

**JSF Announces Capital Participation in Indonesian Securities Finance Company
PT Pendanaan Efek Indonesia Based on Enhanced Cooperation
with Indonesia Stock Exchange Group**

TOKYO, August 25, 2020 --- Japan Securities Finance Co., Ltd. (JSF) is pleased to announce its agreement with Indonesia Stock Exchange (IDX) Group (the Indonesia Stock Exchange, the Indonesia Clearing and Guarantee Corporation, and the Indonesia Central Securities Depository) and PT Pendanaan Efek Indonesia (PEI), the sole Indonesian securities finance company, to enhance mutual cooperation in securities financing including capital participation by JSF. Based on this agreement, JSF determined to acquire a 10% stake (approximately 400 million yen) in PEI. JSF announces that all the necessary procedures with regard to this capital participation have been completed legally in Indonesia by today.

In Indonesia, the major policy goals for financial services are as follows:

To strengthen the financial services sector to realize the country's medium- to long-term economic growth and maintain stability of the financial system as a basis for sustainable economic development. In this context, the Indonesian Financial Services Authority formulated the “Indonesian Financial Services Sector Master Plan.” In terms of the capital market, the plan aims to improve efficiency, liquidity, and stability, and one of the measures to this extent is enhancement of efficiency of securities transactions and settlements through securities financing.

Specifically, a project to establish and operate a securities finance company in Indonesia has been implemented since 2014, and in December 2016, PEI was established by IDX Group. After preparing for business launch as well as obtaining the necessary administrative license, PEI commenced providing margin loans to securities companies in October 2019.

Since the beginning of this project, JSF has actively and continuously provided support as an infrastructure of the Japanese securities market under the viewpoint of contributing to the sustainable development of the Indonesian securities market and its infrastructure and international financial cooperation between Japan and Indonesia, as well as JSF's new business development and the Sustainable Development Goals. Amid this process, JSF has been considering minor capital participation in PEI as a symbol of the cooperative relationship with IDX Group to be established and expanded and the basis for developing the financial markets of both countries. Based on these thoughts, JSF acquired a 10% stake in PEI after obtaining the necessary administrative approval from the Indonesian Financial Services Authority in April 2020. As a framework for effective cooperation, the

Advisory Committee was established in PEI through which JSF will participate jointly with IDX Group in discussing future business development of PEI.

Statement from Yutaka Okada, Managing Executive Officer for International Relations and Business Development at JSF:

“In utilizing our knowledge and expertise in securities financing, we will further support business development of PEI and IDX Group based on the enhanced cooperation framework which includes JSF’s capital participation in PEI. At the same time, we would like to contribute to the sustainable development of Indonesia’s economy as well as its financial and securities markets.”

The impact of this capital participation on the business performance of JSF is minimal.

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<About JSF>

Japan Securities Finance Co., Ltd. (JSF) is the sole securities finance company in Japan incorporated in 1950 with a license under the Financial Instruments and Exchange Act. Its main business is the provision of funds and securities to securities companies for settlement of standardized margin transactions pursuant to the above law, and also provision of securities lending and financing. As an institution specializing in the securities finance business, JSF, with a keen awareness of this public role, has a mission of contributing to the development of the securities market by proactively meeting the diverse needs of securities and financial circles and boosting the long-term interests of securities market participants. JSF’s credit rating is AA- under both Rating and Investment Information, Inc. and Japan Credit Rating Agency, Ltd., and A under S&P Global Ratings. JSF’s stock is listed on the Tokyo Stock Exchange.

For more information, visit <https://www.jsf.co.jp/english/>

<About PEI>

PT Pendanaan Efek Indonesia (PEI) is the sole securities finance company in Indonesia incorporated in 2016, established by Indonesia Stock Exchange (IDX) Group (the IDX, the Indonesia Clearing and Guarantee Corporation and the Indonesia Central Securities Depository) within the framework of the Indonesian Financial Services Authority’s “Indonesian Financial Services Sector Master Plan 2015-2019” to enhance efficiency and stability in the financial services sector and as part of the “IDX Master Plan 2016-2020.” PEI will act as a fund and securities provider for securities companies and aims at improving liquidity, transaction value, and market capitalization in Indonesia.

For more information, visit <http://www.pei.co.id/en/home/>

<About IDX Group>

Indonesia Stock Exchange (IDX) is the sole Indonesian stock exchange based in Jakarta. As of December 2019, 668 companies were listed, and the total market capitalization was USD 523 billion. IDX has set as its current goal “Become an acknowledged and credible world-class exchange” and as its mission “Provide infrastructure for fair, orderly, and efficient securities trading that is also accessible to all stakeholders” to boost the Indonesian securities market. IDX owns several subsidiaries and associates in the financial market, such as Indonesia Clearing and Guarantee Corporation and Indonesia Central Securities Depository.

For more information, visit <https://www.idx.co.id/en-us/>

<Related SDGs>



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