

February 4, 2019

To whom it may concern

Japan Securities Finance Co., Ltd.

### Transition to a “Company with Nominating Committee, etc.” structure

Japan Securities Finance Co., Ltd.(the “Company”) hereby announces that its Board of Directors today decided to make the transition to a “Company with Nominating Committee, etc.” structure, a shift from the current “Company with Board of Company Auditors” structure, subject to the approval of the shareholders at the 109th Ordinary General Meeting of Shareholders to be held in end of June 2019.

#### 1. Purpose of the Transition

As an institution specializing in the securities finance business, the Company is keenly aware of its public role at all times, and makes it a mission to contribute the development of the securities market.

With this corporate philosophy, the Company has adopted the “Company with Board of Company Auditors” structure and has established a system that enables implementation of supervision mainly by outside directors and outside Audit & Supervisory Board members.

Currently in the financial and securities markets, the globalization and development of finance has accelerated. Furthermore as international financial regulations are strengthened, the environment in which our company has seen major changes.

Under these circumstances, the Company decided to make the transition to a “Company with Nominating Committee, etc.” structure, based on the recognition that it is necessary to clarify the separation of supervision and execution of business operations, to further strengthen the supervision of ensuring the soundness of management, and to realize prompt business execution that respond quick to change in the business environment.

The Company expects that the transition to a “Company with Nominating Committee, etc.” structure will further strengthen the corporate governance system in ways that improve corporate value in the medium to long term.

#### 2. Timing of the Transition

The Ordinary General Meeting of Shareholders, which is scheduled to be held the end of June 2019, will be asked to approve the necessary changes in the Articles of Incorporation. Thereafter, the Company is scheduled to make the transition to a Company with Nominating Committee, etc.

#### 3. Others

The Company shall disclose information regarding as-yet-undecided details of the transition, including changes to the Articles of Incorporation and appointments of personnel, as soon as these details are decided after further examination.

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