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July 27, 2017

Announcement Regarding Acquisition of Treasury Stock and Share Buyback through Off-Auction Own Shares Repurchase Trading (ToSTNeT-3)

(Acquisition of Treasury Stock and Share Buyback through Off-Auction Own Shares Repurchase Trading
(ToSTNeT-3) pursuant to the Articles of Incorporation in accordance with the provisions of Article 459, paragraph 1
of the Companies Act)

JAFCO Co., Ltd. (the “Company”) announced that its Board of Directors approved a resolution at the board meeting held today to acquire treasury stock in accordance with the provisions of Article 459, paragraph 1 of the Companies Act and the Company’s Articles of Incorporation, and the specific method of acquisition:

1. Reason to Acquire Treasury Stock

The Company has been examining various alternatives regarding its equity policy from the perspective of reacting effectively to the environment surrounding the investment/ asset management firms. Giving comprehensive consideration to the market environment, financial conditions of the Company, and other matters, the Company made an offer to Nomura Holdings, Inc. (“Nomura Holdings”), the largest shareholder of the Company, and Nomura Research Institute, Ltd. (“NRI”), a major shareholder, to acquire their entire holdings in the Company. The acquisition will take place as described below as both companies have indicated their intention to tender their shares.

2. Method of Acquisition

The Company will entrust the purchase of its treasury stock at the closing price of ¥4,560 on July 27, 2017 through off-auction own shares repurchase trading of the Tokyo Stock Exchange (ToSTNeT-3) at 8.45 a.m. on July 28, 2017 (no changes will be made to the trading method or trading time).

This purchase order will only be valid at the trading time mentioned above.

3. Details of Acquisition

- 1) Type of shares to be acquired
Common stock of the Company
- 2) Total number of shares to be acquired
Up to 14,000,000 shares
(31.6% of the total outstanding shares excluding treasury stock)
- 3) Total amount of shares to be acquired
Up to ¥63,840,000,000
- 4) Announcement of the result of acquisition
The result of the acquisition will be announced after the close of trading at 8.45 a.m. on July 28, 2017.

- Notes: 1. The number of shares to be acquired will not be changed. The acquisition may not be implemented, either in part or in full, depending on market trends and other factors.
2. The purchase will be made with a sell order equivalent to the number of shares scheduled for repurchase.

4. Cancellation of Shares

In accordance with its intention to hold around 5% of the total number of outstanding shares as treasury stock, the Company plans to cancel the treasury stock acquired through the above transactions together with a portion of the 3,926,923 shares of treasury stock that it held as of end of June 2017.

The actual cancellation will be resolved at a separate meeting of the Board of Directors in accordance with the provisions of Article 178 of the Companies Act.

5. Others

The Company has been notified by Nomura Holdings and NRI to the effect that they intend to sell all of their holdings of the Company's shares (8,488,200 shares and 4,948,000 shares, respectively; the latter includes 750,000 shares that NRI contributes as trust assets of its employee retirement benefit trust). These transactions may cause changes in the largest shareholder and other affiliates, and major shareholders. We will make an announcement promptly once we recognize such changes.

The above transactions will not have significant impact on the business relationship between the Company and Nomura Holdings/ its group companies, or between the Company and NRI.

[Reference]

The holdings of treasury stock as of June 30, 2017

Total number of outstanding shares (excluding treasury stock):	44,367,413 shares
Number of treasury shares:	3,926,923 shares