

February 28, 2022

To whom it may concern

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Announcement of Executive/Corporate Officer Appointments

Japan Securities Finance Co., Ltd. (hereinafter "JSF") hereby announces the following appointments of Executive Officers and Corporate Officers, as decided at the Board of Directors meeting held on February 28, 2022.

I. Changes in Executive Officers and Corporate Officers

1. Executive Officers (effective from April 1, 2022)

Name	Position	Notes
Eizo Kobayashi	Chairperson	
Shigeki Kushida	Representative Executive Officer & President	Concurrently Director
Shunichiro Higuchi	Executive Vice President	
Yutaka Okada	Senior Managing Executive Officer	Currently Managing Executive Director
Masaru Sekiguchi	Managing Executive Officer	
Morikuni Shimoyamada	Managing Executive Officer	Newly appointed; currently Corporate Officer
Shinichi Sugiyama	Managing Executive Officer	Newly appointed; currently Corporate Officer (Audit Officer)

Kenji Fukushima will step down from his current position as Senior Managing Executive Officer at the completion of his term on March 31, 2022.

2. Corporate Officers (effective from April 1, 2022)

Name	Position	Notes
Yutaka Osonoi	Corporate Officer	
Jun Akabane	Corporate Officer	
Wataru Sato	Corporate Officer	
Yuji Yoshimoto	Corporate Officer	Newly appointed
Ken Toda	Corporate Officer	Newly appointed

II. Policy for Executive Officer Appointments

1. Background

JSF, as a company with a nominating committee, etc. separates oversight and executive functions. As part of the Board of Directors' execution of its oversight function, the Nomination Committee deliberates and decides on policies regarding appointments to senior management positions. Over the years, our appointment of executive officers has been guided by the following definitions of the skills required of those officers. This is to ensure that the purpose of each appointment is aligned with the formation of the executive team needed to implement the Medium-term Management Plan.

Skills required of executive officers

Given the public role of the securities finance business in providing margin loans and other services, as well as the unique characteristics of that role, an executive officer must possess not only the generally expected skills of knowledge and leadership in corporate governance, law, finance, and other such domains, but also the following special skills.

- Ability to discharge executive duties in a manner fully mindful of the public role of this business
- Possession of broad insights on the finance and securities markets as a whole
- In-depth understanding of the various relevant laws, including the Financial Instruments and Exchange Act
- Knowledge and experience in the highly professional businesses operated by the company
- Ability to agilely respond to diverse changes in the finance and securities environment surrounding the company

2. Policy review aligned with environmental changes

JSF's environment has been evolving in recent years as a result of trends such as internationalization, digitalization, revision of the Corporate Governance Code, and the Tokyo Stock Exchange's transition to new market segments. Such changes have necessitated the development of an even more sophisticated system of corporate governance.

Accordingly, the Nomination Committee has comprehensively studied and discussed its policy on executive officer appointments in the light of the recent environmental changes. The committee reached the conclusion that while no fundamental changes need to be made to the current policy, the following traits should be clearly delineated as qualities required of executive officers.

- Possession of the international-mindedness needed to carry out the company's business
- High-level knowledge and experience in business management and risk management
- High-level knowledge and experience in financial affairs and accounting

3. Scope of selection for specific appointments

In keeping with the outcome of the aforementioned policy review, the scope of selection and expected skills required for specific appointments (the so-called long list) have been itemized as follows.

1) Internal appointees

- Sophisticated specialized knowledge of business development, business/risk management, financial affairs, and accounting that is aligned with the highly public, professional, and specialized nature of the company's business, and is grounded in an understanding of the relevant laws

2) External appointees

a. Appointees from public sector

- Possession of the fair-mindedness and impartiality expected of managers of securities market infrastructure and systems
- In-depth expertise in the relevant legal systems, securities trading/settlement systems, those systems' relationship with back-office operations, market practices, and risk management
- Broad knowledge and insights in the economic and market trends that underpin business operations

b. Appointees from finance/securities industry

- Strong understanding of market practices, market needs, market participant behavior, and risk management
- Ability to take the perspective of system users
- Profound insights into DX and related market needs

A review of the Board of Directors' composition, etc. is also being conducted in light of the environmental changes mentioned in II-2 above. The resulting proposals will be released as soon as they are available.

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