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Notice Regarding the Sale of JAFCO Group's Shareholdings in Nomura Research Institute, Ltd. and Expected Extraordinary Income

JAFCO Group Co., Ltd. (hereinafter "JAFCO Group") decided at the meeting of Board of Directors held today that it will sell part of its shareholdings in Nomura Research Institute, Ltd. (hereinafter "NRI") held purely for the investment purpose. As a result, the gain on sales of investment securities is expected to be recorded as an extraordinary income as shown below.

1. The number of NRI shares to be sold
15,500,000 shares of NRI common stock held by JAFCO Group (39.3% of JAFCO Group's entire holding of 39,468,150 NRI shares)
2. Trading method
The sale will be through the off-hours trading system (ToSTNeT-1) of the Tokyo Stock Exchange.
3. Reason of the sale
JAFCO Group has been holding NRI shares as a highly liquid asset that allows us to continue investment in private equity, which has limited liquidity. In recent years, the percentage of NRI shares in the balance sheet had increased in line with an upward trend in the share price. Under such circumstances, we have decided to sell approximately 40% of the current holding in NRI as a result of discussions regarding whether or not to continue holding NRI shares.
4. Future outlook
As a result of this sale, the gain on sales of investment securities is expected to be recorded as an extraordinary income for the fiscal year ending March 31, 2021. The amount of the gain on sale of investment securities will be informed immediately after the amount is finalized.
We will discuss the use of the sales proceeds, including shareholder returns, and inform you as soon as it is decided.
JAFCO Group will continue to hold NRI shares remaining (23,968,150 shares) following the above sale as an asset to be used for future investment.