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[English Translation]

June12, 2024
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eGuarantee Inc.
Representative: Masanori Eto
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Director
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Notice Regarding Formulating the Medium-term Business Plan

eGuarantee, Inc. (the "Company") today (June12, 2024) announced the formulation of its medium-term business plan, "Accelerate 2028", covering the period from fiscal 2024 to 2028, in accordance with Article 370 of the Companies Act and Article 25 of the Company's Articles of Incorporation

1. Background of Medium-Term Business Plan Formulation

Recent changes in the external environment, such as the increase in bankruptcies, rising interest rates and the decline workforce, have led to rising demand for our services, including rising need for guarantees, the trend toward outsourcing of administrative work and a shift from loans to business-to-business credit. In addition, within the Company, the growth of the of hired human resources, the expansion of our sales infrastructure, and the enhancement of the Company's proprietary corporate database are progressing. We have determined that these changes in the business environment are an opportunity to change gears for growth in the future, and have therefore formulated our medium-term business plan, "Accelerate 2028".

2. Fundamental Policy

Through the following initiatives, the Company will shift from stable growth that requires database development to accelerated growth by improving risk underwriting capabilities and investing in resources.

- Active risk underwriting based on our extensive proprietary corporate database and securitization
- Efficient sales growth through increased investment in sales resources and the promotion of digitalization
- Expand customer base through the introduction of new channels and new products, and by strengthening marketing
- Further increase the retention rate and guarantee increase rates by enhancing services to existing customers, etc.
- Increase the value of products for customers by strengthening cooperation with companies conducting peripheral businesses

3. Management Targets

	FY2024 Result	FY2028 Target
Net sales (consolidated)	9,165 million yen	20,000 million yen
Ordinary profit (consolidated)	4,902 million yen	10,000 million yen
ROE (consolidated)	15.3%	20% or more
ROIC (consolidated)	15.1%	20% or more

For details of the Mid-term Business Plan, please refer to the attached document.

eGuarantee, Inc.

Medium-Term Business Plan

Accelerate2028

FY2024~FY2028

Visualizing 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.



President and Chief Executive Officer
Masanori Eto

Background of Medium-Term Management Plan Formulation

External environment



An environment in which the demand for our services is increasing due to the rising need for guarantees, the trend toward outsourcing of administrative work, and the shift from loans to business-to-business credit

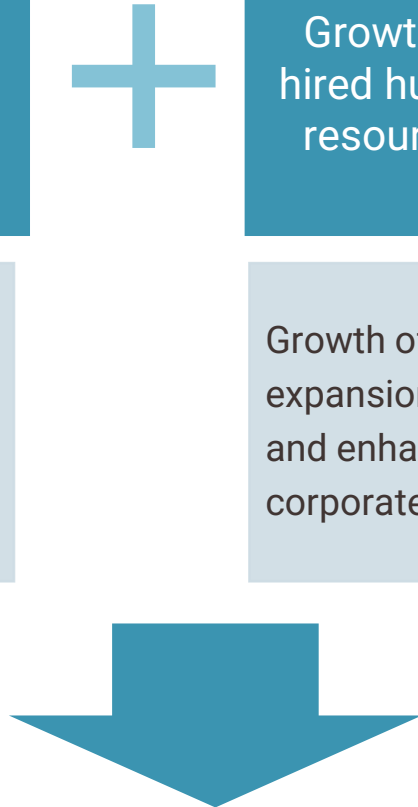
Internal environment



Growth of hired human resources, expansion of our sales infrastructure, and enhancement of our proprietary corporate database



Growing investor expectations for the growth of our business



We see this as an opportunity to change gears for growth

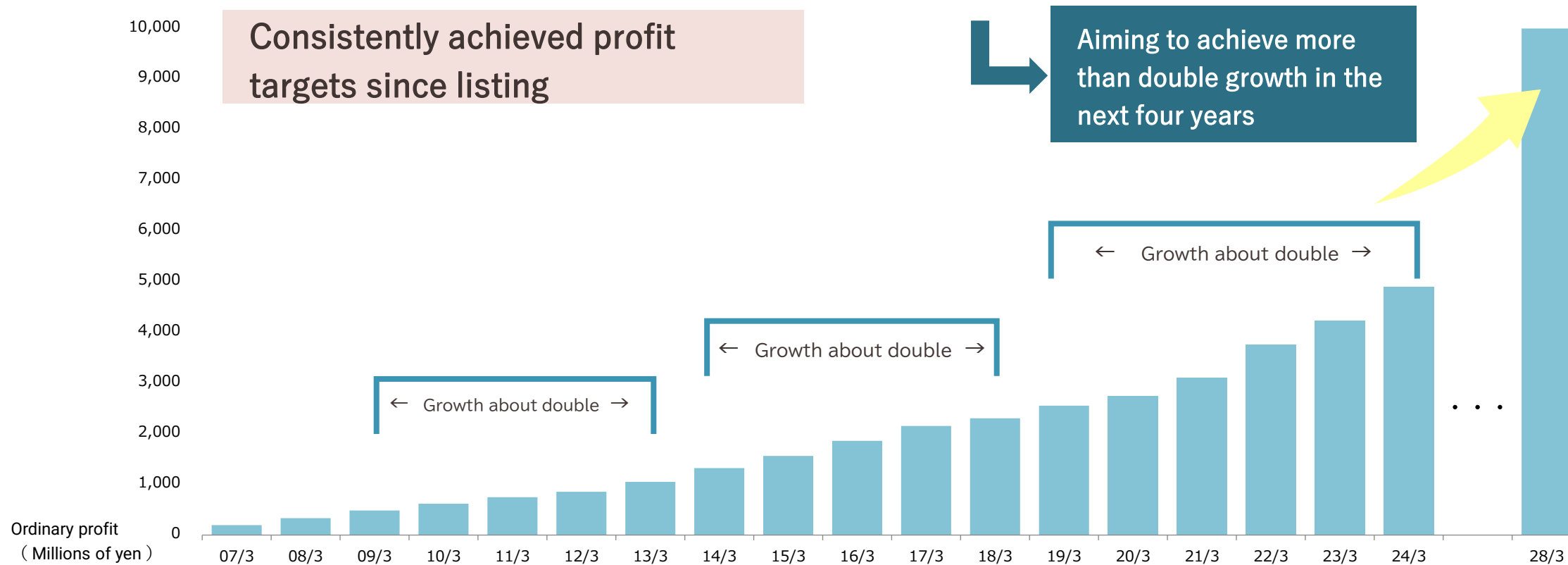
Accelerate 2028

Shifting from stable growth for the purpose of database development to accelerated growth by improving risk underwriting capabilities and investing in resources

FY2028 Target (consolidated)		
Net sales	ROE	Dividend payout ratio
20 billion yen	20 % or more	50 % or more
Ordinary profit	ROIC	DOE
10 billion yen	20 % or more	Sustainable Improvement

Changes in Target and Results

In the past, the company has achieved approximately double growth over a five- or six-year period



Ordinary profit Target	172	300	440	610	710	840	1,000	1,300	1,550	1,850	2,150	2,300	2,550	2,750	3,000	3,750	4,200	4,900	10,000
Ordinary profit Result	196	331	482	619	744	854	1,048	1,319	1,562	1,857	2,152	2,302	2,552	2,751	3,108	3,760	4,231	4,902	-
Target Achievement Rate	114.0%	110.3%	109.5%	101.5%	104.8%	101.7%	104.8%	101.5%	100.8%	100.4%	100.1%	100.1%	100.1%	100.0%	103.6%	100.3%	100.7%	100.0%	-

A market for connecting companies who want their risk to be underwritten and those looking to underwrite risk and gain income



We can even diversify, securitize, and underwrite “major risks”

Companies, including small and medium-sized enterprises, request us to hedge their risk ranging from tens of millions of yen to sometimes hundreds of millions of yen. We underwrite the risks of hundreds of thousands of companies, subdivide those risks, package them, and securitize these packages to financial institutions. This structure makes it possible for us to underwrite large risks.

By converting risks into a form that is easily underwritten by funds, financial institutions, etc., low-cost securitization is achieved.

By diversifying and subdividing risks and securitizing them into packages, the content can be easily handled statistically by financial institutions that underwrite the risks, thereby achieving risk hedging at a low cost. In addition, by utilizing big data acquired in the process of underwriting a large number of corporate risks, we promote securitization by providing information such as loan-loss ratios for these packages.

Business model strength

One of the largest databases of big data on business-to-business transactions in Japan

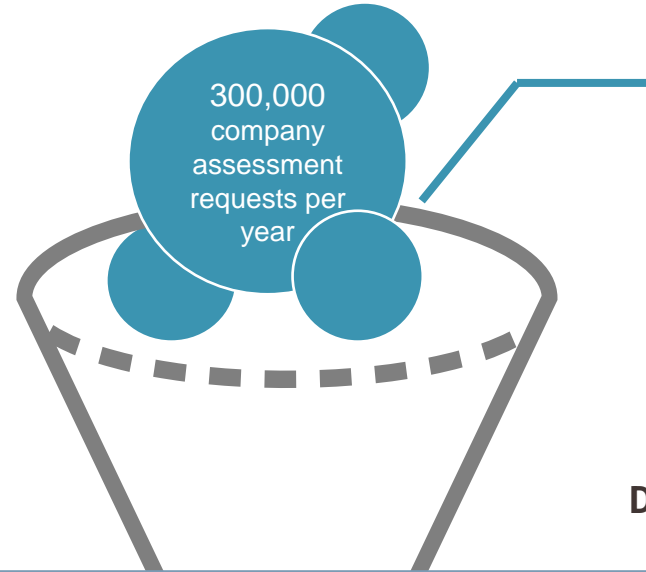
Use of data for precise risk judgment

We underwrite the risks of several hundred thousand companies in Japan, and leveraging the accumulation of qualitative corporate information (more than 2.6 million items daily) which increases in the process of assessing more than 300,000 new companies annually, make risk judgments from a perspective which differs from that of conventional financial institutions.

Assessment that leverages qualitative and dynamic information databases to expand the range of companies that can receive credit.

Existing financial institutions' assessments tend to focus on quantitative and static information such as financial statements and collateral. This tends to limit funding avenues for companies that do not have assets or are currently facing a difficult business situation. Under such circumstances, eGuarantee places qualitative and dynamic information at the center of our assessment process, which allows for a different aspect of evaluation than in the past, increasing the possibility of new financing for the company while also expanding the areas in which it can undertake risk and earn income.

*With the enactment of the Business Loan Promotion Act on June 7, 2024, which includes the "corporate value security interest," a loan secured by a company's corporate value, including its technological capabilities and growth potential, the use of qualitative information is expected to become a new way of financing in the future.



- Identify debtor's business partners and transaction history
- Payment information
- Managers' past management history and changes in representatives
- Attitude of each financial institution in undertaking risks
- Diagnostic imaging from the Internet and Google, etc.
- Reduction in sales, increase in transaction value, etc.

Data accumulation of 2.6 million items/day

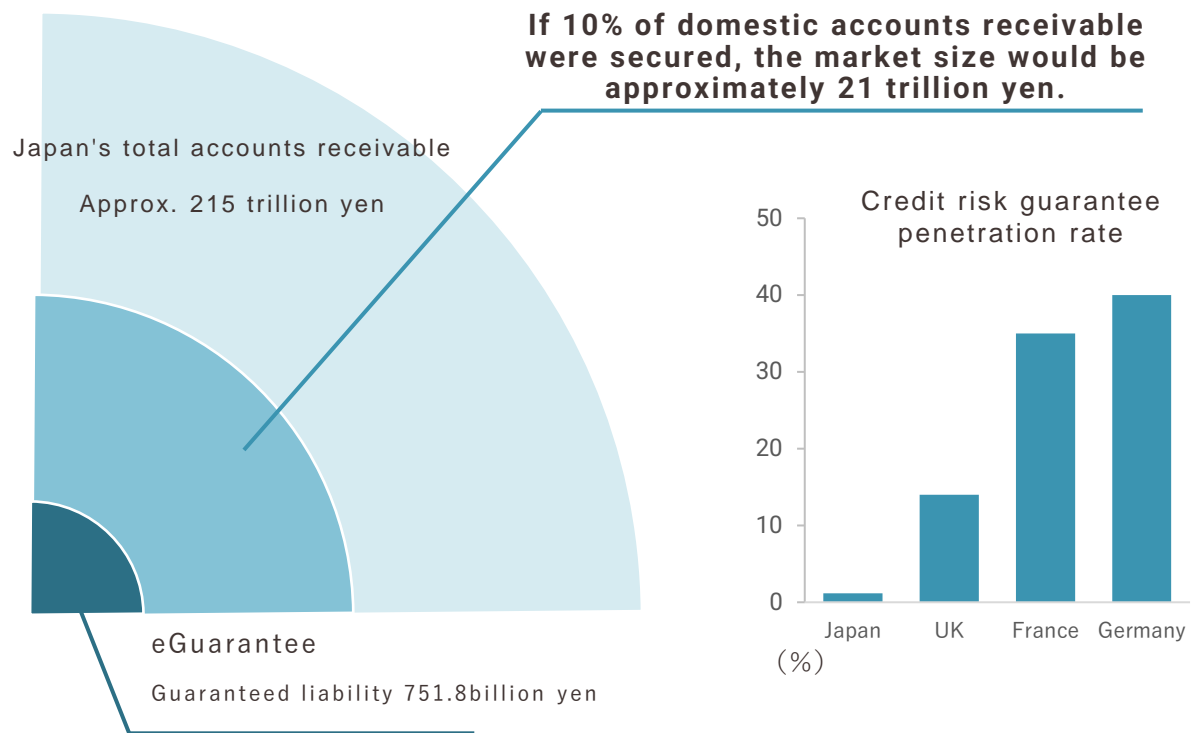
eGuarantee	<p>Qualitative info</p> <p>Companies' info, business attitude of each company, image diagnostics, information on the Internet, and management analysis</p>	<p>Dynamic info</p> <p>Payment terms fluctuations, late payments and other payment information, changes in financial institutions' attitudes, homepage renewal status, new transaction growth trends, etc.</p>
	<p>Quantitative info</p> <p>Financial statements, business plans, CF statements, etc.</p>	<p>Static Info</p> <p>Status of financial statements, real estate, and other assets</p>

Conventional financial institutions

Japan and Asian markets is a Blue Ocean

Growth potential of the domestic market

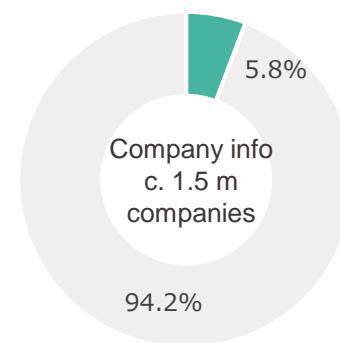
The amount of Japanese accounts receivable covered by some form of guarantee or insurance is estimated to be approx.1.3% of the total amount of accounts receivable in Japan. In Europe, on the other hand, credit risk guarantees have a high penetration: 12-14% in the UK, 30-35% in France, and over 40% in Germany. If 10% of Japan's accounts receivable (approx. 215 trillion yen) were secured, the market size would be approximately 21 trillion yen. This makes it a blue ocean market with significant potential for expansion.



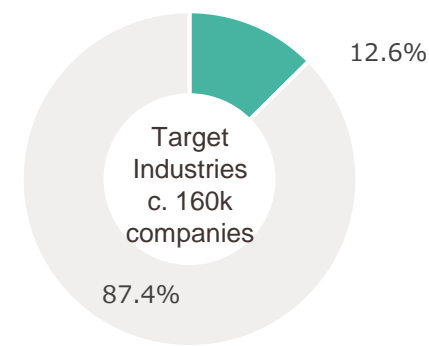
Currently we are unable to approach due to lack of personnel

- Of the approx. 1.5 million companies in the research firm's corporate information, 5.8% have had contact with us in the past 10 years.
- By industry, as well, there are many uncontacted companies in the wholesale industry (12.6%), where accounts receivable are more likely to be generated.

Percentage of companies that have had contact with us in the past 10 years.



Percentage of companies that have had contact with us in the past 10 years when narrowed down to wholesale industry.



* Penetration rate in Europe and the U.S.: Refer to Sept. 2022 : <https://www.insurancebusinessmag.com/uk>

* Japan's total accounts receivable: Refer to the Balance of Financial Liabilities of Business-to-Business and Trade Credit/Private Nonfinancial corporation Financial liabilities in the Flow of Funds Statistics (FY2022, Bank of Japan).

* Amount of accounts receivable covered by some form of guarantee or insurance: Estimated based on information published on Jan. 17, 2023 by the Nihon Keizai Shimbun Inc.

*Company Information and Industry: Refer to Teikoko Databank COSMOS

**Contact history: Refer to the Company's internal database.

The credit risk market for companies with a broad base

Overseas markets

Expansion of credit risk underwriting not only in Japan but also overseas

Expansion of guarantee business overseas and intermediary in the exchange of risk undertakings between countries. We are leveraging our strength of being founded by a general trading company, and are developing the business.

Expansion of utilization methods

Expansion into peripheral businesses such as capitalization, etc.

We will create value by meeting funding needs, etc., through cooperation with a variety of companies, including existing financial institutions and invoice issuing agencies.

Addressing outsourcing needs

We will make decisions on transactions and loan availability in real time, receive outsourcing orders for payment management and payment reminders, and manage transaction amounts by linking to systems, etc.

Indirect financing
Approx. 491 trillion yen

Direct financing
Approx. 251 trillion yen

Expansion of credit risk underwriting

Expansion of target areas to include indirect financing, etc.

Expansion of income by directly undertaking credit risks

Current income areas

Business-to-business credit
Approx. 215 trillion yen



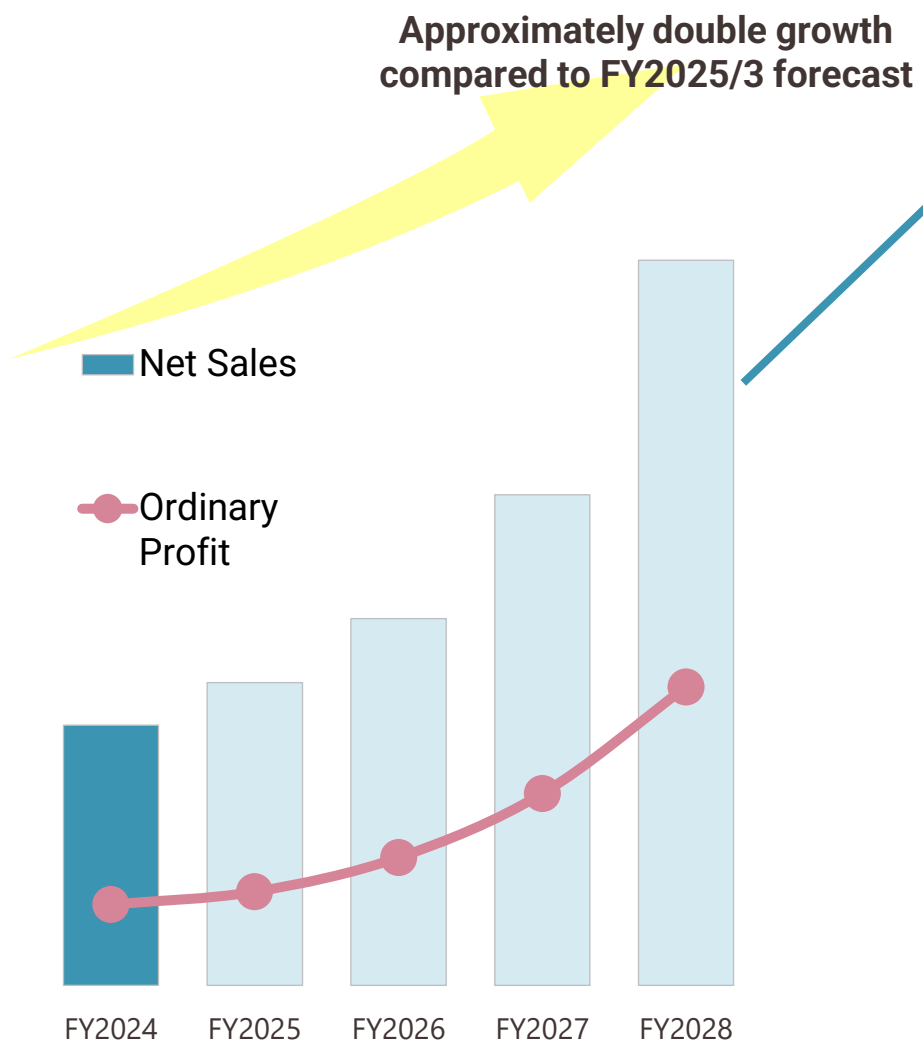
※Amount of business-to-business credit, direct financing, and indirect financing: from Flow of Funds Statistics (FY2022, Bank of Japan)

Accelerate 2028

Shifting from stable growth for the purpose of database development to accelerated growth by improving risk underwriting capabilities and investing in resources

Management centered on vision	We will expand “Guarantee” into a new financial business field that differs from conventional finance by utilizing big data and securitization
Active risk underwriting	Active risk underwriting based on our extensive proprietary corporate database and securitization
Sales resource expansion	Efficient sales growth through increased investment in sales resources and the promotion of digitalization
Strengthening of marketing	Expand customer base through the introduction of new channels and new products, and by strengthening marketing
Increase retention rate and rate of guarantee increase	Further increase the retention rate and the rate of guarantee increase by enhancing services, etc., for existing customers.
Improve value of products	Increase the value of products for customers by strengthening cooperation with companies conducting peripheral businesses

Management Targets in the Medium-Term Management Plan (Net sales, Ordinary profit)



FY2028 Target

Net sales (consolidated) **20** Billion yen

Ordinary profit (consolidated) **10** Billion yen

	FYE March 31, 2025 Forecasts	FYE March 31, 2028
Net sales (consolidated)	10.1 Billion yen	20.0 Billion yen
Ordinary profit (consolidated)	5.2 Billion yen	10.0 Billion yen

Management Targets in the Medium-Term Management Plan (Capital Efficiency Indicators)

	FYE March 31, 2024	FYE March 31, 2028
ROE	15.3%	20% or more
ROIC	15.1%	20% or more

- While prioritizing shareholder returns and capital efficiency, we will make effective use of capital.
- We will aim to achieve the above indicators by improving profit margins and considering share buybacks, etc.

Investment in Growth

Expanding market share and investing in human resources

We will invest aggressively in our sales force, IT and DX to further expand our market share. We will also strengthen our marketing efforts and expand our business so that our business-to-business credit risk outsourcing services are widely recognized.

Enter into peripheral fields

We will promote initiatives in peripheral businesses where we can leverage our expertise in undertaking credit risk for business-to-business transactions through business alliances and other means. We will target the direct financing business, which accounts for approximately 251 trillion yen, and the indirect financing business, which accounts for approximately 491 trillion yen, in anticipation of expanding the range of guaranteed liabilities. In addition, we will expand our overseas credit risk underwriting business.

Capital Allocation Policy

We will endeavor to improve capital efficiency and enhance shareholder returns in accordance with the following capital allocation policy.

TARGETS | • ROE and ROIC **20%+** • Dividend payout ratio **50%+** • Continuous improvement in DOE (FYE3/24 was 7.8%)

Cash Generation

Profit growth

- Steady accumulation of guarantee liabilities
- Strengthening sales structures and offices
- Average operating cash flow of three billion yen or more over the past three years, etc.



Effective use of capital

Investment in growth

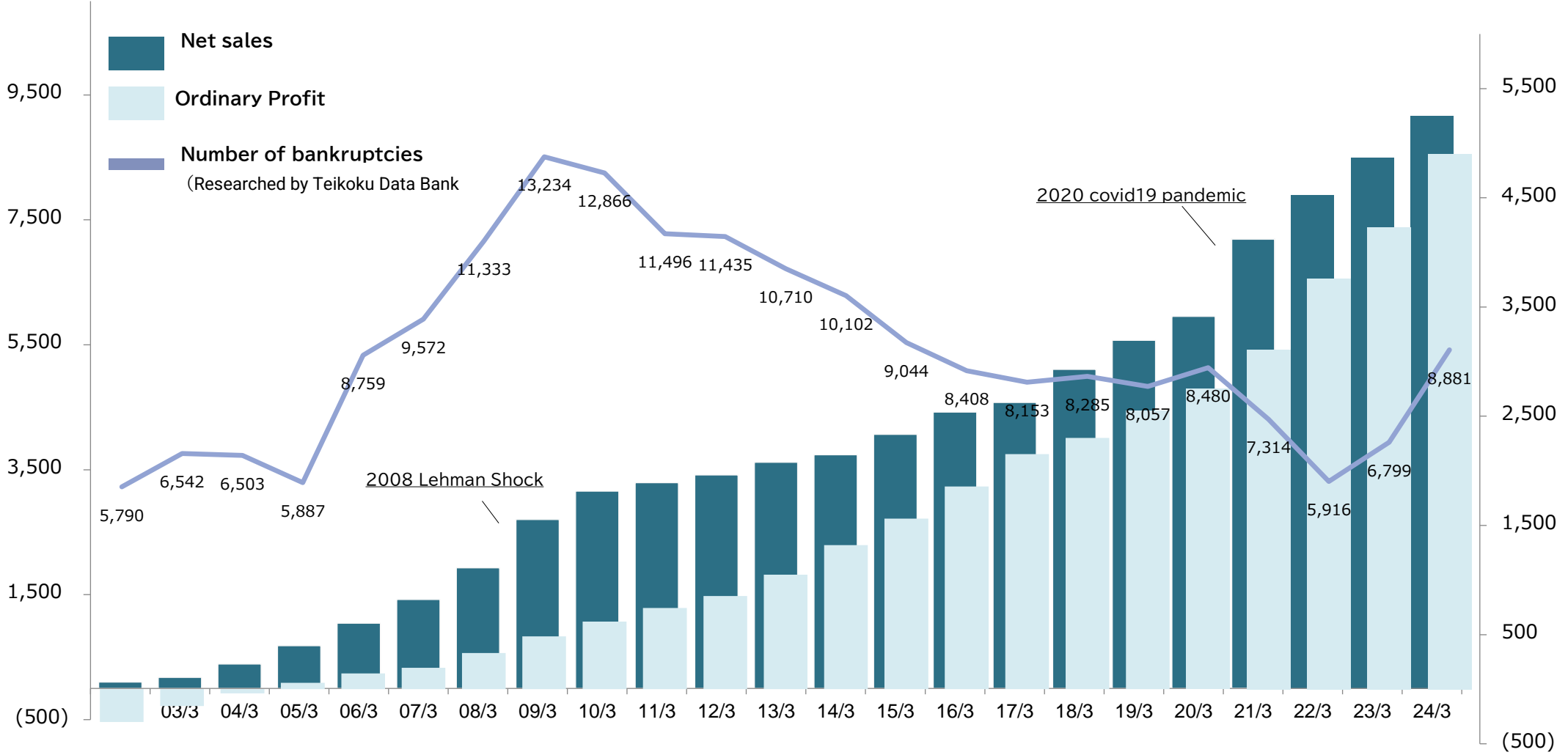
- The current reach of the potential market for credit risk management for business-to-business transactions is less than about 10%. Invest thoroughly to develop the remaining approximately 90% or more of the market.
- Investment in human resources (increase in operating resources)
- IT/DX Investment (Expansion of Examination Database)
- Investment in branding
- Investment to expand the range of receivables covered by the guarantee

Promoting the sharing and refinement of expansion strategies by facilitating proactive dialogue with domestic and overseas investors.

By facilitating proactive dialogues with domestic and overseas investors and sharing our expansion strategy, we will increase opportunities to receive feedback from investors. Based on this feedback, we will refine our strategies and develop a more sophisticated growth plan. In particular, we will exchange opinions with investors through one-on-one meetings, etc., to deepen their understanding of our business model and market trends, and lay a stronger foundation for growth by incorporating constructive opinions from investors and quickly revising and improving our strategies.

Business Trends

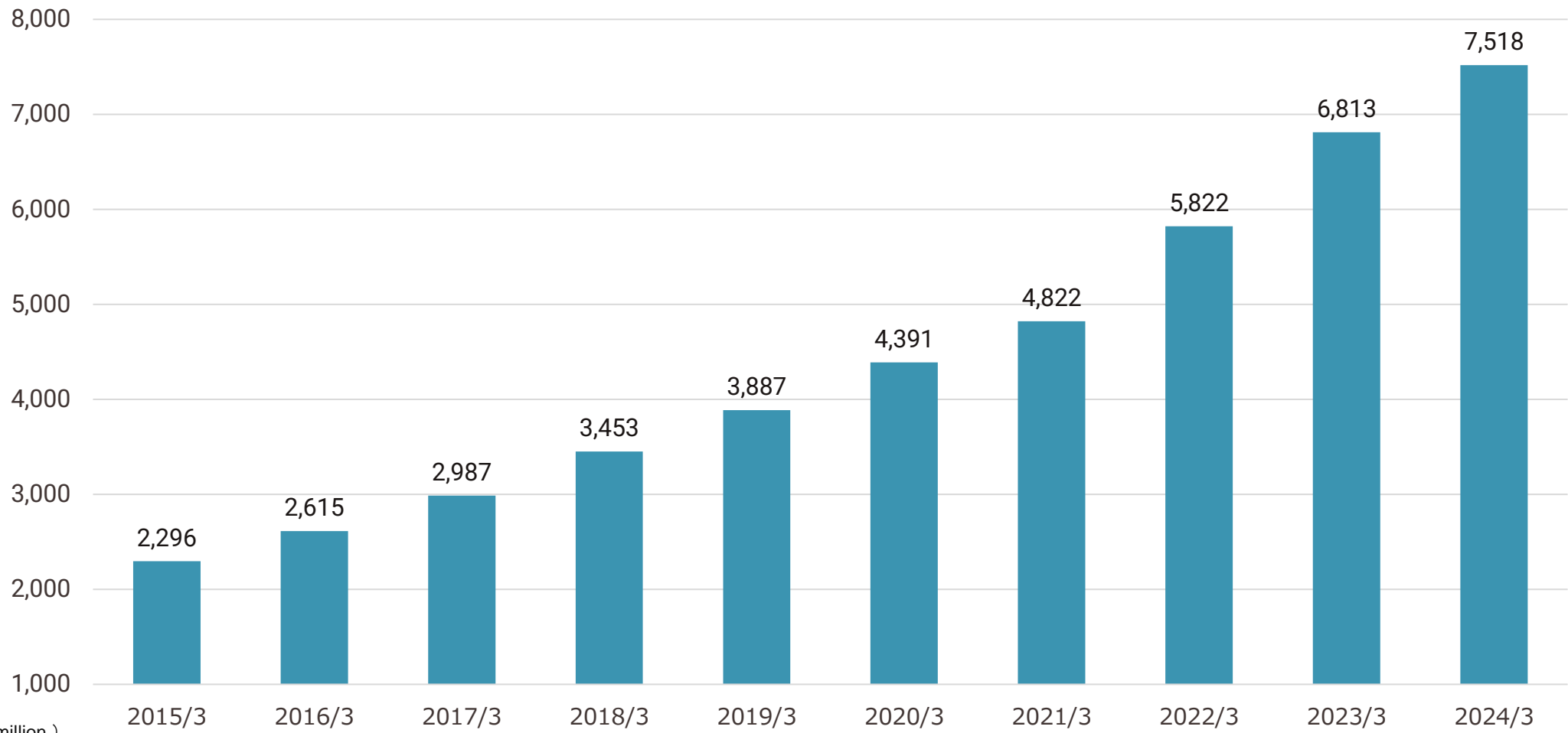
Achieved 22 consecutive years of increased sales and profits thanks to stock-based business model.



Net Sales
(million yen)

Ordinary profit
(million yen)

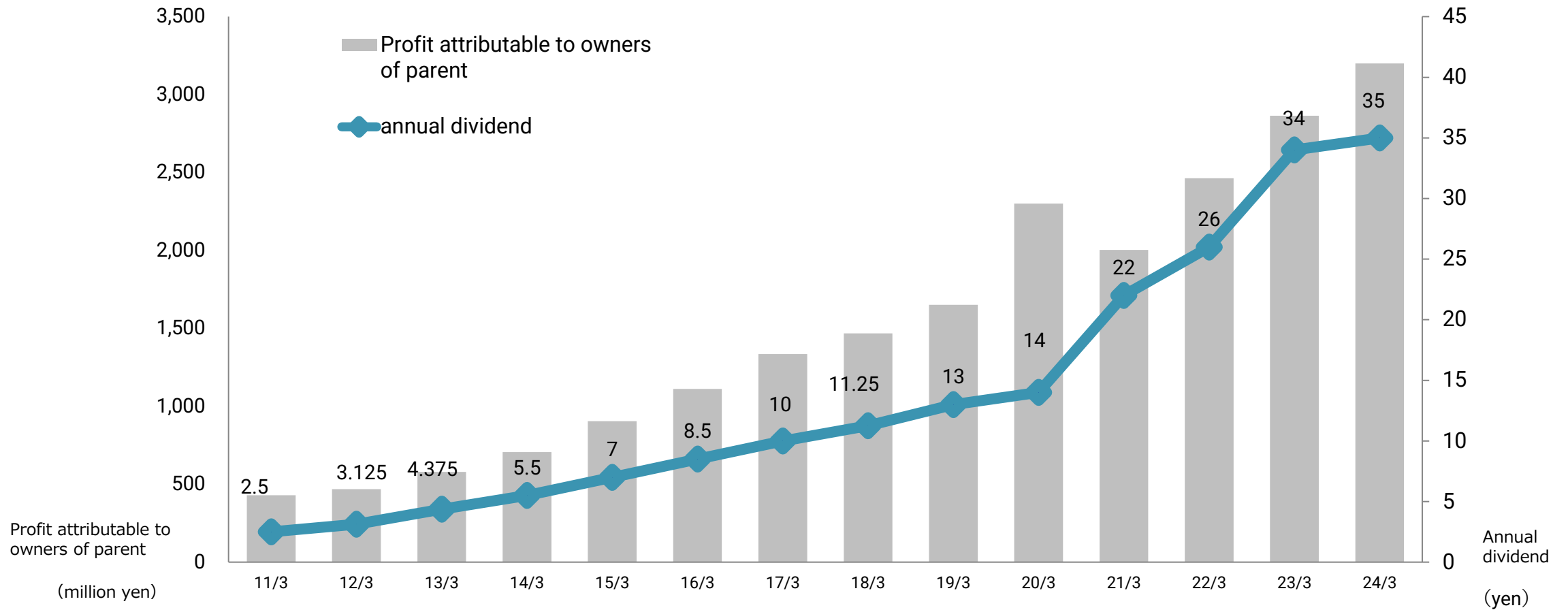
Guarantee liabilities Trends



(One hundred million)

Dividend Policy

The Company considers the return of profits to shareholders to be one of its most important management tasks, and while comprehensively taking into account factors such as business performance trends, financial conditions, and future business development, the Company will pay dividends with a target payout ratio of 50% or more, and will continuously increase the total amount of dividends in proportion to the increase in corporate value.



Management Indicators (consolidated) Trends

	unit	FY2021	FY2022	FY2023	FY2024
Sales	(1,000 yen)	7,194,885	7,894,566	8,494,895	9,165,092
Ordinary profit	(1,000 yen)	3,108,793	3,760,382	4,231,150	4,902,670
Equity	(1,000 yen)	17,186,079	19,716,958	21,998,648	24,126,887
Stock	(yen)	2,087	2,051	2,175	1,792
Net income per share	(yen)	45.12	52.92	60.68	68.60
Net assets per share	(yen)	347.19	387.62	428.68	465.10
ROE	(%)	14.6	14.5	14.9	15.3
ROIC	(%)	13.7	14.3	14.0	15.1
PER	(Times)	46.25	38.75	35.84	26.12
PBR	(Times)	5.6	4.9	4.7	3.5
Ordinary profit margin	(%)	43.2	47.6	49.8	53.4
Capital adequacy ratio	(%)	70.3	71.9	72.7	73.7
Dividend payout ratio	(%)	48.8	49.1	56.0*	51.0
Total Dividends	(1,000 yen)	1,005,961	1,216,315	1,613,848	1,669,088

*Includes commemorative dividend (4.00 yen)

eGuarantee, Inc.

This presentation includes forward looking statements that reflect management's current assumptions and expectations of future events, and accordingly, they are inherently susceptible to uncertainties and changes in circumstances and are not guarantees of future performance. Actual results may differ materially, for a wide range of possible reasons, including general industry and market conditions and general international economic conditions. In light of the many risks and uncertainties, you are advised not to put undue reliance on these statements . The management targets included in this presentation are not projections, and do not represent management's current estimates of future performance. Rather, they represent targets that management strive to achieve through the successful implementation of the Company's business strategies. The Company may be unsuccessful in implementing its business strategies, and management may fail to achieve its targets. The Company is under no obligation and expressly disclaims any such obligation to update or alter its forward looking statements