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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 [Japanese GAAP]

May 15, 2026

Company name: eGuarantee, Inc.
Stock exchange listing: Tokyo Stock Exchange
Code number: 8771
URL: https://www.eguarantee.co.jp/en/
Representative: Masanori Eto President and Chief Executive Officer
Contact: Nozomu Murai Managing Director, General Manager of Corporate Administration Dept.
Phone: +81-3-6327-3609
Scheduled date of ordinary general meeting of shareholders: June 26, 2026
Scheduled date of commencing dividend payments: June 29, 2026
Scheduled date of submitting annual securities report: June 25, 2026
Availability of supplementary briefing material on financial results: Yes
Schedule of financial results briefing session: Yes (for institutional investors and securities analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Consolidated operating results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	11,029	7.9	5,201	1.9	5,302	1.9	3,589	2.8
March 31, 2025	10,224	11.6	5,103	5.2	5,203	6.1	3,491	7.0

(Note) Comprehensive income: Fiscal year ended March 31, 2026: ¥3,672 million [1.6%]
Fiscal year ended March 31, 2025: ¥3,615 million [6.2%]

	Basic earnings per share	Diluted earnings per share	Profit on equity	Ordinary profit on total assets	Operating profit on net sales
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	77.89	77.08	16.2	17.0	47.2
March 31, 2025	73.10	72.24	15.1	16.5	49.9

(Reference) Equity in earnings of associates: Fiscal year ended March 31, 2026: ¥(66) million
Fiscal year ended March 31, 2025: ¥(2) million

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2026	29,398	22,424	68.8	455.30
March 31, 2025	33,014	26,391	73.3	505.07

(Reference) Equity: As of March 31, 2026: ¥20,223 million
As of March 31, 2025: ¥24,206 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of the period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2026	4,013	1,202	(7,717)	8,713
March 31, 2025	4,101	311	(1,441)	11,215

2. Dividends

	Annual dividends					Total dividends	Consolidated payout ratio	Consolidated dividend on net assets
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	-	0.00	-	37.00	37.00	1,773	50.6	7.6
Fiscal year ended March 31, 2026	-	0.00	-	40.00	40.00	1,776	51.4	8.3
Fiscal year ending March 31, 2027 (Forecast)	-	42.00	-	42.00	84.00		100.2	

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	5,700	3.9	2,600	3.5	2,650	3.2	1,800	3.4	39.70
Full year	11,900	7.9	5,500	5.7	5,600	5.6	3,800	5.9	83.82

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: - companies ( )

Excluded: - companies ( )

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2026: 45,335,467 shares

March 31, 2025: 47,928,900 shares

2) Number of treasury shares at the end of the period:

March 31, 2026: 918,800 shares

March 31, 2025: 2,733 shares

3) Average number of shares outstanding during the period:

Fiscal year ended March 31, 2026: 46,089,964 shares

Fiscal year ended March 31, 2025: 47,758,519 shares

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (April 1, 2025 to March 31, 2026)

(1) Non-consolidated operating results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2026	11,545	6.2	4,977	3.1	5,209	2.3	3,590	3.0
March 31, 2025	10,866	13.8	4,827	7.7	5,091	7.3	3,485	6.8

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
March 31, 2026	77.90	77.09
March 31, 2025	72.98	72.12

(2) Non-consolidated financial position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of:	Millions of yen	Millions of yen	%	Yen
March 31, 2026	27,360	20,375	73.9	455.22
March 31, 2025	31,127	24,358	77.7	504.96

(Reference) Equity: As of March 31, 2026: ¥20,219 million
As of March 31, 2025: ¥24,200 million

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2027 (April 1, 2026 to March 31, 2027)

(% indicates changes from the previous corresponding period.)

	Net sales		Ordinary profit		Profit		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	5,900	1.3	2,750	8.6	1,800	3.6	39.70
Full year	12,300	6.5	5,600	7.5	3,800	5.8	83.82

*These financial results are outside the scope of audits by certified public accountants or audit firms.

*Guidance on the appropriate use of financial results forecasts and other special notes

Notes on forward-looking statements

Financial results forecasts and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not guarantee their achievement. Actual performance and other results may be significantly different from the forecasts due to various factors. For details on the assumptions for financial results forecasts and notes on the use of financial results forecasts, etc., refer to “1. Overview of Operating Results, (4) Future Outlook” on page 3 of the attachment.

Disclosure of supplementary briefing material on financial results

Supplementary briefing material on financial results will be posted on the Company’s website. The Company also plans to hold a briefing session for institutional investors and securities analysts on Friday, May 15, 2026.

○ Contents of the Attachment

1. Overview of Operating Results

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year ended March 31, 2026, the number of corporate bankruptcies in Japan reached 10,425 cases (10,070 cases in the previous fiscal year), a 3.5% increase from the previous year, marking the fourth consecutive year of growth and the second consecutive year in which bankruptcies have exceeded 10,000 (source: TEIKOKU DATABANK, Ltd.). With small-scale bankruptcies with liabilities of less than 50 million yen accounting for over 60% of the total, this underscores the harsh reality facing small and medium-sized enterprises, which are under mounting financing pressure amid persistently high prices, rising personnel expenses, and a heavier interest burden. Combined with geopolitical uncertainty over the situation in the Middle East, the number of corporate bankruptcies is projected to continue increasing.

Amid such an environment surrounding eGuarantee, Inc. (the "Company") and its subsidiaries (collectively, the "Group"), our credit risk guarantee services continued to show robust results. The Group has focused on attracting new customers and increasing the contract renewal rate by continuously expanding human capital investments, increasing the sales partners, and strengthening sales support functions.

As a result, at the end of the fiscal year under review, guarantee obligations amounted to 2,644.3 billion yen (up 40.3% year on year), guarantee liabilities were 911.3 billion yen (up 10.3% year on year), and net sales were 11,029,534 thousand yen (up 7.9% year on year), while gross profit was 8,072,880 thousand yen (up 3.3% year on year), operating profit was 5,201,333 thousand yen (up 1.9% year on year), ordinary profit was 5,302,824 thousand yen (up 1.9% year on year), and profit attributable to owners of the parent was 3,589,785 thousand yen (up 2.8% year on year). The factors contributing to the net sales growth were steady growth in new contracts, and increased guarantee utilization by the existing customers (either through the addition of new covered companies to the guarantee or the increase of guarantee limits). Gross profit increased as a result of higher guarantee fulfillment in conjunction with an increase in the number of bankruptcies, mainly in the first half of the fiscal year under review.

Regarding the progress of the performance targets of "consolidated net sales of 20 billion yen and consolidated ordinary profit of 10 billion yen" in the Medium-Term Business Plan "Accelerate 2028" through the fiscal year ending March 31, 2028, which was announced on June 12, 2024, although there is currently a significant delay in progress, we will continue to strive toward achieving these targets. Meanwhile, regarding the financial targets of "ROE and ROIC of 20% or higher," we expect to achieve these by the fiscal year ending March 31, 2028, as planned, and will continue to aim for the continuous improvement of DOE while striving to accelerate growth. In addition, regarding the dividend policy which aimed for a "dividend payout ratio of 50% or higher," we have changed this to "aiming for a dividend payout ratio of approximately 100%" as described in the "Notice Regarding Changes in Shareholder Return Policy and Implementation of Interim Dividend" announced separately on May 15, 2026, and we will aim to enhance corporate value through further shareholder returns.

Supplementary briefing materials on the financial results for the fiscal year ended March 31, 2026 are posted on the Company's website on Friday, May 15, 2026.

(URL) https://www.eguarantee.co.jp/en/ir/ir-library/

* The materials are posted in the "Financial Results Briefing Materials" section of the above website.

(2) Overview of Financial Position for the Fiscal Year under Review

Assets

Total assets at the end of the fiscal year under review decreased by 11.0% from the end of the previous fiscal year to 29,398,045 thousand yen.

Current assets decreased by 20.0% from the end of the previous fiscal year to 15,124,333 thousand yen. This is mainly due to a decrease in cash and deposits of 3,601,705 thousand yen.

Non-current assets increased by 1.2% from the end of the previous fiscal year to 14,273,711 thousand yen. This is mainly due to an increase in deferred tax assets of 186,695 thousand yen.

Liabilities

Total liabilities increased by 5.3% from the end of the previous fiscal year to 6,973,889 thousand yen.

Current liabilities increased by 5.4% from the end of the previous fiscal year to 6,858,607 thousand yen. This is mainly due to an increase in advances received of 282,707 thousand yen.

Non-current liabilities were 115,282 thousand yen, the same amount as at the end of the previous fiscal year.

Net assets

Total net assets decreased by 15.0% from the end of the previous fiscal year to 22,424,155 thousand yen. This is mainly due to a decrease in retained earnings of 2,527,838 thousand yen.

(3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents ("funds") at the end of the fiscal year under review decreased by 2,501,705 thousand yen from the end of the previous fiscal year to 8,713,611 thousand yen.

The status of cash flows in the fiscal year under review and the factors responsible for those results are as follows:

Cash flows from operating activities

Funds provided by operating activities amounted to 4,013,325 thousand yen (4,101,741 thousand yen provided in the previous fiscal year). The major cause of this increase is the recording of profit before income taxes of 5,274,253 thousand yen.

Cash flows from investing activities

Funds provided by investing activities amounted to 1,202,319 thousand yen (311,334 thousand yen provided in the previous fiscal year). The major cause of this increase is proceeds from withdrawal of time deposits of 1,100,000 thousand yen.

Cash flows from financing activities

Funds used in financing activities amounted to 7,717,350 thousand yen (1,441,634 thousand yen used in the previous fiscal year). The major cause of this decrease is purchase of treasury shares of 5,999,901 thousand yen.

(Reference) Trends in cash flow indicators

	March 31, 2022	March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Capital adequacy ratio (%)	71.9	72.7	73.7	73.3	68.8
Capital adequacy ratio at fair value (%)	380.4	368.7	283.8	255.2	248.7
Interest-bearing debt to cash flow ratio (%)	-	-	-	-	-
Interest coverage ratio (%)	-	-	-	-	-

Capital adequacy ratio: Equity/Total assets

Capital adequacy ratio at fair value: Market capitalization/Total assets

Interest-bearing debt to cash flow ratio: Interest-bearing debt/Cash flows

Interest coverage ratio: Cash flows/Interest paid

Note: 1. Calculated on a consolidated basis.

2. Cash flows refer to operating cash flows.

3. Interest-bearing debt covers all liabilities on the consolidated balance sheets for which interest is paid.

(4) Future Outlook

The Monthly Economic Report of the Cabinet Office announced in March states that "the Japanese economy is recovering at a moderate pace, while attention should be given to the effects caused from the situation in the Middle East." While improvements in the employment and income situation and the effects of the policies are expected to support a moderate recovery, attention must be paid to the effects caused from the situation in the Middle East, fluctuations in financial and capital markets, and the future course of U.S. trade policies. As a result, the economic environment remains uncertain.

Upon a firm understanding of such circumstances, the Company will develop risk management that continues to make prudent risk judgments while paying even closer attention to bankruptcy trends and changes in the economic environment. At the same time, the Company aims to promote the use of guarantee services in corporate activities by enhancing assessment and sales efficiency through the utilization of AI technology and expanding its list of sales partners, including certified tax firms and insurance agents.

(5) Significant Events Concerning Going Concern Assumption

Not applicable.

2. Basic Policy on Selecting Accounting Standards

The Group will prepare its consolidated financial statements in accordance with Japanese standards for the time being, taking into account the comparability of the consolidated financial statements with other periods and the fact that the Company has little need for funding from overseas markets.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	16,315,316	12,713,611
Accounts receivable - trade	78,454	87,408
Securities	300,000	-
Prepaid expenses	*1 1,569,664	*1 1,290,436
Accounts receivable - other	260,113	574,271
Other	383,547	458,604
Total current assets	18,907,097	15,124,333
Non-current assets		
Property, plant and equipment		
Buildings and structures	942,280	942,280
Accumulated depreciation	(229,391)	(255,161)
Buildings and structures, net	712,888	687,119
Machinery, equipment and vehicles	1,365	1,365
Accumulated depreciation	(1,306)	(1,365)
Machinery, equipment and vehicles, net	59	0
Tools, furniture and fixtures	297,319	324,245
Accumulated depreciation	(211,416)	(234,743)
Tools, furniture and fixtures, net	85,902	89,502
Land	992,361	992,361
Construction in progress	184,805	205,966
Total property, plant and equipment	1,976,018	1,974,950
Intangible assets		
Software	117,108	145,892
Other	113	94
Total intangible assets	117,221	145,986
Investments and other assets		
Investment securities	11,288,851	11,297,171
Investments in other securities of subsidiaries and associates	*2 151,438	*2 68,535
Long-term prepaid expenses	1,790	1,232
Leasehold and guarantee deposits	231,445	230,024
Deferred tax assets	257,966	444,662
Other	82,298	111,148
Total investments and other assets	12,013,792	12,152,775
Total non-current assets	14,107,032	14,273,711
Total assets	33,014,129	29,398,045

(Thousand yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	90,494	99,608
Income taxes payable	1,018,170	978,640
Advances received	*3 4,748,132	*3 5,030,839
Provision for settlement	413,316	562,733
Provision for bonuses	-	40,000
Deposits received	71,595	36,229
Other	165,805	110,555
Total current liabilities	6,507,514	6,858,607
Non-current liabilities		
Long-term accounts payable - other	115,282	115,282
Total non-current liabilities	115,282	115,282
Total liabilities	6,622,796	6,973,889
Net assets		
Shareholders’ equity		
Share capital	3,975,185	3,991,485
Capital surplus	3,385,185	3,401,485
Retained earnings	16,846,869	14,319,031
Treasury shares	(1,068)	(1,488,954)
Total shareholders’ equity	24,206,173	20,223,049
Share acquisition rights	157,733	156,403
Non-controlling interests	2,027,426	2,044,703
Total net assets	26,391,332	22,424,155
Total liabilities and net assets	33,014,129	29,398,045

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net sales	10,224,244	11,029,534
Cost of sales	2,405,500	2,956,653
Gross profit	7,818,743	8,072,880
Selling, general and administrative expenses	* 2,715,230	* 2,871,547
Operating profit	5,103,513	5,201,333
Non-operating income		
Interest income	92,840	145,080
Gain on investments in silent partnerships	3,237	18,066
Other	7,221	4,431
Total non-operating income	103,299	167,578
Non-operating expenses		
Share of loss of entities accounted for using equity method	2,463	66,087
Miscellaneous losses	1,323	0
Total non-operating expenses	3,786	66,087
Ordinary profit	5,203,026	5,302,824
Extraordinary losses		
Loss on retirement of non-current assets	37,769	28,570
Total extraordinary losses	37,769	28,570
Profit before income taxes	5,165,256	5,274,253
Income taxes - current	1,668,520	1,788,869
Income taxes - deferred	(118,339)	(186,695)
Total income taxes	1,550,180	1,602,173
Profit	3,615,076	3,672,080
Profit attributable to non-controlling interests	124,054	82,294
Profit attributable to owners of parent	3,491,021	3,589,785

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Profit	3,615,076	3,672,080
Comprehensive income	3,615,076	3,672,080
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,491,021	3,589,785
Comprehensive income attributable to non-controlling interests	124,054	82,294

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2025

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,872,849	3,282,849	15,024,936	(964)	22,179,669
Changes during period					
Issuance of new shares	102,336	102,336			204,673
Dividends of surplus			(1,669,088)		(1,669,088)
Profit attributable to owners of parent			3,491,021		3,491,021
Purchase of treasury shares				(103)	(103)
Disposal of treasury shares					-
Cancellation of treasury shares					-
Transfer from retained earnings to capital surplus					-
Change in ownership interest of parent due to transactions with non-controlling interests					-
Net changes in items other than shareholders' equity					
Total changes during period	102,336	102,336	1,821,933	(103)	2,026,503
Balance at end of period	3,975,185	3,385,185	16,846,869	(1,068)	24,206,173

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	159,885	1,787,333	24,126,887
Changes during period			
Issuance of new shares	(2,152)		202,521
Dividends of surplus			(1,669,088)
Profit attributable to owners of parent			3,491,021
Purchase of treasury shares			(103)
Disposal of treasury shares			-
Cancellation of treasury shares			-
Transfer from retained earnings to capital surplus			-
Change in ownership interest of parent due to transactions with non-controlling interests			-
Net changes in items other than shareholders' equity	-	240,093	240,093
Total changes during period	(2,152)	240,093	2,264,444
Balance at end of period	157,733	2,027,426	26,391,332

For the fiscal year ended March 31, 2026

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	3,975,185	3,385,185	16,846,869	(1,068)	24,206,173
Changes during period					
Issuance of new shares	16,300	16,300			32,600
Dividends of surplus			(1,773,268)		(1,773,268)
Profit attributable to owners of parent			3,589,785		3,589,785
Purchase of treasury shares				(5,999,901)	(5,999,901)
Disposal of treasury shares		(60,991)		229,654	168,662
Cancellation of treasury shares		(4,282,361)		4,282,361	-
Transfer from retained earnings to capital surplus		4,344,355	(4,344,355)		-
Change in ownership interest of parent due to transactions with non-controlling interests		(1,002)			(1,002)
Net changes in items other than shareholders' equity					
Total changes during period	16,300	16,300	(2,527,838)	(1,487,886)	(3,983,124)
Balance at end of period	3,991,485	3,401,485	14,319,031	(1,488,954)	20,223,049

	Share acquisition rights	Non-controlling interests	Total net assets
Balance at beginning of period	157,733	2,027,426	26,391,332
Changes during period			
Issuance of new shares	(1,330)		31,270
Dividends of surplus			(1,773,268)
Profit attributable to owners of parent			3,589,785
Purchase of treasury shares			(5,999,901)
Disposal of treasury shares			168,662
Cancellation of treasury shares			-
Transfer from retained earnings to capital surplus			-
Change in ownership interest of parent due to transactions with non-controlling interests		19,405	18,403
Net changes in items other than shareholders' equity	-	(2,128)	(2,128)
Total changes during period	(1,330)	17,276	(3,967,177)
Balance at end of period	156,403	2,044,703	22,424,155

(4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash flows from operating activities		
Profit before income taxes	5,165,256	5,274,253
Depreciation	91,548	88,948
Increase (decrease) in provision for settlement	69,086	149,417
Increase (decrease) in provision for bonuses	(10,000)	40,000
Interest income	(92,840)	(145,080)
Share of loss (profit) of entities accounted for using equity method	2,463	66,087
Loss (gain) on investments in silent partnerships	(3,237)	(18,066)
Share-based payment expenses	10,490	15,133
Loss on retirement of non-current assets	37,769	28,570
Decrease (increase) in trade receivables	2,746	(8,954)
Increase (decrease) in trade payables	59,869	9,113
Decrease (increase) in prepaid expenses	(35,090)	362,632
Decrease (increase) in accounts receivable - other	(27,076)	(314,158)
Increase (decrease) in deposits received	17,405	(35,365)
Increase (decrease) in advances received	266,317	282,707
Other, net	(78,013)	(57,997)
Subtotal	5,476,696	5,737,241
Interest received	105,689	150,733
Income taxes refund (paid)	(1,480,644)	(1,874,648)
Net cash provided by (used in) operating activities	4,101,741	4,013,325
Cash flows from investing activities		
Net decrease (increase) in time deposits	1,700,000	1,100,000
Purchase of property, plant and equipment	(136,570)	(60,897)
Purchase of intangible assets	(46,993)	(99,563)
Proceeds from redemption of investment securities	800,000	300,000
Purchase of investment securities	(1,972,840)	-
Purchase of shares of subsidiaries	-	(20,407)
Purchase of available-for-sale securities	(33,812)	(16,187)
Payments of leasehold deposits	(1,081)	(1,242)
Proceeds from refund of leasehold deposits	2,632	618
Net cash provided by (used in) investing activities	311,334	1,202,319
Cash flows from financing activities		
Proceeds from exercise of employee share options	112,621	101,394
Purchase of treasury shares	(103)	(5,999,901)
Dividends paid	(1,670,190)	(1,773,230)
Dividends paid to non-controlling interests	(79,961)	(138,612)
Proceeds from share issuance to non-controlling shareholders	196,000	93,000
Net cash provided by (used in) financing activities	(1,441,634)	(7,717,350)
Net increase (decrease) in cash and cash equivalents	2,971,441	(2,501,705)
Cash and cash equivalents at beginning of period	8,243,874	11,215,316
Cash and cash equivalents at end of period	* 11,215,316	* 8,713,611

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Important Matters Forming the Basis for Preparing Consolidated Financial Statements)

1. Scope of consolidation

(1) All subsidiaries are consolidated.

Number of consolidated subsidiaries: 15

Names of consolidated subsidiaries:
eGuarantee Solution, Inc.
RG Guarantee, Inc.
eG Payment, Inc.
eGuarantee Investment, Inc.
Credit Link Fund I
Credit Investment I
Credit Guarantee I
Credit Guarantee II
Credit Guarantee IV
Credit Guarantee V
Credit Guarantee VI
Credit Guarantee VII
Credit Guarantee VIII
Credit Guarantee X
Credit Guarantee XI

(2) Names, etc. of non-consolidated subsidiaries:

Not applicable.

(3) Changes in scope of consolidation:

Not applicable.

2. Scope of equity method

(1) Number of associates that have been accounted for using equity method: 1

Name of associate:

Credit Guarantee III

(2) Names, etc. of non-consolidated subsidiaries and associates that are not accounted for using equity method:

Not applicable.

(3) Changes in scope of equity method:

Not applicable.

3. Fiscal year-ends of consolidated subsidiaries

Fiscal year-ends of consolidated subsidiaries Credit Link Fund I, Credit Investment I, Credit Guarantee V, eGuarantee Solution, Inc., RG Guarantee, Inc., eG Payment, Inc., and eGuarantee Investment, Inc. are the same as the consolidated fiscal year-end.

Fiscal year-ends of consolidated subsidiaries Credit Guarantee I, Credit Guarantee II, Credit Guarantee IV, Credit Guarantee VI, Credit Guarantee VII, Credit Guarantee VIII, Credit Guarantee X and Credit Guarantee XI are the end of September, the end of February, the end of January, the end of December, the end of December, the end of August, the end of April and the end of January respectively. Consolidated financial statements are prepared using provisional financial results as of the consolidated fiscal year-end.

4. Accounting policies

(1) Valuation standards and methods for important assets

(a) Securities

Bonds held to maturity

Measured by the amortized cost method (straight-line method).

(b) Investments in other securities of subsidiaries and associates

Investments in silent partnerships

The amount of profit or loss of silent partnerships corresponding to equity interest is recorded as non-operating income or expenses and the same amount is adjusted in investments in silent partnerships.

(c) Derivatives

Credit default swaps

Without market prices:

Processed in a similar method as loan guarantees.

(2) Depreciation method of important depreciable assets

1) Property, plant and equipment

Measured using the straight-line method or the declining-balance method.

Useful lives are as follows:

Buildings	8 to 47 years
Vehicles	2 to 4 years
Tools, furniture and fixtures	3 to 17 years

2) Intangible assets

Measured by the straight-line method.

Software for internal use is measured based on its internal useful life (5 years).

(3) Recording standards for important provisions

1) Provision for settlement

Recorded at the expected amount of payments required for the performance of guarantee liabilities that are not covered by insurance or guarantee by financial institutions, etc. to prepare for the performance of guarantee liabilities.

2) Provision for bonuses

Recorded at the expected amount to be paid in the fiscal year under review to prepare for bonus payments to employees.

(4) Standards for recognition of revenues and expenses

The Group's business consists of a single segment of the "credit guarantee business" only. The main content of the performance obligations in the credit guarantee business is the act of guaranteeing receivables over the guarantee contract period, and since the performance obligations are satisfied during the guarantee contract period, revenue is recognized evenly in the contract period.

(5) Scope of cash in the consolidated statements of cash flows

Comprises cash on hand, demand deposits and short-term investments maturing within three months from the date of acquisition that are easily cashed with minimal risk of fluctuation in value.

(6) Other important matters forming the basis for preparing consolidated financial statements

Accounting treatment for asset-related non-deductible consumption taxes, etc.

Asset-related non-deductible consumption taxes and local consumption taxes are recorded as expenses in the fiscal year under review.

(Notes on Consolidated Balance Sheets)

*1 Prepaid expenses

These are the amounts prepaid by the Company mainly pertaining to guarantee fees (guarantee commissions) paid to risk transferees and referral fees (commission expenses) paid to agents.

*2 Investments in other securities of subsidiaries and associates are as follows:

	As of March 31, 2025	As of March 31, 2026
Investments in other securities of subsidiaries and associates	151,438 thousand yen	68,535 thousand yen

*3 Advances received

These are amounts equivalent to advance payments pertaining to guarantee fees received by the Company from the contractors of the guarantee agreement.

4. Contingent liabilities

(Thousand yen)

As of March 31, 2025		As of March 31, 2026	
Guarantee liabilities for guarantee services against sales credit	826,010,006	Guarantee liabilities for guarantee services against sales credit	911,349,373
The Company underwrites sales credit guarantees for contractors of the guarantee agreement as part of its sales activities. Guarantee liabilities for the abovementioned guarantee services are stated at the maximum amount guaranteed by the Company.		The Company underwrites sales credit guarantees for contractors of the guarantee agreement as part of its sales activities. Guarantee liabilities for the abovementioned guarantee services are stated at the maximum amount guaranteed by the Company.	
Of these guarantee liabilities, 693,449,147 thousand yen is covered by insurance or guarantees provided by financial institutions, etc.		Of these guarantee liabilities, 764,680,404 thousand yen is covered by insurance or guarantees provided by financial institutions, etc.	

(Notes on Consolidated Statements of Income)

* Major items and amounts of selling, general and administrative expenses are as follows:

(Thousand yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Salaries and allowances	974,520	976,142
Provision for bonuses	-	40,000
Rent expenses on land and buildings	249,292	250,640
Taxes and dues	290,107	302,837

(Notes on Consolidated Statements of Comprehensive Income)

Not applicable.

(Notes on Consolidated Statements of Changes in Equity)

For the fiscal year ended March 31, 2025

1. Shares issued and outstanding and treasury shares

(Shares)

Class of shares	Beginning of period	Increase	Decrease	End of period
Shares issued and outstanding				
Common shares (Note 1)	47,690,100	238,800	-	47,928,900
Total	47,690,100	238,800	-	47,928,900
Treasury shares				
Common shares (Note 2)	1,870	863	-	2,733
Total	1,870	863	-	2,733

(Notes) 1. The increase in shares issued and outstanding of 238,800 shares is due to the exercise of 176,800 shares of stock options and the issuance of 62,000 shares of new stock as restricted share-based payment.

2. The increase in common shares under treasury shares of 863 shares is due to the acquisition of 800 shares as restricted shares without contribution and the purchase of 63 shares of less than one unit.

2. Share acquisition rights

Company name	Breakdown of share acquisition rights	Class of shares underlying the share acquisition rights	Number of shares underlying the share acquisition rights (Shares)				Balance at end of period (Thousand yen)
			Beginning of period	Increase	Decrease	End of period	
The Company	Share acquisition rights as stock options	-	-	-	-	-	157,733
Total		-	-	-	-	-	157,733

3. Dividends

(1) Dividend payments

Resolution	Class of shares	Total dividend amount (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 28, 2024	Common shares	1,669,088	35.00	March 31, 2024	June 29, 2024

(2) Dividends with the record date falling in the fiscal year but the effective date falling in the following fiscal year

Resolution	Class of shares	Dividend source	Total dividend amount (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2025	Common shares	Retained earnings	1,773,268	37.00	March 31, 2025	June 30, 2025

For the fiscal year ended March 31, 2026

1. Shares issued and outstanding and treasury shares

(Shares)

Class of shares	Beginning of period	Increase	Decrease	End of period
Shares issued and outstanding				
Common shares (Note 1)	47,928,900	50,000	2,643,433	45,335,467
Total	47,928,900	50,000	2,643,433	45,335,467
Treasury shares				
Common shares (Note 2)	2,733	3,706,700	2,790,633	918,800
Total	2,733	3,706,700	2,790,633	918,800

(Notes) 1. The increase in shares issued and outstanding is due to the exercise of 50,000 shares of stock options. The decrease in shares issued and outstanding is due to the cancellation of 2,643,433 treasury shares by resolution of the Board of Directors meeting.

2. The increase in treasury shares of 3,706,700 shares is due to the acquisition of treasury shares by resolution of the Board of Directors meeting. The decrease in treasury shares of 2,790,633 shares is due to the disposal of 66,000 treasury shares as restricted share-based payment, the disposal of 81,200 treasury shares as exercise of stock options, and the cancellation of 2,643,433 treasury shares by resolution of the Board of Directors meeting.

2. Share acquisition rights

Company name	Breakdown of share acquisition rights	Class of shares underlying the share acquisition rights	Number of shares underlying the share acquisition rights (Shares)				Balance at end of period (Thousand yen)
			Beginning of period	Increase	Decrease	End of period	
The Company	Share acquisition rights as stock options	-	-	-	-	-	156,403
Total		-	-	-	-	-	156,403

3. Dividends

(1) Dividend payments

Resolution	Class of shares	Total dividend amount (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 27, 2025	Common shares	1,773,268	37.00	March 31, 2025	June 30, 2025

(2) Dividends with the record date falling in the fiscal year but the effective date falling in the following fiscal year

Resolution	Class of shares	Dividend source	Total dividend amount (Thousand yen)	Dividend per share (Yen)	Record date	Effective date
Ordinary General Meeting of Shareholders held on June 26, 2026	Common shares	Retained earnings	1,776,666	40.00	March 31, 2026	June 29, 2026

(Notes on Consolidated Statements of Cash Flows)

* Relation between balance of cash and cash equivalents at the end of the period and account items on the consolidated balance sheets

(Thousand yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Cash and deposits	16,315,316	12,713,611
Time deposits deposited for over three months	(5,100,000)	(4,000,000)
Cash and cash equivalents	11,215,316	8,713,611

(Segment Information, Etc.)

(Segment information)

1. Overview of reportable segments

I For the fiscal year ended March 31, 2025

This information is omitted as the Group has only one reportable segment of the credit guarantee business.

II For the fiscal year ended March 31, 2026

This information is omitted as the Group has only one reportable segment of the credit guarantee business.

2. Calculation method of net sales, profit or loss, assets, liabilities and other account items

For the fiscal year ended March 31, 2025

1. Information per product and service

This information is omitted as net sales to external customers under a single product/service category accounts for over 90% of net sales on the consolidated statements of income.

2. Information per geographic area

(1) Net sales

Not applicable, as there are no sales to external customers outside Japan.

(2) Property, plant and equipment

Not applicable, as there are no property, plant and equipment located outside Japan.

3. Information per major customer

This information is omitted as there are no sales to specific customers accounting for 10% or more of net sales on the consolidated statements of income among sales to external customers.

For the fiscal year ended March 31, 2026

1. Information per product and service

This information is omitted as net sales to external customers under a single product/service category accounts for over 90% of net sales on the consolidated statements of income.

2. Information per geographic area

(1) Net sales

Not applicable, as there are no sales to external customers outside Japan.

(2) Property, plant and equipment

Not applicable, as there are no property, plant and equipment located outside Japan.

3. Information per major customer

This information is omitted as there are no sales to specific customers accounting for 10% or more of net sales on the consolidated statements of income among sales to external customers.

3. Amount of net sales, profit or loss, assets, liabilities and other account items per reportable segment

[Impairment losses on non-current assets per reportable segment]

For the fiscal year ended March 31, 2025
Not applicable.

For the fiscal year ended March 31, 2026
Not applicable.

[Amount of amortization of goodwill and unamortized balance per reportable segment]

For the fiscal year ended March 31, 2025
Not applicable.

For the fiscal year ended March 31, 2026
Not applicable.

[Gain on bargain purchase per reportable segment]

For the fiscal year ended March 31, 2025
Not applicable.

For the fiscal year ended March 31, 2026
Not applicable.

(Per Share Information)

(Yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Net assets per share	505.07	455.30
Basic earnings per share	73.10	77.89
Diluted earnings per share	72.24	77.08

(Note) 1. The bases for calculating basic earnings per share and diluted earnings per share are as follows:

	For the fiscal year ended March 31, 2025	For the fiscal year ended March 31, 2026
Basic earnings per share		
Profit attributable to owners of parent (Thousand yen)	3,491,021	3,589,785
Amount not attributable to common shareholders (Thousand yen)	-	-
Profit attributable to owners of parent related to common shares (Thousand yen)	3,491,021	3,589,785
Average number of common shares during the period (Shares)	47,758,519	46,089,964
Diluted earnings per share		
Adjustment of profit attributable to owners of parent (Thousand yen)	-	-
Increase in common shares (Shares)	568,439	484,566
[Of which, share acquisition rights (Shares)]	(568,439)	(484,566)
Overview of potential shares not included in the calculation of diluted earnings per share as they have no dilutive effect	Share acquisition rights by resolution of the Board of Directors meeting held on January 28, 2022 Share acquisition rights by resolution of the Board of Directors meeting held on February 28, 2023	

2. The bases for calculating net assets per share are as follows:

	As of March 31, 2025	As of March 31, 2026
Total net assets on the consolidated balance sheets (Thousand yen)	26,391,332	22,424,155
Amount deducted from total net assets (Thousand yen)	2,185,159	2,201,106
[Of which, share acquisition rights (Thousand yen)]	(157,733)	(156,403)
[Of which, non-controlling interests (Thousand yen)]	(2,027,426)	(2,044,703)
Net assets at the end of the period related to common shares (Thousand yen)	24,206,173	20,223,049
Number of common shares issued and outstanding (Shares)	47,928,900	45,335,467
Number of treasury shares in common shares (Shares)	2,733	918,800
Number of common shares used in calculating net assets per share (Shares)	47,926,167	44,416,667

(Significant Subsequent Events)

Not applicable.