



May 16, 2022

To whom it may concern

Company: Japan Securities Finance Co., Ltd.
Representative Executive Officer & President: Shigeki Kushida
(Code No. 8511, TSE Prime)
Contact: Kentaro Hibi, General Manager, Corporate Governance Office
(E-mail : info@jsf.co.jp)

Announcement Regarding Partial Amendments to the Articles of Incorporation

Japan Securities Finance Co., Ltd. (hereinafter “JSF”) hereby announces that it has resolved, at a meeting of the Board of Directors held on May 16, 2022, to submit a proposal for partial amendment to the Articles of Incorporation to the 112th Ordinary General Meeting of Shareholders scheduled to be held on June 23, 2022, as described below.

Matters Resolved

1. Purpose of the Amendments to the Articles of Incorporation

(1) Change the Number of Directors

In conjunction with the Company's transition to a company with a Nominating Committee in 2019, JSF have been working to improve the effectiveness of supervision by the Board of Directors under a structure of five (5) directors, including three (3) outside Directors, after separating the supervision and execution functions.

Specifically, under a system in which the chairperson of the Meeting of the Board of Directors and the chairpersons of the three committees are all outside Directors, multiple reviews and discussions have been held from various angles in formulating the Medium-Term Management Plan and other plans. Also, to ensure appropriate supervision of business activities, efforts have been made to enhance the information provided to directors by reviewing the contents of reports and holding business activities briefings. These efforts have been rated as being appropriate in the evaluation of the effectiveness of the Meeting of the Board of Directors.

However, given the changes in the business environment, such as the revision of the Corporate Governance Code, the transition to the new market category on the Tokyo Stock Exchange, and the further development of internationalization and DX, as well as the

Company entering a phase of formulating and implementing the next Medium-Term Management Plan under the medium-term management policy, and from the perspective of further enhancing the role of the Board of Directors of a company with a Nominating Committee, etc., in deliberating and determining basic management policies and assuming a supervisory function, the Company has decided to reexamine the composition, etc. of the Board of Directors through renewed deliberations at the Nominating Committee.

As a result, while the current Board of Directors is composed of directors with the necessary skills to effectively fulfill its supervisory function over the execution of duties. In light of the changes in the environment etc., it is desirable to have multi-layered skill sets, and it is also important to have a balance in terms of the number of supervisors and executives, as well as diversification in terms of age composition and gender. Based on these considerations, JSF have come to the conclusion that it is appropriate to increase the size of the Board of Directors by approximately two (2) outside Directors in addition to the current five (5). JSF have also come to the conclusion that it is appropriate to review the maximum number of directors in consideration of the Company's size while allowing for prompt decision-making, and with a certain margin in conjunction with the actual number of directors, based on the skill matrix.

Consequently, the number of directors stipulated in Article 19 of the current Articles of Incorporation will be changed to a maximum of eight (8) with one (1) additional spare director for the actual number of directors of seven (7).

(2) Concerning the System of Providing Materials for the General Meeting of Shareholders In Electric Format

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) will come into force on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for General Shareholders' Meetings, the Articles of Incorporation of the Company shall be amended as follows.

. The proposed Article 15, Paragraph 1 stipulates that the Company takes electronic provision measures for information contained in the Reference Documents for the General Shareholders' Meeting, etc.

. The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.

. The provisions related to the Internet Disclosure and Deemed Provision of Reference Documents for General Shareholders Meeting (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.

. In line with the above establishment and deletion of the provisions, supplementary provisions related to the effective date, etc. shall be established.

2. Details of the proposed amendment

The details of the proposed amendment are as appendix:

3. Date of amendments

Ordinary General Meeting of Shareholders to approve the Amendment: June 23, 2022

Effective Date of the Amendment: June 23, 2022

End of Document

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.

(Underlines indicate changes.)

Current Articles of Incorporation	Proposed Changes
<p><u>Article 16. (Disclosure of Documentation and Reference Materials, etc. for General Meetings of Shareholders over the Internet and Assumption of Provision)</u> <u>The Company may use the Internet as prescribed in Ministry of Justice ordinance to disclose information to be noted or presented in reference materials for general meetings of shareholders, business reports, financial statements and consolidated financial statements in conjunction with the convocation of general meetings of shareholders and may assume that the said information has been provided to shareholders.</u></p> <p style="text-align: center;">(Newly established)</p>	<p style="text-align: center;">(Deleted)</p> <p><u>Article 16. (Measures to Provide Information in Electronic Format, etc.)</u> <u>1. The Company shall provide information contained in reference documents and other documents for the general meeting of shareholders in convening the general meeting of shareholders in electronic format.</u> <u>2. Among items for which the measures to provide information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ordinance of the Ministry of Justice in the paper-based documents to be delivered to shareholders who have requested delivery of paper-based documents by the record date for voting rights.</u></p>
<p>Article 17. ~ 18. (Omission of the provisions)</p>	<p>Article 17. ~ 18. (Unchanged)</p>
<p style="text-align: center;">CHAPTER DIRECTORS AND BOARD OF DIRECTORS</p>	<p style="text-align: center;">CHAPTER DIRECTORS AND BOARD OF DIRECTORS</p>
<p>Article 19. (Number of Directors) The number of directors of the Company shall not exceed <u>ten</u>.</p>	<p>Article 19. (Number of Directors) The number of directors of the Company shall not exceed <u>eight</u>.</p>

Current Articles of Incorporation	Proposed Changes
(Newly established)	<p data-bbox="799 241 1417 286"><u>(Supplementary Provisions)</u></p> <p data-bbox="799 286 1417 763">1. <u>The deletion of Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for General Shareholders Meeting) of the Articles of Incorporation before amendment and the establishment of the Article 15 (Measures for Electronic Provision, etc.) after amendment shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “ Effective Date ”).</u></p> <p data-bbox="799 763 1417 1122">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 15 (Internet Disclosure and Deemed Provision of Reference Documents for General Shareholders Meeting) of the Articles of Incorporation before amendment shall remain in force with respect to a General Shareholders Meeting to be held on a date within six months from the Effective Date.</u></p> <p data-bbox="799 1122 1417 1361">3. <u>These supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the General Shareholders Meeting set forth in the preceding paragraph, whichever is later.</u></p>