TRANSLATION OF THE ORIGINAL SWEDISH

Statement by the Board of Directors pursuant to Chapter 19, section 22 of the Swedish Companies Act on the proposed buy-back program

Given the continued strong growth in the business during 2016, JM's financial position is strong with an interest-bearing net liability of SEK 0.4 billion. This offers scope for a large capital transfer to shareholders in addition to regular dividends. The Board of Directors proposes that the Annual General Meeting resolve to authorize the Board to buy back shares so that the Company's holdings do not exceed 10 percent of all of the shares in the Company.

A theoretical calculation in the event of full utilization of the buy-back authorization given the current share price after regular dividends would reduce the Group's visible equity/assets ratio from 40 to 24 per cent and the Parent Company's visible equity/assets ratio from 42 to 20 per cent. The Group's holdings of development properties have a surplus value at the end of 2016 of SEK 7.0 billion. Taking into consideration the surplus value of development properties, the adjusted equity/asset ratio after proposed dividends and buy-backs is 46 percent.

JM works with a very detailed capitalization model, under which equity is allocated to the different asset classes in the balance sheet taking assessed operating risk into account. The model serves as the basis for how JM plans its capital structure.

The Group conducts its business with stable and good profitability and fundamentally good demand in the majority of JM's housing markets.

It is the Board's opinion that after the proposed buy-back program JM will continue to have the financial capacity to meet the requirements that the operation's nature, scope, investment needs and risks place on the shareholders' equity of both the Group and the Parent Company. The proposal is therefore reasonable, taking into account the Group's and the Parent Company's needs for consolidation, liquidity and position in general, which means that the proposal does not prevent the Company and other companies in the Group from meeting their short- and long-term obligations.

Stockholm, February 6, 2017

JM AB (publ)

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Chairman of the Board

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Member

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Thomas Thuresson
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Thomas Mattsson
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