



May 7, 2024

To Whom It May Concern:

Company: Japan Securities Finance Co., Ltd.
Representative Executive Officer & President: Shigeki Kushida
(Code No. 8511, TSE Prime)
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Notice on Disposition of Treasury Stock by Third-Party Allotment

Japan Securities Finance Co., Ltd. (JSF) hereby informs you that our Board of Directors passed a resolution for the disposition of treasury stock through a third-party allotment, as follows, at a meeting held on May 7, 2024.

1. Summary of the disposition

(1) Date of disposition	June 26, 2024
(2) Class and number of shares for disposition	56,400 shares of the Company's common stock (Note)
(3) Disposition price	¥ 1,589 per share
(4) Total disposition value	¥ 89,619,600 (Note)
(5) Disposition method	By way of third-party allotment
(6) Planned allottee	Japan Securities Finance Employee Shareholding Association
(7) Other	The disposition of treasury stock is subject to effectuation of a Securities Registration Statement pursuant to the Financial Instruments and Exchange Act.

(Note) The figures for "number of shares for disposition" and "total disposition value" are maximum values, and the actual number of shares for disposition and the actual disposition value are expected to be determined in accordance with the number of members who join to the Japan Securities Finance Employee Shareholding Association (hereinafter, the "Shareholding Association") after the completion of the promotion of membership in the Shareholding Association. Regarding "number of shares for disposition" and "total disposition value," our plan is to promptly announce these figures as soon as the number of eligible individuals is determined.

2. Purpose and reason for the disposition

As described in the press release "Notice on Employee Stock Incentive Plan" announced on November 6, 2023, in an effort to increase the job satisfaction and motivation of our employees and to provide incentives for the enhancement of our enterprise value over the medium and longer term, we will grant our employees shares of common stock (hereinafter, the "Company Stock") issued by the Company in accordance with the Company's performance in FY2023 (hereinafter the "Company Stock Incentive Program for Employees").

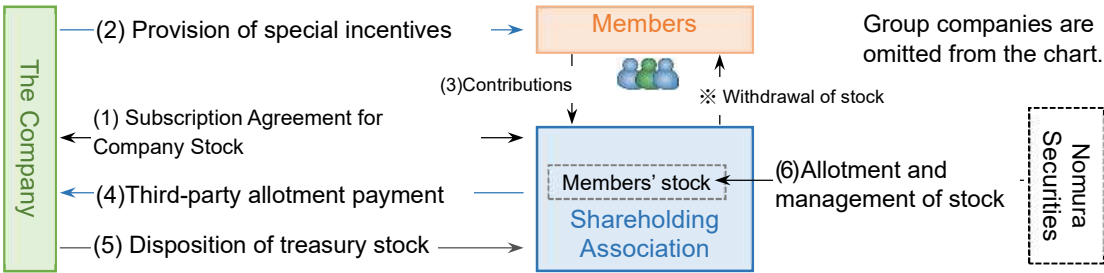
The Company's performance in FY2023 exceeded an ROE of 5% and a consolidated ordinary profit of 10 billion yen, thereby enabling us to achieve our management target set out in our "Medium-term Management Policy" formulated in November 2021 and our Seventh Medium-term Management Plan (FY2023-FY2025) two years ahead of our expectations, whereby the Board of Directors passed a resolution for the implementation of the Company Stock Incentive Program for Employees at a meeting convened on May 7, 2024. For details, please refer to the "Notice on the Implementation of a Company Stock Incentive Program for Employees" announced today.

The Company Stock Incentive Program for Employees will grant special incentive funds to Company employees who are members of the Shareholding Association (hereinafter, the "Members") and these contributed special incentive funds will be utilized to dispose of treasury stock (hereinafter, "this Disposition of Treasury Stock") to Shareholding Association, thereby resulting in a third-party allotment. Regarding the number of shares subject to disposition, as noted in the above note "1. Summary of the disposition," the plan is to dispose of a maximum number of 56,400 shares to the Shareholding Association, but the actual number of shares will be determined at a later date. The granting of the special incentive to Members is a grant of money, and is not a grant of monetary claims. Additionally, Members will not provide any monetary contributions.

Please note that the scale of dilution due to this Disposition of Treasury Stock is 0.06% of the total number of issued and outstanding shares which stands at 88,000,000 shares as of March 31, 2024, and 0.07% of the total number of voting rights which stands at 844,863 voting rights as of March 31, 2024 (Note) (both percentages have been rounded off to two decimal places).

(Note) These figures are calculated based on the number of treasury stock as of March 31, 2024 (3,245,689 shares).

3. Overview of the Company Stock Incentive Program for Employees



- (1) The Company and the Shareholding Association will enter into a Share Subscription Agreement regarding the disposition and underwriting of treasury stock.
- (2) The Company will provide special incentive payments to Members.
- (3) Members will contribute the provided special incentive payments to the Shareholding Association.
- (4) The Shareholding Association will collect the special incentive funds contributed by Members and pay for the third-party allotment.
- (5) The Company will dispose of treasury stock to the Shareholding Association.
- (6) The allotted Company Stock will be distributed to and managed on behalf of the Members of the Shareholding Association by Nomura Securities Co., Ltd., which has been outsourced with the shareholding operations by the Shareholding Association.

※ Members will be able to withdraw their allotted Company Stock to their personal securities account as they choose in their discretion.

4. Basis for calculation of disposition price and the specific details thereof

This Disposition of Treasury Stock is being conducted to facilitate the Company Stock Incentive Program for Employees. The disposition price has been set at ¥1,589, the closing price of the Company Stock on the Tokyo Stock Exchange, Inc., on May 2, 2024 (the trading day immediately preceding the date of the resolution of the Board of Directors). This is the market share price immediately preceding the date the resolution was passed by the Board of Directors, and in the absence of any special circumstances indicating that the most recent share price cannot be relied upon, we believe that it is a reasonable representation of the Company's appropriate corporate value, and that it this price is not particularly favorable for the allottees.

Furthermore, the deviation rate of this price from the average closing price of the Company Stock on the Tokyo Stock Exchange (rounded off to two decimal places) is as follows.

Period	Average closing price (Rounded down to the nearest yen)	Deviation rate
1 month (April 3, 2024 to May 2, 2024)	¥1,589	0.00%
3 months (February 2, 2024 to May 2, 2024) (Note)	¥ 1,623	-2.09%
6 months (November 2, 2023 to May 2, 2023) (Note)	¥ 1,580	0.57%

(Note) Since November 3, 2023, and February 3, 2024, are business holidays, the closing prices of November 2, 2023, and February 2, 2024, which are the last business days immediately before the holiday, are used for this calculation.

The Audit Committee of the Company (consisting of three members, two of whom are outside Directors) has expressed the opinion that the process by which the Company determined the above disposition price is reasonable and lawful in that it took into consideration the closing price on the business day preceding the date on which the Board of Directors passed the resolution and does not present a disposition price that is particularly favorable to the allottees.

5. Procedures under the Code of Conduct

This Disposition of Treasury Stock does not require procedures for obtaining an independent, unbiased third-party opinion or for confirming shareholder intent as set forth in Article 432 of the Tokyo Stock Exchange Securities Listing Regulations because: (i) it will result in a dilution rate of less than 25%, and (ii) there will be no changes to controlling shareholders.

End of Document

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