eGuarantee
INNOVATION IN FINANCE

# 【For Investors New to eGuarantee】
# Company Overview and Growth Potential

**Leveraging proprietary big data, eGuarantee is a credit risk platform provider that transforms transaction risks into business opportunities. Committed to balancing growth and shareholder returns, the Company has raised its target dividend payout ratio to 100%.**

**eGuarantee,Inc.** (TSE Prime: 8771)

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# About eGuarantee

# Profile of eGuarantee

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The only publicly listed company in Japan specializing in credit guarantee services, with the No.1 domestic market share. Leveraging a highly productive business model, the Company has achieved 24 consecutive years of revenue and profit growth. Beginning with the fiscal year ending March 2027, the Company has revised its shareholder return policy to target a dividend payout ratio of 100%.

**Market Share in Japan for Accounts Receivable Guarantee Services**

# No.1

**Japan's Only Listed Company Dedicated Solely to Guarantee Services**

**Guarantee Obligation**

## 2.6T yen

**Number of Companies Covered by eGuarantee's Services**

## 580K companies

As of March 31, 2026

## 24 consecutive years

**of net sales and profit growth**

**3rd Among Companies Listed on the TSE** *1

As of March 31, 2026


**Average of past 3years**

**Operating profit margin**

## c50%

*2

**15th Among TSE Prime Market Companies**

**Ordinary Profit per Employee**

## c24M Yen

As of March 31, 2026

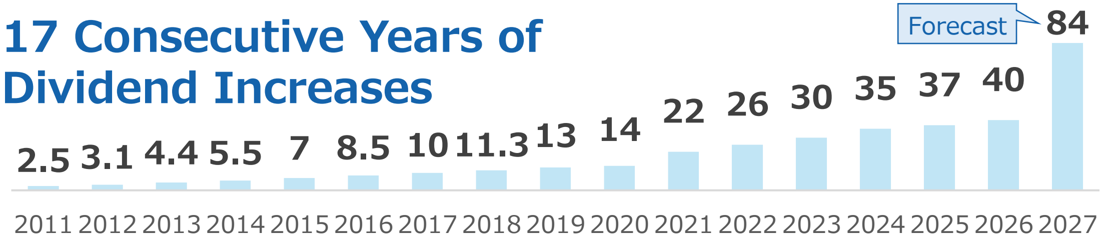
**Interest-bearing debt 0 yen**

## Debt-Free Management

**Dividend Payout Ratio Policy**

## 100%

**17 Consecutive Years of Dividend Increases**




**Ranked 4th in Dividend Yield Among Listed Companies with Six or More Consecutive Years of Dividend Increases** *3

*1 Source: Diamond Zai Online, "Consecutive Revenue and Profit Growth Ranking [2026 Edition]: Pan Pacific International Holdings Ranked No.1 with 34 Consecutive Years — 45 Long-Term Stable Growth Stocks with Continued Revenue and Profit Growth" (published on February 23, 2026). *2 Source: EDINET DB, "Operating Margin Ranking — Top 100 Listed Companies" (as of May 13, 2026). *3 Source: Kabutan, "38 Consecutive Dividend Increase Stocks with Dividend Yields Above 3% (Part 2)," published on July 20, 2026. The list includes companies with market capitalizations of JPY 80 billion to JPY 250 billion as of July 16, 2026.

Vision

# Visualize Credit and Driving The Economy

Guarantees have the power to significantly transform both business-to-business transactions and corporate lending.

If there is big data on transactions, it is quicker and easier to search for the better aspect of a company.

And if the risk is shared among all of us, we can underwrite large risks. Both large and small companies can take on more challenges without being tied down by more risks.

Guarantees will certainly become a major field of finance sector.

We have faith in this and we will continue to push forward.

# How Our Credit Guarantee Service Works

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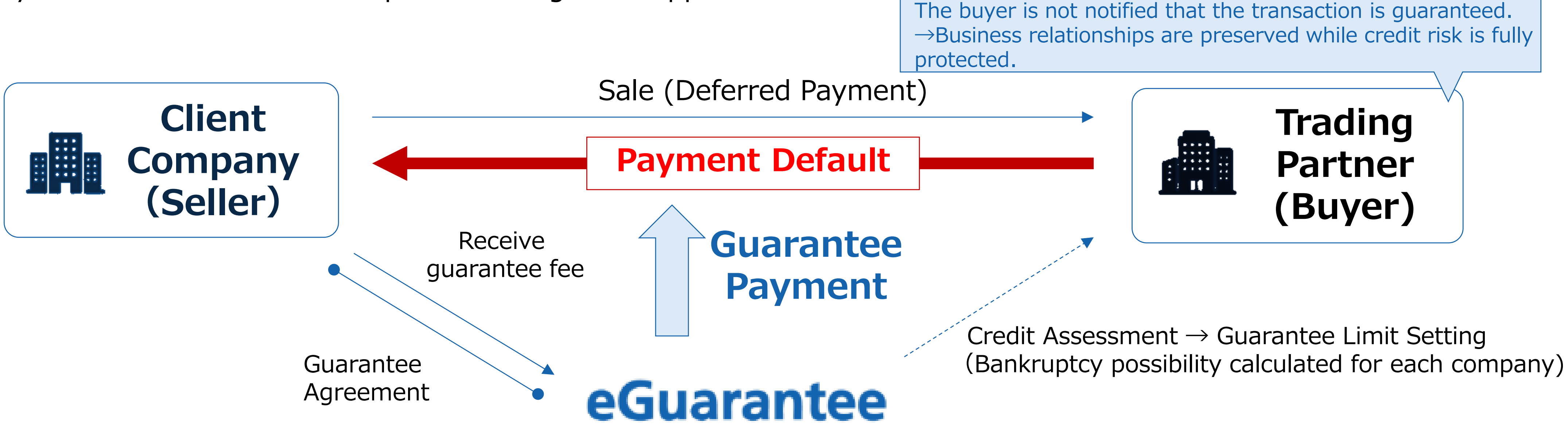
Most business-to-business transactions are conducted on a post-payment basis, with payment typically received more than one month after a sale. By assuming the risk of non-collection of receivables during this period, we enable our clients to expand their business beyond credit constraints and pursue new growth opportunities.




### Why Companies Use Credit Guarantees

- **Protection Against Payment Defaults**
  Mitigating the risk of uncollected receivables.
- **Expanding Sales Opportunities**
  Unlocking new business opportunities by overcoming credit limits.
- **Improving Operational Efficiency**
  Streamlining credit management through outsourced credit checks, approvals, collections, and digital transformation.
- **Solving Credit Management Succession Issues**
  Providing outsourced credit management expertise to support companies facing succession challenges.

### Why Over 90% of Clients Continue Using Our Service

- Credit management workflows built around our guarantee service become embedded in clients' operations, making replacement of the entire process difficult.
- Our credit information and assessment data become essential infrastructure for clients' credit management operations.
- Rebuilding internal credit management capabilities after outsourcing creates significant costs and operational barriers.

etc.

# A credit risk platform that converts transaction risks into investment opportunities.

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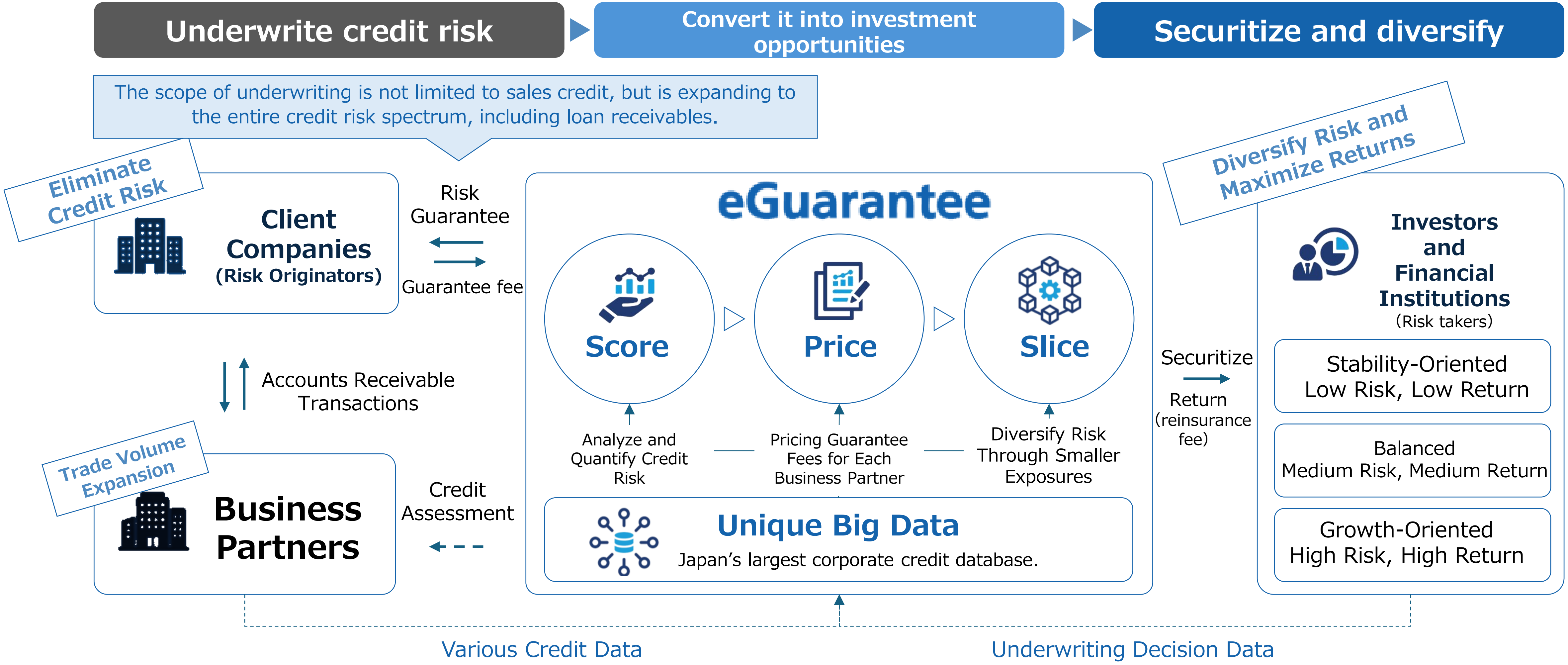
We underwrite the 【risk associated with uncollectible sales credit】 held by companies, appropriately assess and diversify it, and convert it into 【risk from which profit can be earned】 for institutional investors and financial institutions to distribute. A mechanism that connects risk originators with risk takers. The source of our competitiveness is Japan's largest big data on corporate credit risk.



# Corporate History

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Founded in 2000 to become a “third alternative” beyond traditional financial institutions. Leveraging accumulated data and expanding our business, we have grown to ¥2.6 trillion in guarantee obligation and achieved 24 consecutive years of revenue and profit growth.

Social Challenges

**Stagnant Japanese Economy**

- Increasing risk aversion among financial institutions and other lenders.
- Lack of players capable of taking on credit risk.

Founding Vision

- Creating a “third form of finance” that assesses corporate creditworthiness based on actual business activities, rather than relying solely on financial statements or collateral.
- Aspiring to become a market platform that absorbs, diversifies, and distributes credit risk.

| | |
|---|---|
| **2000** | **Established as a financial subsidiary of Itochu Corporation.** The company began its business with accounts receivable guarantees to accumulate data on corporate transactions, initially covering factoring receivables of a major bank’s subsidiary. |
| **2007** | Listed on the JASDAQ Market |
| **2008** | Launched risk securitization through funds, evolving from a “guarantee provider” into a “credit risk platform.” |
| **2011** | Transferred to TSE Second Section |
| **2012** | Transferred to TSE First Section. Acquired the business of a leading French credit insurance group. |
| **2022** | Transferred to TSE Prime Market |
| **2025** | Exceeded 100 business alliance partners in our sales network. Exceeded ¥2 trillion in guarantee obligation. |
| **2026～** | **Expanded into scalable business models and the loan guarantee business, unlocking 25 years of accumulated credit data to become financial infrastructure that supports corporate growth and innovation.** |

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02

# Revenue Structure

# Revenue Structure: A high-margin recurring revenue model built on accumulating guaranteed liabilities

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A recurring revenue model where guarantee liabilities continue to accumulate steadily, driven by high contracts renewal rates.
Achieved an average operating profit margin of 50% over the past three fiscal years.

## Net Sales

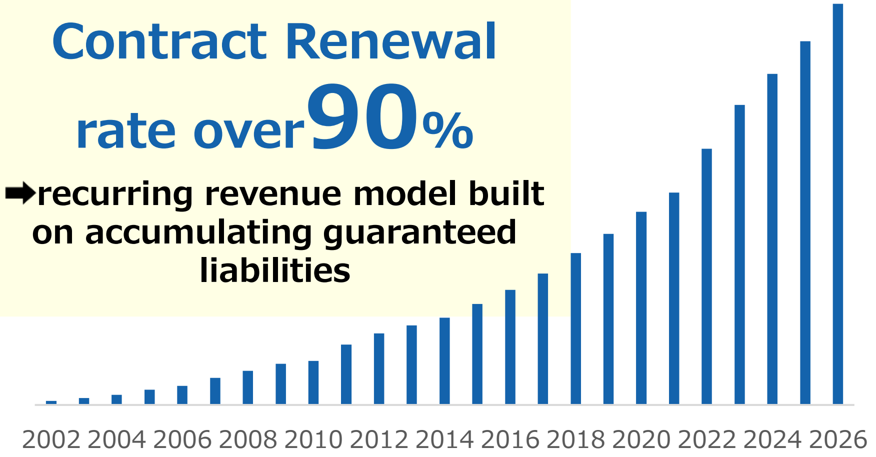
Guarantee fee rate **1.24%**

**Guarantee Liabilities** (Outstanding Receivables by Guaranteed Obligor) × **Guarantee fee rate**

**Trend of Guarantee Liabilities** **911.3** Billion Yen

**Contract Renewal rate over 90%**

➡**recurring revenue model built on accumulating guaranteed liabilities**

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## Costs

Cost ratio **c24%** *1

**Cost of Risk securitization to External Parties** etc

Other expenses (referral fee etc.)

−

## SG&A

SG&A margin **c26%** *1

**Personnel Expenses** etc

Other expenses (office rent, etc.)

=

**Operating profit**

**Operating profit margin c50%** *1

*2 15th Among TSE Prime Market Companies

*1 Average of past 3years. *2 Source: EDINET DB, “Operating Margin Ranking — Top 100 Listed Companies” (as of May 13, 2026).

# Highly Recurring Revenue Structure: Net Sales Trends

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Supported by a recurring revenue model backed by a contract renewal rate exceeding 90%, the Company has achieved highly stable revenue growth with limited exposure to economic fluctuations. Leveraging this strong earnings base, the Company has achieved 24 consecutive years of net sales and profit growth, one of the strongest track records among listed companies.


* Source: Diamond Zai Online, “Consecutive Revenue and Profit Growth Ranking [2026 Edition]: Pan Pacific International Holdings Ranked No.1 with 34 Consecutive Years — 45 Long-Term Stable Growth Stocks with Continued Revenue and Profit Growth” (published on February 23, 2026).

03

# Sources of Competitive Advantage

# Sources of Competitive Advantage： Unique Credit Big Data

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Accumulated credit data on intercompany transactions supports pricing, securitization, and customer acquisition, creating entry barriers that strengthen as more risk is underwritten.

## Sources of Competitive Advantage

### One of Japan's largest big data on corporate credit risk

| Number of Companies Assessed per Year | Number of Guaranteed Companies |
|---|---|
| 360K Companies | 580K Companies |
| **Daily Data Acquisition Volume** | **Guarantee Obligation** |
| 2.6M Data Items | 2.6 Trillion Yen |

Intercompany transaction data continues to expand through growth in both the customer base and the number of credit assessment requests.

Reinvest ⇒ Increase in B2B Transaction Data ⇒ Assessment Capabilities improve ⇒ Product enhancement ⇒ Customer increase ⇒ Profit Increase ⇒ Reinvest

**Utilization of Data**

Data accumulation expands the scope of under writable risks

### Calculation of Bankruptcy Possibilities and Appropriate Pricing

Calculates the bankruptcy Possibilities of each company based on accumulated data. Determines prices for risk underwriting on statistical grounds.

### Risk securitization and product structuring by risk/return profile

Diversifies large risks into small portions and provides them to over 20 securitization partners (including 12 funds) as products matching their risk appetite.

### Customer acquisition for both sellers (clients) and buyers (investors)

Supported by data-backed pricing, the Company attracts a large number of clients and institutional investors, driving continued market expansion.

### Further Accumulation of Transaction Data

Collected transaction and financial data strengthen our unique Big Data, further improving the accuracy of risk estimation.

**Improving data precision**

The accuracy of bankruptcy possibility estimation improves as the number of credit assessment increases

# Examples of Proprietary Data

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Instead of the traditional quantitative and static corporate credit assessments based on financial statements conducted by financial institutions, we perform qualitative and dynamic corporate credit assessments using big data, such as inter-company payment status. This expands the base of companies eligible for credit guarantees and supports the challenges of many enterprises.

## Example 1:Infrastructure and Transaction Data

- Delays in payment of utility bills (electricity, gas, etc.)
- Information on deteriorating cash flow across the industry
- Change in payment method
- Industry-Wide Deterioration in Funding Conditions
- Requests for changes to payment terms (payment sites)
- Industry reputation
- Payment delays to other companies
- Guarantee requests from multiple companies

## Example 2: On-Site Survey Data

- Types of Vehicles Parked in the Parking Lot
- Perceived affluence and positivity of the environment.
- On-Site Images via Google Maps
- Workplace Conditions(e.g., Broken Windows)

**Daily Data Acquisition and Registration Volume**

**2.6M Data Items**

**Guarantee Obligation**

**2.6T Yen**

**Number of Companies Assessed per Year**

**360K Companies**

## Example 3: Digital & Open Data

- Changes in Online Ratings and Review Volumes
- Executive Social Media Activity and Posting Frequency
- Recruitment Information and Employee Reviews
- Corporate Website Update Frequency and Advertising Activity
- Number of YouTube Uploads and Views
- Media and News Coverage

## Example 4: Management & Organizational Data

- CEO Age and Successor Availability
- CEO–Successor Relationship
- CEO Succession History
- Value Chain and Company Strengths
- Changes in Key Assets of the Representative
- Customer Feedback on Products

# List of Business Partners

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(As of end of March 2026)

## Local Banks ※Sorted by prefecture (and by bank code within the same prefecture)

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 北海道銀行 | Procrea 青森みちのく銀行 | 北都銀行 | 岩手銀行 | 77 BANK 七十七銀行 | 仙台銀行 | 荘内銀行 | 山形銀行 |
| きらやか銀行 | すべてを地域のために 東邦銀行 | 大東銀行 | 常陽銀行 | 足利銀行 | 群馬銀行 | 武蔵野銀行 | 千葉銀行 |
| きらぼし銀行 | 東日本銀行 | 神奈川銀行 | ふれあい さわやか 山梨中央銀行 | OKB 大垣共立銀行 | 静岡銀行 | あいち銀行 | 名古屋銀行 |
| 百五銀行 | 第四北越銀行 | 北陸銀行 | 北國銀行 | 八十二長野銀行 | いつも、いつでも、いつまでも。 福井銀行 | 福邦銀行 | 滋賀銀行 |
| 京都銀行 | 関西みらい銀行 | 池田泉州銀行 | NANTO 南都銀行 | 銀行をこえる銀行へ 紀陽銀行 | 鳥取銀行 | 山陰合同銀行 | BANK トマト銀行 |
| 広島銀行 | 山口銀行 | 阿波銀行 | 百十四銀行 | 伊予銀行 | 四国銀行 | 西日本シティ銀行 | このまちで、あなたと 佐賀銀行 |
| 十八親和銀行 | 肥後銀行 | 大分銀行 | 明日の夢 人から人へ 宮崎銀行 | はじめよう、あたらしいコト。 鹿児島銀行 | 琉球銀行 | | |

## Shinkin banks (regional cooperative banks) and credit unions ※in Japanese syllabary order

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 大阪商工信用金庫 | この街のホームドクター 大阪信用金庫 | 岡崎信用金庫 | 金沢信用金庫 きんしん | 亀有信用金庫 | ぐんまみらい信用組合 | さわやか信用金庫 | 城北信用金庫 | SUGAMO SHINKIN 巣鴨信用金庫 |
| SEIBU 西武信用金庫 | 瀬戸信用金庫 | DKC 第一勧業信用組合 | 知多信用金庫 | 東京シティ信用金庫 | 東濃信用金庫 | 浜松いわた信用金庫 | TRIbank Hiratsuka 平塚信用金庫 | 碧海信用金庫 |

## Other Banks ※in Japanese syllabary order

| | | |
|---|---|---|
| 商工中金 | SBI 新生銀行 | りそな銀行 |

## Securities companies ※in Japanese syllabary order

| | | | |
|---|---|---|---|
| いちよし証券 | SBI証券 | 岡三証券 | 大和証券 Daiwa Securities |

## Leasing Companies ※in Japanese syllabary order

| | | | |
|---|---|---|---|
| JA三井リース | 昭和リース | 浜銀ファイナンス | FUYO LEASE 芙蓉総合リース株式会社 |
| みずほ丸紅リース株式会社 | MIZUHO みずほリース | りそなリース | |

## Insurance Agencies ※in Japanese syllabary order

| | | | | |
|---|---|---|---|---|
| sojitz 双日インシュアランス株式会社 | 豊通インシュアランスマネジメント | HAB 株式会社阪和アルファビジネス | Marubeni Safenet 丸紅セーフネット株式会社 | 三井物産インシュアランス株式会社 |
| MST エムエスティ保険サービス株式会社 | クボタ総合保険サービス株式会社 | 三泉トラスト保険サービス株式会社 | SIS 昭和電工グループ 昭光通商保険サービス株式会社 | ジェイアンドエス保険サービス |
| TOTAL トータル保険 | NIPPON STEEL 日鉄保険サービス株式会社 | 日本製紙グループ NIPPON PAPER GROUP 日本製紙総合開発リスクマネジメント | 株式会社 日立保険サービス | |
| 新都心エージェンシー | 保険SHOP PARTNER | marble | | |

## Tax accountants and CPAs

| | |
|---|---|
| イデア総研税理士法人 | Toma |

## Others

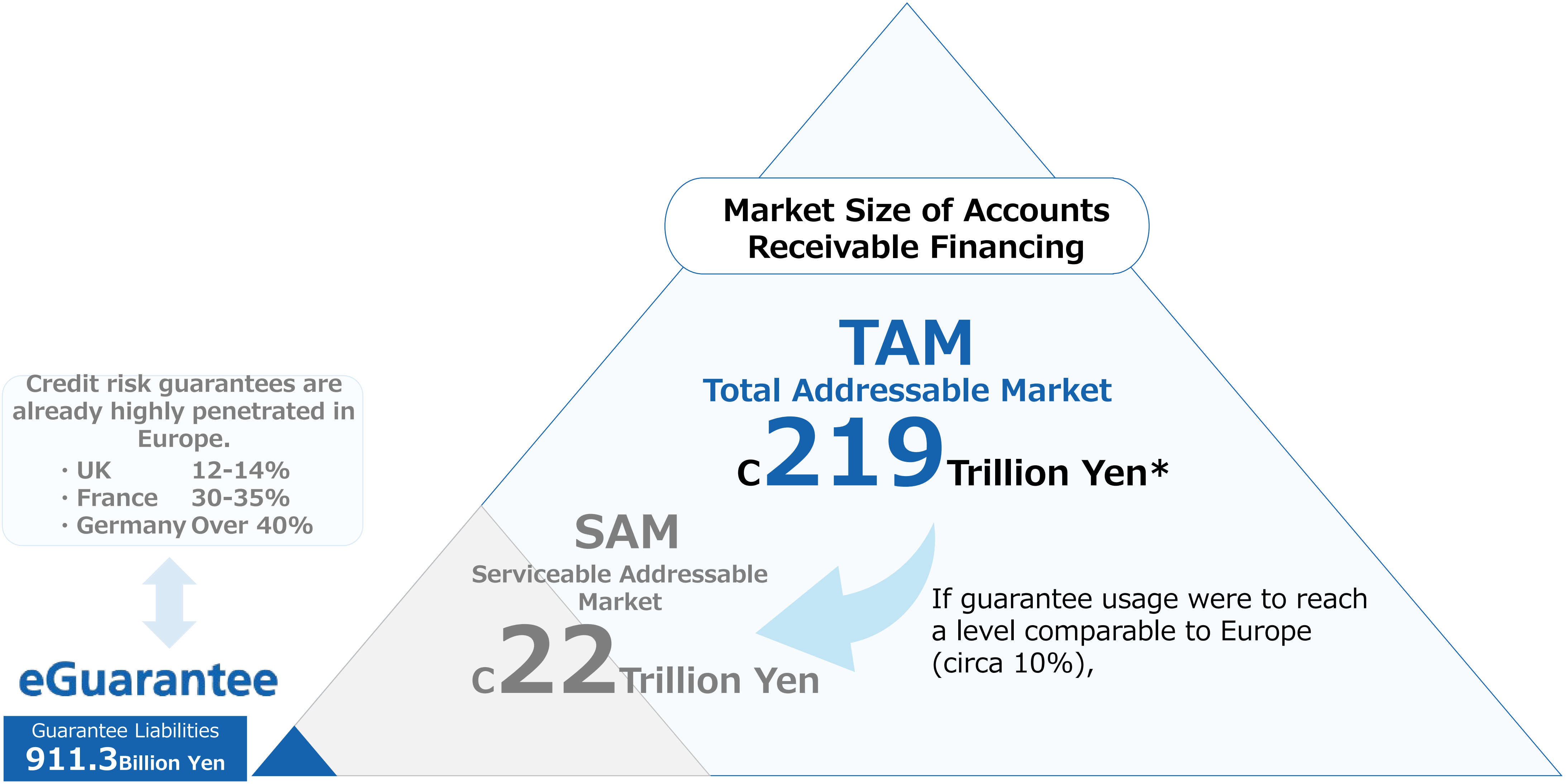
ストライク

04

# Market Environment and Growth Strategy

# Market Size of Accounts Receivable Financing

The market size of accounts receivable transactions is approximately JPY 219 trillion. In comparison, the Company's Guarantee Liabilities of JPY 911.3 billion highlight the significant scale of the addressable market, indicating substantial room for growth through improved awareness and penetration of the service.




*Source: Bank of Japan, Flow of Funds Accounts (Japan's Financial Accounts Statistics), time-series data (as of 2024).

# Market Environment: Corporate Bankruptcies

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Corporate bankruptcies were contained during the COVID-19 pandemic due to government support measures such as interest-free, unsecured loans. However, bankruptcies have recently risen to a 10-year high, driven by higher costs, labor shortages, and increasing repayment burdens. The impact of inflation and rising interest rates will continue to require close monitoring.

### Causes of Corporate Bankruptcies

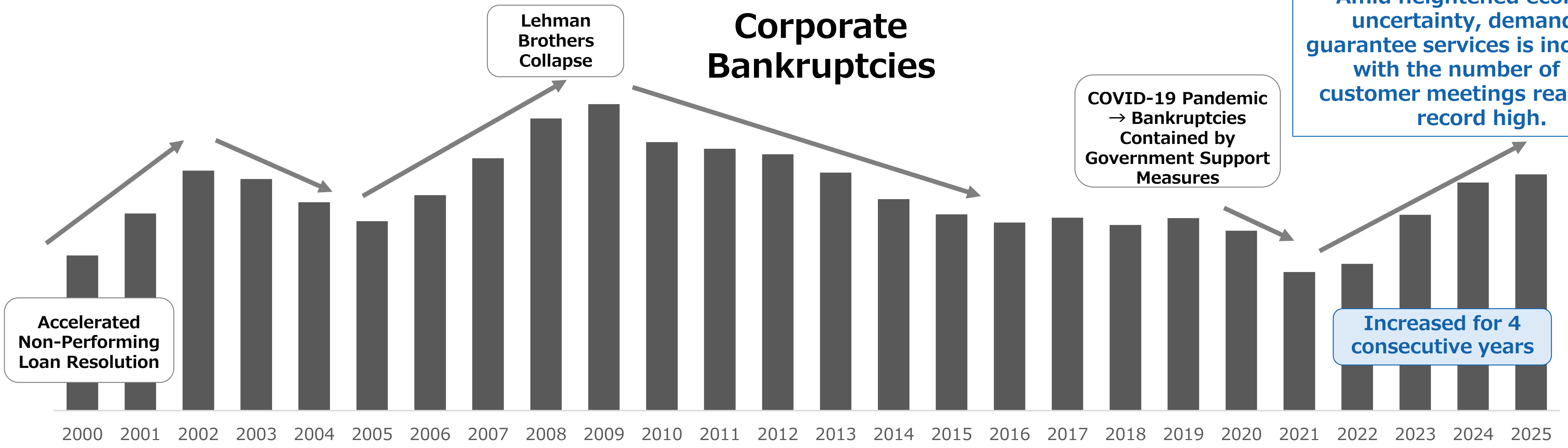
1. Recession-related (declining sales, collection difficulties, etc.)
2. Owner's illness or death
3. Strategic planning failures
4. Poor financial management
5. Failed capital investments

**Corporate bankruptcies due to accounts receivable collection difficulties reached the highest level in the past decade** (March 2026).

### 2025 Corporate Bankruptcy Report

**(Teikoku Databank: Japan's Business Failures during April 2025 to March 2026)**

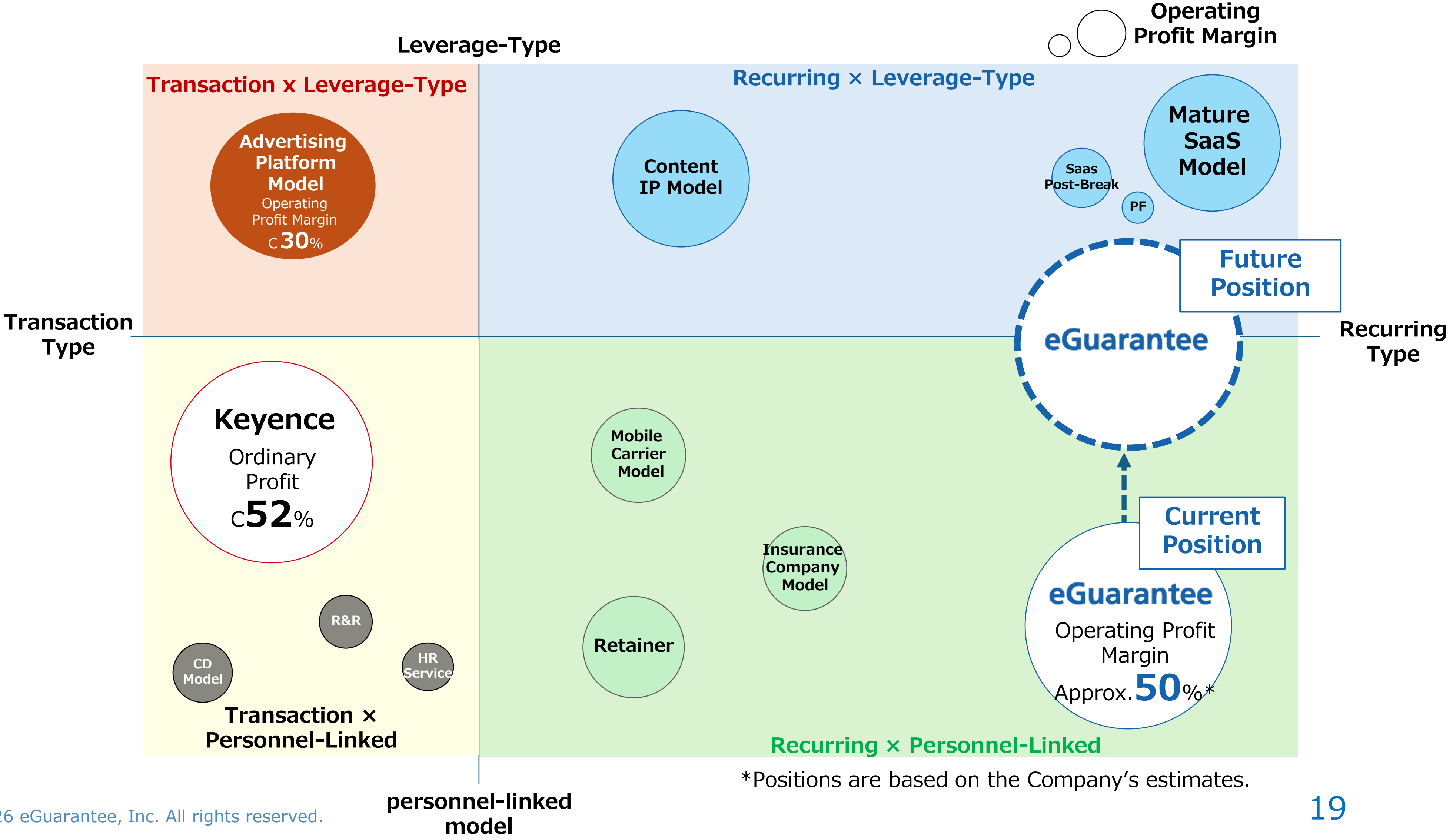
| | |
|---|---|
| **Increasing bankruptcies due to rising costs and labor shortages** | Small businesses account for the majority of bankruptcies, reflecting the difficult conditions faced by SMEs struggling with deteriorating cash flows as they are unable to fully pass on rising costs, including inflation, higher labor costs, and increased interest expenses. The current environment remains challenging, with no clear signs of a significant decline in cost-related or labor shortage-related bankruptcies. |
| **Key Risks Ahead** | Rising crude oil prices are driving higher procurement costs across industries, increasing the risk of bankruptcies caused by supply chain disruptions and deteriorating cash flows. A widening gap in pricing power among companies is accelerating business polarization and could lead to a significant increase in bankruptcies. |




**Amid heightened economic uncertainty, demand for guarantee services is increasing, with the number of new customer meetings reaching a record high.**

# A one-of-a-kind market positioning

While leveraging our unique ‘Personnel-Linked’ model, in which highly productive human resources generate earnings combined with a recurring revenue (stock-based) structure, we are adding a ‘leverage-type’ engine utilizing our agent network and AI. These two growth drivers will accelerate the expansion of our earnings.




*Positions are based on the Company’s estimates.

# ① Expansion of sales resources – continued increase in sales personnel and faster ramp-up –

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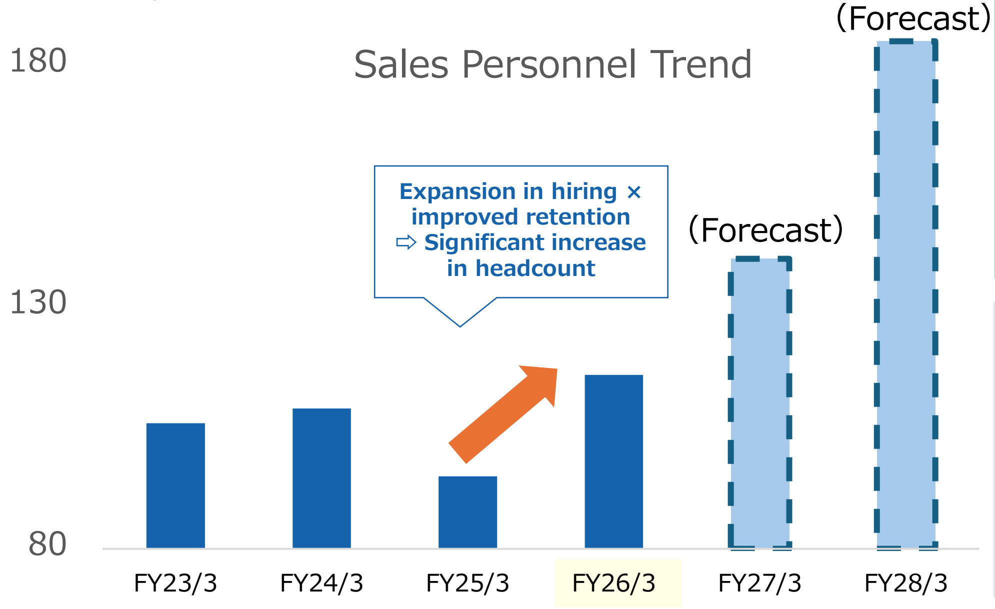
Retention rates improved significantly, resulting in headcount growth progressing in line with plan. The Company will continue to expand its sales force while driving faster ramp-up through AI- and IT-enabled sales support. At the same time, it will strengthen its management capabilities.




**Ordinary Profit per employee** Approx. **24** Million yen (As of FY 26/3 ending March)

**Recruitment as a catalyst for corporate growth**

The hiring environment remains strong, with 7,000–8,000 applicants received annually and an acceptance rate of approximately 1%.

**Faster ramp-up of new graduate employees**
**→ pricing remains the only remaining challenge.**

| Quotation request rate | | Conversion Rate | | Pricing | |
|---|---|---|---|---|---|
| 2nd Year | 3rd to 10th year employees. | 2nd Year | 3rd to 10th year employees. | 2nd Year | 3rd to 10th year employees. |
| 26.3% | 24.7% | 15.6% | 16.0% | 350KYen | 750KYen |

(As of April 2026)

## Initiatives to accelerate employee ramp-up

| | |
|---|---|
| **Conversion of sales know-how into AI-driven video content** | The Company has transitioned from a training approach dependent on group sessions and manager support to a system that enables self-directed learning. A viewing and tracking management system has been established to ensure learning effectiveness across the organization. (ongoing from the previous fiscal year) |
| **Proposal development by the Assessment team to support pricing improvements.** | A cross-functional standardized training framework has been established. The Company will further enhance the assessment team's expertise and disseminate it across the entire sales force. (ongoing from the previous fiscal year) |
| **Standardization of sales through AI-generated rationales for credit assessment outcomes.** | The Company has standardized the explanation of credit assessment rationales, which previously varied depending on individual sales skills, through the use of AI. This enables even junior employees to deliver proposals at an average quality level, contributing to improved pricing. |

# ②Generating Net Sales Without Internal Sales Resources ― Sales Partner Model ―

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While traditional sales processes were constrained by the number of sales personnel, limiting the scope of customer outreach, the Company is building a structure that enables sales-oriented partner companies to handle closing. This will be developed as a second pillar of a scalable customer acquisition model.

**Current Sales process (Continue)**

1. [eGuarantee] The Company markets to matching-type partners →
2. Customer referrals from partners →
3. [eGuarantee] Initial proposal to customers →
4. [eGuarantee] Credit Assessment →
5. [eGuarantee] Detailed proposal to customers →
6. [eGuarantee] Closing of deals by the Company

⇨ **Continuously expanding matching-type partner companies, including credit unions.**

＋

**Sales Partner Model (New)**

1. [eGuarantee] The Company markets to sales-type partners →
2. QR codes are provided to customers via sales-type partners.
   ⇨ Customers scan the QR code on their smartphones to receive product details. →
3. [eGuarantee] **AI-powered credit assessment** →
4. Detailed proposal to customers from sales-type partners
   ⇨ AI-driven proposal generation →
5. Closing of deals by the sales-type partners
   ⇨ Key information explained via video

**FY3/2026 Alliance with Sales-Type Partners**

ストライク　Toma　イデア総研税理士法人*　新都心エージェンシー　保険SHOP PARTNER　marble　etc.

*A group company of Idea Soken Tax Accountant Corporation

⇨ The model drives growth through a multiplication effect of the number of agents and customers per agent, resulting in higher scalability than direct sales.

# Entry into the loan guarantee business

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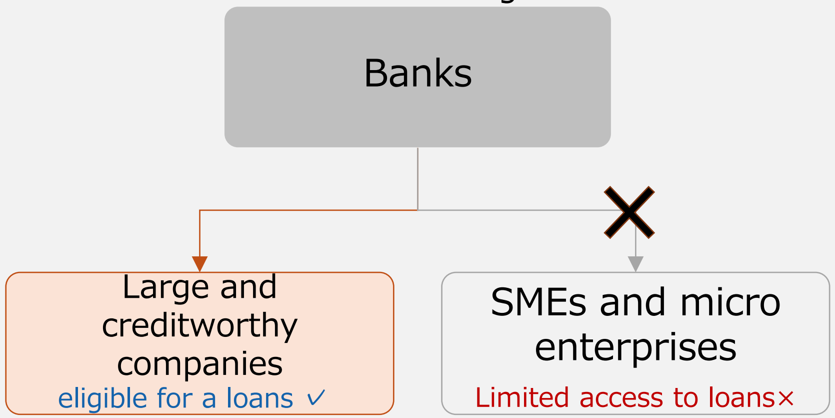
As embedded lending—where operating companies integrate lending functions into their own services—accelerates, the market is expanding beyond traditional bank lending, while also involving higher risks. The Company will enter this new market as a guarantee infrastructure provider equipped with proprietary credit data and underwriting systems.

## Existing model

Banks conduct credit screening and provide direct lending.



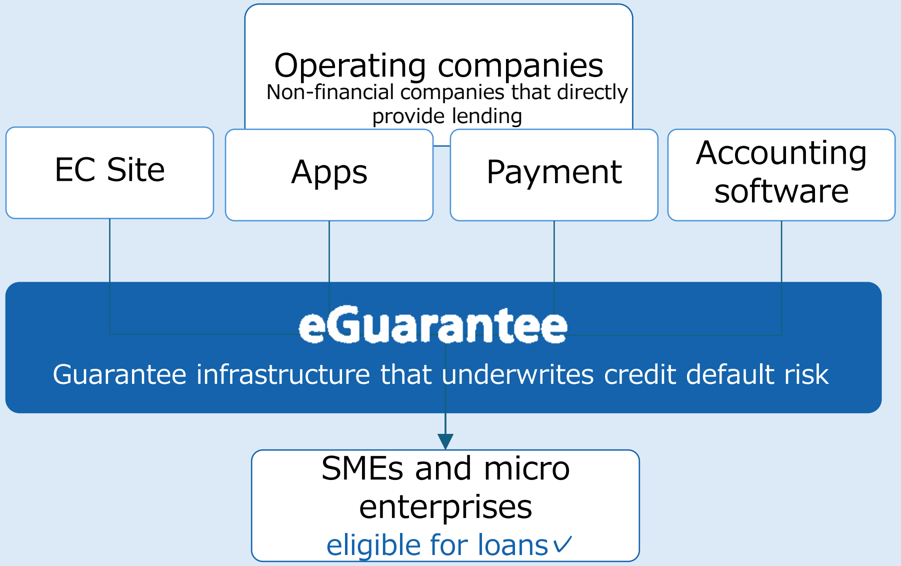

**Prob lem**

Small and micro enterprises with higher credit risk have traditionally faced structural difficulties in obtaining financing, often requiring collateral or personal guarantees from business owners.

**Embedded finance inevitably faces the challenge of determining who bears the risk. By underwriting that risk, the Company enables an era in which anyone can provide financing.**

## Embedded finance

Integrate lending functions into services




Note : The Company does not provide loans, but provides credit guarantees for loans.

### Changes in the lending structure of financial institutions

- A system has been established that enables lending based on the overall value of a business, including intangible assets (enterprise value-based collateral), addressing key limitations of traditional lending practices and making it easier to obtain financing by focusing on business fundamentals and future potential.
- Various providers are offering services that enable loan applications via web channels without requiring financial statements.

# Policy tailwind: Japan's "Basic Policy on Economic and Fiscal Management and Reform 2025"

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As the government advances efforts to improve the lending environment for[*1] SMEs and startups, demand for credit guarantees that cannot be fully addressed by traditional credit assessment is expected to expand. The Company's credit data platform is fully aligned with this policy direction, positioning it to capture resulting growth opportunities.

## Policy*1 Background

The government is promoting a shift toward "business-based lending," which does not rely on collateral or personal guarantees. By focusing on companies' future potential and business value as key criteria in credit assessment, national policy aims to create an environment in which SMEs with strong technologies and business models can more easily access financing.

### Promotion of business-based lending

The expansion of lending without collateral or personal guarantees is being advanced as a national policy. An environment is being developed in which the Company's data and underwriting capabilities can be directly leveraged in assessing corporate future potential.

### Support for digital transformation of SMEs

Digitalization of order and procurement processes is being promoted to improve operational efficiency among SMEs. The introduction of guarantee services enables the digital transformation of credit management operations.

| | Government's recognition of challenges | The government's vision | What The Company can do |
|---|---|---|---|
| Lending structure | Government reliance on real estate collateral and personal guarantees has been a dominant feature of financing structures. | A shift away from collateral dependence toward asset-based lending and business-based credit assessment is being promoted. | **We provide a credit platform based on qualitative and dynamic information without relying on personal guarantees from managers or collateral value and establish a lending environment involving entities other than financial institutions.** |
| Entrepreneurial / personal guarantees | 77% of aspiring entrepreneurs cite debt and personal guarantees as a key failure risk, and 47% of founders currently provide personal guarantees at the time of business launch. *2 | Policy measures, including the Startup Promotion Guarantee Program (launched in March 2023), are advancing the removal of personal guarantees. | |
| Startup support | Small company size and limited assets often prevent firms from obtaining financing even when strong business potential exists. | The Startup Development Five-Year Plan (approved in November 2022) aims to expand investment more than tenfold over five years, fostering a new wave of entrepreneurship. | |
| Credit infrastructure | A financing framework not dependent on collateral or personal guarantees based on business value assessment is still underdeveloped. | Policy explicitly promotes initiatives such as the creation of "business value-based security rights" and increased startup lending by financial institutions. | |
| Digitalization | Digital transformation within financial institutions and credit guarantee systems remains limited, particularly in predictive risk management. | Policy promotes IT modernization and enhanced early-warning systems to identify companies requiring turnaround support and integrate them into structured assistance processes. | |

*1 Basic Policy on Economic and Fiscal Management and Reform 2025

*2 Source: Reference Materials of the Cabinet Secretariat's "Headquarters for the Realization of New Capitalism" (June 7, 2022)

# TAM of the Loan Guarantee Market

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With the proliferation of embedded lending, the market opportunity addressable by the Company (TAM) is expected to expand significantly beyond the traditional accounts receivable guarantee market.The Company’s credit data and guarantee platform will serve as core infrastructure for this emerging market environment, supporting an era in which anyone can become a lender.

**Market Size of Indirect Financing (Loans, etc.)**

**c543 Trillion Yen***

**Market Size of Direct Financing (Corporate Bonds, etc.)**

**c245 Trillion Yen***

**Market Size of Intercompany Credit***

**c219 Trillion Yen***

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Guarantee Liabilities
**911.3** Billion Yen

### Our Initiatives

**• Guarantees for Lending-Based Crowdfunding Platforms**

As entities other than banks enter the lending market, the credit risk of borrower companies tends to be a barrier to investment decisions for investors. By underwriting credit risk behind lending-type funds, the Company establishes an environment where investors can secure stable profit, thereby contributing to the sound expansion of new fundraising and investment markets.

**・Guarantees for Advance Payment Services for Real Estate Companies**

In the real estate renovation business, there is a structural challenge where the cash flow of real estate companies tends to be strained because payments to contractors precede the sale of properties. By underwriting credit risk behind advance payment schemes provided by financial institutions, the Company supports the business continuity of real estate companies that face difficulties in obtaining credit, thereby contributing to the revitalization of the renovation market.

**・ Guarantees for factoring for the construction industry**

In the construction industry, supporting the cash flow of subcontractors is a key challenge. By performing a guarantee function behind lending schemes provided by financial institutions, the Company enables the early provision of funds to small and medium-sized secondary and tertiary subcontractors that find it difficult to obtain credit enhancement on their own. Through this, we support the circulation of funds across the entire supply chain and contribute to the sound business continuity of the construction industry.

**Development of Financial Services in Collaboration with Various Companies** ORIX オリックス銀行 Bankers etc.

*Quoted from the Bank of Japan’s “Flow of Funds Accounts” Time-Series Data Search Site (as of 2024)

05

# Capital Allocation and Shareholder Returns

# Capital Allocation Policy

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We achieve stable growth in operating cash flow on an annual basis. Due to the nature of our business model, which requires only modest capital expenditures to support growth, cash accumulates on our balance sheet. While making growth investments for the future, we aim to enhance corporate value through a high level of shareholder returns.

## Achieve both growth and capital allocation simultaneously

**Capital Required for Growth Investment**

**Capital Required as a Risk Buffer**

(Guarantee Liabilities— Amounts re-insured by financial institutions, etc.)
×8～12%

**Operating Cash Flow** *1

**c4 Billion Yen／Year**

**+**

**Cash on Hand**

**c12 Billion Yen**

**Enhancement of Corporate Value**

**Growth Investment**

Human Capital Investment
AI Investment
Peripheral Businesses
Loan Guarantee Business

**Shareholder Return**

**Target Payout Ratio 100%**

**Progressive Dividend**

18th Consecutive Year of Dividend Increase (Expected)

**Buy Backs**

Remaining capacity:
approx. ¥4.0 billion(Cumulative ¥10.0 billion acquired for FY2026–FY2028)

Forecast for FY27/3
**Approx. 5% Dividend Yield** *2

**Fundamental Policy**

・Positioning profit distribution to shareholders as one of its key management priorities while making forward-looking growth investments, the Company is continuously working to strengthen shareholder returns.
・Implementing dividends aiming for a dividend payout ratio of approximately 100%, taking into account the amounts required for growth investments and as a provision against risks in the credit risk guarantee business.

**Financial Targets**
**ROE 20%**
**ROIC 20%**
**Continuous Improvement of DOE**

*1 As this is a business with minimal capital expenditure, operating cash flow is approximately equal to free cash flow.

*2 Based on the closing price as of May 14, 2026

# Dividend Policy

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Recognizing that it is currently possible to provide further returns to shareholders, we will implement dividends with a target payout ratio of 100%. In order to enhance opportunities for shareholder returns, we will change our dividend frequency from once a year to twice a year.

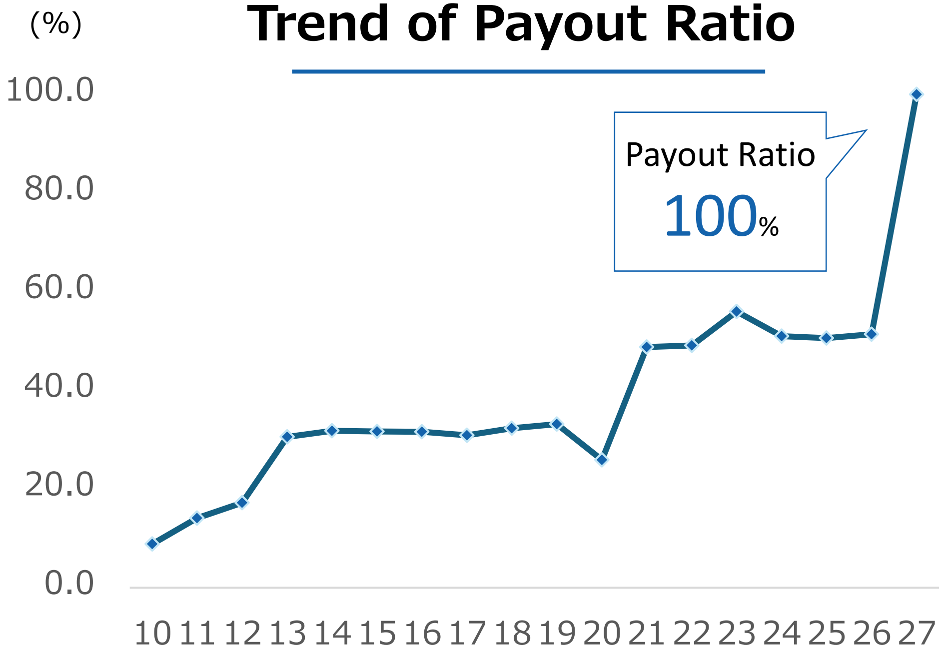
**Shareholder Return Policy**

Payout ratio Over **50%** ▷ **100%**

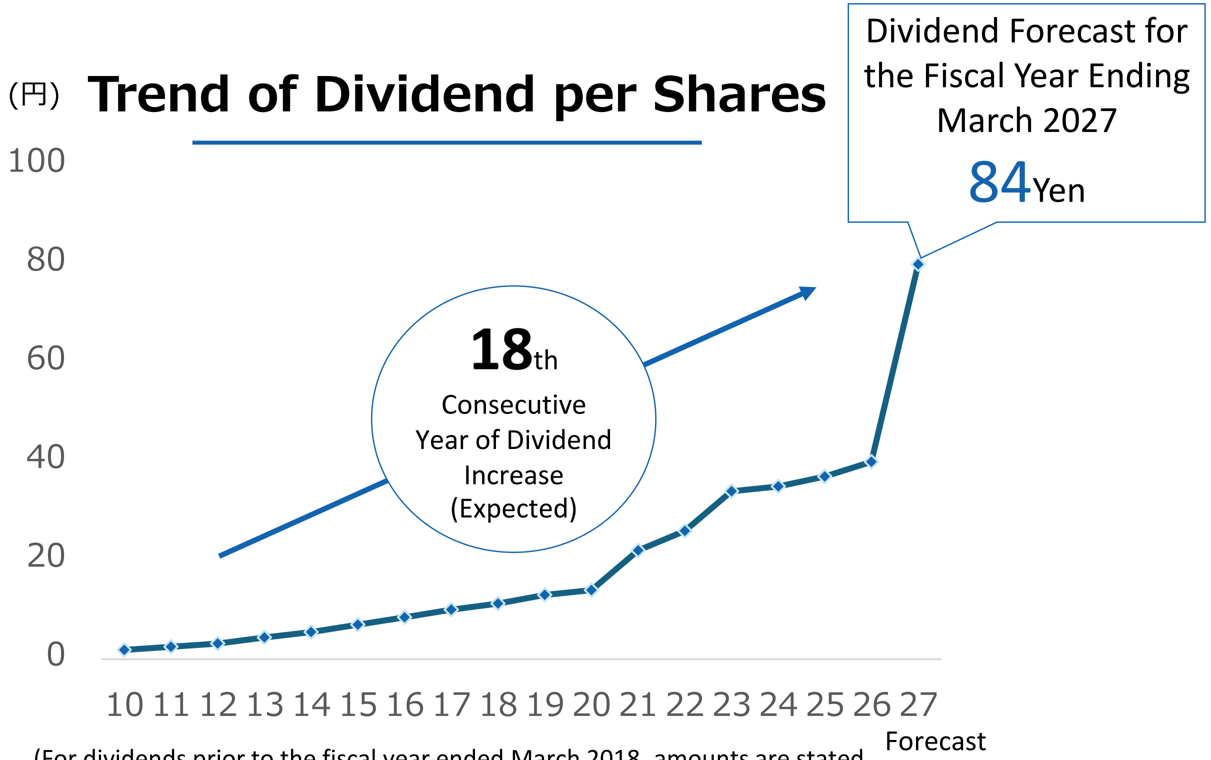
**Shareholder Return Policy**

Progressive dividends (no dividend cuts)

## Trend of Payout Ratio




## Trend of Dividend per Shares




(For dividends prior to the fiscal year ended March 2018, amounts are stated on a post-stock split basis.)

**Dividend Once a Year ➡ Twice a Year**

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06

# Key Performance Indicators and Financial Performance

# Key Performance Indicators and Financial Performance

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| | Fiscal Year Ended March 31, 2024 | | | | Fiscal Year Ended March 31, 2025 | | | | Fiscal Year Ended March 31, 2026 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q | 1Q | 2Q | 3Q | 4Q |
| sales personnel | | | | 109 | | | | 95 | | | | 113 |
| Guarantee Liabilities (Billion yen) | 699.3 | 731.8 | 769.9 | 751.8 | 780.2 | 791.7 | 808.6 | 826.0 | 847.6 | 869.0 | 889.8 | 911.3 |
| Guarantee fee rate | | 1.27% | | 1.26% | | 1.26% | | 1.32% | - | 1.30% | - | 1.24% |
| Net sales (Million yen) | 2,240 | 4,501 | 6,821 | 9,165 | 2,406 | 4,878 | 7,493 | 10,224 | 2,741 | 5,488 | 8,253 | 11,029 |
| Gross profit (Million yen) | 1,855 | 3,688 | 5,601 | 7,368 | 1,849 | 3,761 | 5,838 | 7,818 | 2,031 | 3,979 | 6,030 | 8,072 |
| Gross Profit Margin | 82.81% | 81.95% | 82.13% | 80.39% | 76.82% | 77.10% | 77.91% | 76.47% | 74.10% | 72.51% | 73.06% | 73.19% |
| SG&A (Million yen) | ▲704 | ▲1,340 | ▲1,970 | ▲2,518 | ▲681 | ▲1,381 | ▲2,096 | ▲2,715 | ▲768 | ▲1,467 | ▲2,157 | ▲2,871 |
| Operating profits (Million yen) | 1,150 | 2,348 | 3,631 | 4,850 | 1,168 | 2,380 | 3,741 | 5,103 | 1,262 | 2,512 | 3,872 | 5,201 |
| Operating profit margin | 51.38% | 52.18% | 53.24% | 52.92% | 48.53% | 48.78% | 49.93% | 49.92% | 46.07% | 45.78% | 46.92% | 47.16% |
| Ordinary profit (Million Yen) | 1,169 | 2,360 | 3,652 | 4,902 | 1,187 | 2,438 | 3,812 | 5,203 | 1,294 | 2,568 | 3,984 | 5,302 |
| EPS (yen) | | | | 68 | | | | 73 | | | | 77 |

# Important Notice Regarding This Document

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This document contains forward-looking statements, including forecasts, plans, and targets related to the Company. These statements are based on information currently available to the Company and assumptions deemed reasonable at the time of preparation.

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