The following is a transcription of the Japan Securities Finance Co., Ltd. financial results presentation for the 1st half of FY2021 held on November 24, 2021.

Speakers

1. Shigeki Kushida, Representative Executive Officer and President, Japan Securities Finance
2. Masaru Sekiguchi Managing Executive Officer, Japan Securities Finance

Presented by

Japan Securities Finance Co., Ltd.

Company website

https://www.jsf.co.jp

1. Executive Summary (Consolidated)

1. Executive Summary (Consolidated)

JSF

(¥ mil)	1H FY2021	YoY ⊿	⊿%	Highlights
Operating Revenues	15,056	▲234	△1.5%	✓ Margin loan business dropped (△44.7%) due to a decrease in the balance of stock loans ✓ In the securities financing, revenues increased (+16.0%) in 4 businesses (total of 5 businesses), including bond lending ✓ Revenue of subsidiary JSFTB increased (+14.9%) due to steady trust business.
Operating Income	3,442	+684	+24.8%	✓ Operating expenses decreased due to a decrease in borrowing fees accompanying a decrease in the stock loan balance ✓ General and administrative expenses decreased mainly due to a revision of the method to calculate the allowance for doubtful accounts, etc.(▲¥608mil)
Recurring Income	3,851	+812	+26.7%	
Net Income	2,745	+558	+25.5%	

~ All For Securities Market ~ 3

Masaru Sekiguchi: My name is Masaru Sekiguchi Managing Executive Officer, Japan Securities Finance. I am in charge of the Corporate Planning Department, which oversees accounting and finance. Today, I will present our financial results for the 1st half of FY2021.

Page three shows an executive summary, which provides an overview of our consolidated financial results for the 1st half of FY2021. Our performance resulted in operating revenues of 15,056 million yen, down 1.5% year on year, operating income of 3,442 million yen, up 24.8%, recurring income was 3,851 million yen, up 26.7% year on year, and net income was 2,745 million yen, up 25.5% year on year.

Operating revenues declined overall. Although revenues increased for our four businesses, excluding general stock lending for the Securities Financing Business, and our subsidiary JSFTB, revenues declined on lower stock loan balances due for the Margin Loan Business.

On the other hand, operating income, recurring income, and net income all increased due to an increase in reversal amounts resulting from revisions to the calculation method for the allowance for doubtful accounts that we adopted from this fiscal year.

2 . Summary Financial Results for 1H, FY2021

2. Summary of Financial Results for the 1H of FY2021 JSF

(¥ mil)	Consolidated			Non-consolidated					
				JSF		JSF Trust Bank		Nihon Building	
	1H FY2021	YoY.Δ	(%Δ)		YoY.Δ		YoY.Δ		YoY.Δ
Operating Revenues	**15,056**	▲234	(Δ1.5%)	13,273	▲384	1,462	189	645	0
Except Premium Charges	*13,595*	*2,014*	*(+17.4%)*	*11,812*	*1,865*				
Operating Expenses	8,159	▲617	(Δ7.0%)	8,033	▲545	226	▲61	9	▲0
Except Premium Charges	*6,724*	*1,645*	*(+32.4%)*	*6,598*	*1,717*				
General & Administrative Expenses	3,454	▲301	(Δ8.0%)	2,841	▲505	486	217	342	10
Operating Income	**3,442**	684	(+24.8%)	2,397	666	750	33	293	▲10
Recurring Income	**3,851**	812	(+26.7%)	3,949	705	750	33	349	▲16
Gain or Loss in Equity-Method	*104*	*100*	*(+2,044.2%)*						
Extraordinary Profit or Loss	23	23	( )	23	23	—		—	
Net Income	**2,745**	558	(+35.2%)	3,190	522	519	▲44	230	▲12

~ All For Securities Market ~ 4

This page shows a summary of consolidated performance for the Japan Securities Group and non-consolidated performance of each Group company. Operating rev

enues and operating expenses shown here exclude premium charges, which do not impact income.

Please look at the rows titled "Ex. Premium Charges". Excluding premium charges, operating revenues increased 17.4% to 13,595 million yen and operating expenses increased 32.4% to 6,724 million yen.

Amounts excluding premium charges include the impact of decreased revenues from the Margin Loan Business due to lower stock loan balances, i.e., the decline in premium charges. As such, looking at amounts excluding premium charges more accurately reflects our status.

We also recorded 23 million yen in extraordinary income. During the 1st quarter, we recorded gains on the sale of certain fixed assets as part of the disposal of unnecessary objects when we relocated our Osaka Branch at the end of August. Figures for the 2nd quarter are the result of having recorded relocation expenses.

3 . Summary Financial Results for 1H, FY2021 (JSF, non-consolidated)

3. Summary of Financial Results for the 1H of FY2021 (Non-consolidated)

JSF

Japan Securities Finance (Non-consolidated)
*Excluding premium charge

(¥ mil)	1H FY2021	YoY.⊿	(%⊿)
Operating Revenues*	11,812	1,865	(+18.8%)
Margin Loan Business*	1,754	▲351	(△16.7%)
Securities Financing	7,254	996	(+15.9%)
Others	2,802	1,220	(+77.1%)
Operating Expenses*	6,598	1,717	(+35.2%)
General & Administrative Expenses	2,841	▲505	(△15.1%)
Operating Income	2,397	666	(+38.5%)
Recurring Income	3,949	705	(+21.7%)
Extraordinary Profit or Loss	23	23	(–)
Net Income	3,190	522	(+19.6%)

Key Points

●Operating Revenues
- ◆ **Up ¥1,865 mil (+18.8%) YoY driven by Securities Investment ("Others").**
- – Margin loan business dropped YoY due to a decrease in the balance of stock loans.
- – Securities financing saw an increase in revenue. Bond lending remained steady and outstanding equity repo transactions also increased.
- – Others (securities investment) also saw an increase in revenue due to gains on investment securities, etc.

*For details of segments, see "Financial Highlights for the 1H of FY2021 (P6-P8)"

●Operating Expenses
- – Up ¥1,717mil (+35.2%) YoY
- – Fees on borrowing securities in bond lending increased.

●General & Administrative Expenses
- – Decreased ¥505mil (△15.1%) YoY
- – This was mainly due to a revision of the method to calculate the allowance for doubtful accounts.

~ All For Securities Market ~ 5

Next, please look at page 5. I will explain key points concerning non-consolidated financial results for Japan Securities Finance. To provide a better rep

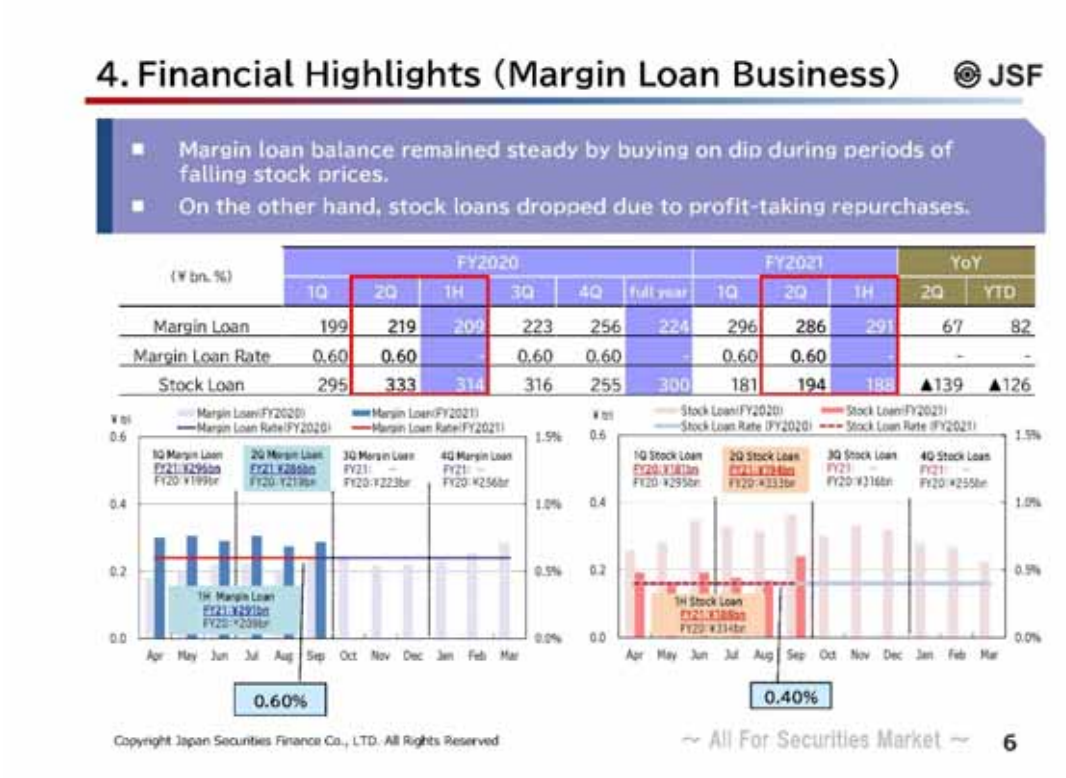
resentation of our current situation, the figures in these materials exclude negative interest per diem (premium charges) for margin transactions, which, as I explained previously, do not impact income.

First, operating revenues, increased by over 1.8 billion yen year on year to 11,812 million yen. As a breakdown of each business, the Margin Loan Business recorded decreased revenues due to lower stock loan balances.

Conversely, revenues increased for the Securities Financing Business, which c ollectively refers to capital and securities lending operations other than ma rgin transactions. Revenues increased significantly for securities investmen t, which we categorize under other revenues. Later, I will provide details on key points of financial earnings for each business.

Operating expenses increased 1,717 million yen year on year to 6,598 million yen due to increased expenses for procuring government bonds in the Bond Lend ing Business. General and administrative expenses decreased by 505 million ye n year on year due mainly to a reduced burden resulting from a revision to ou r calculation method for the allowance for doubtful accounts, as I explained earlier. As a result, operating income, recurring income, and net income all increased significantly.

4 . Financial Highlight (Margin Loan Business)



4. Financial Highlights (Margin Loan Business)

JSF

- Margin loan balance remained steady by buying on dip during periods of falling stock prices.
- On the other hand, stock loans dropped due to profit-taking repurchases.

(¥ bn, %)	FY2020						FY2021			YoY	
	1Q	2Q	1H	3Q	4Q	full year	1Q	2Q	1H	2Q	YTD
Margin Loan	199	219	209	223	256	224	296	286	291	67	82
Margin Loan Rate	0.60	0.60	-	0.60	0.60	-	0.60	0.60	-	-	-
Stock Loan	295	333	314	316	255	300	181	194	188	▲139	▲126

~ All For Securities Market ~ 6

Next, please look at page 6. I will explain key points concerning non-consolidated financial results for Japan Securities Finance. I will begin with trends in margin transactions. The graphs at the bottom of the slide show transitions in monthly average margin loan and stock loan balances for FY2020 and the 1st half of FY2021.

The blue graph to the left shows margin loans and the red graph to the right shows stock loans. In each graph, the light-colored lines indicate FY2020 and the dark lines indicate the 1st half of FY2021. The horizontal line in each graph represents margin loan rate and stock loan rate, respectively. At present, margin loan interest is 0.60 percent and stock loan rate is 0.40 percent.

Margin loan balances were firm, transitioning at levels higher than the same period of the previous fiscal year. Average balances for the 1st half were 286.7 billion yen, a year on year increase of 67 billion yen. This slightly outperforms our assumption of 280 billion yen based on estimates made at the beginning of the fiscal year.

On the other hand, since the beginning of the fiscal year, stock loan balances have transitioned at a rate underperforming the same period of the previous

fiscal year. In September, we saw new sale orders when the Nikkei index returned to the 30,000 yen range, which drove balances back towards the 200 billion yen range. However, 1st half average balances decreased significantly, by 126.6 billion yen compared to the same period of the previous fiscal year to 188 billion yen. This is significantly below our assumptions 300.6 billion yen based on estimates made at the beginning of the fiscal year.

As reference, the most recent average balances for October, which we announced on November 1, were 299.6 billion yen for margin loans and 186.6 billion yen for stock loans.

5 . Financial Highlight (Securities Financing)

5. Financial Highlights (Securities Financing)

JSF

- 4 businesses saw an increase, including bond lending
- General stock lending was sluggish due to a decrease in borrowing demand for both use of collateral and fail-cover.

(¥ mil)

	Type of transaction	1H FY2021	YoY⊿	YoY%	
Securities Financing	Loans for Negotiable Margin Transactions	69	35	+107.0%	✓ The balance of loans outstanding increased due to a increase in outstanding purchases on negotiable margin transactions.
	Loan to Securities Companies*	541	119	+28.2%	✓ Outstanding equity repo transactions have been on increasing.
	Loan to Individual Investors or Firms	248	18	+8.2%	✓ In addition to the mainstay COM-STOCK Loan, the balance of face-to-face transactions increased.
	General Stock Lending	321	▲176	△35.4%	✓ Although the balance of large-lot transactions is recovering, it was not enough to cover the decline in interest margins. Borrowing demand for use of fail-cover also decreased.
	Bond Lending	6,073	998	+19.7%	✓ Both outstanding *gensaki* transactions and repo transactions remained at all-time highs.
	Total Revenues	*7,254*	*996*	*+15.9%*	

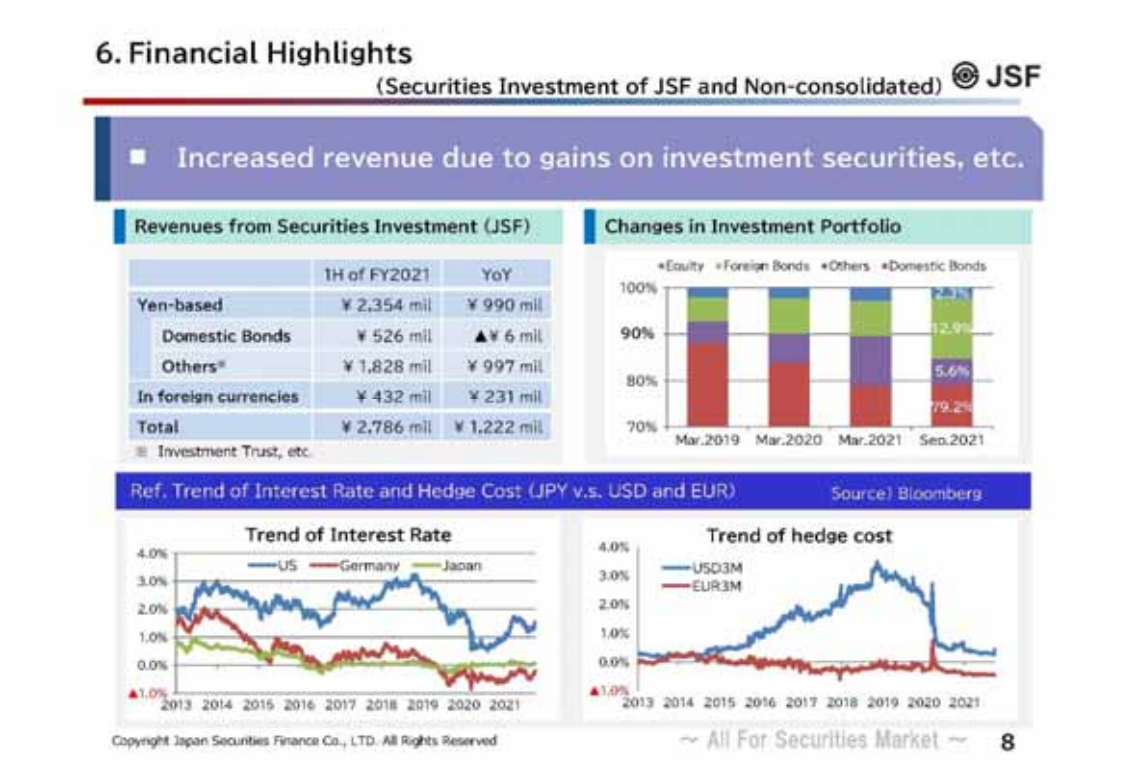
** General Loans, stabilizing funding loan, equity repo, etc.*

~ All For Securities Market ~ 7

Next, page 7 shows highlights for our Securities Financing business. In our 6th Medium-Term Management Plan, we are working to expand revenue opportunities by applying our cumulative knowhow related to capital transactions and securities transactions to strengthen and expand the Securities Financing Business. The term Securities Financing Business excludes margin transactions and is the term we use to collectively refer to five businesses: loans for general margin transactions, loans to securities companies, loans to individual investors or firms, general stock loans, and bond services.

As of the 1st half of FY2021, the general stock loans business recorded signi ficantly decreased revenues due to a declined borrowing demand but the bond s ervices business remained firm. Also, loans for general margin transactions, loans to securities companies, and loans to individual investors or firms all outperformed the same period of the previous fiscal year, resulting in overal l increased revenues for the Securities Financing Business.

6 . Financial Highlight (Securities Investment of JSF, non-consolidated)

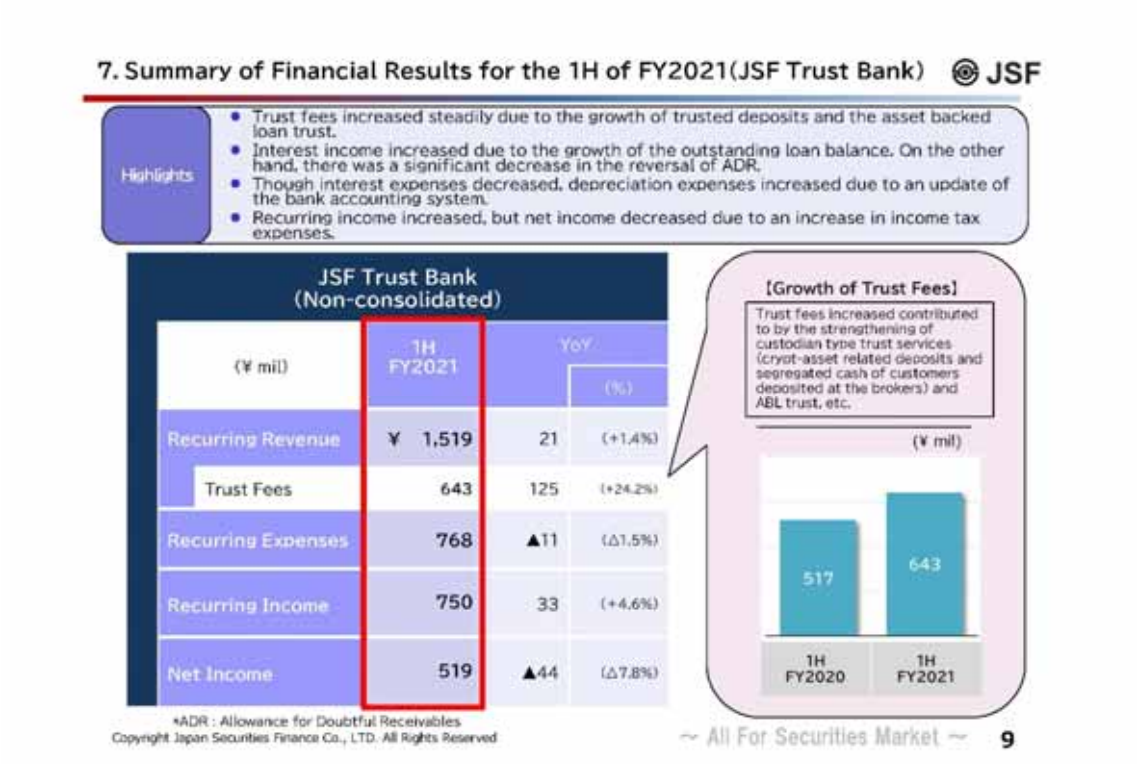


Next, I will explain highlights from our securities investment business. Plea se look at page 8. The bar graph at the upper right of the slide shows transi tions in our investment portfolio.

During our 6th Medium-Term Management Plan, we are working to diversify inves tment securities with a focus on pursing the effective utilization of capita l. In FY2018, domestic bonds made up nearly 90 percent of our portfolio with the remaining 10 percent comprising a mix of foreign bonds, stocks, and inves tment trusts. However, at of the end of September 2021, domestic bonds repres ent 80 percent of our investment portfolio.

Non-consolidated investment revenues from securities for the 1st half of FY2021 increased by roughly 1.2 billion yen from the previous fiscal year to 2,786 million yen on gains from the sale of investment securities.

7 . Summary Financial Results for 1H, FY2021 (JSF Trust Bank)



7. Summary of Financial Results for the 1H of FY2021(JSF Trust Bank) JSF

Highlights
- Trust fees increased steadily due to the growth of trusted deposits and the asset backed loan trust.
- Interest income increased due to the growth of the outstanding loan balance. On the other hand, there was a significant decrease in the reversal of ADR.
- Though interest expenses decreased, depreciation expenses increased due to an update of the bank accounting system.
- Recurring income increased, but net income decreased due to an increase in income tax expenses.

JSF Trust Bank (Non-consolidated)

(¥ mil)	1H FY2021	YoY	(%)
Recurring Revenue	¥ 1,519	21	(+1.4%)
Trust Fees	643	125	(+24.2%)
Recurring Expenses	768	▲11	(△1.5%)
Recurring Income	750	33	(+4.6%)
Net Income	519	▲44	(△7.8%)

[Growth of Trust Fees]
Trust fees increased contributed to by the strengthening of custodian type trust services (cryot-asset related deposits and segregated cash of customers deposited at the brokers) and ABL trust, etc.

*ADR : Allowance for Doubtful Receivables

~ All For Securities Market ~ 9

Next, I will discuss financial results for JSF Trust Bank, our wholly owned subsidiary. Please turn to page 9.

Our trust business focuses on custodian type trust services such as segregated cash of customers deposited at the brokers and asset backed loans. Continuing the trend from the 1st quarter, we achieved record high trust fees in the 2nd quarter of FY2021 and outperformed the same period of the previous fiscal year.

Looking at segregated cash of customers deposited at the brokers, crypto asset trust balances were firm amid a recovery on the Bitcoin market. As for asset backed loan trusts, we believe success in capturing balance accumulation at the beginning of the fiscal year contributed to the increase in trust fees in the difficult environment of ultra-low interest rates.

Looking at banking services, interest income increased on higher loan balances but reversals of doubtful accounts decreased by 160 million yen year on year. Overall, recurring revenues were 1,519 million yen, an increase of 2.1 million yen year on year. Furthermore, recurring expenses were 768 million yen, down 1.1 million yen year on year. Depreciation expenses increased due to bank accounting system upgrades while interest expenses decreased.

As a result, recurring income increased by 33 million yen year on year to 750 million yen. However, due to increased income tax expenses, net income decreased by 44 million yen to 519 million yen.

8 . Balance Sheet Summary (end of Sep-2021, consolidated)

8. Balance Sheet Summary (End of Sep-2021 / Consolidated) JSF

¥mil

	Mar-21	Change from Sep-21	
Total assets	**13,355,010**	**1,218,780**	
Cash & Deposit	1,256,220	▲ 165,336	Deposit at BOJ
Short-term investments	87,623	44,656	JGB and other bonds (Maturity: 1year or less)
Short-term loans receivable	1,108,281	▲ 8,072	Margin loan / Loans for negotiable margin transactions / General loans / Trust bank loans
Receivables under resale agreements	3,455,318	453,461	
Collateral money of securities borrowed	6,076,501	750,930	Collateral money of bond borrowing Collateral money of stock borrowing
Investments in securities	1,032,736	97,391	JGB and other bonds (Maturity: more than 1year), Stock
Total liabilities	**13,217,833**	**1,216,770**	
Call money	1,888,500	181,900	
Short-term borrowings	214,710	77,116	Bank borrowing Market operation by BOJ
Commercial Paper	491,000	▲ 122,000	
Payables under repurchase agreements	5,104,648	912,840	
Collateral money received of securities lent	4,296,863	268,160	Collateral money of bond lending Collateral money of stock lending
Borrowed money from trust account	1,058,048	▲ 85,413	
Total net assets	**137,177**	**2,010**	

Features of Assets

Them major components of assets are margin loans (short-term loans receivable), deposits in current account balance at the BOJ (cash and deposits), both of which are subject to daily fluctuations, collateral deposited for the procurement of securities (collateral money of securities borrowed), and securities held for investment.

Cash and cash equivalents may change significantly depending on the amount of standby funds in the trust account of JSF Trust and Banking Co., Ltd. and the surplus of cash position of the Group as a whole.

Features of Liabilities

In addition to market funding, such as call money and commercial paper, which can be adjusted daily in order to address daily changes in assets, major liabilities are collateral deposits received against lending securities (collateral money received of securities lent).

Ref) Capital adequacy ratio*

at the end of Sep 2021: 438%

*Based on FIEA

~ All For Securities Market ~ 10

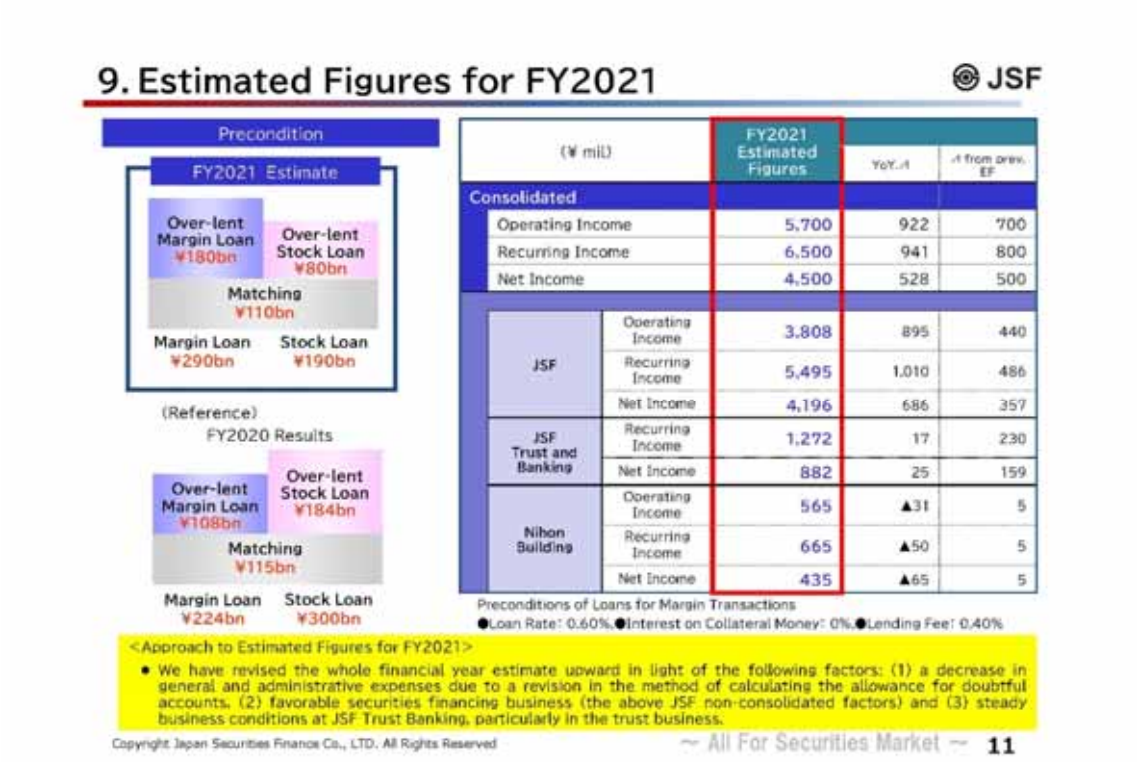
Page 10 shows our balance sheet as of the end of September 2021. Compared to the end of March, total assets increased by 1,218.7 billion yen. Looking at total assets, receivables under resale agreement and collateral money of securities borrowed increased while cash & deposits and short-term loans receivable decreased.

Cash and deposits decreased due to capital strategy. Receivables under resale agreement and collateral money of securities borrowed increased due to an inc

rease in gensaki transactions and repo transactions in the bond services division.

Looking at liabilities, the bond services division similarly has payables under repurchase agreements and collateral money received of securities lent, both of which increased significantly. We record standby funds in trust accounts as borrowed money from trust accounts. Compared to the end of March, end of September amounts decreased by 85.4 billion yen.

9 . Estimated Figures for FY2021



Next, I will discuss our estimated figures for FY2021. Please look at page 11. First, I will explain our non-consolidated figures. The average balances for margin transactions representing the preconditions for our estimates, which we calculate based on the latest market trends, are 290 billion yen for margin loans and 190 billion yen for stock loans. Compared to previous estimate figures in July, we revised margin loan balances upward by 10 billion yen and revised stock loan balances downward by 40 billion yen.

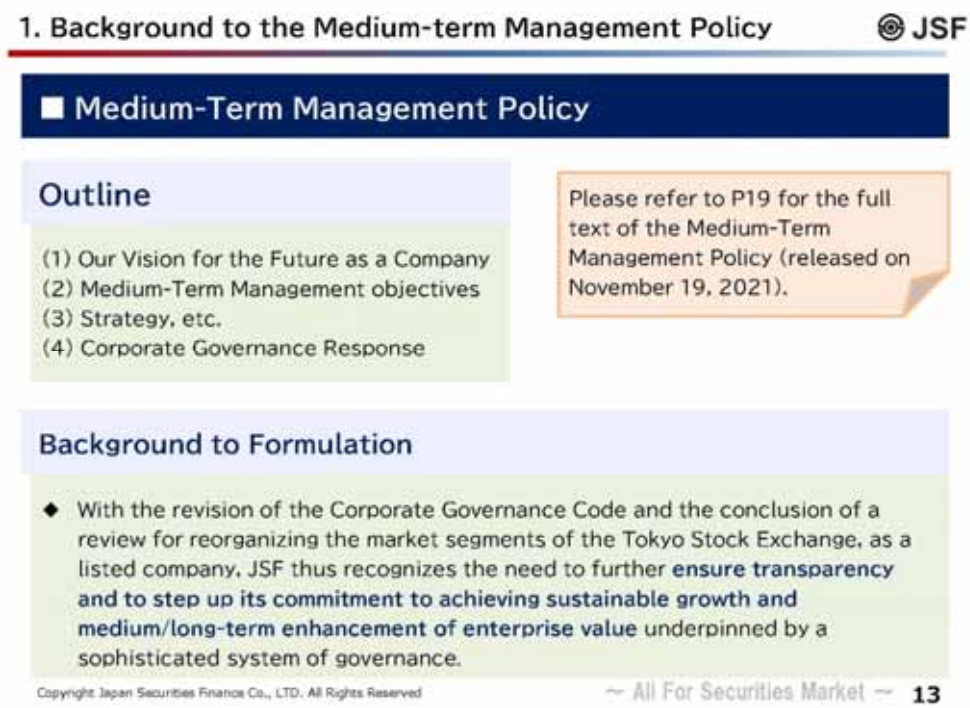
The estimate figure for JSF non-consolidated in FY2021 is shown near the center of the table to the right. We conducted an upward revision to reflect decreased general and administrative expenses resulting from the revision of the

calculation method for the allowance for doubtful accounts and favorable performance by the Securities Financing Business. Our revised estimates are operating income of 3,808 million yen, recurring income of 5,495 million yen, and net income of 4,196 million yen, each representing an upward revision of 400 to 500 million yen.

Similarly, we conducted an upward revision for JSF Group consolidated figures, which are shown in the upper part of the table, to reflect JSF earnings growth and firm performance for JSF Bank, particularly trust services. Compared to our initial estimates, we revised operating income upward by 700 million yen to 5.7 billion yen, ordinary income upward by 800 million yen to 6.5 billion yen, and net income upward by 500 million yen to 4.5 billion yen.

As for margin transaction balances, the key indicator for evaluating our revenue trends, please refer use the monthly average balance as reference. This concludes my presentation.

1. Background of the medium-term management policy



Shigeki Kushida: My name is Shigeki Kushida, Representative Executive Officer and President of Japan Securities Finance. I will explain the key points of o

ur medium-term management policy, which was approved by our board of director s on November 19.

It has been approximately 18 months since we launched our 6th Medium-Term Man agement Plan in March 2020 to expand revenues and steadily improve profitabil ity by more effectively utilizing our capital, including human resources, tow ards maintaining the high standard of financial soundness expected of a compa ny providing infrastructural functions to the securities market.
As was explained in the presentation on our interim financial results, the cu rrent environment is conducive to producing expected results. While we are st eadily recording favorable results, the background driving our decision to dr aft this medium-term management policy, involves the recent Corporate Governa nce Code revisions and the upcoming shift to a new market segment on the TSE.

As a listed company, we recognized the need to elevate our commitment to appl ying an advanced governance structure to pursue sustainable growth and of med ium- and long-term improvements in our corporate value while also striving fo r a higher level of transparency.

We view the various changes affecting listed companies as an opportunity to a ccelerate initiatives related to our ongoing corporate reforms. We drafted th is new medium-term management policy to enhance our engagement with capital m arkets and meet the expectations of our investors and shareholders.

2. Management Philosophy and Future Vision

Please turn to page 14. As we have explained in the past, our management philosophy is to maintain a keen awareness of our role as a public institution specializing in securities finance and contribute to the development of the securities market by actively meeting the diverse needs of the securities and financial sectors and improving the long-term interests of participants and users in the securities market.

One aspect of our future vision about which I have touched on in the past is the fact that we must maintain the financial soundness as a securities finance company providing infrastructural functions to the securities market.

At the same time, as is evident through the revisions to the Corporate Governance Code, as a listed company, we must achieve the sustainable growth expected of a listed company and enhance our medium- and long-term corporate value.

3. Medium-term management Goals

Based on our management philosophy and future vision, we outlined medium-term management goals of achieving an ROE of 4% by FY2022, the final year of our current Medium-Term Management Plan, and an ROE of 5% between FY2023 and FY2025, the period of our next Medium-Term Management Plan.

To elaborate a little, as I mentioned earlier, this represents our commitment to maintaining the strong financial soundness required of a company providing and maintaining the infrastructural functions to the market.

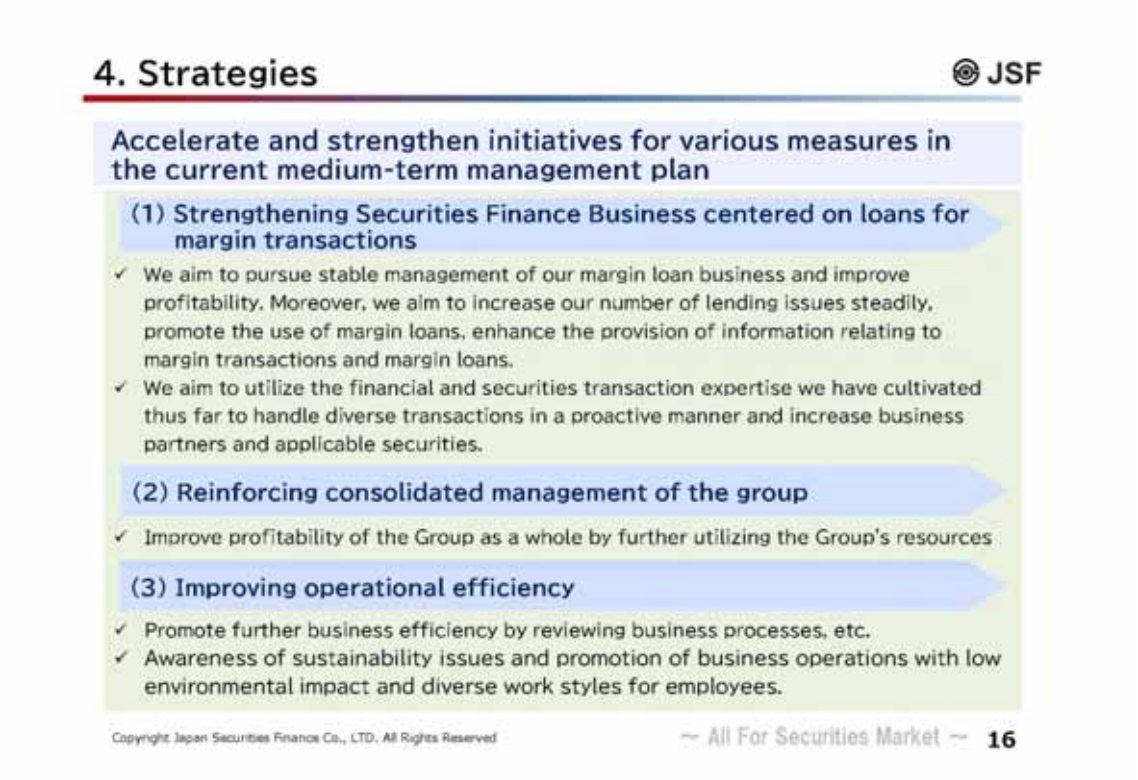
To reflect our awareness of the need to further enhance our commitment and transparency, we added ROE to our management goals. ROE is generally used as an indicator of profitability and capital efficiency.

Prior to adding ROE, our Board of Directors discussed cost of equity levels. Through those deliberations and sharing of awareness, we reached the conclusion that the mid-4% range was a suitable figure, and decided to set a goal ROE that exceeds that figure.

To balance financial soundness while also improving profitability and capital efficiency, we will aim to achieve our management goals by integrating busine

ss management and risk management, including management goals, under the Risk Appetite Framework we adopted during the current Medium-Term Management Plan.

4. Strategies



Next, I will explain how the strategies and policies related to how we will a chieve our management goals. Our medium-term management policy reflects our e nhanced commitment to achieving sustainable growth and medium- to long-term i mprovements in our corporate value and to increasing transparency. The manage ment goals we have set reflect that commitment.

However, we do not intend to change our current Medium-Term Management Plan. Rather, we are aiming to accelerate and strengthen the initiatives outlined i n the Medium-Term Management Plan.

Of course, the new medium-term management policy I presented earlier covers t he period of our next Medium-Term Management Plan. As such, next fiscal year, we will apply this policy to advance deliberations concerning specific strate gies for our next Medium-Term Management Plan.

The strategies shown in this slide represent the core policies for which we a re working to accelerate and strengthen initiatives during our current Medium

-Term Management Plan. Our strategy largely breaks down into the three items shown here.

The first is to strengthen our Securities Finance Business, which is centered on the margin loan business. This will involve accelerating and strengthening services we are addressing in the current Medium-Term Management Plan.

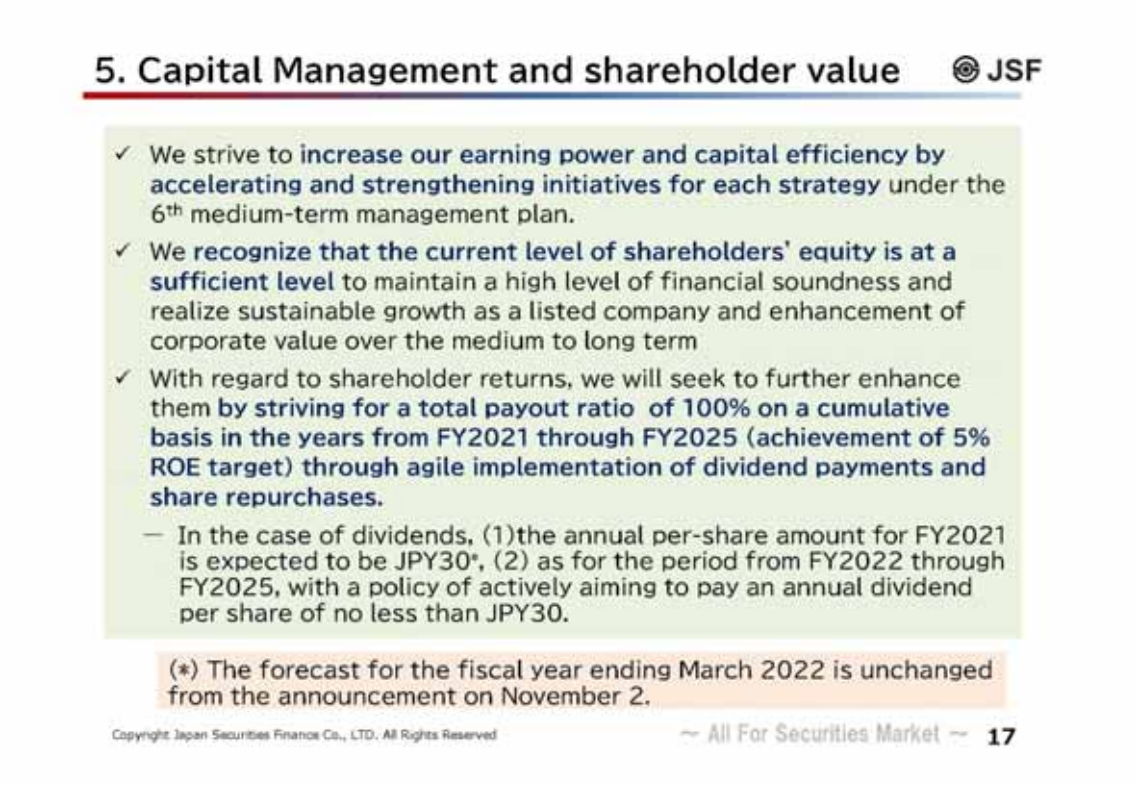
The second is reinforcing Group consolidated management. This is something we have recognized for some time but we will work to improve overall Group profi tability and capital efficiency by further utilizing Group resources such as JSF Bank and Japan Building.

The third is to improve our operational efficiency. We will review business p rocesses to promote increased work efficiency. We will eventually link these efforts to reducing our general and administrative expenses but, for next fis cal year and beyond, we will work to strengthen profitability by focusing on the strategy that successfully improving our operational efficiency, includin g meaningfully reducing in our system amortization burden, will effectively l ead to reduced general and administrative expenses.

We will also continue to review other areas. We will evaluate the details of other initiatives in the next Medium-Term Management Plan.

We also recognize that sustainability is an important issue. We will promote environmentally friendly business operations and diverse workstyles for emplo yees.

5. Capital management and shareholder value



Next, I will discuss our approach to capital management and shareholder value. In addition to increasing profitability by accelerating and strengthening initiatives related to our strategies, we will also work to improve our capital efficiency. In terms of how we view our current level of shareholders' equity, we feel that levels are sufficient for maintaining strong financial soundness and, as a listed company, achieving sustainable growth while also improving our medium and long-term corporate value.

We view capital adequacy ratio as a major indicator by which we measure our shareholders' equity level. From this perspective as well, our most recent capital adequacy ratio is sufficient for promoting these types of strategies and pursuing our management goals.

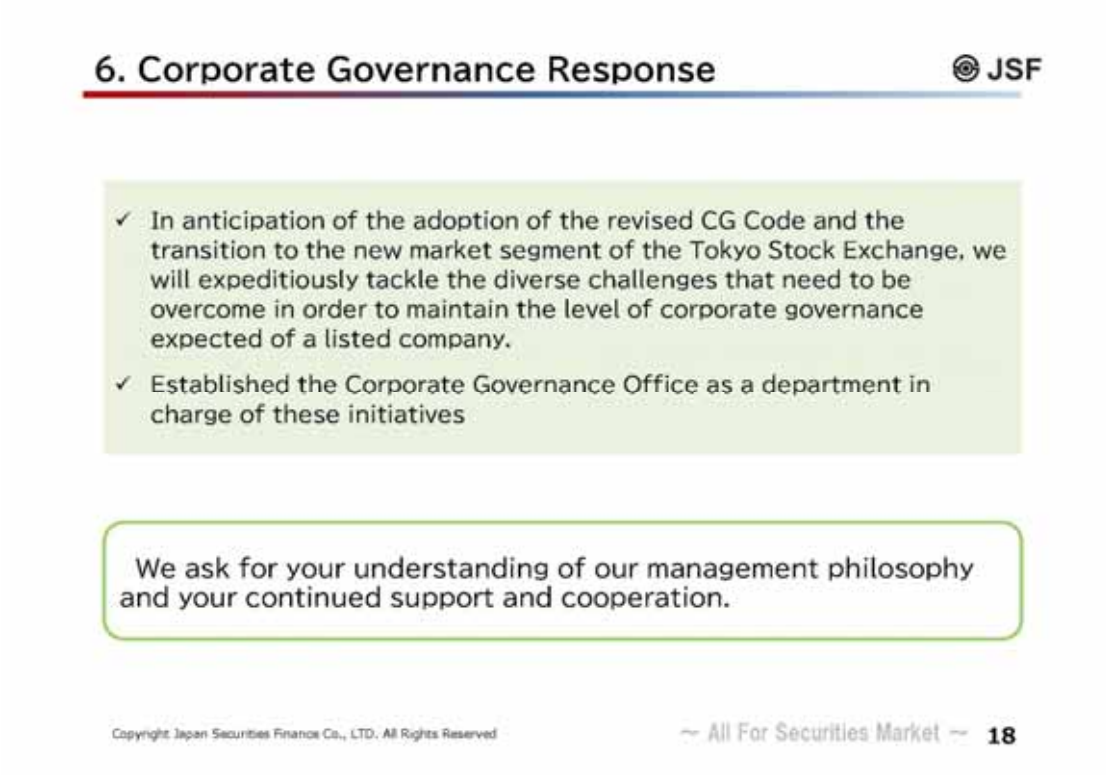
We will further enhance shareholder returns. From FY2021 through FY2025, the period during which we will aim for an ROE of 5%, we will implement dynamic dividend and share repurchases to aim for a cumulative dividend payout ratio of 100%.

Our full-year dividend forecast for FY2021 is unchanged from the 30 yen per share outlined in our FY2021 dividend forecast announced on November 2. From F

Y2022 through FY2025, we will aim for aggressive dividends that do not fall below 30 yen per share.

Investors and shareholders all have various expectations concerning shareholder returns. We believe that by setting numerical goals in the form of a percentage for dividend payout ratio and a dividend amount, we can implement a policy of shareholder returns that meets a diverse range of needs.

6. Corporate Governance Response



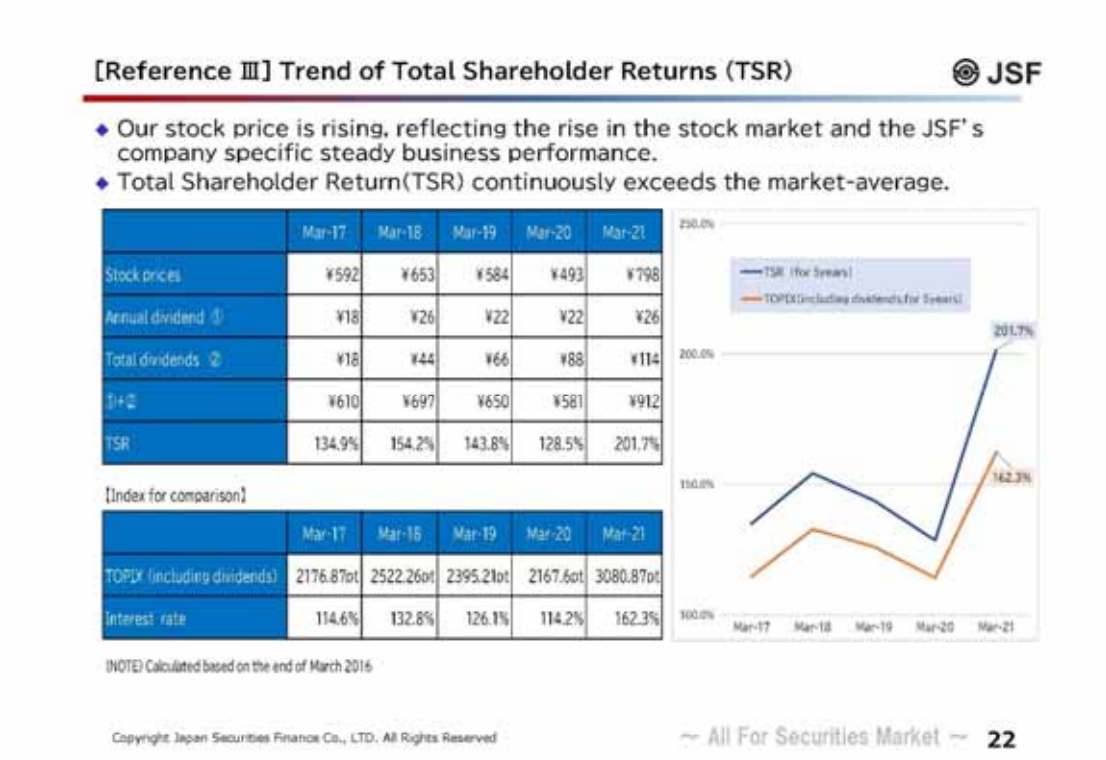
Next, I will discuss our corporate governance response. To respond to revisions to the Corporate Governance Code and the transition to a new market segment on the TSE, we want to increase our sense of urgency in addressing the corporate governance issues expected of a listed company, including enhancing the functions of the Board of Directors and responding to sustainability issues.

We established a new Corporate Governance Office as the department in charge of these initiatives. This office will oversee all matters related to corporate governance. In addition to evaluating measures and promoting initiatives, the new office will serve as a secretariat to the Board of Directors as well as work to strengthen IR/PR activities.

Lastly, we focused on cost of equity and set ROE-based management goals by outlining the milestones we are working towards in a format that is easy for our shareholders to understand. It may be that some will view our ROE goal as not being particularly aggressive.

However, this is a very challenging goal for our company. ROE at the end of the previous fiscal year was 3%, so this means increasing ROE by one percent during the remainder of the current Medium-Term Management Plan and up to five percent during the next Medium-Term Management Plan.

[reference Ⅲ] Trend of Total Shareholder Return (TSR)



[Reference Ⅲ] Trend of Total Shareholder Returns (TSR)

JSF

- Our stock price is rising, reflecting the rise in the stock market and the JSF's company specific steady business performance.
- Total Shareholder Return(TSR) continuously exceeds the market-average.

	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
Stock prices	¥592	¥653	¥584	¥493	¥798
Annual dividend ①	¥18	¥26	¥22	¥22	¥26
Total dividends ②	¥18	¥44	¥66	¥88	¥114
①+②	¥610	¥697	¥650	¥581	¥912
TSR	134.9%	154.2%	143.8%	128.5%	201.7%

【Index for comparison】

	Mar-17	Mar-18	Mar-19	Mar-20	Mar-21
TOPIX (including dividends)	2176.87pt	2522.26pt	2395.21pt	2167.6pt	3080.87pt
Interest rate	114.6%	132.8%	126.1%	114.2%	162.3%

(NOTE) Calculated based on the end of March 2016

~ All For Securities Market ~ 22

In that sense, there is room for discussion concerning our ROE level. However, throughout our history, we have maintained high-level shareholder returns and we will strive to maintain such performance through FY2025 and beyond. We hope our shareholders continue to show understanding of our policies.

Among today's materials, this slide represents trends in our shareholder value. We have maintained shareholder value that outperformance average levels for TOPIX.

I want to thank you for the opportunity to present this information and ask f or your continued understanding, support, and cooperation. This concludes my presentation.