



May 9, 2023

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 at a meeting of our Board of Directors held on May 9, 2023, we passed a resolution for the disposition of treasury stock through a third-party allotment, as follows.

#### 1 . Summary of the disposition

( 1 ) Date of disposition	June 30, 2023
( 2 ) Class and number of shares for disposition	49,000 shares of the Company's common stock (Note)
( 3 ) Disposition price	¥ 1,018 per share
( 4 ) Total disposition value	¥ 49,882,000 (Note)
( 5 ) Disposition method	By way of third-party allotment
( 6 ) Planned allottee	Japan Securities Finance Employee Shareholding Association
( 7 ) Other	The Company has filed a securities registration statement in accordance with the Financial Instruments and Exchange Act, regarding the disposition of treasury stock.

(Note) The figures for “number of shares for disposition” and “total disposition value” are maximum, and the actual number of shares for disposition and the actual disposition value are expected to be determined according to the number of members who join to the Japan Securities Finance Employee Shareholding Association (hereinafter “Shareholding Association”) after the completion of the promotion of membership in the Shareholding Association. Regarding “number of shares for disposition” and “total disposition value”, we plan to promptly announce them 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 Company's Stock Incentive Program for Employees” announced on November 28, 2022, to increase the job satisfaction and motivation of our employees and to provide incentives to enhances our enterprise value over the medium and longer term, we will grant shares of common stock (hereinafter "Company Stock") issued by the Company to our employees (hereinafter the "Company's Stock

Incentive Program for Employees") in accordance with the Company's performance in FY2022.

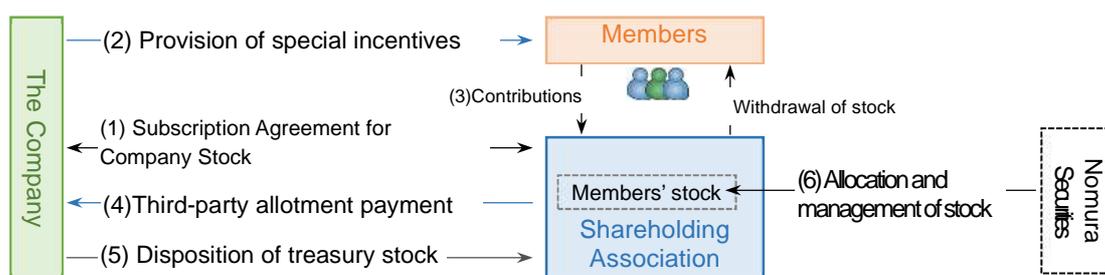
Following the achievement of the Company's management target of 4% ROE for FY2022, our Board of Directors has passed a resolution at a meeting held on May 9, 2023, to implement a share incentive plan for its employees. For details, please refer to the "Notice on the Implementation of a Company Stock Incentive Program for Employees" announced today.

The Company Stock Incentive Program for Employees is to grant special incentive funds to members and dispose of treasury stock (hereinafter "This Disposition of Treasury Stock") to the Japan Securities Finance Employee Shareholding Association (hereinafter "Shareholding Association") with the contribution of such special incentive funds, which will be allocated to a third party. Regarding the number of shares to be disposed of, the maximum number of 49,000 shares will be disposed of to the Shareholding Association, which will be determined at a later date as noted in the above note "1. Summary of the disposition" The granting of the special incentive to members is a grant of money, not a grant of monetary claims.

Please note that the scale of dilution due to This Disposition of Treasury Stock is 0.05% of the total number of outstanding shares as of March 31, 2023, which is 96,000,000 shares, and 0.06% of the total number of voting rights as of March 31, 2023, which is 870,226 voting rights (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, 2023 (8,770,527 shares). However, as stated in the press release "Announcement regarding Cancellation of Treasury Stock" dated March 20, 2023, the Company cancelled 8 million shares of treasury stock on April 20, 2023.

### 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 Company employees who are members of the Shareholding Association (hereinafter "Members").

(3) Members will contribute the special incentive payments provided to the Shareholding Association.

(4) The Shareholding Association collects the special incentive funds contributed by Members and pays for the third-party allotment.

(5) Company disposes of treasury stock to the Shareholding Association.

(6) The allocated Company Stock is distributed to and managed for the members of the Shareholding Association through Nomura Securities Co., Ltd. to which the Shareholding Association outsources its shareholding operations.

Members are able to withdraw their allocated Company Stock to their personal securities account as they choose.

#### 4 . Basis of calculation of disposition price and its details

This Disposition of Treasury Stock is aimed to implement the Company Stock Incentive Program for Employees. The disposition price has been set at ¥1,018, the closing price of the Company Stock on the Tokyo Stock Exchange, Inc. on May 8, 2023 (the trading day immediately preceding the date of the resolution of the Board of Directors). This is the market share price immediately prior to the date of the resolution 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 in the stock market and does not constitute a particularly advantageous price for the allottee.

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 7, 2023 to May 8, 2023) (Note)	¥ 997	2.11 %
3 months (February 9, 2023 to May 8, 2023)	¥ 1,007	1.09 %
6 months (November 9, 2022 to May 8, 2023)	¥ 1,046	-2.68 %

(Note) Since April 9, 2023 is a business holiday, the closing price of April 7, 2023, which is the last business day of the business holiday, is used for this calculation.

The Audit Committee of the Company (four members, three of whom are outside Directors) has expressed their opinion that the process by which the Company judged that the above disposition price does not represent a particularly advantageous price is rational considering that the disposition price was the closing price on the business day preceding the date on which the Board of Directors passed the resolution.

#### 5 . Matters concerning procedures under the Code of Conduct

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

This is the English translation of the document originally written in Japanese for non-Japanese convenience. Although Japan Securities Finance intends to faithfully translate the Japanese written documents into English version, the accuracy and correctness of translation are not guaranteed, so you are kindly encouraged to refer to the original Japanese version of the document.