IPOs made annually to less than 10 in both Japan and overseas. Regardless of IPO numbers, our plans are to focus on IPOs and M&As from which large capital gains can be expected. Business results may fluctuate sharply depending on the number of large exits achieved each fiscal year.

(Billions of yen)

	FY17.3	FY18.3	Change
Net sales	27.9	29.5	5.8%
Ordinary income	13.7	15.6	13.8%
Net income	11.1	24.2	118.9%

Capital gains (JAFCO's interests)



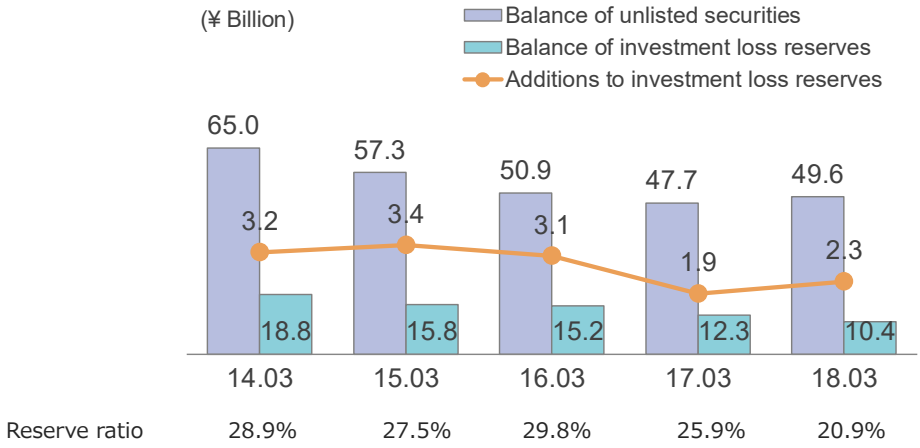
	14.03	15.03	16.03	17.03	18.03
Unrealized gains (¥ Billion)	38.9	15.2	6.5	11.7	9.9

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

2) Investment loss reserves

Following a major switch in investment policy, our domestic portfolio currently consists of about 120 companies, down from over 1,000 companies at its peak. Investment loss reserves also plunged as we built up high quality portfolios through highly selective, intensive investment. The reserve ratio, which was over 40% immediately after the financial crisis, significantly fell to 20.9% in the fiscal year.

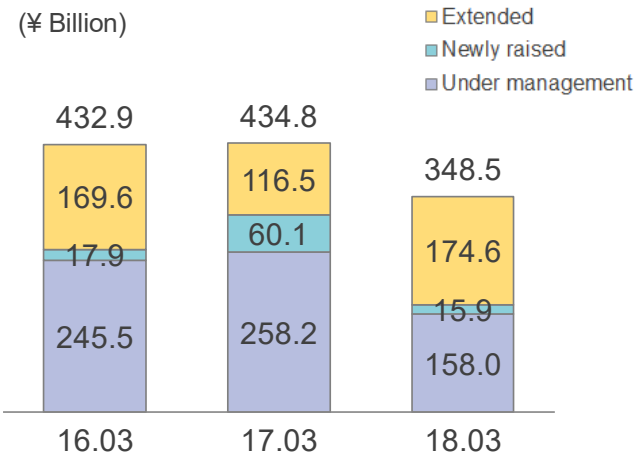
Additions to and balance of investment loss reserves (JAFCO's interests)



3) Total fund commitments

During the fiscal year, JAFCO made additional commitments of ¥10 billion to SV5, a flagship fund established in the previous fiscal year, bringing the total fund size to ¥75 billion. Icon VI, a US fund, made the final closing at US$262.5 million, after raising an additional US$37.8 million. The new Asian fund closed in April 2018 at US$140 million in total. The V2 Fund series (¥94 billion in total) was liquidated following the end of the extension period at the end of December 2017. As a result, total fund commitments declined.

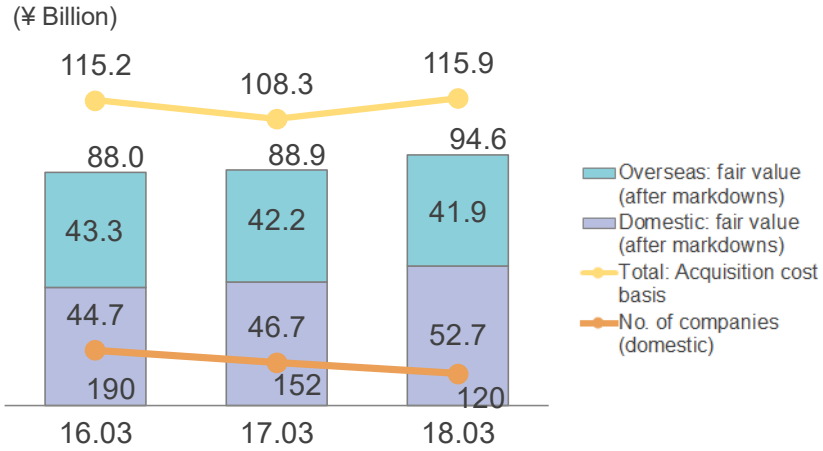
Fund commitments



4) Total unlisted portfolio under management

During the fiscal year, total unlisted portfolio under management (acquisition basis) rose for the first time in seven fiscal years, due to strong progress in domestic/ overseas investment activity. In Japan, in particular, the amount invested per company has soared, in response to which we increased the fund size of flagship SV5 fund by ¥10 billion. Although the flagship funds have been scaled down significantly due to the fundamental change in investment policy, the total amount of unlisted portfolio finally turned upward in line with the progress in portfolio reshuffle resulting from the change.

Balance of unlisted investments (including fund investors' interests)

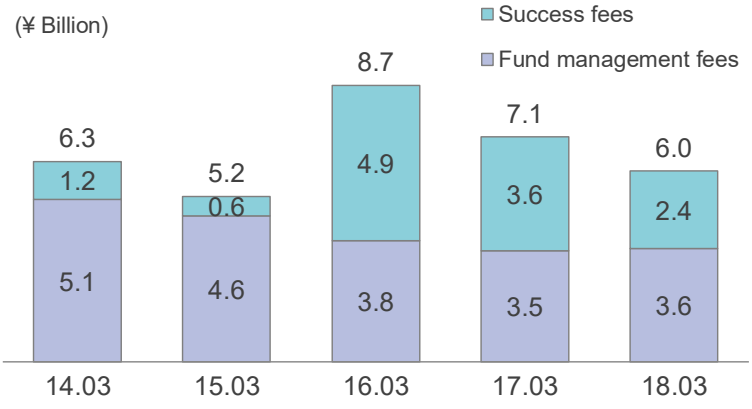


5) Income from fund management

During the fiscal year, JAFCO recorded ¥2.4 billion in success fees following distributions from the SV3 series (the biggest fund), etc. Despite fundraising of overseas funds, management fees are slated to fall for the time being because of the liquidation of a major fund and the aging of other funds.

JAFCO, as a fund management company, have been unable to cover SG&A expenses with our basic income of fund management fees. For future funds, we plan to increase the fund size gradually based on market growth of promising investment targets, while firmly maintaining our stance of highly selective, intensive investment.

Fund management fees & success fees (JAFCO's interests)

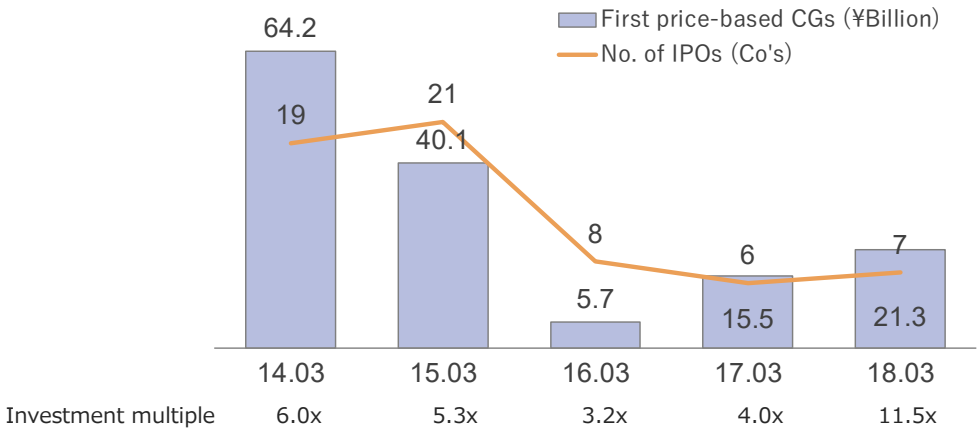


No. of employees (consolidated basis)	159	162	159	152	148

6) IPOs

Due to a switch from diverse investment to highly selective, intensive investment, the number of IPOs among our portfolio has dropped to less than 10 per year. During the fiscal year, there were seven domestic IPOs. First-price multiple at IPO was high at 11.5 times. Of the seven IPOs, four were among the portfolio of the SV4 series, which ended new investment activity in the previous fiscal year, and three of these were relatively quick IPOs, each delivering capital gains of several billions of yen. There was one overseas IPO from Asia. This marked the 1000th IPO from among JAFCO's cumulative portfolio.

JAFCO-backed domestic IPOs (including fund investors' interests; CG standing for capital gain)

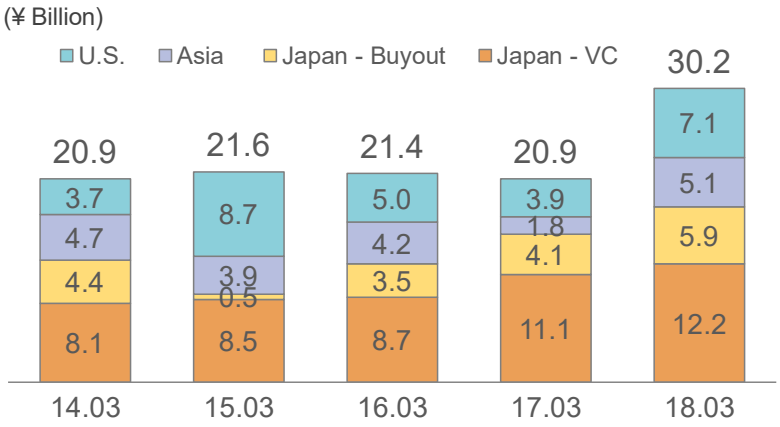


Increased shareholdings in portfolio companies have allowed us to diversify exits through M&A and trade sales. In the last few years, the majority of IPOs and M&As generating large capital gains were investments made under the highly selective, intensive investment policy. We will remain committed to maximizing capital gains per deal, instead of increasing the number of IPOs.

7) Investment activity

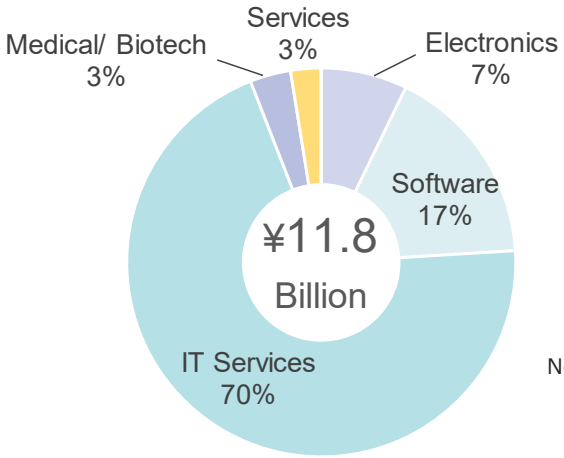
During the fiscal year, the global investment amount soared to ¥30.2 billion. It slightly exceeded the assumed annual investment amount, which also rose following additional commitments to our latest funds. Total investment amount in each region varies each fiscal year. By closely watching the business trends, market competition, and valuations of investment targets, we will continue to keep the 3-year vintage period (period of making new investments) in mind when building a portfolio.

Investment amount (including fund investors' interests)



Broken down by sector, companies in the internet space accounted for over 90% of domestic venture investments made during the fiscal year. Although it may seem biased, industry classification of portfolio companies varies, including finance (fintech), healthcare (meditec), and real estate (real estate tech).

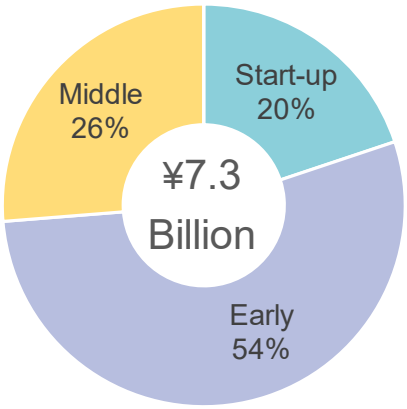
Investment by sector (new and follow-on investment in Japan; including fund investors' interest)



Note: Overseas life science investments (carried out by the venture investment division in Japan) are excluded.

Broken down by growth stage at the time of new investment, start-ups and early-stage companies accounted for nearly three-quarters of new investments, the majority of which are in the internet space. The change rate of startups can be very high depending on how business is launched, but a large number of competitors means a delay in the business launch may take a toll. As "Co-Founder," JAFCO will get involved from the business conception stage and commit to business growth with entrepreneurs.

Investment by stage (new investment in Japan; including fund investors' interest)

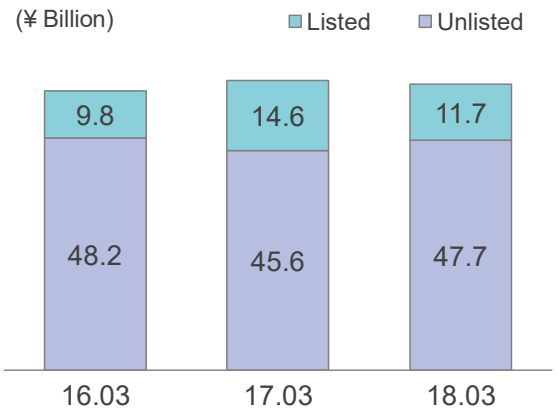


Note: Overseas life science investments (carried out by the venture investment division in Japan) are excluded.

8) Investment balance and unrealized gains

JAFCO has been reshuffling its portfolio with higher quality assets by further reducing the number and investment balance of portfolio companies. As a result, the balance of unlisted securities had been falling, but a surge in the amount invested per company led to an upturn in unlisted assets under management in the fiscal year.

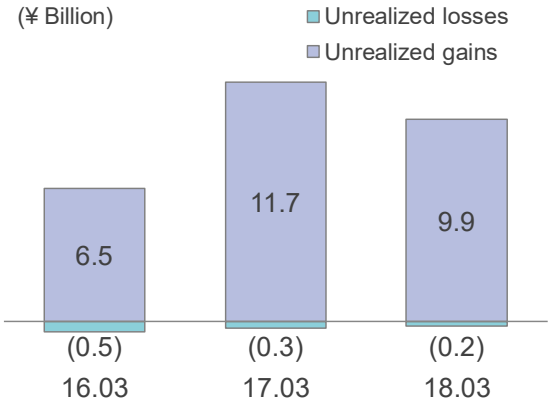
Balance of operational investment securities (JAFCO's interests)



Note: Excluding investment in other funds.

Unrealized capital gains on listed securities were ¥9.9 billion. These will lead to realized capital gains following the sale.

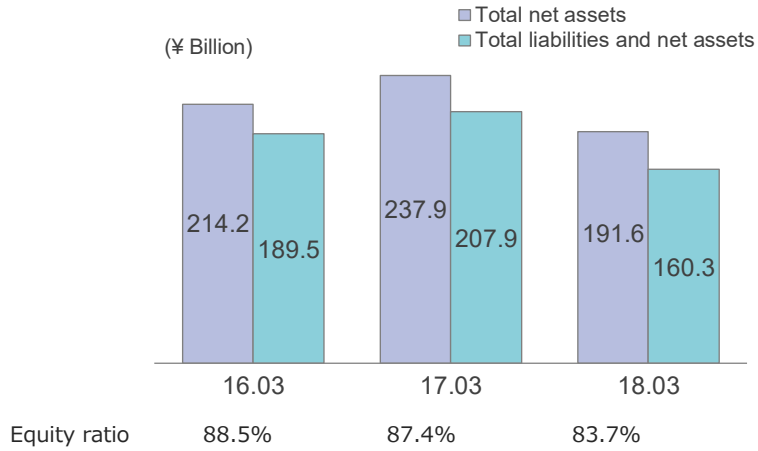
Unrealized gains/losses of listed securities (JAFCO's interests)



9) Status of assets

The majority of portfolio companies are unlisted, whose shares have no market value and liquidity is extremely limited. We need to maintain strong shareholders' equity and a solid financial base to allow us to continue investing under any operating environment. During the fiscal year, we purchased all JAFCO shares held by Nomura Holdings and Nomura Research Institute, and sold part of our shareholdings in Nomura Research Institute. As a result, net assets decreased to ¥160.3 billion. We aim to provide continuous shareholder returns while making aggressive investment firmly in line with our investment policy.

Total assets and net assets (JAFCO's interests)



3. Issues to be addressed

As noted above, JAFCO's management priorities are as follows:

1) **Create new businesses through highly selective, intensive investment and management involvement**
2) **Sustain improvement in fund performance**
3) **Build up stronger, high-quality portfolios**
4) **Develop personnel who can be "Co-Founder" of portfolio companies**
5) **Ensure a good balance between shareholders' equity and return to shareholders**

We will firmly maintain the following five principles to establish our corporate identity as "Co-Founder" and achieve our mission of "Commit to new business creation and jointly shape the future."

- Reproduce success by passing on our expertise
- Create next-generation businesses
- Develop globally, focus locally
- Work earnestly with entrepreneurs to raise corporate value
- Preserve discipline and transparency as a VC pioneer

4. Policy on determination of dividends from surplus, etc.

In order for JAFCO to demonstrate its positive approach to its policy of ensuring a good balance between continuous shareholder returns and strong shareholders' equity, which allows a long lasting investment business, JAFCO has set an indicator to pay dividends of approximately 3% of shareholders' equity (initial and term-end average value). Dividend

per share and shareholders' equity per share (initial and term-end average value) are used for calculation.

For the fiscal year ended March 31, 2018, we have decided to pay the dividend of ¥107 per share (previous year: ¥100 per share) based on this indicator.

5. Assets and profit (loss)

	43rd Fiscal Year (From April 1, 2014 to March 31, 2015)	44th Fiscal Year (From April 1, 2015 to March 31, 2016)	45th Fiscal Year (From April 1, 2016 to March 31, 2017)	46th Fiscal Year (From April 1, 2017 to March 31, 2018)
Net sales (Millions of yen)	61,945	41,155	27,857	29,470
Ordinary income (Millions of yen)	40,132	19,808	13,666	15,554
Profit attributable to JAFCO Co., Ltd. stockholders (Millions of yen)	27,707	17,018	11,073	24,235
Profit per share (Yen)	624.50	383.57	249.59	687.04
Total assets (Millions of yen)	239,035	214,245	237,902	191,550
Net assets (Millions of yen)	188,125	189,501	207,855	160,299
Net assets per share (Yen)	4,240.11	4,271.15	4,684.87	5,182.49

Note: Regarding funds operated by JAFCO, assets, liabilities, income and expenses are recorded pro rata to JAFCO's interest in each fund.

6. Significant subsidiaries

Name	Capital	Voting rights ratio [%]	Main business
JAFCO America Ventures Inc.	1 million US dollars	100.0	Fund management
JAFCO Investment (Asia Pacific) Ltd	15 million Singapore dollars	100.0	Fund management
JAFCO Investment (Hong Kong) Ltd	6.5 million US dollars	100.0 [100.0]	Fund management
JAFCO Investment (Korea) Co., Ltd.	1,800 million South Korean won	100.0 [100.0]	Fund management
JAFCO Asia (Shanghai) Equity Investment Management Co., Ltd	1 million US dollars	100.0 [100.0]	Fund management

Notes: 1. Figures in [ ] under the "Voting rights ratio" indicate the ratio of voting rights indirectly held by JAFCO.

2. US operations are implemented under the brand name of "Icon Ventures."

7. Principal offices (as of March 31, 2018)

1) JAFCO Co., Ltd.

Name	Location
Head Office	Minato-ku, Tokyo
Chubu Branch	Naka-ku, Nagoya
Kansai Branch	Chuo-ku, Osaka
Kyushu Branch	Chuo-ku, Fukuoka

Note: The Head Office relocated from Chiyoda-ku, where it is still registered, on February 26, 2018.

2) Subsidiaries (principal offices)

Name	Location
JAFCO America Ventures Inc.	California
JAFCO Investment (Asia Pacific) Ltd (including its subsidiaries)	Singapore, Taipei, Beijing, Shanghai, Seoul

8. Employees (as of March 31, 2018)

1) JAFCO Group employees

Number of employees	Increase (decrease) from previous fiscal year
148	(4)

Note: The number of employees excludes seconded staff or temporary staff.

2) Employees of JAFCO Co., Ltd.

Number of employees	Increase (decrease) from previous fiscal year	Average age	Average years of service
104	(3)	43 years and 4 months old	17 years and 3 months

Note: The number of employees excludes seconded staff or temporary staff.

9. Outline of financing

JAFCO did not borrow long-term loans and repaid loans which became due. As a result, the balance of long-term loans payable including the current portion stood at ¥977 million (previous fiscal year-end: ¥2,320 million). JAFCO redeemed ¥2,000 million in straight bonds.

10. Principal creditors (as of March 31, 2018)

(Millions of yen)

Creditor	Balance of borrowings
Mizuho Bank, Ltd.	500
The Nanto Bank, Ltd.	100
Resona Bank, Limited	85
Mitsubishi UFJ Trust and Banking Corporation	50
Nippon Life Insurance Company	49
The Chiba Bank, Ltd.	49

II Current Status of JAFCO Co., Ltd. (the "Company")

1. Shares (as of March 31, 2018)

1) Authorized number of shares 80,000,000 shares
2) Number of shares issued 32,550,000 shares
3) Number of shareholders 6,456
4) Major shareholders



Shareholder	Number of shares held (Thousand shares)	Shareholding ratio (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	3,117	10.1
The Master Trust Bank of Japan, Ltd. (Trust Account)	1,635	5.3
STATE STREET LONDON CARE OF STATE STREET BANK AND TRUST, BOSTON SSBTC A/C UK LONDON BRANCH CLIENT- UNITED KINGDOM (Standing proxy: The Hongkong and Shanghai Banking Corporation Limited, Tokyo Branch)	819	2.6
GOVERNMENT OF NORWAY (Standing proxy: Citibank, N.A., Tokyo Branch)	655	2.1
THE BANK OF NEW YORK MELLON 140044 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	629	2.0
Japan Trustee Services Bank, Ltd. (Trust Account 5)	540	1.7
JP MORGAN CHASE BANK 385094 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	536	1.7
STATE STREET BANK AND TRUST COMPANY 505225 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	453	1.5
Japan Trustee Services Bank, Ltd. (Trust Account 9)	448	1.5
JP MORGAN CHASE BANK 385151 (Standing proxy: Mizuho Bank, Ltd., Settlement & Clearing Services Division)	421	1.4

Notes: 1. During the fiscal year, the Company acquired 13,436 thousand treasury shares from Nomura Holdings and Nomura Research Institutes (their entire shareholdings in the Company), and then cancelled 15,744 thousand treasury shares together with ones that had been held previously.

2. The Company holds 1,619 thousand treasury shares, but is excluded from the above list of major shareholders.
3. The shareholding ratio is calculated after deducting the number of treasury shares.
4. From the fiscal year onward, trust properties under major shareholders are shown in accordance with the names on the shareholders' list, whereas previously they were aggregated.

2. Directors

1) Directors (as of March 31, 2018)

Position	Name	Responsibilities at the Company and significant concurrent positions
President & CEO [Representative Director]	Shinichi Fuki	
Executive Managing Director [Representative Director]	Hiroshi Yamada	
Managing Director	Yoshiyuki Shibusawa	President & CEO, JAFCO America Ventures Inc. President & CEO, JAFCO Investment (Asia Pacific) Ltd In charge of Business Development
Director	Keisuke Miyoshi	In charge of Investment
Director (Board-Audit Committee member, full-time)	Sadahiko Yoshimura	
Director (Board-Audit Committee member)	Koji Tanami	Attorney-at-Law, Hashidate Law Office
Director (Board-Audit Committee member)	Kenichi Akiba	Professor, Graduate School of Accountancy, Waseda University
Director (Board-Audit Committee member)	Shigeru Tamura	Outside Corporate Auditor, SAN HOLDINGS, INC.

Notes: 1. Directors Koji Tanami, Kenichi Akiba and Shigeru Tamura are independent directors.

2. The Company has no special relationships with organizations where each independent director holds a significant concurrent position.

3. The Company has designated Directors Koji Tanami, Kenichi Akiba and Shigeru Tamura as Independent Officers stipulated by the regulations of the Tokyo Stock Exchange, and their names are registered with the exchange.

4. Directors Sadahiko Yoshimura and Kenichi Akiba are certified public accountants and have adequate knowledge in finance and accounting.

5. Sadahiko Yoshimura was appointed a full-time member of the Board-Audit Committee so as to allow him to gather timely information related to execution of duties from directors/employees, attend important meetings, and ensure close cooperation between the Board-Audit Committee and the internal audit division.

6. Director whose position or responsibilities changed during the fiscal year:

Date of change	Name	After change	Before change
March 1, 2018	Hiroshi Yamada	–	In charge of Fund Management

7. The following directors resigned during the fiscal year:

- Nobuyuki Hata (Director, Board-Audit Committee member) due to the end of his term on June 20, 2017
- Hiroshi Yamada (Executive Managing Director) on March 31, 2018

2) Outline of liability limitation agreements

In accordance with the provisions of Article 28 of the Articles of Incorporation and Article 427, paragraph 1 of the Companies Act, the Company and each director serving as Board-Audit Committee member signed an agreement that limits the liability for damages as stipulated in Article 423, paragraph 1 of the Act. The maximum amount of liability under this agreement is the amount prescribed by laws and regulations for each director serving as Board-Audit Committee member.

3) Total remunerations, etc. for directors

Classification	Number of persons paid	Amount paid (Millions of yen)
Directors (excluding Board-Audit Committee members)	4	257
Directors serving as Board-Audit Committee members [of which, Independent Directors]	5 [4]	79 [51]
Total	9	337

Notes: 1. The maximum total amount of remuneration of directors (excluding Board-Audit Committee members) was set at ¥600 million per annum by a resolution of the 43rd Annual General Meeting of Shareholders held on June 16, 2015.

2. The maximum amount of remunerations for directors serving as Board-Audit Committee members was set at ¥300 million per annum by a resolution of the 43rd Annual General Meeting of Shareholders held on June 16, 2015.

4) Primary activities by independent directors

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

	Number of attendances at the Board of Directors meetings	Number of attendances at the Board-Audit Committee meetings
Koji Tanami Director (Board-Audit Committee member)	14 out of 14 meetings	13 out of 13 meetings
Kenichi Akiba Director (Board-Audit Committee member)	14 out of 14 meetings	13 out of 13 meetings
Shigeru Tamura Director (Board-Audit Committee member)	11 out of 11 meetings	10 out of 10 meetings

Note: Number of attendances by Shigeru Tamura is for the period after he was newly appointed and assumed the position at the 45th Annual General Meeting of Shareholders held on June 20, 2017.

● Opinions expressed at the Board of Directors meetings and the Board-Audit Committee meetings

- Director serving as Board-Audit Committee member Koji Tanami expressed opinions by leveraging his deep insight and expertise in fiscal administration, finance, tax and legal affairs, and from an independent perspective.
- Director serving as Board-Audit Committee member Kenichi Akiba expressed opinions from an independent perspective as an expert in accounting.
- Director serving as Board-Audit Committee member Shigeru Tamura expressed opinions from an independent perspective based on his broad experience and expertise gained by working as part of management teams in other companies.

(Reference)

Standards for Independence of Independent Directors

In order to ensure the independence from JAFCO Co., Ltd. (the "Company"), independent directors of the Company shall satisfy the following criteria:

(1) An independent director is not, and has not been in the past ten (10) years, an officer (limited to persons executing business) or employee of the Company or any of its subsidiaries (collectively referred to as "JAFCO").

(2) An independent director is not, and has not been in the past three (3) years, any of the following:

1) A person executing business (*1) of another company at which a person executing business of the Company serves, or has served in the past three (3) years, as a director or officer.
2) A major shareholder (a shareholder holding 10% or more of the voting rights directly or indirectly) of the Company or a person executing business of that shareholder.
3) A partner at the financial auditor of the Company or an employee engaged in auditing of the Company at the same.
4) A person executing business of a major lender of the Company (*2).
5) A person executing business of a major business partner of JAFCO (*3).
6) An expert in a field such as legal matters, accounting or taxation, a consultant or other such person receiving remuneration from JAFCO in excess of ¥10 million per year outside of remuneration for officers.
7) A partner or a person executing business of an organization such as a corporation or an association that provides services for legal matters, accounting, taxation or consulting, or other specialist services, where the organization is deemed as a major business partner.
8) A person executing business of an organization that receives a donation exceeding a certain amount (*4) from JAFCO.

(3) A person who is a spouse or a relative within the second degree of kinship of, or who shares living expenses with, an independent director is none of the following (excluding persons without importance):

1) A person who executes business of JAFCO or has done so in the past three (3) years.
2) A person to whom any of the above (2) 1) to 8) applies.

(Notes)

*1 A person executing business is an executive director, an executive (*shikkoyaku*), an

administrative officer (*riji*), or other such equivalent manager (limited to persons executing business) or an important employee such as an executive officer.

*2 A major lender of the Company is a lender of an amount equivalent to at least 2% of consolidated total assets.

*3 A major business partner of JAFCO is a business partner whose transactions with the Group were equivalent to more than 2% of that business partner's annual consolidated net sales in its last fiscal year.

*4 A donation exceeding a certain amount is a donation to an organization exceeding an amount in a year of ¥10 million or 2% of the relevant organization's total revenue or ordinary income, whichever is the larger.

3. Financial Auditor

1) Name

Ernst & Young ShinNihon LLC

2) Amount of remuneration, etc.

	Amount paid (Millions of yen)
Amount of remuneration, etc. to be paid to the financial auditor for the fiscal year	34
Total amount of money and other economic benefits to be paid by the Company and its subsidiaries to the financial auditor	34

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

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

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

3) Status of audit on the financial statements of the Company's subsidiaries by audit corporations other than the financial auditor of the Company

Among the Company's principal subsidiaries, JAFCO Investment (Asia Pacific) Ltd is audited by an audit corporation other than the financial auditor of the Company.

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

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

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

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

4. Structure for corporate governance

1) Basic views on corporate governance

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

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

2) Corporate governance policy

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

http://www.jafco.co.jp/english/corporate/governance/

3) Outline of structure

The Company is a "company with a board-audit committee," whereby the Board of Directors and the Board-Audit Committee make important management decisions and audit/ supervise business execution by directors.

Independent directors comprise the majority of the Board-Audit Committee. The Company has set out the standards for independence of independent directors.

The Investment Committee composed of the President and other members has an authority to make investment decisions to allow quick decision-making. Directors serving as Board-Audit Committee members also participate in the Investment Committee.

4) Evaluation of the effectiveness of the Board of Directors

The summary of the results of the evaluation of the effectiveness of the Board of Directors for the fiscal year ended March 31, 2018 is as follows:

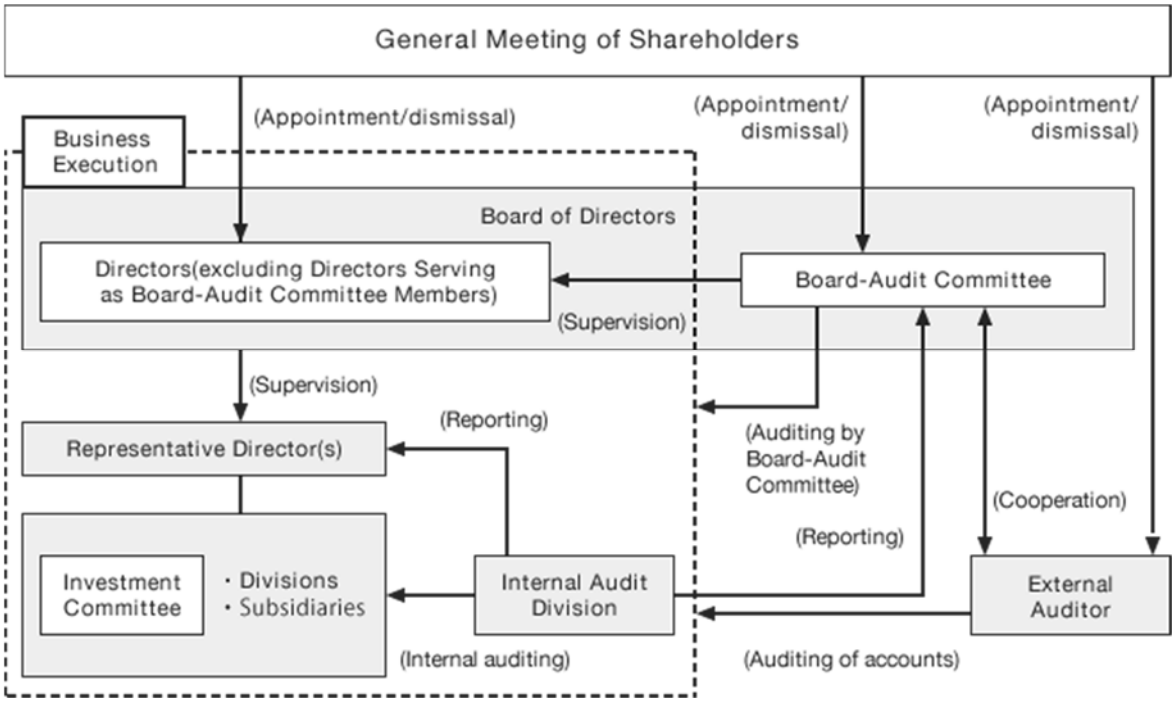
The Board of Directors evaluated the effectiveness of the Board of Directors for the third time, in the same manner as last year and the year before that. Questionnaires were administered to all directors about items such as composition, role and duties of the Board of Directors and the administration of Board meetings, and the full-time Director Serving as Board-Audit Committee Member conducted interviews with each director, based on which deliberations were held at the meeting of the Board of Directors.

During deliberations at year-round Board meetings, lively discussions were held as independent directors played an important role and actively participated in discussions. While continuing efforts to ensure constructive discussions based on various views, the Board will further improve reporting/ presentation efficiency at Board meetings to secure

more time to discuss about mid- and long-term issues.

The Company will regularly conduct evaluation and continue our efforts to increase the effectiveness of the Board of Directors by improving efficiency and swiftness of business execution, and also by further enhancing supervision by the Board of Directors.

Corporate governance structure



5. Structure for ensuring appropriate operations

The outline of a resolution by the Company's Board of Directors with regard to the structure to ensure that directors' execution of their duties is in compliance with laws and regulations and the Articles of Incorporation, and other structures to ensure appropriate operations of the Company and the corporate group comprising the Company and its subsidiaries, is as follows.

The Company shall implement and operate the following structures to ensure appropriate operations of the Company and its subsidiaries (collectively referred to as "JAFCO") and the structure necessary for operations of the Board-Audit Committee:

(1) Structure to ensure that execution of duties by the JAFCO's directors, etc. and employees is in compliance with laws and regulations and the Articles of Incorporation

- Based on the recognition that compliance with laws and regulations and the like is the precondition of all of corporate activities, directors and corporate officers of JAFCO (including persons with duties equivalent to these; the same shall apply hereinafter) shall lead efforts to ensure thorough compliance with laws and regulations by JAFCO from the group-wide perspective, and a compliance officer designated by the President & CEO of the Company shall supervise overall initiatives for JAFCO's compliance with laws and regulations.
- The Company shall create a global compliance policy that is common to all group

companies, and all group companies shall implement structures for compliance with laws and regulations and the like based on the policy in consideration of legal systems in the countries where they are located, their business scales, their organizational structures and other characteristics.

- The Company shall sever any relationships with antisocial forces and stand firmly against them. The Company shall work to exclude antisocial forces as the organization-wide initiatives by establishing a dedicated department that will work closely with external professional institutions including police and attorneys-at-law.
- The Internal Audit Division audits and reports the status of JAFCO's compliance with laws and regulations and the like to the President & CEO and the Board-Audit Committee, and, as necessary, to the Board of Directors. The audited departments and subsidiaries shall promptly address any issues if necessity to correct or improve is indicated.
- The JAFCO hotline shall be established and operated as means for officers, employees and others at JAFCO to directly provide information to the Company regarding conduct that is in violation of, or risks violating, laws and regulations.

(2) Structure for retention and management of information pertaining to execution of duties by directors

- In accordance with laws and regulations and internal rules, the Company shall appropriately retain and manage records concerning decision-making at the Board of Directors and other important meetings, and other important documents and information pertaining to execution of duties by the directors.

(3) Regulations and other systems concerning management of risk of loss at JAFCO

- JAFCO's directors and corporate officers shall retain authority and responsibility to implement systems and measures for risk management. In addition, the director in charge of administration shall push forward the cross-functional initiatives for JAFCO's risk management.
- At the Company, in order to manage risks associated with private equity investment, which is the Company's main business, a designated committee composed of the President and other members shall make decisions on investment in accordance with internal rules. For making investment decisions, opinions of staff in charge of evaluation shall be asked for separately from the investment division. In addition, the investment division shall update the status of business operations of unlisted investees as needed as well as on a regular basis and take necessary actions.
- At overseas subsidiaries, appropriate systems shall be established in consideration of the countries where they are located, their business scales, their organizational structures and other characteristics, with the aim of making investment decisions, assessing business operations of investees, and managing risks associated with private equity investment.
- If a risk with a significant impact on the management of JAFCO becomes apparent, JAFCO's directors and corporate officers shall promptly report this to the officer in charge of administration at the Company and the Company shall take appropriate actions in accordance with the risk.

(4) Structure to ensure that execution of duties by JAFCO's directors and the like is carried out efficiently

- Clarify the duties of directors and corporate officers, establish internal rules concerning the division of duties and official authority to achieve efficient operations through role sharing and a chain of command.
- Hold monthly meetings of the Board of Directors and extraordinary meetings as necessary to determine important issues in business execution and supervise the status of business execution by the directors.
- Thoroughly manage investment performance by enhancing the portfolio management systems of the Company and funds and regularly reporting the status at meetings of the Board of Directors.
- In light of the characteristics of private equity investment, which differs in characteristics according to country and region, committees for investment and fund management and necessary meeting bodies shall be established for each of JAFCO's tri-polar bases in Japan, the US and Asia, and efforts shall be made to enhance efficiency in decision making regarding private equity investment.

(5) Structure for reporting to the Company on matters relating to execution of duties by directors and the like of subsidiaries and systems to ensure properness of operations at group companies

- Directors, corporate officers or employees of the Company shall be assigned as officers at subsidiaries and presidents of subsidiaries shall periodically report to the Board of Directors of the Company on important execution of operations at respective subsidiaries.
- Subsidiaries shall periodically report to the Company on their financial information and the performance of the funds they manage. Furthermore, the Company and subsidiaries shall work to collaborate to ensure properness of operations through other means including information exchange between departments that are relevant in the course of business.
- The presidents of subsidiaries shall have the authority and the responsibility to implement systems and measures, etc. to ensure properness of operations of respective subsidiaries.
- Internal audits by the Company and audits by the Board-Audit Committee of the Company shall also be implemented at subsidiaries.

(6) Matters regarding directors/employees to assist the Board-Audit Committee with their duties, independence of the directors/employees from other directors (excluding Directors serving as Board-Audit Committee Members) and assurance of effectiveness of directions to the directors/employees

- Directors or employees to assist the duties of the Board-Audit Committee will be assigned as necessary, and personnel affairs of assistant employees will be discussed between directors and the Board-Audit Committee.
- The Board-Audit Committee shall have the authority to give directions and orders to its employee assistants in executing their assistant duties.
- The Board-Audit Committee conducts audits based on internal audit results when available. Based on discussions with the Board-Audit Committee, the internal audit division conducts internal audits at the request of the committee and reports the result to the committee.

(7) Structure for reporting to the Company's Board-Audit Committee by directors and

the like and employees of JAFCO and structure to ensure that reporting persons are not treated disadvantageously because of the relevant reporting

- Directors, corporate officers and employees of JAFCO shall, in accordance with requests from the Board-Audit Committee, make reports regarding their execution of duties and the status of operations.
- Directors, corporate officers and employees of JAFCO shall promptly report matters with the potential to cause a serious impact on the Company and its subsidiaries; violations of laws and regulations and the Articles of Incorporation; improper conduct by directors; and serious whistleblowing matters that are reported to the JAFCO hotline, to the Board-Audit Committee.
- The JAFCO hotline whistleblowing contacts shall include a member of the Board-Audit Committee of the Company.
- Persons notifying matters to the JAFCO hotline or to the Board-Audit Committee of the Company shall not be treated disadvantageously because of the relevant notification or reporting.

(8) Matters regarding policy for treatment of expenses and the like occurring in the execution of duties by members of the Board-Audit Committee

- For the various expenses associated with audits by members of the Board-Audit Committee, a budget necessary to secure the effectiveness of the audits shall be established, and in cases of budget requests from members of the Board-Audit Committee, the relevant expenses shall be paid following confirmation by the accounting department.

(9) Other systems to ensure that audits by the Board-Audit Committee are made effectively

- Representative directors shall provide opportunities for the Board-Audit Committee to regularly exchange opinions.
- Directors and corporate officers shall ensure opportunities for members of the Board-Audit Committee to attend important internal meetings or committees.
- The Board-Audit Committee, Internal Audit Division and the financial auditor shall have opportunities for regular consultations and reinforce their relationships through information and opinion exchanges.

6. Overview of the operation status of the structure for ensuring appropriate operations

An overview of the operation status of the structure for ensuring appropriate operations in the fiscal year ended March 31, 2018 was as follows.

(1) Compliance management

- The Company revised internal rules and reviewed work flow in accordance with revisions to laws and regulations, such as the Financial Instruments and Exchange Act, and made related officers and employees recognize such revisions.
- The Company has all of its officers and employees submit once a year a pledge of compliance with laws and regulations and internal rules related to data management and restriction of insider trading, etc. to raise compliance awareness.
- As for measures to sever any relationships with antisocial forces, a dedicated

department is working closely with external professional institutions including the police and attorneys-at-law to gather relevant information.

- The Company has established the Rules on Internal Control over Financial Reporting. It is carrying out the enhancement, operation and evaluation of internal control over financial reporting in cooperation with the financial auditor.
- The Company has established the JAFCO hotline, which provides direct contacts with the Compliance Officer, the administration department and independent directors of the Company, to prevent and detect violations of laws and regulations, etc. and improper conduct at an early stage. The hotline is known companywide via the Intranet and through other means.

(2) Risk management

- The internal audit division conducts internal audits of each division and overseas subsidiaries of the Company based on the internal audit plans, and reports the results to the President, the Board-Audit Committee and the Board of Directors.
- The directors in charge of overseas operations regularly report important matters concerning investment and fund management at overseas bases and other overseas operations as part of business report to the Board of Directors.
- The status of compliance management and risk management is reported regularly to the Board of Directors.

(3) Efficiency of execution of duties

- During the fiscal year, the Board of Directors held 14 meetings to make decisions on important management matters and oversee the status of business execution.
- Decision-making on investment in unlisted companies is conducted by the investment committee locally set up at each operating base in Japan, the U.S. and Asia. This allows proper risk management and efficient execution of duties in accordance with the business environment in each region.
- Reports on portfolio status are made every month at meetings of the Board of Directors to ensure strict portfolio management by each division/ subsidiary/ fund, and to improve fund performance.
- In-house work flow is continuously reviewed, while IT and other operational infrastructures are implemented/ renewed and remote workstyle is promoted to improve operating efficiency and boost productivity.

(4) Audit and supervision by the Board-Audit Committee

- The Board-Audit Committee members, led by a full-time member, attend the investment committee and other important internal meetings, and express opinions as necessary, to supervise the business execution.
- Members of the Board-Audit Committee conducted interviews with directors and managers responsible for investment and other divisions, and received explanations about important decision-makings and the status of execution of duties.
- Written approvals from a representative director and the director in charge of each division are circulated to a full-time member of the Board-Audit Committee. In addition, the Board-Audit Committee regularly receives reports separately on the status of said approvals from the division in charge.
- Employees at the internal audit and administration divisions assist in operations of the Board-Audit Committee as necessary.

- The Board-Audit Committee exchanges opinions with representative directors. In addition, the Board-Audit Committee shall have discussions with the internal audit division and the financial auditor on a regular basis.
- It has been informed via the Intranet and by other means that anyone who blows the whistle using the JAFCO hotline or to the Board-Audit Committee will not be treated unfavorably because of the reporting.

Consolidated Balance Sheet

(As of March 31, 2018)

(Millions of yen)

Item	As of Mar. 31, 2018	(Reference) As of Mar. 31, 2017	Item	As of Mar. 31, 2018	(Reference) As of Mar. 31, 2017
Assets			**Liabilities**		
Current assets	**121,983**	**158,549**	**Current liabilities**	**13,202**	**9,371**
Cash and deposits	67,586	88,179	Current portion of bonds payable	–	2,000
Operational investment securities	61,287	62,274	Current portion of long-term loans payable	795	1,343
Investment loss reserves	(10,351)	(12,332)	Income taxes payable	9,350	1,860
Securities	2,500	19,000	Deferred tax liabilities	1,576	2,143
Deferred tax assets	144	50	Provision for bonuses	309	324
Other	816	1,376	Allowance for extraordinary compensation for directors	127	156
Non-current assets	**69,566**	**79,352**			
Property, plant and equipment	**296**	**268**	Reserve for success fee refunds	–	6
Buildings	180	97	Other	1,044	1,537
Furniture and fixture	116	170	**Non-current liabilities**	**18,048**	**20,675**
Intangible assets	**74**	**78**	Long-term loans payable	182	977
Software	74	74	Net defined benefit liability	616	580
Telephone subscription right	–	3	Deferred tax liabilities	17,232	19,074
Investments and other assets	**69,195**	**79,006**	Other	17	42
Investment securities	68,281	78,140	**Total liabilities**	**31,251**	**30,046**
Investments in capital	32	32	**Net assets**		
Long-term loans receivable	139	143	**Shareholders' equity**	**112,477**	**153,949**
Deferred tax assets	101	146	**Capital stock**	**33,251**	**33,251**
Other	640	543	**Capital surplus**	**32,806**	**32,806**
			Retained earnings	**54,005**	**107,973**
			Treasury shares	**(7,585)**	**(20,081)**
			Accumulated other comprehensive income	**47,821**	**53,905**
			Valuation difference on available-for-sale securities	**47,961**	**53,771**
			Foreign currency translation adjustment	**(132)**	**136**
			Remeasurements of defined benefit plans	**(6)**	**(1)**
			Total net assets	**160,299**	**207,855**
Total assets	**191,550**	**237,902**	**Total liabilities and net assets**	**191,550**	**237,902**

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

Consolidated Statement of Income

(from April 1, 2017 to March 31, 2018)

(Millions of yen)

Item	For the year ended March 31, 2018	(Reference) For the year ended March 31, 2017
Net sales	**29,470**	**27,857**
Revenue from operational investment securities	23,470	20,774
Income from partnership management	5,987	7,062
Other sales	12	20
Cost of sales	**10,176**	**13,188**
Cost of operational investment securities	9,848	11,973
Other cost	328	1,215
Gross profit	**19,293**	**14,668**
(Reversal of) Additions to investment loss reserves	(865)	(2,835)
(Reversal of) Unrealized losses on operational investment securities	(105)	(157)
(Reversal of) Additions to reserve for success fee refunds	(6)	(140)
Gross profit - net	**20,269**	**17,801**
Selling, general and administrative expenses	**6,017**	**5,476**
Operating income	**14,252**	**12,324**
Non-operating income	**1,482**	**1,520**
Interest income	76	34
Dividend income	1,383	1,373
Foreign exchange gains	–	59
Miscellaneous income	22	53
Non-operating expenses	**180**	**178**
Interest expenses	23	48
Loss on valuation of investment securities	–	58
Foreign exchange losses	146	–
Office transfer expenses	–	35
Miscellaneous loss	10	36
Ordinary income	**15,554**	**13,666**
Extraordinary income	**19,718**	**513**
Gain on sales of investment securities	19,718	–
Gain on bad debts recovered	–	513
Extraordinary losses	**506**	**–**
Loss on valuation of investment securities	403	–
Moving expenses	103	–
Profit before income taxes	**34,766**	**14,180**
Income taxes - current	**10,500**	**2,865**
Income taxes - deferred	**30**	**240**
Profit	**24,235**	**11,073**
Profit attributable to non-controlling interests	**–**	**–**
Profit attributable to JAFCO Co., Ltd. shareholders	**24,235**	**11,073**

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

Consolidated Statement of Changes in Net Assets

(from April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance as of April 1, 2017	33,251	32,806	107,973	(20,081)	153,949
Changes of items during period					
Dividends of surplus			(4,436)		(4,436)
Profit attributable to JAFCO Co., Ltd. stockholders			24,235		24,235
Purchase of treasury shares				(61,270)	(61,270)
Retirement of treasury shares			(73,765)	73,765	–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	(53,967)	12,495	(41,472)
Balance as of March 31, 2018	33,251	32,806	54,005	(7,585)	112,477

	Accumulated other comprehensive income				Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance as of April 1, 2017	53,771	136	(1)	53,905	207,855
Changes of items during period					
Dividends of surplus					(4,436)
Profit attributable to JAFCO Co., Ltd. stockholders					24,235
Purchase of treasury shares					(61,270)
Retirement of treasury shares					–
Net changes of items other than shareholders' equity	(5,810)	(269)	(4)	(6,084)	(6,084)
Total changes of items during period	(5,810)	(269)	(4)	(6,084)	(47,556)
Balance as of March 31, 2018	47,961	(132)	(6)	47,821	160,299

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

Balance Sheet

(As of March 31, 2018)

(Millions of yen)

Item	As of Mar. 31, 2018	(Reference) As of Mar. 31, 2017	Item	As of Mar. 31, 2018	(Reference) As of Mar. 31, 2017
Assets			**Liabilities**		
Current assets	**116,388**	**149,846**	**Current liabilities**	**12,571**	**8,604**
Cash and deposits	63,505	81,717	Current portion of bonds payable	–	2,000
Operational investment securities	59,439	60,001	Current portion of long-term loans payable	795	1,343
Investment loss reserves	(9,831)	(11,948)	Accounts payable	377	166
Securities	2,500	19,000	Income taxes payable	9,205	1,727
Prepaid expenses	35	22	Accrued expenses	83	86
Accrued income	20	149	Deferred tax liabilities	1,370	1,941
Accounts receivable	475	767	Deposits received	34	26
Other	242	136	Provision for bonuses	261	278
			Allowance for extraordinary compensation for directors	127	156
			Reserve for success fee refunds	–	6
			Other	316	871
Non-current assets	**71,873**	**81,645**	**Non-current liabilities**	**18,017**	**20,624**
Property, plant and equipment	**231**	**220**	Long-term loans payable	182	977
Buildings	140	91	Deferred tax liabilities	17,211	19,026
Furniture and fixture	90	128	Provision for retirement benefits	607	577
Intangible assets	**60**	**52**	Other	17	42
Software	60	49	**Total liabilities**	**30,589**	**29,228**
Telephone subscription right	–	3	**Net assets**		
Investments and other assets	**71,581**	**81,372**	**Shareholders' equity**	**109,664**	**148,873**
Investment securities	68,267	76,708	**Capital stock**	**33,251**	**33,251**
Shares of subsidiaries and associates	2,731	4,153	**Capital surplus**	**32,806**	**32,806**
Investments in capital	15	15	Legal capital surplus	32,806	32,806
Long-term loans receivable	8	31	Other capital surplus	–	–
Long-term prepaid expenses	35	37	**Retained earnings**	**51,192**	**102,896**
Long-term guarantee deposits	306	209	Legal retained earnings	1,435	1,435
Other	216	217	Other retained earnings	49,756	101,460
			Retained earnings brought forward	49,756	101,460
			Treasury shares	**(7,585)**	**(20,081)**
			Valuation and translation adjustments	**48,008**	**53,390**
			Valuation difference on available-for-sale securities	**48,008**	**53,390**
			Total net assets	**157,672**	**202,264**
Total assets	**188,261**	**231,492**	**Total liabilities and net assets**	**188,261**	**231,492**

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

Statement of Income

(from April 1, 2017 to March 31, 2018)

(Millions of yen)

Item	For the year ended March 31, 2018	(Reference) For the year ended March 31, 2017
Net sales	**27,063**	**25,858**
Revenue from operational investment securities	22,869	20,415
Income from partnership management	4,160	5,402
Other sales	32	40
Cost of sales	**11,162**	**13,687**
Cost of operational investment securities	9,862	11,587
Other cost	1,299	2,100
Gross profit	**15,900**	**12,171**
(Reversal of) Additions to investment loss reserves	(1,018)	(2,907)
(Reversal of) unrealized losses on operational investment securities	(105)	(157)
(Reversal of) Additions to reserve for success fee refunds	(6)	(140)
Gross profit - net	**17,030**	**15,375**
Selling, general and administrative expenses	**3,838**	**3,491**
Operating income	**13,191**	**11,884**
Non-operating income	**4,372**	**1,493**
Interest on deposits	37	6
Interest and dividends on securities	4,313	1,374
Interest on loans	0	0
Foreign exchange gains	–	72
Miscellaneous income	21	39
Non-operating expenses	**181**	**174**
Interest expenses	10	22
Interest on bonds	14	26
Loss on valuation of investment securities	–	58
Foreign exchange losses	145	–
Office transfer expenses	–	35
Miscellaneous loss	10	32
Ordinary income	**17,383**	**13,202**
Extraordinary income	**19,718**	**513**
Gain on sales of investment securities	19,718	–
Gain on bad debts recovered	–	513
Extraordinary losses	**506**	**–**
Loss on valuation of investment securities	403	–
Moving expenses	103	–
Income before income taxes	**36,595**	**13,716**
Income taxes - current	**10,059**	**2,764**
Income taxes - deferred	**37**	**257**
Net income	**26,498**	**10,694**

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

Statement of Changes in Net Assets

(from April 1, 2017 to March 31, 2018)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings: Retained earnings brought forward	Total retained earnings		
Balance as of April 1, 2017	33,251	32,806	–	32,806	1,435	101,460	102,896	(20,081)	148,873
Changes of items during the period									
Dividends of surplus						(4,436)	(4,436)		(4,436)
Net income						26,498	26,498		26,498
Purchase of treasury shares								(61,270)	(61,270)
Retirement of treasury shares						(73,765)	(73,765)	73,765	–
Net changes of items other than shareholders' equity									
Total changes of items during the period	–	–	–	–	–	(51,703)	(51,703)	12,495	(39,208)
Balance as of March 31, 2018	33,251	32,806	–	32,806	1,435	49,756	51,192	(7,585)	109,664

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance as of April 1, 2017	53,390	53,390	202,264
Changes of items during the period			
Dividends of surplus			(4,436)
Net income			26,498
Purchase of treasury shares			(61,270)
Retirement of treasury shares			–
Net changes of items other than shareholders' equity	(5,382)	(5,382)	(5,382)
Total changes of items during the period	(5,382)	(5,382)	(44,591)
Balance as of March 31, 2018	48,008	48,008	157,672

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

English translation of financial audit report on consolidated financial statements originally issued in Japanese

Independent Auditor's Report

May 8, 2018

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

Ernst & Young ShinNihon LLC
Designated and Engagement Partner
Certified Public Accountant
Toshio Iwabu [Seal]

Designated and Engagement Partner
Certified Public Accountant
Toshihiro Morishige [Seal]

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of JAFCO Co., Ltd. (the "Company") applicable to the fiscal year from April 1, 2017 through March 31, 2018.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. The purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial

statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the JAFCO Group, which consisted of the Company and consolidated subsidiaries, applicable to the fiscal year ended March 31, 2018 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

English translation of financial audit report on financial statements originally issued in Japanese

Independent Auditor's Report

May 8, 2018

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

Ernst & Young ShinNihon LLC
Designated and Engagement Partner
Certified Public Accountant
Toshio Iwabu [Seal]

Designated and Engagement Partner
Certified Public Accountant
Toshihiro Morishige [Seal]

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, the notes to the financial statements and the related supplementary schedules of JAFCO Co., Ltd. (the "Company") applicable to the 46th Fiscal Year from April 1, 2017 through March 31, 2018.

Management's Responsibility for the Financial Statements and the Related Supplementary Schedules

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements and the related supplementary schedules based on our audit. We conducted our audit in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the related supplementary schedules are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the related supplementary schedules. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and the related supplementary schedules, whether due to fraud or error. The purpose of an audit of the financial statements is not to express an opinion on the effectiveness of the entity's internal control, but in making these risk assessments the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit

procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the related supplementary schedules.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the related supplementary schedules referred to above present fairly, in all material respects, the financial position and results of operations of JAFCO Co., Ltd. applicable to the fiscal year ended March 31, 2018 in conformity with accounting principles generally accepted in Japan.

Conflicts of Interest

We have no interest in the Company which should be disclosed in compliance with the Certified Public Accountants Act.

English translation of audit report of the Board-Audit Committee originally issued in Japanese

Audit Report

The Board-Audit Committee has audited the Directors' performance of their duties during the 46th Fiscal Year (from April 1, 2017 to March 31, 2018), and hereby reports on the method and results as follows:

1. Method and Contents of Audit

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

1) In accordance with the audit policies and assignment of duties, etc. set up by the Board-Audit Committee, members of the Committee, in cooperation with the internal audit and other divisions, attended important meetings, received reports on the status of execution of duties from the Directors and employees, etc., requested explanations as necessary, inspected important decision approval documents, and investigated the status of business operations and assets at the head office and other major offices. With respect to the subsidiaries, the members of the Committee worked to promote communication and information exchange with the Directors, etc. of each subsidiary and received business performance reports from subsidiaries as necessary.
2) Members of the Board-Audit Committee monitored and verified whether the financial auditor maintained its independence and properly conducted its audit, received reports from the financial auditor on the status of its performance of duties, and requested explanations as necessary. The members of the Committee were notified by the financial auditor that it had established a "system to ensure that the performance of the duties of the financial auditor was properly conducted" (the matters set forth in the items of Article 131 of the Ordinance on Accounting of Companies) in accordance with the "Quality Control Standards for Audits" (Business Accounting Council, October 28, 2005), and requested explanations as necessary.

Based on the above-described methods, the Board-Audit Committee examined the Business Report and the annexed detailed statements thereto, the financial statements (balance sheet, statement of income, statement of changes in net assets, and notes to financial statements) and the annexed detailed statements thereto, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements), for the fiscal year.

2. Results of Audit

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

1) We acknowledge that the Business Report and the annexed detailed statements thereto fairly present the status of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.

2) We acknowledge that no misconduct or material fact constituting a violation of any law or regulation or the Articles of Incorporation of the Company was found with respect to the Directors' performance of their duties.

3) We acknowledge that the Board of Directors' resolutions with respect to the internal control systems are appropriate. We did not find any matter to be mentioned with respect to the Directors' performance of their duties concerning the internal control systems.

(2) Results of Audit of Financial Statements and Their Annexed Detailed Statements

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

(3) Results of Audit of Consolidated Financial Statements

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

May 9, 2018

Board-Audit Committee of JAFCO Co., Ltd.

Full-Time Member
Sadahiko Yoshimura [Seal]

Member
(Independent Director)
Koji Tanami [Seal]

Member
(Independent Director)
Kenichi Akiba [Seal]

Member
(Independent Director)
Shigeru Tamura [Seal]

Guidance for Exercising Voting Rights

Please exercise your voting rights after examining the Reference Documents for the General Meeting of Shareholders (pages 7–11).

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

1. Attendance

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

Please also bring with you the Notice of Convocation of the 46th Annual General Meeting of Shareholders (this document).

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

2. Postal mail

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

The voting forms that are returned and received by 5:00 p.m. on Monday, June 18, 2018 (Japan Time) will be valid.

3. Internet, etc.

Please access the voting website designated by the Company shown below, using a personal computer (PC), a smartphone or a cellular phone, and follow the instructions on the screen to enter for or against each proposal.

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

The voting rights shall be exercised by 5:00 p.m. on Monday, June 18, 2018 (Japan Time).

Please refer to the following page for details.

Key Points When Exercising Voting Rights by Electronic Means (via Internet)

Website for voting

- You may exercise your voting rights via Internet only by visiting the voting website designated by the Company (https://evote.tr.mufg.jp/), using a personal computer (PC), a smartphone or a cellular phone (i-mode, EZweb, Yahoo! Keitai)*.
  (The website will be closed from 2:00 a.m. to 5:00 a.m. every day.)
- When exercising your voting rights using a PC, a smartphone or a cellular phone, please note that you may have difficulties accessing the website depending on the Internet environment, the device, the model, etc. For details, please direct your inquiries to the Help Desk shown below.

* i-mode, EZweb, and Yahoo! are the trademarks or the registered trademarks of NTT DOCOMO, INC., KDDI Corporation and Yahoo! Inc. of the U.S., respectively.

How to exercise your voting rights via Internet

- At the voting website (https://evote.tr.mufg.jp/), use the login ID and provisional password provided on the voting form, and follow the instructions on the screen to enter for or against each proposal.
- Please note that shareholders who use the voting website will be asked to change the provisional password in order to prevent illegal access or alteration of votes by third-parties other than shareholders.
- A new login ID and provisional password will be provided to a shareholder for each General Meeting of Shareholders.

Handling duplicate voting

- Please note that your online vote will prevail should you exercise your voting rights both by postal mail and via Internet.
- If you exercise your voting rights more than once via Internet, only the last vote shall be deemed valid. In addition, if you exercise your voting rights more than once using a PC, a smartphone and a cellular phone, only the last vote shall be deemed valid.

Expenses necessary to access the voting website

- Expenses necessary to access the voting website (including those for Internet connection, etc.) shall be borne by shareholders. When you use a cellular phone, etc., expenses necessary for packet communication or other cellular-phone usage shall also be borne by shareholders.

For inquiries about the system for exercising voting rights, please contact:

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

Information for institutional investors

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