

TSE Code 8511

June 4, 2026

To Shareholders

Director & Chairperson

Shigeki Kushida

JAPAN SECURITIES FINANCE CO., LTD.

1-2-10, Nihonbashi-Kayabacho, Chuo-ku, Tokyo, Japan

**NOTICE OF CONVOCATION OF
THE 116th ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Notice is hereby given that the 116th Annual General Meeting of Shareholders (the "Meeting") of Japan Securities Finance Co., Ltd. (the "Company" or "JSF") will be held as described below.

You may exercise your voting rights using either of the following methods, and we ask that you exercise your voting rights after reviewing the Reference Materials concerning the Meeting as described below.

[When exercising your voting rights in writing (voting right exercise form)]

Please mark your vote for or against the proposals on the enclosed Voting Rights Exercise Form and return the form to the Company by 5:20 p.m. (JST) on Thursday, June 25, 2026.

[When exercising your voting rights via the Internet, etc.]

When exercising your voting rights via the Internet, etc., please carefully read the "Notes on the Execution of Votes" before exercising your voting rights.

Yours very truly,

Details

① Date and Time	10:00 a.m. on Friday, June 26, 2026
② Venue	JAPAN SECURITIES FINANCE CO., LTD., Conference Room 1-2-10 Nihonbashi-Kayabacho, Chuo-ku, Tokyo, Japan
③ Agenda for the Meeting	<p>Report:</p> <ol style="list-style-type: none">1. The 116th fiscal year (from April 1, 2025 to March 31, 2026) Business Report, Consolidated Financial Statements and Report of audits of the consolidated financial statements by the Independent Auditor and Audit Committee.2. The 116th fiscal year (from April 1, 2025 to March 31, 2026) Financial Statements <p>Matters for Resolution: Proposal Election of Eight (8) Directors</p>
④ Notes on the Execution of Votes	Please refer to “Notes on the Execution of Votes” on next page

Note: These documents have been translated from the Japanese originals for reference purposes only. In the event of any discrepancies between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect, or other forms of damages arising from the translations.

Notes on the Execution of Votes.

1. With regard to the exercise of voting rights via the Internet.
 - (1) Shareholders exercising their voting rights via the Internet can only do so via the website designated by the Company (<https://www.web54.net>). However, please note that the voting service website cannot be accessed from a mobile device without an Internet connection.
 - (2) If you are exercising your voting rights via the Internet, please enter your “voting code” and “password” indicated on the proxy voting form and follow the instructions on the screen to register whether you approve or disapprove of each proposal. We ask that you exercise your voting rights on or before 5:20 p.m. (Japan standard time) on Thursday, June 25, 2026.
 - (3) If you exercise your voting rights via the Internet multiple times, the last cast vote will prevail.

Inquiries about the Exercise of Voting Rights via the Internet

Transfer Agent : Sumitomo Mitsui Trust Bank, Limited.
Stock Transfer Agency Department
[Direct Line for Web Support (Toll free)] 0120-652-031
Accessible from 9:00 a.m. to 9:00 p.m. on business days,
Saturdays, Sundays, and national holidays.

2. Platform for the Electronic Exercise of Voting Rights
Institutional investors may use the Electronic Voting Platform operated by ICJ Inc. to exercise their voting rights.


END


REFERENCE MATERIALS CONCERNING THE GENERAL MEETING OF SHAREHOLDERS


Proposal Election of Eight (8) Directors


As the terms of office of all current directors (seven (7) directors) will expire at the conclusion of this General Meeting, the Company proposes, based on the decision of the Nominating Committee, to increase the number of outside directors by one and to elect a total of eight (8) directors, six (6) of whom will be outside directors.


The candidates are as follows.


No.	Name (Date of Birth)	Career Summary, Position and Duty (Significant concurrent positions)	Number of Company Shares owned	
1	 Naotaka Obata (Oct. 15, 1944) Reappointment Outside Independent	Apr. 1968 May 1999	Joined The Mitsubishi Bank, Ltd. Managing Executive Officer of The Bank of Tokyo-Mitsubishi, Ltd.	—
		Jan. 2004	Senior Managing Executive Officer of The Bank of Tokyo-Mitsubishi, Ltd.	Term of Office
		Jun. 2004	Deputy President, The Bank of Tokyo-Mitsubishi, Ltd.	7 years (at the conclusion of this general meeting)
		Jun. 2005	President and CEO, Diamond Lease Company Limited	Attendance rate
		Apr. 2007	President and CEO, Mitsubishi UFJ Lease & Finance Company Limited (currently Mitsubishi HC Capital Inc.)	Board of Directors 12/12 (100%) Nominating Committee 6/6 (100%) Compensation Committee 8/8 (100%)
		Jun. 2010	Chairman, Mitsubishi UFJ Lease & Finance Company Limited	
		Jun. 2012	Executive Advisor to the Board, Mitsubishi UFJ Lease & Finance Company Limited	
		Jun. 2018	Special Advisor, Mitsubishi UFJ Lease & Finance Company Limited	
		Jun. 2019	Director and Chairperson of Board of Directors of Japan Securities Finance Co., Ltd. (current position)	
		Jun. 2023	Honorary Advisor, Mitsubishi HC Capital Inc. (current position)	
<p>(Reasons for selecting the candidate and expected roles) He has extensive experience in corporate management in the financial industry. Through his overseas business experience, he also has extensive knowledge and insight on international business development, and therefore, the Company has determined that he can be expected to play a sufficient role in the effective supervision of the Company's management and in decision-making on medium- and long-term management policies, etc., from an independent and objective standpoint as an outside director, and therefore nominates him as a candidate for director.</p> <p>(Independence) He is an independent director as provided for under the rules of the Tokyo Stock Exchange, Inc. If this proposal is approved, the Company plans on his continued appointment as an independent director. There are no transactions between the Company and Mitsubishi HC Capital Inc., where he served as the President and CEO until June 2010.</p>				


No.	Name (Date of Birth)	Career Summary, Position and Duty (Significant concurrent positions)	Number of Company Shares owned
2	 Kensuke Futagoishi (Oct. 6, 1952)	Apr. 1977 Joined The Sanwa Bank, Limited Apr. 2001 General Manager, Retail Banking Planning Division, UFJ Holdings, Inc. Jan. 2002 General Manager, Gotanda Corporate Sales Department and Branch Manager, Gotanda Branch, UFJ Bank Limited Oct. 2003 Joined IY Bank Co., Ltd. (currently Seven Bank, Ltd.) Jun. 2004 Director of IY Bank Co., Ltd. Jun. 2006 Director, Executive Officer of Seven Bank, Ltd. Nov. 2007 Director, Managing Executive Officer of Seven Bank, Ltd. Jun. 2009 Director, Senior Managing Executive Officer of Seven Bank, Ltd. Jun. 2010 President and Representative Director of Seven Bank, Ltd. Jun. 2018 Chairman and Representative Director of Seven Bank, Ltd. Jun. 2022 Special Advisor of Seven Bank, Ltd. (current position) Director of Japan Securities Finance Co., Ltd. (current position) Mar. 2026 Outside Director of SIIX Corporation (current position)	2,900 <hr/> Term of Office 4 years (at the conclusion of this general meeting) <hr/> Attendance rate Board of Directors 11/12 (92%) Nominating Committee 5/6 (83%) Compensation Committee 7/8 (87%)
		<div style="display: flex; justify-content: space-between;"> Reappointment Outside </div> <div style="border: 1px solid black; background-color: #0070C0; color: white; text-align: center; padding: 2px;">Independent</div>	
<p>(Reasons for selecting the candidate and expected roles) He has extensive experience in the management of financial institutions with unique and leading-edge business models, as well as a wealth of knowledge and extensive insight into Technology and Innovation. The Company has determined that he can be expected to play a sufficient role in the effective supervision of the Company's management and in decision-making on medium- and long-term management policies, etc., from an independent and objective standpoint as an outside director, and therefore nominates him as a candidate for director.</p> <p>(Independence) He is an independent director as provided for under the rules of the Tokyo Stock Exchange, Inc. If this proposal is approved, the Company plans on his continued appointment as an independent director. There are no transactions between the Company and Seven Bank, Ltd., where he served as the President and Representative Director until June 2018.</p>			


No.	Name (Date of Birth)	Career Summary, Position and Duty (Significant concurrent positions)	Number of Company Shares owned
3	 Takayoshi Yamakawa (Oct. 2, 1965) Reappointment Outside Independent	Apr. 1991 Joined Yokogawa Hewlett Packard Co. Oct. 1995 Joined Boston Consulting Group Jun. 2000 Founded (co-established) Dream Incubator Inc. Director, CTO Jun. 2005 Vice Representative Director of Dream Incubator Inc. Jun. 2006 Representative Director & CEO of Dream Incubator Inc. (retired in Jun. 2020) Jul. 2020 Representative Partner of Business Producer LLC (current position) Jan. 2021 Outside Director of BitStar Inc. (current position) Apr. 2021 Outside Director of Baseconnect Inc. Jun. 2021 Outside Director of Akatsuki Securities, Inc. (current position) Jun. 2022 Outside Director of FP Corp. (current position) Director of Japan Securities Finance Co., Ltd. (current position) Jun. 2025 Outside Director of Kansai Airports. (current position)	4,700 Term of Office 4 years (at the conclusion of this general meeting) Attendance rate Board of Directors 12/12 (100%) Nominating Committee 6/6 (100%) Audit Committee 15/15 (100%)
		(Significant concurrent positions) Representative Partner, Business Producer LLC Outside Director, Akatsuki Securities, Inc. Outside Director, FP Corporation	
(Reasons for selecting the candidate and expected roles) He has extensive knowledge and insight into trends in technological innovation related to DX, etc., as well as extensive experience in corporate management in the industrial sector. The Company has determined that he can be expected to play a sufficient role in the effective supervision of the Company's management and in decision-making on medium- and long-term management policies, etc., from an independent and objective standpoint as an outside director, and therefore nominates him as a candidate for director.			
(Independence) He is an independent director as provided for under the rules of the Tokyo Stock Exchange, Inc. If this proposal is approved, the Company plans on his continued appointment as an independent director. There are also no transactions between the Company and Business Producer LLC, where he is the Representative Partner, and between the Company and Dream Incubator Inc., where he served as the Representative Director & CEO until June 2020.			

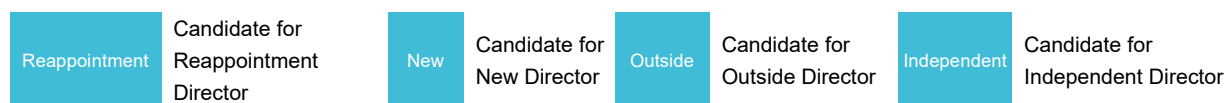
No.	Name (Date of Birth)	Career Summary, Position and Duty (Significant concurrent positions)	Number of Company Shares owned
4	 Yasuyo Tanaka (Aug. 13, 1956) Reappointment Outside Independent	Mar. 1979 Joined Asahi Chemical Industries Co., Ltd. (now Asahi Kasei Corporation) Jun. 2011 Representative Director and President, Asahi Kasei Ability Corporation. Apr. 2014 Representative Director and President, Asahi Kasei Amidas Co., Ltd. Feb. 2017 Member, Central Labour Relations Commission Jun. 2022 Outside Director of Janome Corporation (current position) Director, The Institute for International Business Communication (IIBC) Jun. 2025 Director of Japan Securities Finance Co., Ltd. (current position)	300 Term of Office 1 year (at the conclusion of this general meeting) Attendance rate Board of Directors 10/10 (100%) Compensation Committee 6/6 (100%) Audit Committee 10/10 (100%)
		※Outside Director of Janome Corporation (retirement scheduled for Jun. 2026)	
		(Significant concurrent positions) Outside Director of Janome Corporation	
		(Reasons for selecting the candidate and expected roles) She has extensive knowledge and broad insight into human resource development and corporate management. The Company has determined that she can be expected to play a sufficient role in the effective supervision of the Company's management and in decision-making on medium- and long-term management policies, etc., from an independent and objective standpoint as an outside director, and therefore nominates her as a candidate for director. (Independence) She is an independent director as provided for under the rules of the Tokyo Stock Exchange, Inc. If this proposal is approved, the Company plans on her continued appointment as an independent director. There have been no transactions between the Company and Asahi Kasei Ability Corporation, where she served as the Representative Director until March 2014, and between the Company and Asahi Kasei Amidas Co., Ltd., where she served as the Representative Director until March 2016.	

No.	Name (Date of Birth)	Career Summary, Position and Duty (Significant concurrent positions)	Number of Company Shares owned	
5	 Akiko Sekizawa (Jun. 17, 1972) New Outside Independent	Oct. 1996 Joined Century Audit Corporation (currently Ernst & Young ShinNihon LLC). Apr. 2001 Registered as a Certified Public Accountant Dec. 2001 Joined American Life Insurance Company. May. 2006 Joined Shin Nihon & Co. (currently Ernst & Young ShinNihon LLC). Sep. 2013 Joined AXA Life Insurance Co., Ltd. Jan. 2019 Joined Goldman Sachs Japan Co., Ltd. May. 2021 Joined Citigroup Global Markets Japan Inc. Apr. 2023 Appointed Inspector, Inspection Division, Inspection Department, Minister's Secretariat, Ministry of Agriculture, Forestry and Fisheries	– Term of Office – Attendance rate –	
		※Outside Corporate Auditor of JA MITSUI LEASING, LTD. (appointment scheduled for Jun. 2026)		
		(Reasons for selecting the candidate and expected roles) She has extensive knowledge and broad insight into the fields of financial affairs, accounting and internal control as a Certified Public Accountant. The Company has determined that she can be expected to play a sufficient role in the effective supervision of the Company's management and in decision-making on medium- and long-term management policies, etc., from an independent and objective standpoint as an outside director, and therefore nominates her as a candidate for director. (Independence) If this proposal is approved, the Company plans to newly designate her as an independent director as provided for by the Tokyo Stock Exchange, Inc. She previously worked at ShinNihon & Co. (currently Ernst & Young ShinNihon LLC), which currently serves as the Company's accounting auditor. However, she was never involved in the Company's audits and more than 10 years have passed since she left the firm, and as such the relationship between her and the Company does not affect her independence as an outside director.		

No.	Name (Date of Birth)	Career Summary, Position and Duty (Significant concurrent positions)	Number of Company Shares owned
6	 Aya Hirai (Apr. 5, 1976) New Outside Independent	Oct. 2003 Registered as an Attorney-at-Law. Joined Anderson Mori & Tomotsune Jan. 2013 Joined SoftBank Mobile Corp. (currently SoftBank Corp.) Aug. 2014 Joined Industrial Growth Platform, Inc. Apr. 2016 Joined the Civil Aviation Bureau, Ministry of Land, Infrastructure, Transport and Tourism. Jul. 2018 Joined Kotobuki Law Office as a Partner Apr. 2021 Joined Miura & Partners as a Partner (current position) Dec. 2021 Outside Corporate Auditor, TECNISCO, LTD. (current position) Jan. 2023 Outside Director (Audit and Supervisory Committee Member), ADK Holdings Inc. (current position) Feb. 2024 Outside Corporate Auditor, MEEQ Inc. (current position)	– Term of Office – Attendance rate –
		(Significant concurrent positions) Partner Attorney at Miura & Partners Outside Corporate Auditor, TECNISCO, LTD. Outside Director (Audit and Supervisory Committee Member), ADK Holdings Inc. Outside Corporate Auditor, MEEQ Inc.	
(Reasons for selecting the candidate and expected roles) She has extensive knowledge and broad insight into the fields of legal affairs and risk management as an Attorney-at-Law. The Company has determined that she can be expected to play a sufficient role in the effective supervision of the Company's management and in decision-making on medium- and long-term management policies, etc., from an independent and objective standpoint as an outside director, and therefore nominates her as a candidate for director.			
(Independence) If this proposal is approved, the Company plans to newly designate her as an independent director as provided for by the Tokyo Stock Exchange, Inc. She is a partner attorney at Miura & Partners. However, the annual amount of transactions between the Company and the firm in each of the past three business years was less than 10 million yen and less than 2% of the firm's annual total revenue, and as such the relationship between her and the Company does not affect her independence as an outside director.			

No.	Name (Date of Birth)	Career Summary, Position and Duty (Significant concurrent positions)	Number of Company Shares owned
7	 Shigeki Kushida (Jun. 8, 1958) Reappointment	May 2008 Deputy Director-General of Personnel and Corporate Affairs Dept. (Personnel Management), BOJ Mar. 2009 Director-General of Personnel and Corporate Affairs Dept., BOJ Jun. 2010 Director-General of Monetary Affairs Dept., BOJ May 2011 General Manager of Nagoya Branch, BOJ Mar. 2013 Executive Director of BOJ Apr. 2017 Senior Advisor of American Family Life Assurance Company (currently Aflac Japan Ltd.) May 2019 Advisor of Japan Securities Finance Co., Ltd. Jun. 2019 Director, Representative Executive Officer & President Jun. 2022 Outside Director of Denso Corp. (current position) Director of JSF Trust and Banking Co., Ltd. (current position) Apr. 2026 Director & Chairperson (current position) ※Outside Director of Denso Corp. (retirement scheduled for Jun. 2026)	88,336 Term of Office 7 years (at the conclusion of this general meeting) Attendance rate Board of Directors 12/12 (100%) Nominating Committee 6/6 (100%) Compensation Committee 8/8 (100%)
		(Significant concurrent positions) Director of JSF Trust and Banking Co., Ltd. Outside Director of Denso Corp.	
(Reasons for selecting as a candidate) He has extensive experience and knowledge in the field of finance and securities, including having served as an Executive Director of the Bank of Japan. In addition, he was involved in the management of the Company as Representative Executive Officer & President from June 2019 to March 2026. The Company has determined that he can be expected to play a sufficient role in effectively supervising the management of the Company and in determining its medium- to long-term management policies, and therefore nominates him as a candidate for director.			

No.	Name (Date of Birth)	Career Summary, Position and Duty (Significant concurrent positions)	Number of Company Shares owned	
8	 Morikuni Shimoyamada (Dec. 6, 1962) New	Apr. 2011	General Manager of Global Human Resources Strategy Department, Mizuho Corporate Bank, Ltd.	42,480
		Jul. 2011	Deputy General Manager of Group Human Resources Department, Mizuho Financial Group, Inc.	Term of Office
		Apr. 2013	President & CEO at Mizuho Alternative Investments, LLC.	—
		Jun. 2015	General Manager of Treasury Dept., Japan Securities Finance Co., Ltd.	Attendance rate
		Jun. 2016	General Manager of Institutional Sales Dept. & Business Development Dept. (International Relations)	—
		Jun. 2017	Corporate Officer & General Manager of Institutional Sales Dept.	
		Apr. 2020	Corporate Officer & General Manager of Business Development Dept.	
		Apr. 2022	Managing Executive Officer	
		Apr. 2023	Senior Managing Executive Officer	
		Apr. 2026	Representative Executive Officer & CEO (current position)	
<p>(Reasons for selecting as a candidate)</p> <p>He has served as a General Manager and Executive Officer at the Company and is familiar with all aspects of the Company's business activities. Moreover, he has extensive experience and knowledge in the fields of finance and securities, and has been involved in the management of the Company as Representative Executive Officer & CEO since April 2026. As the person who leads and directs the executive officers and as the chief management executive, the Company has determined that by concurrently serving as a director he can be expected to play a sufficient role in improving the supervisory function of the Board of Directors and in determining the medium- to long-term management policies of the Company, , and have nominated him as a candidate for director.</p>				



- (Notes) 1. There are no special interests between the respective candidates and the Company.
2. Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into agreements with Mr. Naotaka Obata, Mr. Kensuke Futagoishi, Mr. Takayoshi Yamakawa, and Ms. Yasuyo Tanaka to limit their liability for damages under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under such agreements is the minimum liability amount provided in Article 425, paragraph (1) of the same Act. If the election of Ms. Akiko Sekizawa and Ms. Aya Hirai is approved, the Company plans to enter into the same Limited Liability Agreements with them.
3. Indicates the status of attendance at meetings of the Board of Directors and each committee held after assuming office as directors.
4. The Company has concluded a Directors' and Officers' Liability Insurance Policy as stipulated in Article 430-3, paragraph (1) of the Companies Act, insuring its directors, executive officers, corporate officers, and other important employees, as well as officers at its subsidiaries. Under this Insurance Policy, the insured Officers, etc. are covered for damages (compensation for damages and litigation expenses) that may arise from liability for the actions related to their duties, or from being subjected to claims in connection with such liability. However, there are certain exemptions, such as cases where the actions are carried out with the understanding that their conduct violates laws and regulations. If each candidate is elected and assumes office as a director, each candidate will be included as an insured under this insurance policy. This insurance policy is scheduled to be renewed at the next renewal under the same level of coverage.

[Reference 1] Skills List for Director Candidates (Skill Matrix)

Name	Corporate management	Finance Securities Economics	International affairs	Legal affairs Risk Management	Financial affairs Accounting	Technology Innovation	Sustainability
Naotaka Obata	○	○	○	○			○
Kensuke Futagoishi	○	○		○	○	○	
Takayoshi Yamakawa	○	○	○		○	○	
Yasuyo Tanaka	○		○	○			○
Akiko Sekizawa		○		○	○		
Aya Hirai				○			○
Shigeki Kushida	○	○	○	○			
Morikuni Shimoyamada	○	○	○			○	○

[Reference 2] Planned Appointments of Director Candidates to Chairperson of the Board of Directors, and to Nominating, Audit, and Compensation Committees

Eight (8) candidates for directors (including three (3) females) will assume the following positions after their election at the Shareholders' Meeting.

Name	Position	Committees			Remarks
		Nominating Committee	Audit Committee	Compensation Committee	
Naotaka Obata	Chairperson of the Board of Directors	Chairperson		Chairperson	Reappointment Outside Director
Kensuke Futagoishi		Member		Member	Reappointment Outside Director
Takayoshi Yamakawa		Member	Chairperson		Reappointment Outside Director
Yasuyo Tanaka			Member	Member	Reappointment Outside Director
Akiko Sekizawa			Member		New appointment Outside Director
Aya Hirai			Member	Member	New appointment Outside Director
Shigeki Kushida					Reappointment Non-executive director
Morikuni Shimoyamada		Member		Member	New appointment Representative Executive Officer & CEO

I Matters Pertaining to the Current Status of the Company's Group

(1) Business progress and its results

(Primary business activities of the corporate group)

The Group consists of the Company, two consolidated subsidiaries (JSF Trust and Banking Co., Ltd. and Nihon Building Co., Ltd.), and two equity-method affiliates. With a strong recognition of the public role, it plays as infrastructure in the securities and financial markets, we proactively respond to the diverse needs of the securities and financial sectors to provide a variety of securities and finance related services, with a focus on securities financing business centered on loans for margin transaction business. Additionally, we continue our efforts to diversify our revenue streams and their underlying factors, while striving to improve profitability and capital efficiency in each of our businesses, to achieve our management goals. Under this concept, the JSF Group aims to realize its vision of the future through a business portfolio consisting of securities financing business centered on loans for margin transaction, securities investment business, trust banking business, and real estate management business.

(Financial and economic environment)

During fiscal 2025, despite the headwind of U.S. tariff hikes, the economy enjoyed moderate recovery centered on domestic demand. With the prospect of wage increases in the following year, reduced uncertainty over the U.S. economy and its trade policies in various countries, and a moderate rise in prices, the Bank of Japan raised interest rates to 0.75% in December.

The Nikkei Stock Average started the fiscal year in the 35,000-yen range amid concerns over an economic slowdown caused by U.S. tariff measures. However, uncertainty eased following a Japan-U.S. agreement on those tariff measures, and further buoyed by expectations for Japan's overall economic policies and strong performance of IT stocks in U.S., the index rose into the 50,000-yen range, surpassing its bubble-era high, to reach a fiscal-year high of 58,850.27 yen on February 27. After fighting broke out between U.S.-Israel and Iran in February 2026, adverse factors, including higher crude oil prices, weighed on the market, and the fiscal year ended at 51,063.72 yen.

In standardized margin transactions on the Tokyo and other markets (the Tokyo Stock Exchange, Nagoya Stock Exchange, and PTS), the outstanding balance of margin buying started the fiscal year in the 2.72 trillion yen range, while that of margin selling started in the 350 billion yen range. Although the outstanding balance of margin buying temporarily declined to the 2.22 trillion yen range in the summer, it subsequently increased against the backdrop of higher stock prices and stood in the 3.39 trillion yen range at the fiscal year-end. The outstanding balance of margin selling generally trended upward and stood in the 990 billion yen range at the fiscal year-end.

(Company's initiatives for FY2025 (fiscal year ending March 31, 2026))

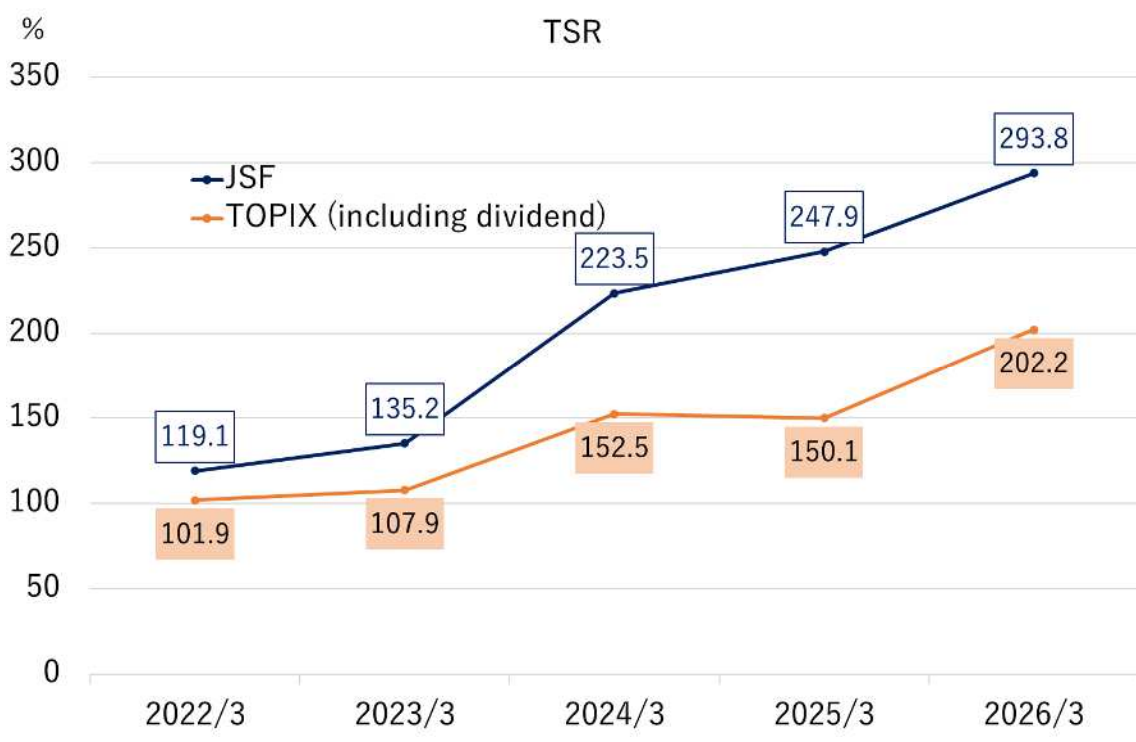
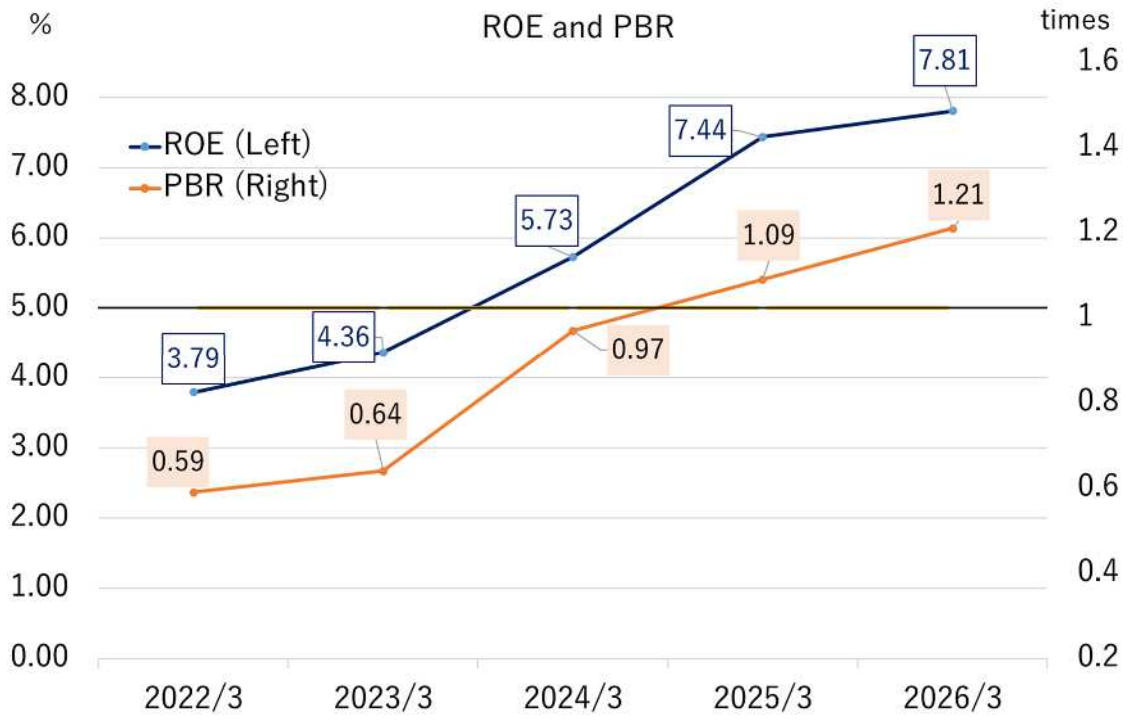
Based on the Long-term Management Vision and the Seventh Medium-Term Management Plan (through FY2025) formulated under it, as a Prime Market-listed company that supports the infrastructure functions of the securities and financial markets, we have steadily made management efforts toward achieving our management targets (to stably maintain consolidated ordinary profit of more than ¥10.0 billion and an ROE above 5%, while aiming for further improvement). In terms of business strategy, our efforts to diversify revenue sources and develop multiple earnings streams have achieved a certain level of success, and we have also worked to further strengthen corporate governance, including enhancing deliberations by the Board of Directors. As a result, in FY2025 our consolidated performance recorded an ordinary profit of ¥14.9 billion and an ROE of 7.8%, significantly exceeding the management targets set out in the Seventh Medium-Term Management Plan.

We recognize that the impact of rising interest rates in Japan is, in general, positive, including in terms of increased funding demand from our clients and higher lending rates for our stock lending and securities financing businesses. In this environment, both our stock lending business and our securities financing business, including equity repo transactions, remained steady in FY2025. In addition, our subsidiary JSF Trust and Banking also performed steadily, supported by its strengths in management trust services and other services.

We have remained committed to enhancing shareholder returns by aiming for a cumulative total payout ratio of 100% for the period from FY2023 through FY2025 through the flexible implementation of dividends and share repurchases. With regard to dividends, we have adopted a policy of proactively paying dividends with a target payout ratio of around 70% for the period from FY2024 through FY2025. In line with this policy, and reflecting higher net income, in FY2025 we increased the annual dividend to ¥86 per share and carried out share repurchases totaling ¥3.4 billion, which was ¥0.6 billion higher than originally planned, resulting in a total payout ratio of 98.5%.

We re-estimated our cost of capital using multiple methods and adopting objective, long-term, time series data in setting management targets for our 8th Medium-term Management Plan, and have found it to be in the low 6% range. In addition, as a licensed securities finance company, we are legally required to maintain financial soundness and are subject to restrictions on the scope of our operations. As a result, our financial risk and business strategy risk are relatively low, and we believe this is reflected in our risk premium. Accordingly, we consider our cost of capital to be at a natural level.

With respect to our shares, our price-to-book ratio (PBR) has generally remained above 1.0, with the exception of a brief period in April 2025 when there was heightened uncertainty regarding the economic impact of the U.S. tariff policy announcement. In addition, our total shareholder return (TSR) has remained stable at a level that significantly outperforms the TOPIX index. We believe this indicates that our performance, as described above, has been well received to a certain extent.



(Endeavoring to Strengthen Earnings Base and Business Strategy)

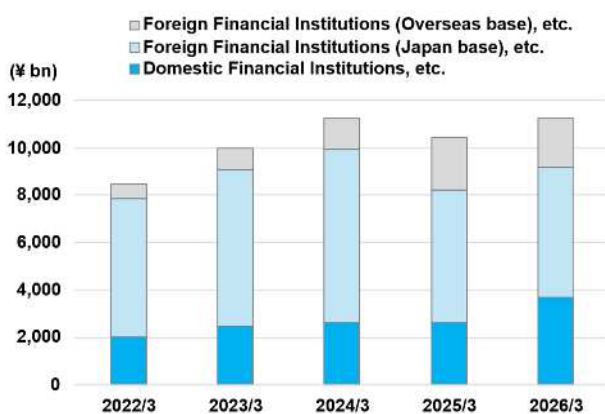
As Japan’s sole securities finance company, JSF fulfills an essential infrastructure role within the securities market by facilitating the smooth circulation of stocks and supporting a proper price discovery process. We play a critical role in enabling standardized margin transactions through our loans for margin transactions business. This role holds great importance for us, with the loans for margin transactions business serving as a cornerstone of our operations. However, from an earnings perspective, the business has faced notable fluctuations influenced by stock market conditions. In addition, the utilization of standardized margin transactions and loans for margin transactions has declined since the late 1990s when negotiable margin transactions were introduced.

To this end, in an effort to build a business portfolio that supports stable, consistent growth, we have focused on diversifying our revenue streams as well as the factors affecting revenue. While we recognize that these initiatives have delivered certain results as described above, we will aim to further enhance our earnings capacity while also improving quality by strengthening our presence in overseas markets – particularly in Asia – and expanding structured transactions focused on demand for securities.

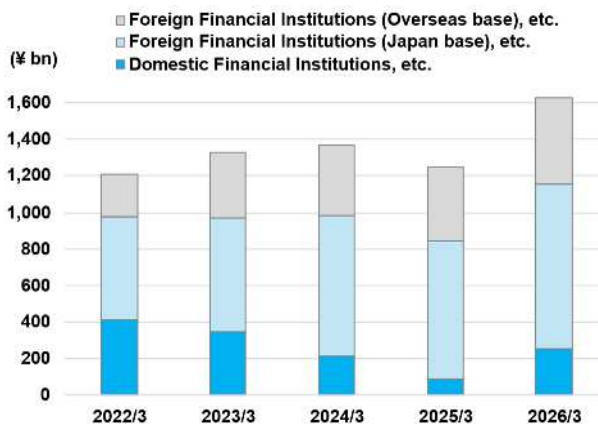
Securities financing – comprised mainly of equity repo transactions and bond repo and gensaki transactions—provides broad liquidity to securities and financial markets by financing securities inventories and meeting collateral needs. We have promoted securities financing as one of our growth engines.

Average balances of JSF’s bond repo and gensaki transactions and equity repo transactions.

Bond repo/gensaki transactions (Borrowing)



Equity repo transactions (Borrowing)



Our Business	Main Initiatives in FY2025
Loans for margin transaction business	<ul style="list-style-type: none"> • We have endeavored to ensure stable operations in loans for margin transactions by appropriately responding to changes in the stock market environment—such as by expanding the range of loanable issues and strengthening the procurement of stocks for lending—and by accurately identifying the trading needs of market participants to promote the use of our services. • In April 2024, we changed our method for setting the interest rates for margin loans. Previously we notified counterparties only when rates were changed, whereas now we disclose the margin loan rate on a monthly basis regardless of whether changes have been made. We will continue to make timely and appropriate adjustments to the system in an effort to improve convenience. • Additionally, we are enhancing our dissemination of information, both domestically and internationally, regarding the significance and benefits of standardized margin transactions and loans for margin transactions. For example, in April 2026, we reached an agreement with JPX Market Innovation & Research, Inc. to jointly promote future studies on the development of an industry-wide common data platform, with the aim of improving the convenience of obtaining relevant information for securities companies participating in the securities financing and lending transaction system. Our intent is to utilize these activities to further enhance our loans for margin transaction business, which is the JSF's founding business and continues to be one of our core operations.
Securities financing business	<ul style="list-style-type: none"> • In the bond repo/gensaki transactions, there is particularly high demand from overseas for Japanese government bonds (JGBs) as high-quality liquid assets (HQLAs) against the backdrop of strengthened settlement risk management and international financial regulations. We have acted as an intermediary to connect this with the investment needs of domestic institutional investors and regional financial institutions to drive growth in this business. • In our equity repo transactions, we have responded to increased demand for funds and have expanded our outstanding balances amid rising interest rates. • We are also working to expand our services by broadening our client base to include foreign financial institutions and diversifying the securities we handle to include foreign equities and foreign government bonds. In particular, we have been expanding the transactions (so-called “upgrade transactions”) in which we accept Asia-region equities, including Japanese equities, as collateral and provide HQLAs such as Japanese government bonds in return. We also participate in securities lender forums in Asia, Europe, and North America to raise a broader awareness of JSF and to appropriately grasp the transactional needs of clients. Going forward, we will continue to respond to a wide range of client needs to further expand transactions. • We participated as a sponsor in the PASLA conference held in Bangkok in March 2026. Our aim is to further enhance our presence through such initiatives, with the goal of becoming one of the leading players in Asia.

(Corporate Governance Initiatives)

We continue to strive to strengthen our earnings base, and have endeavored to strengthen our internal management structure, starting with the reinforcement of our human resource base. The Board of Directors recognizes the proper supervision of these executive-side initiatives and the need to deepen discussions aimed at enhancing corporate value going forward, including consideration of the 8th Medium-term Management Plan, to be key issues. Furthermore, the Nominating Committee, the Compensation Committee, and the Audit Committee deliberate a variety of topics other than those matters under on laws and regulations.

Main Initiatives	Details
<p>Formulating the Medium-term Management Plan / Establishment of an environment that facilitates planned deliberations and considerations (Board of Directors)</p>	<ul style="list-style-type: none"> The Board of Directors have engaged in discussions aimed at the formulation of the 8th Medium-term Management Plan, and have otherwise endeavored to set appropriate agenda items aimed at enhancing corporate value over the medium to long term, taking into account the results of the annual evaluation of the effectiveness of the Board of Directors. In doing so, we have worked to enrich discussions and improve the effectiveness of both the Board of Directors and its Committees.
<p>Composition of Board of Directors / Appointment of executive officers and corporate executive officers (Nominating Committee)</p>	<ul style="list-style-type: none"> The Committee discusses and determines whether the skill matrix for the Board of Directors is appropriate from the perspective of ensuring that the Board of Directors adequately oversees the determination and execution of management policies, taking into account internal and external circumstances. The Committee is also ongoing and active deliberations regarding issues such as whether the Board of Director’s composition is appropriate from the perspectives of developing multi-layered skills, and diversity in age and gender. In January 2026, JSF made changes to its representative executive officers, and made decisions on personnel matters regarding executive officers and corporate executive officers. In making these appointments, the Nominating Committee, taking into account discussions on the 8th Medium-term Management Plan as well as the approach to the selection of the management team—including the succession plan for the representative executive officer and president discussed and decided to date—and the qualities required to enhance JSF’s corporate value in fulfilling its public role, engaged in deliberations and made decisions after reviewing a long list of candidates and narrowing this down to a short list. In addition, with respect to the candidates for directors to be submitted to the 116th Ordinary General Meeting of Shareholders, the Nominating Committee deliberated the composition of the Board of Directors and other matters from the perspectives of ensuring highly effective oversight to achieve the 8th Medium-term Management Plan and appropriately formulating future management policies, and determined the candidates based on the Board of Director’s skills matrix.

<p>Review of individual compensation / compensation system (Compensation Committee)</p>	<ul style="list-style-type: none"> • The Compensation Committee, in addition to making decisions on individual compensation for directors and executive officers, actively engages in deliberations regarding the optimal compensation system aligned with the Long-Term Management Vision to facilitate the steady implementation of the management plan. In August 2025, JSF resolved to partially revise its performance-linked stock compensation plan and to introduce restricted stock compensation.
<p>Enhancement of audit effectiveness (Audit Committee)</p>	<ul style="list-style-type: none"> • The Audit Committee, in addition to auditing the execution of duties by directors and executive officers and preparing audit reports, has worked to improve the effectiveness of audits in coordination with the internal audit department and the accounting auditor.

(Enhancement of Information Disclosure)

As part of our commitment to enhanced disclosure, we have published annual Integrated Reports since FY2022. Among other topics, our Integrated Reports cover our business model, management policies, corporate governance, and initiatives on sustainability issues, and the content is updated each year based on feedback from shareholders and other stakeholders.

The Integrated Report 2025 highlights and clearly sets out the key points of our management strategy and specific initiatives under the 8th Medium-Term Management Plan. It also presents our efforts to strengthen our earnings base and the internal management framework that supports our business operations, including initiatives to enhance human capital in line with our Human Capital Policy and to reinforce our Risk Appetite Framework (RAF) management structure that encompasses front-office revenue generation and risk management. Regarding enhanced corporate governance, the report explains that by transitioning to a company with Nominating Committee, etc., we have clearly separated the execution of business from oversight, and have successfully strengthened the Board of Director’s supervisory function and enhanced transparency. The report also addresses our sustainability initiatives.

(Granting of company stock incentives to employees)

In November 2025, we resolved to grant JSF’s shares to our employees as an incentive based on our performance in FY2025.

The purpose of this initiative is to enhance employee motivation and engagement to achieve management goals, and to heighten our employees’ interest in corporate value enhancement and promote value-sharing with shareholders through the ownership of JSF stock. Our goal is to enhance corporate value over the medium to long term.

(Initiatives on sustainability issues)

We are proactively addressing sustainability challenges.

Main Initiatives	Details
<p>Joint research with The University of Tokyo</p>	<ul style="list-style-type: none"> Since April 2021, JSF and the Prof. Kenji Tanaka Laboratory at the Graduate School of Engineering at the University of Tokyo have jointly conducted a proof-of-concept study to assess whether it is possible to use distributed ledger technology (DLT) to enable smooth transactions for tokenized securities and collateral in repo and securities lending transactions, and we published a report on the results. Building on the results of this research, we are currently engaged in discussions with overseas financial institutions and platform providers regarding the practical application of DLT.
<p>International Cooperation with the Asian Securities Industry*</p>	<ul style="list-style-type: none"> As one of our key initiatives aimed at the realization of a sustainable society, we have promoted activities that contribute to and support the infrastructure of overseas securities and financial markets. A concrete example of this is our ongoing collaboration with the Asian securities industry. Currently, by participating in advisory committees and shareholders' meetings comprised of JSF, other shareholders such as the Indonesia Stock Exchange, and the Indonesian securities finance company, we are actively contributing to discussions on the company's management policies and business operations. Also, from time to time we have organized seminars in Jakarta and Tokyo for members of Indonesia's securities industry (including regulatory authorities, exchange officials, and securities firms). Additionally, JSF has signed memoranda of understanding (MOUs) with the Korea Securities Finance Corporation (KSFC) and the Thailand Securities Finance Corporation (TSFC), and we exchange views through meetings and other interactions. In September 2025, at KSFC's 70th anniversary ceremony, we participated in a panel discussion together with international organizations such as the European Bank for Reconstruction and Development and the Asian Development Bank, and concluded a cooperation agreement on collaboration among Asian securities finance companies (Japan, South Korea, China, Thailand, and Indonesia). We intend to further leverage our accumulated expertise in securities finance operations to contribute to the sustainable development of Asia's economy and its financial and securities markets going forward.

<p>Formulating the Japan Securities Finance Human Rights Policy</p>	<ul style="list-style-type: none"> With a longstanding recognition of the importance of respecting human rights, prohibiting discrimination, valuing diversity, and prohibiting the various types of harassment, the JSF Group has consistently striven to uphold human rights. In October 2024, we formulated and announced the Japan Securities Finance Human Rights Policy, and we will continue to promote efforts to respect the human rights of all people involved in our business activities.
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* In our capacity as an institution that supports the infrastructure of Japan's securities and financial markets, we have provided Indonesian securities-related organizations with know-how on the operation and administration of loans for margin transactions, and have repeatedly emphasized the importance of securities finance in improving market liquidity in Indonesia. Through these efforts, we contributed to the establishment of an Indonesian securities finance company (PT Pendanaan Efek Indonesia) at the end of 2016. Even after this company's establishment, we continued to provide practical support in areas such as risk management and funding, and in August 2020, we made an equity investment in the company.

(Financial results for FY2025 (fiscal year ending March 31, 2026))

(millions of yen)

	Consolidated profits & losses	Year-on-year comparison	(%) increase/decrease
Operating revenues (Excluding premium charges)	105,300	49,996	90.3
Including premium charges	114,211	54,724	92.0
Operating expenses (Excluding premium charges)	83,463	46,857	128.0
Including premium charges	92,354	51,614	126.7
Gross profit	21,856	3,110	16.6
General and administrative expenses	7,840	423	5.7
Operating profit	14,016	2,686	23.7
Ordinary profit	14,996	2,489	19.9
Profit attributable to owners of the parent	10,611	235	2.3

In fiscal 2025, our group's consolidated gross profit increased to 21,856 million yen (up 16.6% year-on-year). This was due to robust performance in loans for margin transactions and equity repo transactions, driven by a robust stock market and increased demand for financing brought on by rising market interest rates. As a result, our consolidated ordinary profit also increased to 14,996 million yen (up 19.9% year-on-year). The profit attributable to owners of the parent amounted to 10,611 million yen (up 2.3% year-on-year) due to the absence of the extraordinary gain of 1,828 million yen recorded in the same period of the previous year.

(Operating Conditions by Business Segment)

- Loans for Margin Transactions Business

The gross profit from the loans for margin transactions business amounted to 6,977 million yen (up 59.1% year-on-year). This significant increase was driven by solid performance in loans for margin transactions and stock lending supported by the steady stock market conditions and changes in the interest rate trends.

- Securities Financing Business

The gross profit from the securities financing business amounted to 7,095 million yen (down 3.4% year-on-year). Within this total, the gross profit from bond repo and gensaki transactions accounted for 3,085 million yen (down 24.0% year on year), and while the outstanding balance remained stable due to solid demand for collateral utilization and compliance with international financial regulations, profits decreased as interest rate spreads narrowed as short-term market interest rates remained within a tight range. Equity repo transactions (2,166 million yen, up 23.1% year-on-year) showed steady performance mainly due to increased demands for funds from securities companies which have been affected by changes in interest rate trends. Profits from loans for negotiable margin transactions (426 million yen, up 19.0% year-on-year) increased due to increased demand for funds from strong stock market conditions. General stock lending (833 million yen, up 25.6% year-on-year) experienced strong demand for fail-covering. Profits from retail loans (583 million yen, up 15.5% year-on-year) increased due to strong stock market conditions.

- Securities Investment, etc.

The gross profit from securities investment, etc. decreased to 2,794 million yen, (down 12.0% year-on-year) due to the effect of portfolio substitution in securities investment business.

- Trust and Banking Business

The gross profit from the trust banking business came in at 4,295 million yen (up 41.1% year-on-year). Custodian type trust services perform well and trust fees continued to increase.

- Real Estate Leasing Business

The gross profit from the real estate leasing business amounted to 1,110 million yen (down 6.3% year-on-year).

(Gross Profit by Business)

	115 th (FY2024) (Millions of yen)	116 th (FY2025) (Millions of yen)	year-on-year (Millions of yen)	year-on-year (%)
Securities Finance Business	14,905	16,867	1,962	13.2
Loans for margin transactions (Excluding premium charges)	4,385	6,977	2,591	59.1
Securities financing	7,343	7,095	-248	-3.4
Equity repo transactions, etc.	1,760	2,166	406	23.1
Bond repo and gensaki transactions	4,057	3,085	-972	-24.0
Loans for negotiable margin transactions	358	426	68	19.0
General stock lending	663	833	170	25.6
Retail loans	504	583	78	15.5
Securities investment, etc.	3,176	2,794	-381	-12.0
Trust and Banking Business	3,043	4,295	1,251	41.1
Real Estate Leasing Business	1,185	1,110	-75	-6.3
Total (Non-Consolidated)	19,134	22,273	3,138	16.4
Total (Consolidated)	18,746	21,856	3,110	16.6

(Average Balance by Business)

	115 th (FY2024)	116 th (FY2025)	year-on-year
	(billions of yen)	(billions of yen)	(billions of yen)
Loans for margin transactions	370.8	404.3	33.5
Securities loaned for margin transactions	159.5	252.3	92.8
Securities financing	12,215.8	13,252.3	1,036.4
Equity repo transactions, etc.	806.9	1,077.5	270.5
Bond repo and gensaki transactions	11,299.6	12,073.3	773.6
Loans for negotiable margin transactions	44.6	46.4	1.8
General stock lending	39.2	23.0	-16.2
Retail loans	25.3	31.8	6.5
Trust Bank Loans	175.7	82.5	-93.1

(2) Issues to be Addressed

(Responding to Changes in the External Environment)

Our business performance is characterized by its susceptibility not only to trends in the securities market but also to interest rate fluctuations. Interest rate functions have been restored since the termination of the negative interest rate policy in Japan. In this environment, our lending rates have risen and we have observed an increase in funding demand from our clients. However, we must remain mindful of the impact that economic policy decisions in various countries and geopolitical risks, particularly in the Middle East, have on Japan's monetary policy.

We have endeavored to ensure stable operations in our loans for margin transactions business by appropriately responding to changes in the stock market environment, and by accurately identifying the trading needs of market participants to promote the use of our services. In our securities financing business, will strive to grow the business by connecting various financing needs through securities, both domestically and abroad. We will also continue our efforts to expand our client base, including foreign financial institutions, and to diversify the types of securities we handle. Our subsidiary, JSF Trust and Banking Co., Ltd., will strive to sustain growth and enhance our corporate value by focusing on managed trust services in niche sectors, where its strength lies.

(The Medium-term Management Plan)

Following repeated deliberations by our Board of Directors, we have compiled our desired future vision and corporate message, among other elements, in our "Long-term Management Vision." We present stakeholders with specific quantitative targets and other details by formulating a Medium-term Management Plan every three years and establishing our shareholder return policy for the relevant period. In November 2025 we reviewed our long-term management outlook, in response to changes in the business environment surrounding JSF and based on our steady progress in strengthening our earnings base. In this review, we clarified that we would work toward achieving ROE of 8% to further enhance profitability and capital efficiency, and that, as our shareholder return policy, we will continue to maintain a total payout ratio of 100% until we

achieve ROE of 8%.

In the 8th Medium-term Management Plan, covering the three-year period from FY2026 through FY2028, we aim to achieve a consolidated ordinary profit of 15 billion yen and an ROE of 8% by FY2028. To achieve the management targets set forth above, we aim to enhance profitability and capital efficiency by focusing on two key pillars: "ensuring stable operations and improving the convenience of the loans for margin transactions;" and, "expanding our securities financing business with a particular emphasis on further strengthening securities lending." Specifically, we will pursue the following measures.

- ① Stable operations and enhanced accessibility of the loans for margin transactions as part of the securities market infrastructure
- ② Expansion of securities financing centered on further strengthening of securities lending
- ③ Enhancing presence and recognition in overseas markets
- ④ Business innovation and operational efficiency through digital technology utilization
- ⑤ Strengthening of group consolidated management
- ⑥ Strengthening human resource capabilities

With respect to shareholder returns during the period of the 8th Medium-term Management Plan, we will aim for a total payout ratio of 100% up until achieving an ROE of 8%, by paying dividends and flexibly repurchasing shares. Dividends will be paid proactively, targeting a dividend payout ratio of 70%.

(Strengthening of Human Resource Development)

We believe that strengthening human resource development and improving engagement will be pivotal for our future continued growth. In order to take up and achieve ambitious management goals, it is essential to foster a work environment where all employees are able to fully express their individuality and strengths, actively and enthusiastically engage in improving efficiency and driving transformation, and grow through accumulated experience and achievements. To that end, we have established a Human Capital Policy as our fundamental approach to advancing initiatives related to human capital formation, including human resource development. Our Human Capital Policy sets forth a vision of our aspirations, emphasizing our commitment to offering opportunities and a supportive environment where employees can grow through their work. We are also committed to fostering a comfortable work environment that allows employees to engage in their work with peace of mind. In this ever-changing environment, we aim to cultivate a resilient corporate mindset across the Company as an ongoing commitment to the realization of our vision.

As Japan's only securities finance company supporting the infrastructure functions of the securities and financial markets, we will continue to work to maintain our position as a distinct and unique company that operates with a high degree of agility and flexibility. Our goal is to achieve sustained growth and to enhance our corporate value while maintaining strong financial soundness and contributing to the development of the securities and financial markets.

We ask our shareholders and other stakeholders for their sincere understanding of our efforts, and for their continued support and cooperation.

(3) Changes in Financial Position and Results of Operations (Consolidated Basis)

		FY2022 (From April 1, 2022 to March 31, 2023)	FY2023 (From April 1, 2023 to March 31, 2024)	FY2024 (From April 1, 2024 to March 31, 2025)	FY2025 (From April 1, 2025 to March 31, 2026)
Gross profit	(mil yen)	13,753	17,392	18,746	21,856
Ordinary profit	(mil yen)	7,601	11,024	12,507	14,996
Profit attributable to owners of parent	(mil yen)	5,966	8,030	10,375	10,611
Net income per share	(yen)	67.76	94.04	124.61	129.74
Net assets	(mil yen)	135,728	144,606	134,346	137,494
Net assets per share	(yen)	1,574.64	1,725.62	1,630.45	1,698.06

(4) Main Businesses (As of March 31, 2026)

JSF group engages in the following businesses, including the lending and borrowing business, and is licensed under the Financial Instruments and Exchange Law.

① Securities Finance Business

Loans for Margin Transaction Business

Loan of funds and stock certificates to securities companies, as required for the standardized margin transactions conducted on all stock exchange markets and on proprietary trading systems (PTS)

Securities Financing Business

Equity repo transactions etc.	Lending of the funds required by securities companies using stocks and other securities as collateral. Cash is deposited in exchange for borrowing stock certificates held by financial institutions.
Bond repo and gensaki transactions	Intermediation of government bond repo and gensaki transactions (transactions in which bonds are exchanged for cash).
Loans for Negotiable Margin Transactions	Lending of the funds required in the settlement of negotiable margin transactions.
General stock lending	Lending of stocks procured from institutional investors to securities companies as required in trading.
Retail loans	Loan of funds to individual investors and others using stocks and other securities as collateral. The core service in this business is COM-STOCK loans (securities-backed loans that can be transacted online).

Securities Investment Business

② Other

Trust and Banking Business	Trust service and banking services
Real Estate Leasing Business	Real estate leasing

(5) Business Offices (As of March 31, 2026)

① JSF

Head Office	1-2-10 Nihonbashi-Kayabacho, Chuo-ku, Tokyo
Osaka branch	1-9-6 Edobori, Nishi-ku, Osaka

② Subsidiary Companies

JSF Trust and Banking Co., Ltd.	1-2-4 Nihonbashi-Kayabacho, Chuo-ku, Tokyo
Nihon Building Co., Ltd.	1-2-14 Nihonbashi-Kayabacho, Chuo-ku, Tokyo

(6) Capital Investment

Capital investments totaling 0.3 billion yen were made during the consolidated fiscal year under review, primarily to upgrade our systems.

(7) Employees of the Group (As of March 31, 2026)

① JSF group

Segment	The number of employees	Year on Year	
Securities Finance Business	215 [11]	-1	[+2]
Trust and Banking Business	47 [0]	+4	[-1]
Real Estate Leasing Business	17 [0]	—	[—]
Total	279 [11]	+3	[+1]

(Note) 1. The number of employees is the number of employed people (excluding those seconded from our group to outside our group) and does not include executive officers. In addition, the average number of temporary employees per year is shown separately in brackets [].

2. Temporary employees include temporary staff and part-time employees.

② JSF

The number of employees	Year on Year	Average age	Average employment longevity
215 [11]	-1 [+2]	44.0	19.9

(Note) 1. The number of employees is the number of employed people (excluding those seconded from our group to outside our group) and does not include executive officers. In addition, the average number of temporary employees per year is shown separately in brackets [].

2. Temporary employees include temporary staff and part-time employees.

(8) Subsidiary Companies (As of March 31, 2026)

Name	Capital Stock (billion yen)	Investment Ratio (%)	Principal Business
JSF Trust and Banking Co., Ltd.	14	100	Trust and Banking Business
Nihon Building Co., Ltd.	0.1	100	Real Estate Leasing Business

(Notes) 1. Affiliated companies are as follows:

- Japan Information Processing Service Co., Ltd.
- JSF Information Technology Co., Ltd.

2. No subsidiaries are specified wholly owned subsidiaries.

(9) Major Borrowings (As of March 31, 2026)

Disclosure is omitted because the amount of borrowings is immaterial.

II Matters Concerning Shares of the Company (As of March 31, 2026)

(1) Total number of authorized shares 200,000,000 shares

(2) Number of issued and outstanding shares 83,000,000 shares

(Note) Due to the cancellation of treasury shares on February 20, 2026, the total number of issued and outstanding shares decreased by 5,000,000 shares from the end of the previous fiscal year.

(3) Number of shareholders 19,368 persons

(4) Major Shareholders (Top 10)

Name	Number of Shares Held (1000 shares)	Shareholding Ratio (%)
THE SFP VALUE REALIZATION MASTER FUND LTD.	13,622	16.7
The Master Trust Bank of Japan, Ltd. (Trust account)	8,958	11.0
Capital Market Promotion Foundation	4,654	5.7
JP MORGAN CHASE BANK 385642	4,596	5.6
Mizuho Bank, Ltd.	3,536	4.3
Custody Bank of Japan, Ltd. (Trust account)	2,636	3.2
Sumitomo Mitsui Trust Bank, Limited	1,489	1.8
STATE STREET BANK AND TRUST COMPANY 505001	1,370	1.7
RBC IST 15 PCT LENDING ACCOUNT - CLIENT ACCOUNT	1,275	1.6
BNYM AS AGT/CLTS 10 PERCENT	1,132	1.4

(Note) In addition to the foregoing, 1,429,095 shares of treasury stock are held by the Company As of March 31, 2026. The treasury stock is excluded in the calculation of the shareholding ratio.

(5) Status of shares issued to the Company's officers as compensation for the execution of their duties during the current fiscal year

	Number of shares	Number of persons issued shares
Executive officer	308,267 shares	7 person

(Note) The Company delivers shares of its common stock to its officers, using a Board Benefit Trust structure, at a fixed time each year, in accordance with the number of points granted. The delivered shares are subject to transfer restrictions until the relevant officers retire. In addition, with a partial revision of its performance-linked share-based compensation plan during the current fiscal year, the Company granted its officers shares corresponding to previously accumulated points.

III Matter related to the director of the company

(1) Directors (As of March 31, 2026)

Classification	Name	Position	Significant concurrent positions
Director Chairperson of the Board of Directors	Naotaka Obata	Nominating Committee Member (Chairperson) Compensation committee Member (Chairperson)	
Director	Shoko Sugino	Nominating Committee Member Audit Committee Member (Chairperson) Compensation committee Member	Partner Attorney at Fujibayashi Law Office Audit & Supervisory Board Member of Takeei Corporation
Director	Kensuke Futagoishi	Nominating Committee Member Compensation committee Member	Outside Director of SIIX Corporation
Director	Takayoshi Yamakawa	Nominating Committee Member Audit Committee Member	Representative Partner of Business Producer LLC Outside Director of Akatsuki Securities, Inc. Outside Director of FP Corporation
Director	Yasuyo Tanaka	Compensation committee Member Audit Committee Member	Outside Director of Janome Corporation
Director (Representative Executive Officer & President)	Shigeki Kushida	Nominating Committee Member Compensation committee Member	Director of JSF Trust and Banking Co., Ltd. Outside Director of Denso Corp.
Director	Kazuhiro Maeda	Audit Committee Member	

(Note)1. Five directors, Mr. Naotaka Obata, Ms. Shoko Sugino, Mr. Kensuke Futagoishi, Mr. Takayoshi Yamakawa and Ms. Yasuyo Tanaka are outside directors.

- The Company has not appointed a full-time member of the Audit Committee since the assistants to the Audit Committee are effectively supporting its auditing activities by attending important meetings, reviewing all important resolution documents and other materials, and cooperating and exchanging information with the accounting auditor, the internal audit department, and corporate auditors of subsidiaries, to ensure the effectiveness of audits.
- The Company has designated outside directors, Mr. Naotaka Obata, Ms. Shoko Sugino, Mr. Kensuke Futagoishi, Mr. Takayoshi Yamakawa and Ms. Yasuyo Tanaka as Independent Officers pursuant to the rules of the Tokyo Stock Exchange, Inc., and has notified the Tokyo Stock Exchange, Inc. to that effect.
- Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, the Company has entered into Limited Liability Agreements with directors (excluding executive directors, etc.) under Article 423, paragraph (1) of the Companies Act. The maximum amount of liability for damages under such agreement is the minimum liability amount stipulated in the Companies Act.
- There exists no personal, capital, business or other interest of note with other companies where outside directors concurrently serve or have served as officers.
- The Company has concluded a Directors' and Officers' Liability Insurance Policy as stipulated in Article 430-3, paragraph (1) of the Companies Act, insuring its directors, executive officers, corporate officers, and other important employees, as well as the officers at its subsidiaries. The insurance premiums, including the rider portion, are borne entirely by the company, and there is effectively no insurance premium burden on the insured. Damages in cases where the insured officers are liable for the execution of their duties, etc., or where the insured officers are subject to claims for such liabilities (compensation for damages and litigation expenses) are covered under this insurance policy. However, there are certain exclusions of liability, such as damages arising from an act committed with knowledge that the act is in violation of laws and regulations.

(2) Attendance at meetings

Name	Board of Directors	Nominating Committee	Audit Committee	Compensation Committee
Naotaka Obata	12/12 (100%)	6/6 (100%)	—	8/8 (100%)
Shoko Sugino	12/12 (100%)	6/6 (100%)	15/15 (100%)	8/8 (100%)
Kensuke Futagoishi	11/12 (92%)	5/6 (83%)	—	7/8 (88%)
Takayoshi Yamakawa	12/12 (100%)	6/6 (100%)	15/15 (100%)	—
Yasuyo Tanaka	10/10 (100%)	—	10/10 (100%)	6/6 (100%)
Shigeki Kushida	12/12 (100%)	6/6 (100%)	—	8/8 (100%)
Kazuhiro Maeda	10/10 (100%)	—	10/10 (100%)	—

(Note) Attendance at the meetings of the Board of Directors and Committees held during their term of office.

(3) Status of Primary Activities of Outside Officers

Name	Status of activities and overview of duties performed with respect to the role expected of outside directors
Naotaka Obata	Naotaka Obata draws on his extensive experience and broad insight as a manager at major financial institutions to adequately fulfill the roles and responsibilities required of an outside director, including effective supervision over the Company's management, determination of medium- to long-term management policies, and advice on overall management. At meetings of the Board of Directors, as chairperson, he manages the agenda and makes suggestions and provides advice on the formulation of the medium-term management plan and the risk management framework. At meetings of the Nominating Committee and the Compensation Committee, he manages the proceedings as chairperson, and as a committee member he expresses necessary opinions in the consideration and deliberation of management succession planning, the composition of the Board of Directors, and executive compensation.
Shoko Sugino	Shoko Sugino draws on her extensive experience and broad insight as an attorney to adequately fulfill the roles and responsibilities required of an outside director, including effective supervision over the Company's management, determination of medium- to long-term management policies, and advice on overall management. At meetings of the Board of Directors, she makes suggestions and provides advice on the management and operation of internal control systems. At meetings of the Nominating Committee and the Compensation Committee, as a committee member she expresses necessary opinions in the consideration and deliberation of management succession planning, the composition of the Board of Directors, executive compensation, and other matters. In addition, at meetings of the Audit Committee, she manages the proceedings as chairperson and, as a committee member, she formulates audit plans, receives reports from the accounting auditor on the status and results of audits, and expresses opinions as necessary.
Kensuke Futagoishi	Kensuke Futagoishi draws on his extensive experience and broad insight in the management of financial institutions with unique and cutting-edge business models to adequately fulfill the roles and responsibilities required of an outside director, including effective supervision over the Company's management, determination of medium- to long-term management policies, and advice on overall management. At meetings of the Board of Directors, he makes suggestions and provides advice on the formulation of the medium-term management plan and business operations related to financial transactions. At meetings of the Nominating Committee and the Compensation Committee, as a committee member he expresses necessary opinions in the consideration and deliberation of management succession planning, the composition of the Board of Directors, and executive compensation.

Takayoshi Yamakawa	Takayoshi Yamakawa draws on his extensive experience and broad insight into trends in technological innovation and corporate management related to digital transformation, etc., to adequately fulfill the roles and responsibilities required of an outside director, including effective supervision over the company's management, determination of medium- to long-term management policies, and advice on overall management. At meetings of the Board of Directors, he makes suggestions and provides advice on the formulation of the medium-term management plan and initiatives related to communications with investors. At meetings of the Nominating Committee, as a committee member he expresses necessary opinions in the consideration and deliberation of management succession planning, the composition of the Board of Directors, and other matters. In addition, at meetings of the Audit Committee, as a committee member he formulates audit plans, receives reports from the accounting auditor on the status and results of audits, and expresses opinions as necessary.
Yasuyo Tanaka	Yasuyo Tanaka draws on her extensive knowledge and broad insight in human resource development and corporate management to adequately fulfill the roles and responsibilities required of an outside director, including effective supervision over the Company's management, determination of medium- to long-term management policies, and advice on overall management. At meetings of the Board of Directors, she makes suggestions and provides advice on the status of efforts to strengthen human resource development and other matters. At meetings of the Compensation Committee, as a committee member she expresses necessary opinions in the consideration and deliberation of executive compensation and other matters. In addition, at meetings of the Audit Committee, as a committee member she formulates audit plans, receives reports from the accounting auditor on the status and results of audits, and expresses opinions as necessary.

(4) Executive Officers (As of March 31, 2026)

Position	Name	Responsibilities	Significant concurrent positions
Chairperson	Eizo Kobayashi	Assisting and supporting the president in general management, primarily in external affairs.	Director of Nihon building Co., Ltd. Director of Japan Information Processing Service Co., Ltd. Outside Director of Tokyo Metro Co., Ltd.
Representative Executive Officer & President	Shigeki Kushida	Directing and leading the executive officers, as the chief executive. Internal Audit Dept.	Director of JSF Trust and Banking Co., Ltd. Outside Director of Denso Corp.
Senior Managing Executive Officer	Yutaka Okada	Corporate Governance Office Business Development Dept. Treasury Dept. International Relations	
Senior Managing Executive Officer	Morikuni Shimoyamada	Margin Loan Dept. Institutional Sales Dept. Retail Business Dept.	
Managing Executive Officer	Wataru Sato	Compliance Dept. Human Resources Dept. Settlement & Custody Dept. Osaka Branch	
Managing Executive Officer	Hiroshi Sagawa	Corporate Planning Dept. Risk Management Dept. Information System Planning Dept. Group Companies Relations	

(Note) 1. Shigeki Kushida, President and Representative Executive Officer, concurrently serves as a Director.

2. Eizo Kobayashi, Chairperson, and Shigeki Kushida, Representative Executive Officer & President, retired from their respective positions on March 31, 2026, upon the expiration of their terms of office. In addition, effective April 1, 2026, Morikuni Shimoyamada, Senior Managing Executive Officer, was promoted to Representative Executive Officer & CEO; Yutaka Okada, Senior Managing Executive Officer, was promoted to Representative Executive Officer & Co-CEO; and Yuji Yoshimoto and Hiroyuki Matsui were newly appointed as Managing Executive Officers.

【Reference】 Executive Officers (as of April 1, 2026)

Position	Name	Responsibilities	Significant concurrent positions
Representative Executive Officer & CEO	Morikuni Shimoyamada	Directing and leading the executive officers, as the chief executive officer.	
Representative Executive Officer & Co-CEO	Yutaka Okada	Responsible for Corporate Strategy and International Relations Corporate Governance Office Business Development Dept.	
Managing Executive Officer	Wataru Sato	Human Resources Dept. Settlement & Custody Dept. Osaka Branch	
Managing Executive Officer	Hiroshi Sagawa	Corporate Planning Dept. Risk Management Dept. Information System Planning Dept. Group Companies Relations	
Managing Executive Officer	Yuji Yoshimoto	Compliance Dept. Internal Audit Dept.	
Managing Executive Officer	Hiroyuki Matsui	Margin Loan Dept. Institutional Sales Dept. Retail Business Dept. Treasury Dept.	

(5) Amount of compensation for Directors and Executive Officers

Classification	Total amount of compensation, etc. (Thousands of yen)	Total amount of compensation by type (thousands of yen)			Number of persons (persons)
		Base compensation	Performance-linked compensation, etc.		
			Bonus	Non-monetary and share-based compensation	
Directors	71,100	71,100	—	—	7
of which Outside Directors	60,600	60,600	—	—	5
Executive Officers	296,926	210,480	68,130	18,316	6
Total	368,026	281,580	68,130	18,316	

- (Note) 1. Directors who concurrently serve as executive officers are not paid compensation as directors.
2. The business performance indicator for performance-linked compensation, etc. (bonus) is the profit attributable to owners of parent of 10,611 million yen.
3. The business performance indicators for performance-linked compensation, etc. (non-monetary and share-based compensation) are consolidated ROE and consolidated ordinary income of 7.81% and 14,996 million yen, respectively.

(6) Policy for determining the amount of compensation, etc. for Officers or the method for calculating the amount of compensation, etc.

- ① Content of policy and method for determining the amount of compensation, etc. for officers or the method for calculating the amount of compensation, etc.

Based on the Company's corporate philosophy and management policy, the compensation, etc. for the Company's officers is established as a system and at a level that matches the roles and expected functions of the directors and executive officers from the perspective of achieving sustainable growth and enhancing corporate value over the medium to long-term. Specifically, the Compensation Committee utilizes the following policy determined by the Compensation Committee to determine compensation, etc. on an individual basis. The Compensation Committee has confirmed that the method of determining the details of compensation, etc. and the details of compensation, etc. determined for each individual director for the current fiscal year are consistent with such determination policy, and has determined that the details of compensation, etc. are in line with this determination policy.

[Directors]

- From the perspective of exercising supervisory function, directors receive only a fixed monthly compensation (base compensation) and shall not receive performance-linked compensation, etc.
- Each individual director's compensation will be based on their responsibilities as a director, such as whether they serve full-time or part-time and have been appointed as Chairperson.
- Directors who concurrently serve as executive officers will not receive compensation as directors.

[Executive Officers]

- From the standpoint of linking their compensation to the Company's business performance and stock value, executive officers are paid a fixed monthly compensation (base compensation) as well as performance-linked officer bonuses and share-based compensation.
- The fixed monthly compensation (base compensation) is determined in accordance with each executive officer's position.
- Performance-linked compensation is divided into short-term and long-term incentives, with bonuses serving as a short-term incentive and share-based compensation serving as a long-term incentive.
- From the standpoint of clarifying management responsibility, officers' bonuses are determined after the end of the fiscal year in conjunction with business performance and individual evaluations in each fiscal year, and are paid within three months after the determination thereof.
- As for the share-based compensation, the Board Benefit Trust scheme shall be used to provide points, which are determined in correlation with medium- to long-term business performances, to the executive officers, to whom the Company's shares will be issued at a designated time each year in accordance with the points. The shares will be subject to transfer restrictions until the executive officers retire from their positions.

- ② Policy on determining the percentage of compensation, etc. to be paid as performance-linked compensation and non-performance-linked compensation, etc.

The percentage of each compensation to be paid to the executive officers based on the base performance shall be determined as follows

Base compensation	Performance-linked compensation	
	Officer bonus	Share-based compensation
65%	20%	15%

- ③ Indicators for performance-linked compensation, reasons for selecting these indicators, and method of determining performance-linked compensation

Among the Company's executive officers' compensation, the indicators related to officers' bonuses and share-based compensation, which are performance-based compensation, are as follows.

[Officer bonus]

- Officers' bonuses are determined by multiplying the standard bonus calculation amount for each executive officer's position by the performance-linked coefficient (bonus).
- In calculating performance-linked compensation (bonus), the Company uses the profits attributable to owners of parent as a reference index for short-term incentives, and the ratio of change from the previous year as a coefficient.

[Share-based compensation]

- The number of base points will be determined based on each executive officer's position.
- Share-based compensation is determined by multiplying the base number of points by performance-linked coefficient (bonus).
- In calculating the performance-linked compensation (share-based compensation), the Company uses the management targets under the medium-term management plan (consolidated ROE and consolidated ordinary profit) as reference indicators, and the compensation is determined based on the achievement of actual results relative to the reference values in each fiscal year, from the perspective of increasing the linkage between the enhancement medium- to long-term corporate value and shareholder profits as a long-term incentive.

IV Dividend Policy

The Company's fundamental policy is to seek the realization of sustainable growth and enhanced corporate value based on maintenance of strong financial soundness as the only securities finance company in Japan supporting the infrastructure of securities market, and to provide stable long-term returns to shareholders by comprehensively taking into consideration the revenue environment, investment plans, and the like. Based on this basic approach, JSF will strive to further enhance shareholder returns.

The Company remains committed to its policy of enhancing shareholder returns by aiming for a cumulative total payout ratio of 100% for the period from fiscal 2023 through fiscal 2025 through the flexible implementation of dividends and share repurchases. Of this, with respect to dividends, the Company intends to proactively pay dividends during the period from fiscal 2024 through fiscal 2025, with a dividend payout ratio of approximately 70% as a guideline.

The year-end dividend for the current fiscal year has been set at ¥46 per share under a resolution of the Board of Directors adopted at a meeting held on May 14, 2026. Together with the interim dividend of ¥40 per share, which has already been paid, the annual dividend will reach ¥86 per share (up ¥2 from the previous fiscal year). The effective date of the year-end dividend payment (Effective Date) will be Friday, June 5, 2026.

With respect to shareholder returns during the period of the 8th Medium-Term Management Plan as well, the Company will aim for a total payout ratio of 100% up until ROE reaches 8%, through the flexible implementation of dividends and share repurchases. As for dividends, the Company will aim for a dividend payout ratio of 70% as a guideline.

Consolidated Financial Statements

Consolidated Balance Sheets

Unit: millions of yen

Account	Fiscal 2025 As of March 31, 2026
Assets	
Total current assets	15,475,735
Cash and deposits	1,559,712
Call loans	4,500
Securities	668,634
Operating loans	1,040,240
Securities purchased under resale agreements	7,201,848
Cash collateral provided for securities borrowed	4,838,141
Derivatives	38,070
Other	124,720
Allowance for doubtful accounts	-132
Total non-current assets	42,898
Total property, plant and equipment	5,473
Buildings and structures, net	1,902
Furniture and fixtures, net	292
Land	3,231
Construction in progress	47
Intangible assets	594
Software	566
Software suspense accounts	11
Other	16
Total investments and other assets	36,829
Investment securities	30,162
Bad debts	54
Retirement benefit asset	5,634
Deferred tax assets	927
Other	104
Allowance for doubtful accounts	-54
Total assets	15,518,633

Account	Fiscal 2025 As of March 31, 2026
Liabilities	
Total current liabilities	15,076,807
Call money	1,812,900
Short-term borrowings	92,000
Current portion of long-term borrowings	18,500
Commercial papers	859,729
Securities sold under repurchase agreements	8,374,195
Cash collateral received for securities lent	3,229,297
Income taxes payable	1,638
Provision for bonuses	636
Provision for bonuses for directors (and other officers)	120
Borrowed money from trust account	538,388
Derivative liabilities	440
Other	148,959
Total non-current liabilities	304,332
Long-term borrowings	298,100
Deferred tax liabilities	2,543
Deferred tax liabilities for land revaluation	76
Provision for share awards for directors (and other officers)	86
Retirement benefit liability	237
Asset retirement obligations	60
Derivative liabilities	2,719
Other	508
Total liabilities	15,381,139
Net assets	
Total shareholders' equity	133,315
Share capital	10,000
Capital surplus	5,181
Retained earnings	120,941
Treasury shares	-2,807
Total accumulated other comprehensive income	4,178
Valuation difference on available-for-sale securities	-9,934
Deferred gains or losses on hedges	11,353
Revaluation reserve for land	165
Remeasurements of defined benefit plans	2,593
Total net assets	137,494
Total liabilities and net assets	15,518,633

Note) Amounts less than one million yen are disregarded.

Consolidated Statement of Income

Unit: millions of yen

Account	Fiscal 2025 (From April 1, 2025 to March 31, 2026)	
Total operating revenues		114,211
Interest on loans	9,159	
Interest income on securities purchased under resale agreements	32,779	
Interest income on cash collateral provided for securities borrowed	29,934	
Securities lending fees	12,412	
Gain on investments in securities	13,832	
Other operating revenues	16,092	
Total operating expenses		92,354
Interest expenses	34,326	
Interest expenses on securities sold under repurchase agreements	38,740	
Securities borrowing fees	13,249	
Loss on investments in securities	3,749	
Other operating expenses	2,288	
Operating gross profit		21,856
Total general and administrative expenses		7,840
Operating profit		14,016
Total non-operating income		1,009
Interest income and dividend income	321	
Share of profit of entities accounted for using equity method	354	
Gain on investments in investment partnerships	157	
Compensation income	113	
Miscellaneous income	62	
Total non-operating expenses		29
Interest expenses	0	
Commission for purchase of treasury shares	9	
Loss on investments in investment partnerships	19	
Miscellaneous expenses	0	
Ordinary profit		14,996
Profit before income taxes		14,996
Income taxes-current	4,427	
Income taxes-deferred	-42	4,384
Profit		10,611
Profit attributable to non-controlling interests		—
Profit attributable to owners of parent		10,611

Note) Amounts less than one million yen are disregarded.

Consolidated Statement of Changes in Equity

(From April 1, 2025 to March 31, 2026)

Unit: millions of yen

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at April 1, 2025	10,000	5,194	125,323	-7,764	132,754
Changes arising during the year					
- Cash dividends			-6,804		-6,804
- Profit attributable to owners of parent			10,611		10,611
- Purchase of treasury share				-3,401	-3,401
- Disposal of treasury share		0		156	156
- Cancellation of treasury share		-8,202		8,202	-
- Transfer from retained earnings to capital surplus		8,189	-8,189		-
- Net changes other than stockholders' equity					
Total changes during the year	-	-12	-4,382	4,956	561
Balance at March 31, 2026	10,000	5,181	120,941	-2,807	133,315

Unit: millions of yen

	Accumulated other comprehensive income					Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	
Balance at April 1, 2025	-11,778	11,673	165	1,531	1,592	134,346
Changes arising during the year						
- Cash dividends						-6,804
- Profit attributable to owners of parent						10,611
- Purchase of treasury share						-3,401
- Disposal of treasury share						156
- Cancellation of treasury share						-
- Transfer from retained earnings to capital surplus						-
- Net changes other than stockholders' equity	1,844	-320	-	1,061	2,585	2,585
Total changes during the year	1,844	-320	-	1,061	2,585	3,147
Balance at March 31, 2026	-9,934	11,353	165	2,593	4,178	137,494

Note) Amounts less than one million yen are disregarded.

Financial Statements

Balance Sheets

Unit: millions of yen

Account	Fiscal 2025 As of March 31, 2026
Assets	
Total current assets	14,617,046
Cash and deposits	1,139,079
Securities	359,641
Operating loans	933,482
Margin loan	641,575
Loan to securities companies and individual investors	115,607
Other loans	176,300
Securities purchased under resale agreements	7,201,848
Cash collateral provided for securities borrowed	4,838,141
Derivatives	29,185
Other	115,722
Allowance for doubtful accounts	-53
Total Non-current assets	48,639
Total property, plant and equipment	1,590
Buildings and structures, net	506
Tools, furniture and fixtures, net	252
Land	830
Intangible assets	396
Software	379
Software suspense accounts	2
Other	15
Total Investments and other assets	46,652
Investment securities	18,593
Shares of subsidiaries and associates	25,538
Bad debts	54
Prepaid pension costs	2,164
Other	356
Allowance for doubtful accounts	-54
Total assets	14,665,685

Note) Amounts less than one million yen are disregarded.

Account	Fiscal 2025 As of March 31, 2026
Liabilities	
Total current liabilities	14,450,264
Call money	1,739,900
Short-term borrowings	84,000
Current portion of long-term borrowings	18,500
Commercial papers	854,729
Securities sold under repurchase agreements	8,374,195
Cash collateral received for securities lent	3,229,297
Income taxes payable	892
Provision for bonuses	523
Provision for bonuses for directors (and other officers)	102
Cash collateral received for margin loans	106,721
Derivative liabilities	440
Other	40,961
Total non-current liabilities	94,489
Long-term borrowings	94,100
Deferred tax liabilities	159
Deferred tax liabilities for land revaluation	76
Provision for share awards for directors (and other officers)	86
Other	67
Total liabilities	14,544,753
Net assets	
Total Shareholders' equity	120,229
Share capital	10,000
Capital surplus	5,181
Capital reserve	5,181
Retained earnings	107,847
Legal retained earnings	2,278
Other Retained earnings	105,569
Reserve for dividends	2,030
Voluntary reserve	77,030
Retained earnings brought Forward	26,509
Treasury shares	-2,799
Valuation and translation adjustments	701
Valuation difference on available-for-sale securities	-6,595
Deferred gains or losses on hedges	7,131
Revaluation reserve for land	165
Total net assets	120,931
Total liabilities and net assets	14,665,685

Statement of Income

Unit: millions of yen

Account	Fiscal 2025 (From April 1, 2025 to March 31, 2026)	
Total operating revenues		103,085
Interest on loans receivable	8,607	
Interest on securities purchased under resale agreements	32,779	
Interest income on collateral provided for securities borrowed	30,048	
Commission income	481	
Securities lending fees	12,411	
Gain on investments in securities	10,783	
Other operating revenue	7,972	
Total operating expenses		86,217
Interest expenses	29,306	
Interest expenses on securities sold under repurchase agreements	38,740	
Commission expenses	1,101	
Securities borrowing fees	13,268	
Loss on investments in securities	2,745	
Other operating expenses	1,054	
Operating gross profit		16,867
Total general and administrative expenses		6,099
Operating profit		10,768
Total non-operating income		3,094
Interest income and dividend income	2,877	
Gain on investments in investment partnerships	157	
Miscellaneous revenue	60	
Total non-operating expenses		29
Commission for purchase of treasury shares	9	
Loss on investments in investment partnerships	19	
Miscellaneous expenses	0	
Ordinary profit		13,833
Profit before income taxes		13,833
Income taxes-current	3,309	
Income taxes-deferred	-34	3,274
Profit		10,559

Note) Amounts less than one million yen are disregarded.

Statement of Changes in Equity

(From April 1, 2025 to March 31, 2026)

Unit: millions of yen

	Shareholders' equity								
	Share capital	Capital surplus			Legal retained earnings	Retained earnings			Total Retained earnings
		Capital reserve	Other capital surplus	Total capital surplus		Other retained earnings			
						Reserve for dividends	Voluntary reserve	Retained earnings brought forward	
Balance at April 1, 2025	10,000	5,181	12	5,194	2,278	2,030	77,030	30,943	112,281
Changes arising during the year									
- Cash dividends								-6,804	-6,804
- Profit attributable to owners of parent								10,559	10,559
- Purchase of treasury share									
- Disposal of treasury share			0	0					
- Cancellation of treasury share			-8,202	-8,202					
- Transfer from retained earnings to capital surplus			8,189	8,189				-8,189	-8,189
- Net changes other than stockholders' equity									
Total changes during the year	—	—	-12	-12	—	—	—	-4,434	-4,434
Balance at March 31, 2026	10,000	5,181	—	5,181	2,278	2,030	77,030	26,509	107,847

Unit: millions of yen

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury share	Total Shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total Valuation and translation adjustments	
Balance at April 1, 2025	-7,755	119,720	-11,259	10,930	165	-163	119,557
Changes arising during the year							
- Cash dividends		-6,804					-6,804
- Profit attributable to owners of parent		10,559					10,559
- Purchase of treasury share	-3,401	-3,401					-3,401
- Disposal of treasury share	156	156					156
- Cancellation of treasury share	8,202	—					—
- Transfer from retained earnings to capital surplus		—					—
- Net changes other than stockholders' equity			4,663	-3,799	—	864	864
Total changes during the year	4,956	509	4,663	-3,799	—	864	1,374
Balance at March 31, 2026	-2,799	120,229	-6,595	7,131	165	701	120,931

Note) Amounts less than one million yen are disregarded.