



Fiscal Year Ending March 31, 2025 First Quarter

Results Briefing Information Materials

Entrust Inc.

Securities Code: 7191

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Company Information

Performance Overview

- Sales and profits increased due to the growth in property rent guarantees
- Operating income remained at 21% due to an increase in outsourcing fees and bad debt/guarantee performance fees with the growth of our guarantee business

(Million yen)

	2023/6 Actual	2024/6 Actual	Year-on-year
Net sales	2,095	2,486	118.6%
Operating profit	502	541	107.7%
(Margin)	24.0%	21.8%	-
Ordinary profit	496	544	109.8%
(Margin)	23.7%	21.9%	-
Net income	280	281	100.4%
(Margin)	13.4%	11.3%	-

Strong results with net sales at **118.6%** year-on-year

- Property rent guarantee growth has contributed, with growth in both initial and renewal guarantee fees

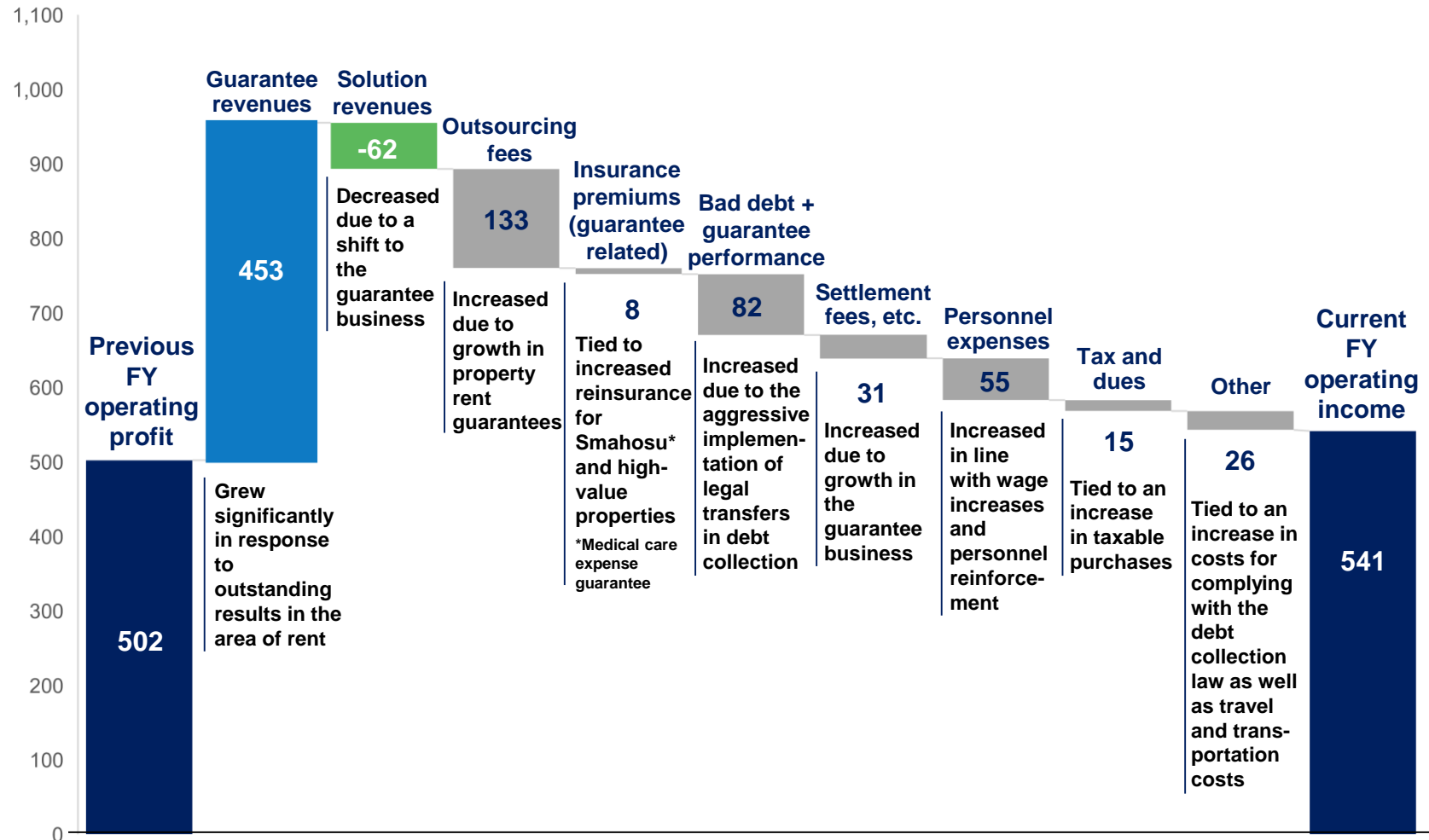
and operating profit at **107.7%** year-on-year

- Business outsourcing fees, rent collection payment costs, and bad debt costs increased with the growth in property rent guarantees

Analysis of Changes in Operating Profit

- Related expenses (business outsourcing fees, settlement fees, and bad debt-related costs) increased in line with growth in guarantee sales. Profits were secured, resulting in increased profit.

(Million yen)

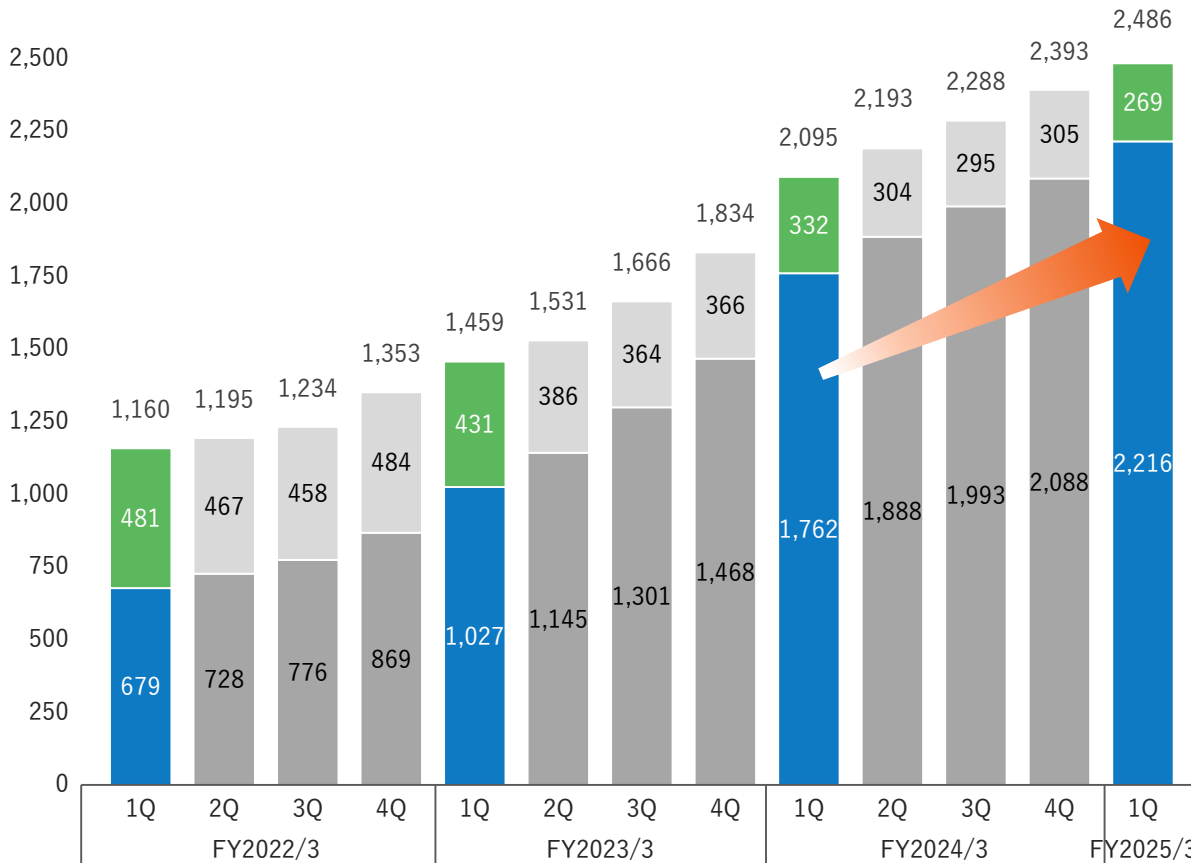


Net Sales by Quarter

■ Steady increase in revenue due to sales driven by the guarantee business

118% (+390 million yen) year-on-year

■ Solution business
■ Guarantee business



Year-on-year
118%
 (+390 million yen)

Solution Business

Ongoing shift from C&O services to guarantee products
 81.1% year-on-year (-62 million yen)

Guarantee Business

Ongoing growth due to new property rent guarantee contracts and increased renewal guarantee fees
 125.7% year-on-year (+ 453 million yen)

*Figures for the fiscal year ended March 31, 2024 and thereafter are consolidated figures with "PRL Inc."

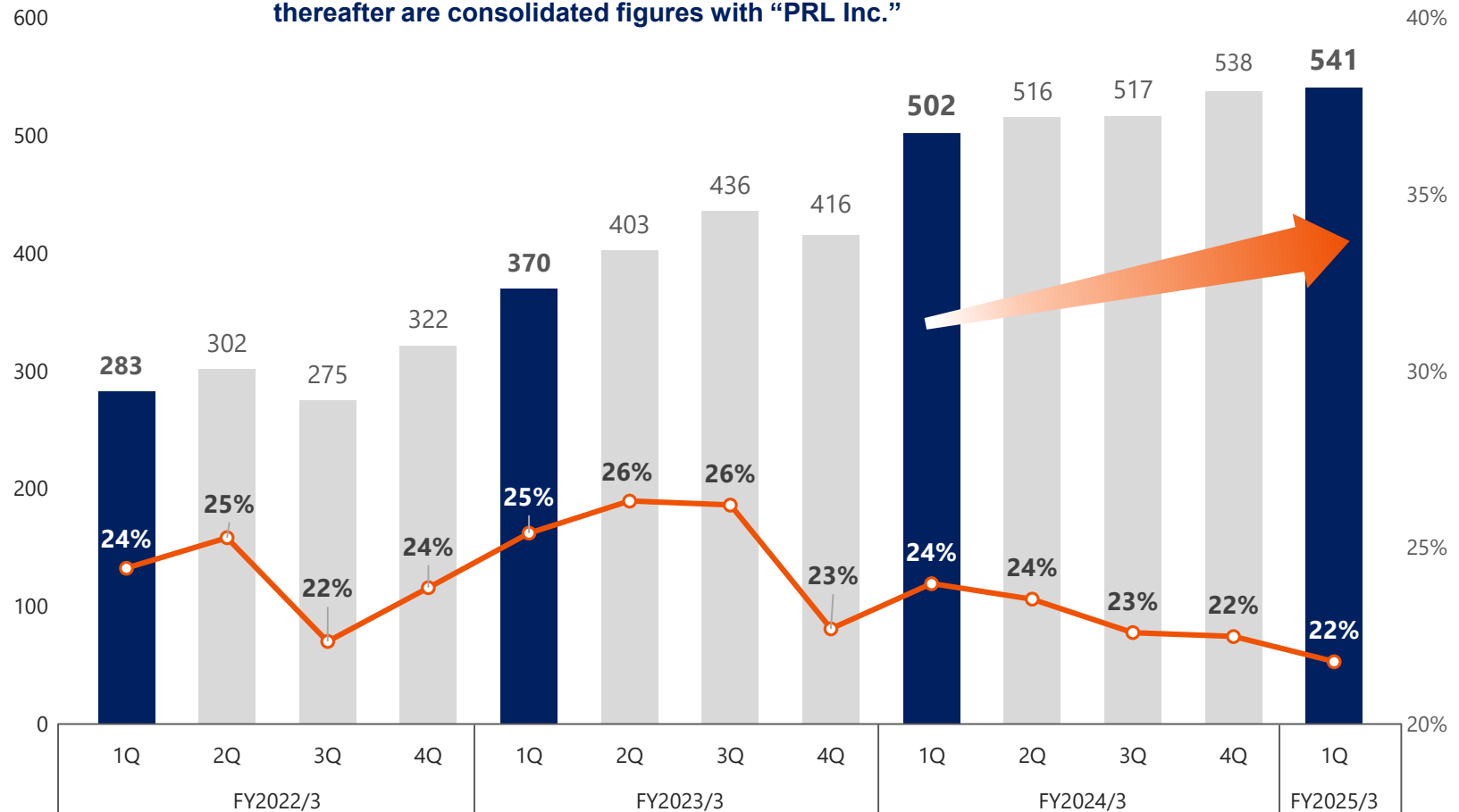
Operating Profit by Quarter

- Operating profit increased slightly to 107.7% year-on-year
- Operating profit margin decreased due to increased outsourcing fees, settlement fees, bad debt expenses, and personnel expenses, but remained steady at around 22%

Year-on-year
+107.7%

(Million yen)

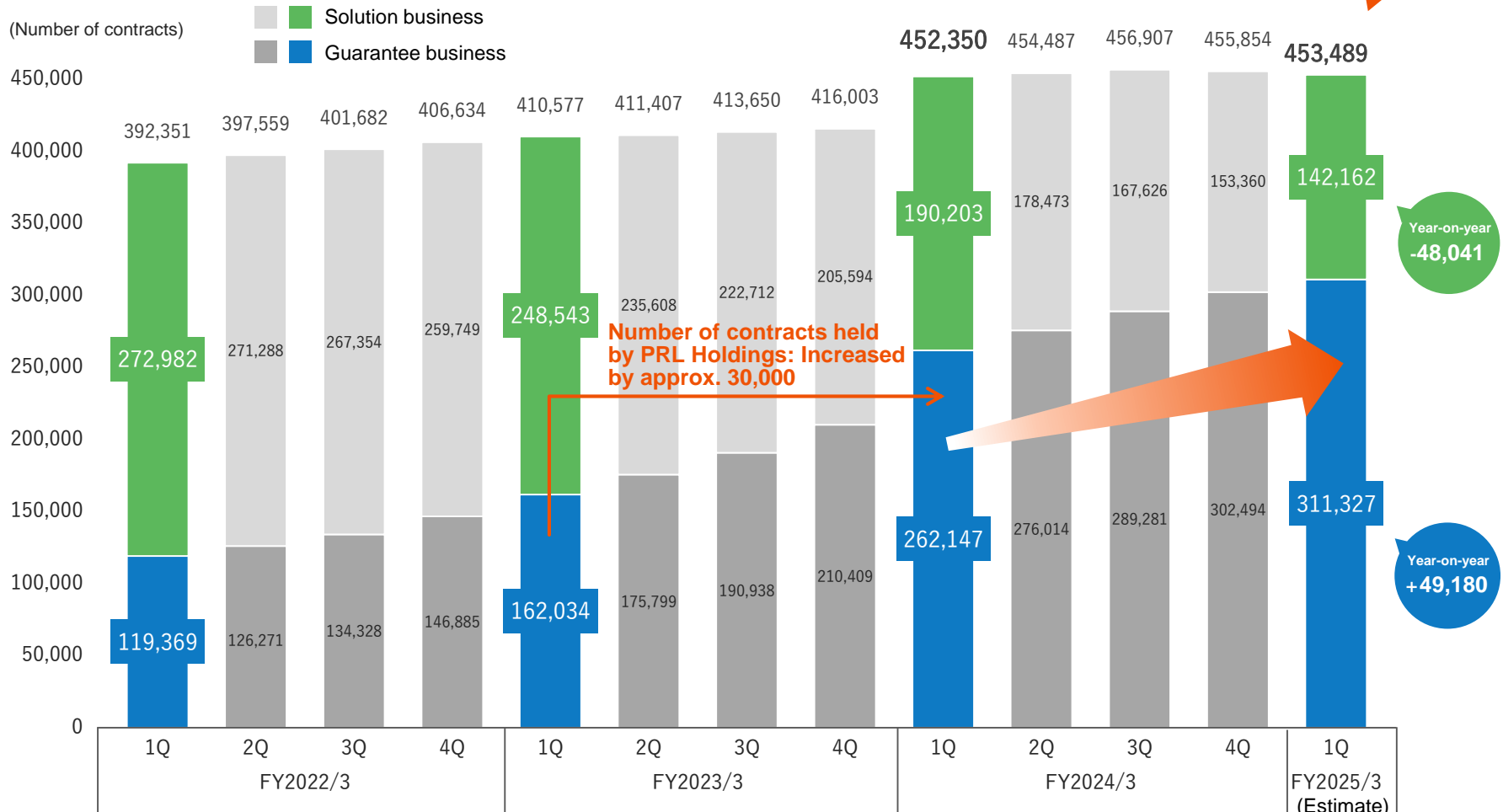
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Property Rent Area: Number of Property Contracts by Quarter

■ Growth driven by the guarantee sector

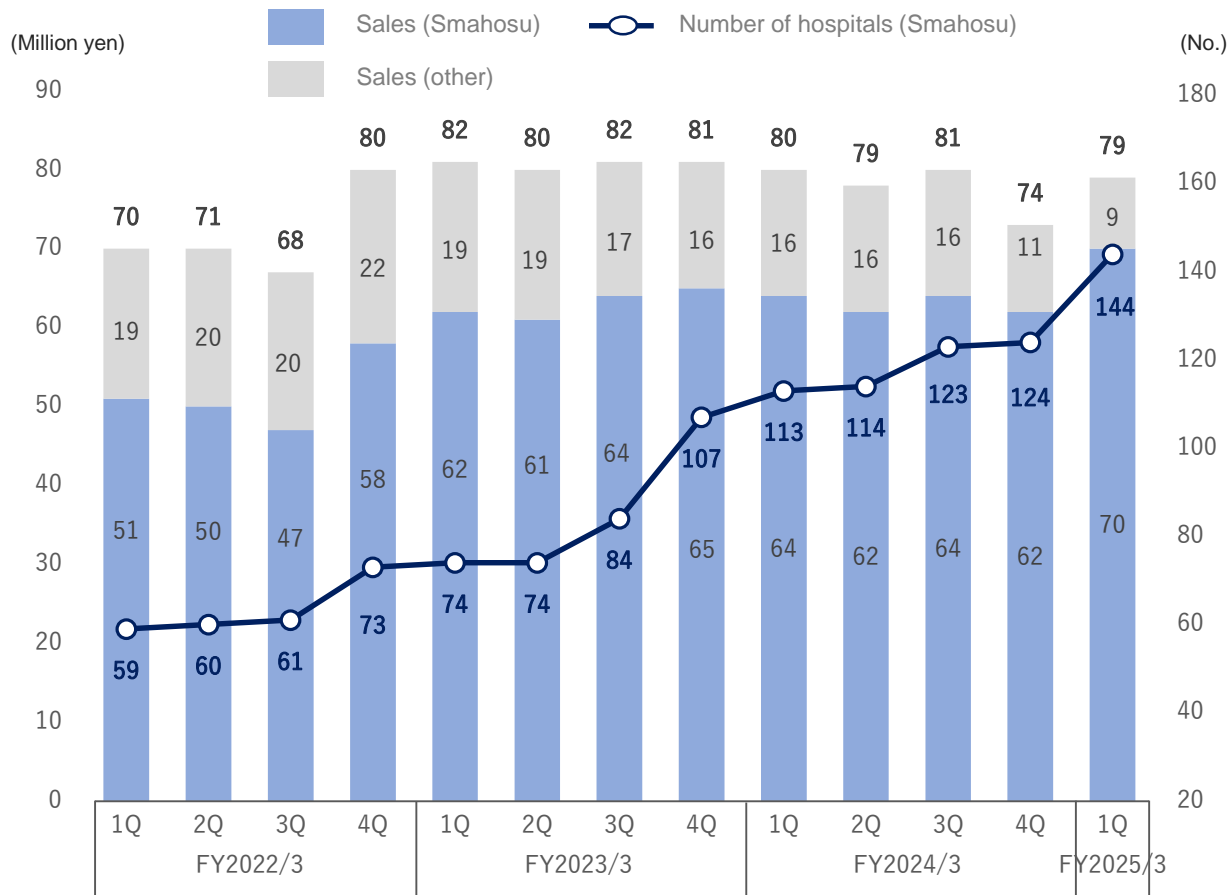
Despite an overall decline in the number of contracts in-force as a result of a trend of switching from solution products automatically attached to properties managed by clients to optional guarantee products, guarantee products with high unit prices have grown steadily, resulting in increased sales.



New Area: Medical Care Guarantee Sales by Quarter

■ Steady increase in the number of client medical institutions driven by the revitalization of business activities lead to rapid progress

- Partnerships with insurance companies and referrals from existing client hospitals did well, resulting in +31 hospitals year-on-year
- Steady growth in Smahosu sales, while other products were down due to shrinking sales promotions



● Continued growth for co-signer agent system Smahosu

144 medical facilities
(+31 from year-on-year)

35,089 hospital beds
(+7,092 year-on-year)

● Hospitalization set with medical care expense guarantee and other products

31 medical facilities
(-31 year-on-year)

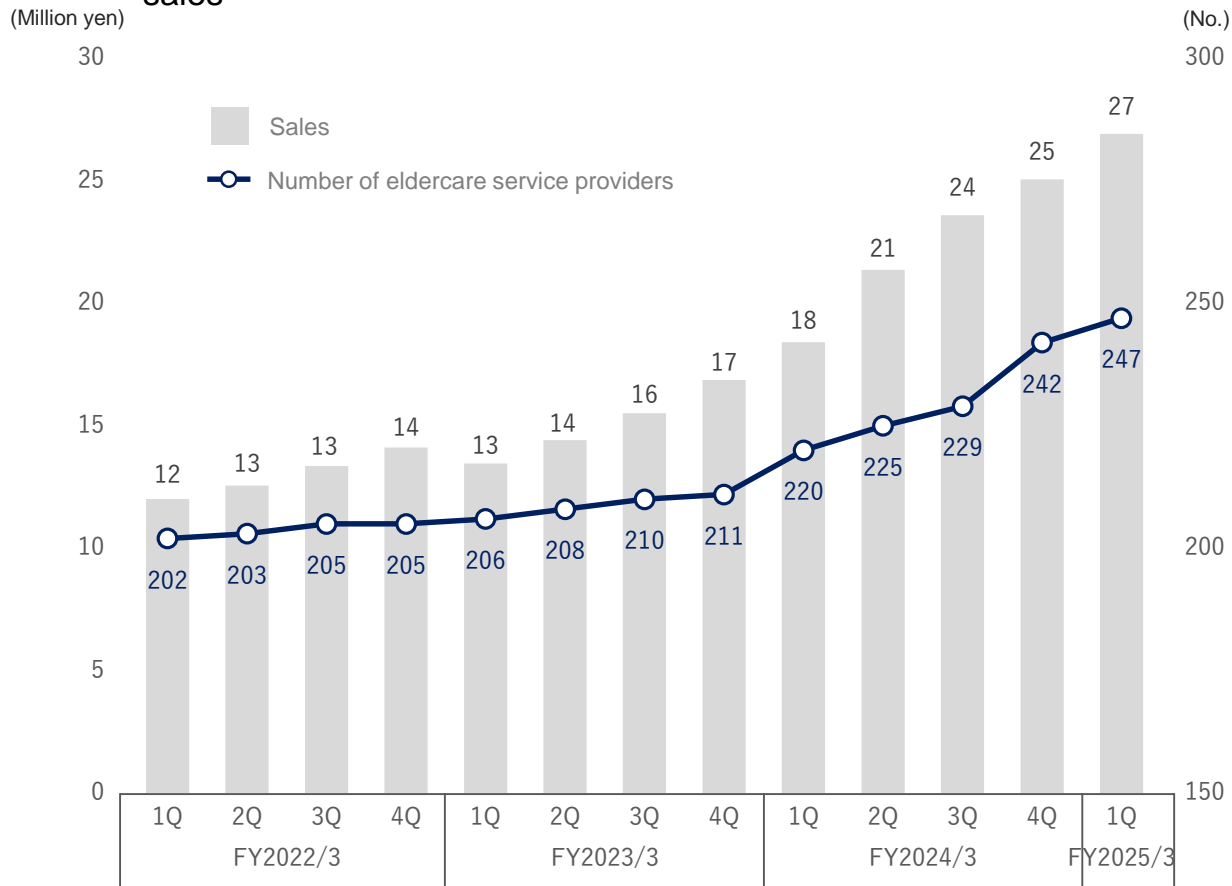
5,571 hospital beds
(-5,902 year-on-year)

*Partnerships and sales promotions have shrunk due to low profitability

New Area: Eldercare Expense Guarantee Sales by Quarter

■ Eldercare: Good performance by eldercare expense guarantees with accident insurance

- Newly adopted by 27 service providers since the same period of the previous fiscal year. Products with accident insurance have been well received, and the number of contracts has grown steadily.
- We will continue to partner with sales support companies and promote sales



● Continued growth of eldercare expense guarantees with accident insurance

56 eldercare service providers

955 contracts

(cf. 4Q of FY2024/3:

51 eldercare service providers, 793 contracts)

● Other products

191 eldercare service providers

2,794 contracts

(cf. 4Q of FY2024/3:

191 eldercare service providers, 2,626 contracts)

*Sales promotions have shrunk due to low profitability

The cumulative figure for the number of contracts was listed in the previous report, but from this report onward, the number of valid contracts (active contracts) will be listed.

The figures listed in (cf.) above are the number of valid contracts as of the end of March 2024 and the number of eldercare service providers.

Other Financial Data (Balance Sheet)

(Million yen)

	2023/6 (Previous fiscal year)	2024/6 (Current fiscal year)	Change in amount
Current assets	7,185	8,543	1,357
Cash and deposits	4,695	5,481	786
Accounts receivable - trade	182	168	-14
Advances paid	3,110	4,314	1,204
Other	542	575	33
Allowance for doubtful accounts	-1,344	-1,995	-651
Non-current assets	1,221	1,154	-66
Property, plant, and equipment	178	169	-9
Intangible assets	249	212	-36
Investments and other assets	793	772	-20
Current liabilities	2,879	3,377	497
(Unearned revenues)	2,043	2,248	205
(Reserve for fulfillment of guarantees)	284	514	230
Non-current liabilities	152	164	12
Net assets	5,375	6,156	781
Total assets	8,406	9,698	1,291

Tied to steady growth in the number of guarantee contracts held

Tied to the increase in new contracts for property rent guarantees

Unearned revenue, a source of income from the following month onward, increased due to an increase in new property rent guarantee contracts (10% increase)

*Moderate growth in the future expected due to an increase in the number of contracts for products involving monthly renewal

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Summary and Progress of the Plan for the Entire Fiscal Year

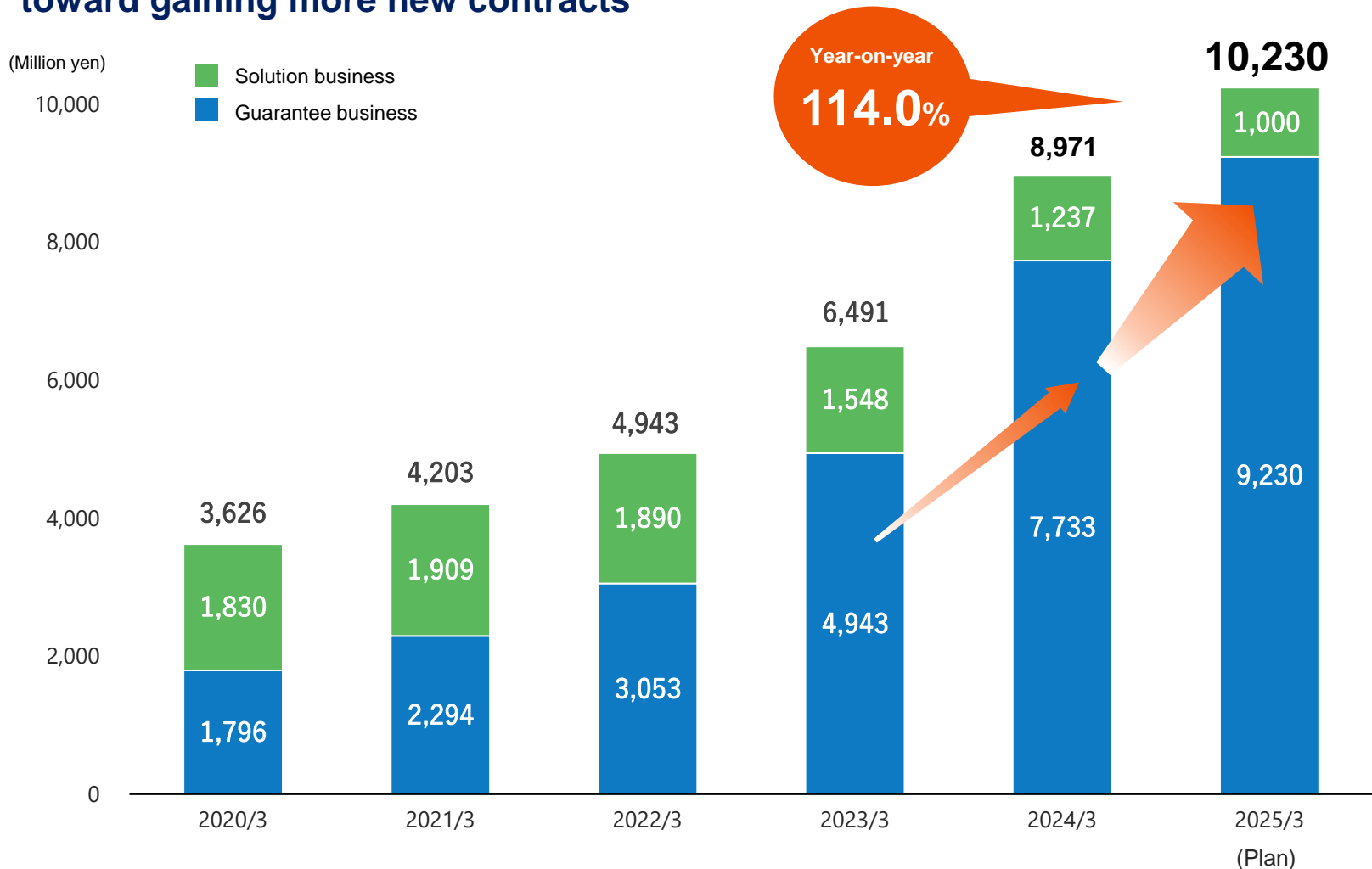
- Work steadily toward achieving the third medium-term management plan, striving for 10.2 billion yen in sales and 2.3 billion yen in operation profit for the fiscal year ending March 31, 2025

(Million yen)

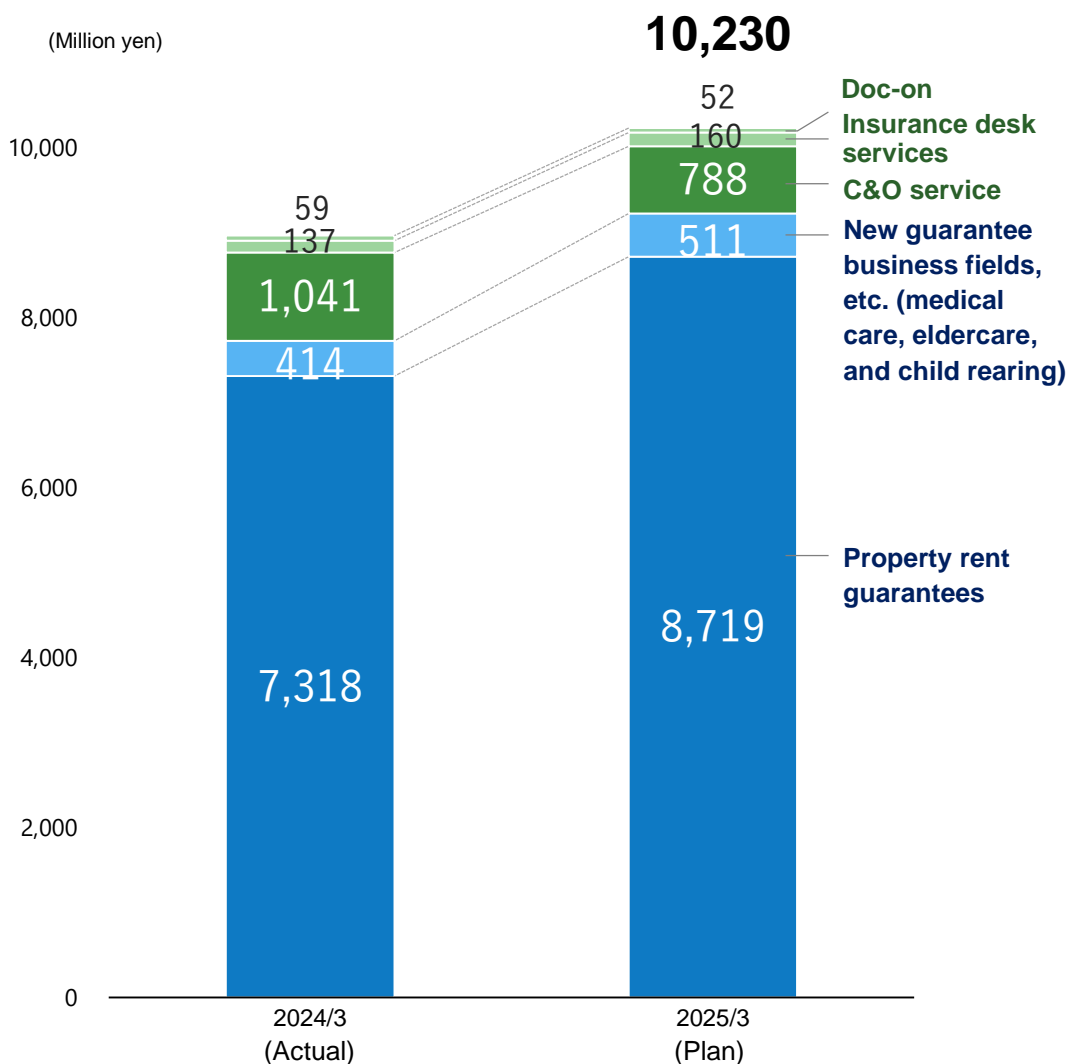
	2024/3 Actual	2025/3 Plan	2024/6 Actual	Progress rate	
				H1	Annual
Net sales	8,971	10,230	2,486	49.7%	24.3%
Operating profit	2,073	2,320	541	46.3%	23.3%
(Margin)	23.1%	22.7%	21.8%	-	-
Ordinary profit	2,070	2,320	544	46.6%	23.4%
(Margin)	23.1%	22.7%	21.9%	-	-
Net income	1,227	1,370	281	40.8%	20.6%
(Margin)	13.7%	13.4%	11.3%	-	-

Net Sales by Year and Plan

- For property rent guarantees, promote sales expansion in residential and commercial products to build a foundation for sales
- For medical care and eldercare expense guarantees, strengthen sales activities toward gaining more new contracts



Annual Targets for Net Sales (Details)



Solution business

Doc-on and insurance desk services

Continue to expand sales

C&O services

Reduced due to continued shift to rent liability guarantees

Guarantee business

Property rent guarantees

New contract growth trend continues slowly
Renewal guarantee fees increase significantly due to the growth in contracts in-force and monthly renewal contracts

Medical care expense guarantees

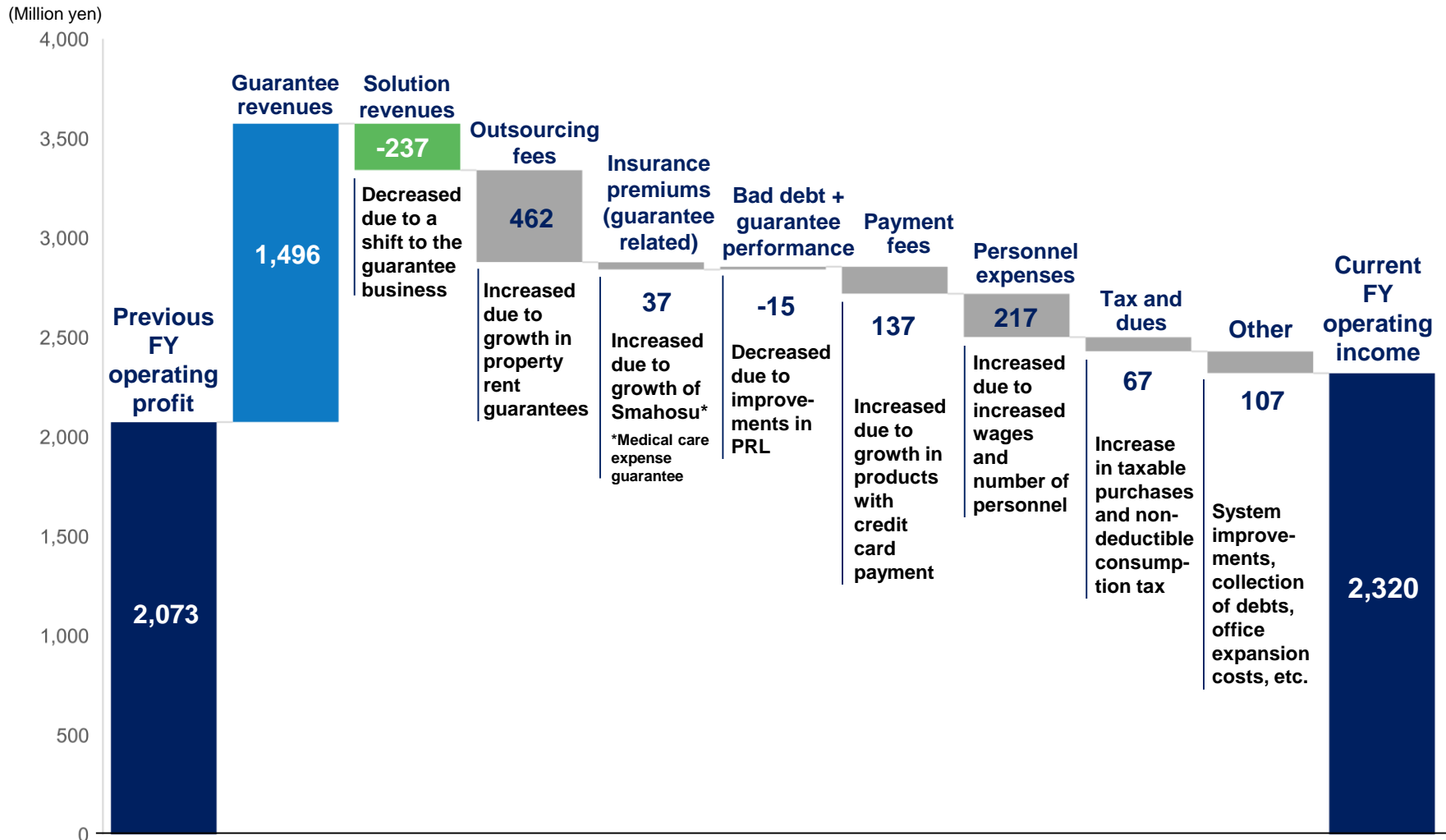
Further expansion of sales expected due to strengthened sales system and products

Eldercare expense guarantees

Strengthen sales structure to expand sales for products with accident insurance

Analysis of Changes in Operating Profit (Plan)

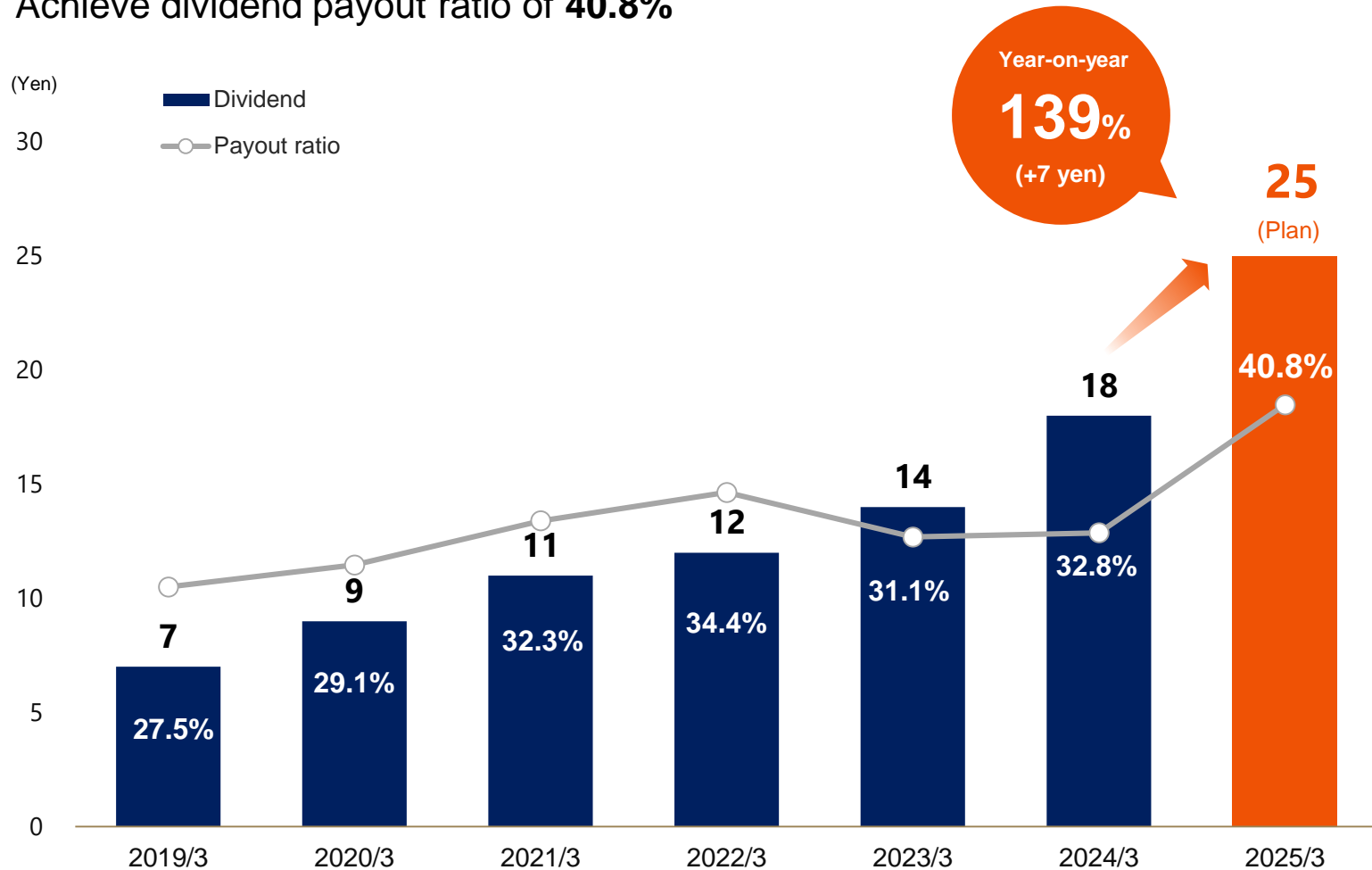
- Promote increase in revenue through growth in guarantee business
- Expand office space and increase wages while growing operating profit to outpace the increased costs



Dividends by Year and Plan

■ Increase in dividends for 9 consecutive fiscal years planned to promote further shareholder returns

- Dividends of **25** yen, a **7-yen** increase from the previous fiscal year, planned
- Achieve dividend payout ratio of **40.8%**



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Company Profile (As of June 30, 2024)



Company Name	Entrust Inc.
Established	March 2006
Capital	1,049 million yen
Fiscal Year	12 months to March
Representative Director	Yutaka Kuwabara
Head Office Location	1-4 Kojimachi, Chiyoda-ku, Tokyo
Major Branch Offices	Akita, Sendai, Toyama, Nagoya, Osaka, Fukuoka, Tokyo Head Office Annex, Hamamatsu Solution Center
Number of Employees	303 (including part-time workers)
Business Lines	Guarantee business and solution business

Business Lines

Developing the guarantee business to take on risks and the solution business to meet needs

Guarantee business

Guarantee service + risk



Solution business

Provide professional services



**Property
rent
guarantees**



**Medical care
expense
guarantees**



**Eldercare
expense
guarantees**



**Child rearing
expense
guarantees**

BtoB

BtoC

Property management companies / Medical institutions / Eldercare service facilities, etc.

Individual customers



**C&O
service**



**Insurance
desk services**



**Doc-on
service**

BtoB

Property management companies / Insurance companies / Credit companies, etc.

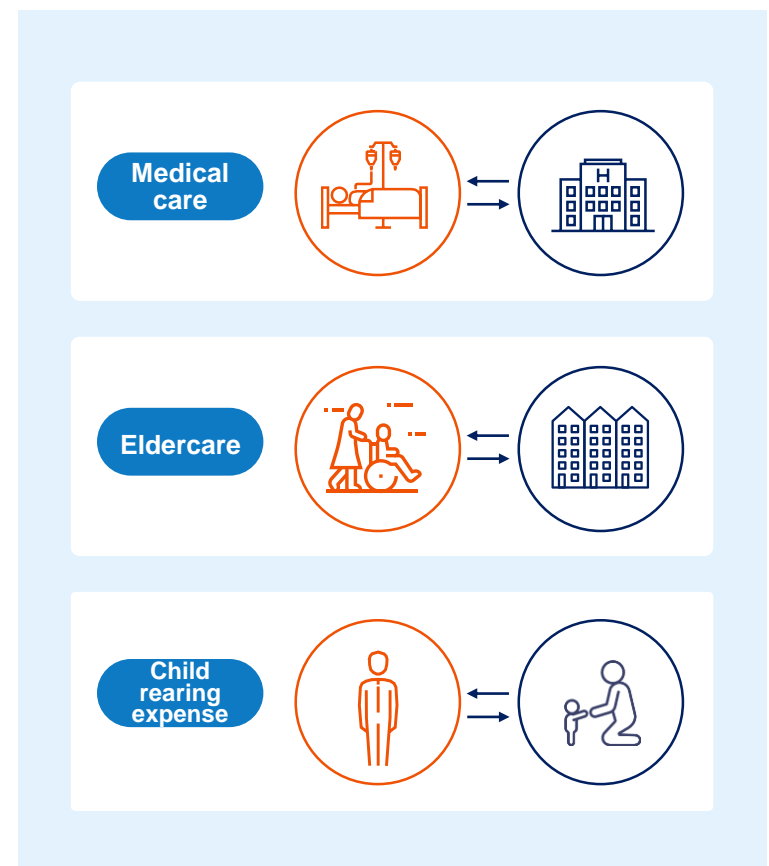
Business Lines

Guarantee business

Assume debt delinquency risk and provide various services pertaining to guarantees



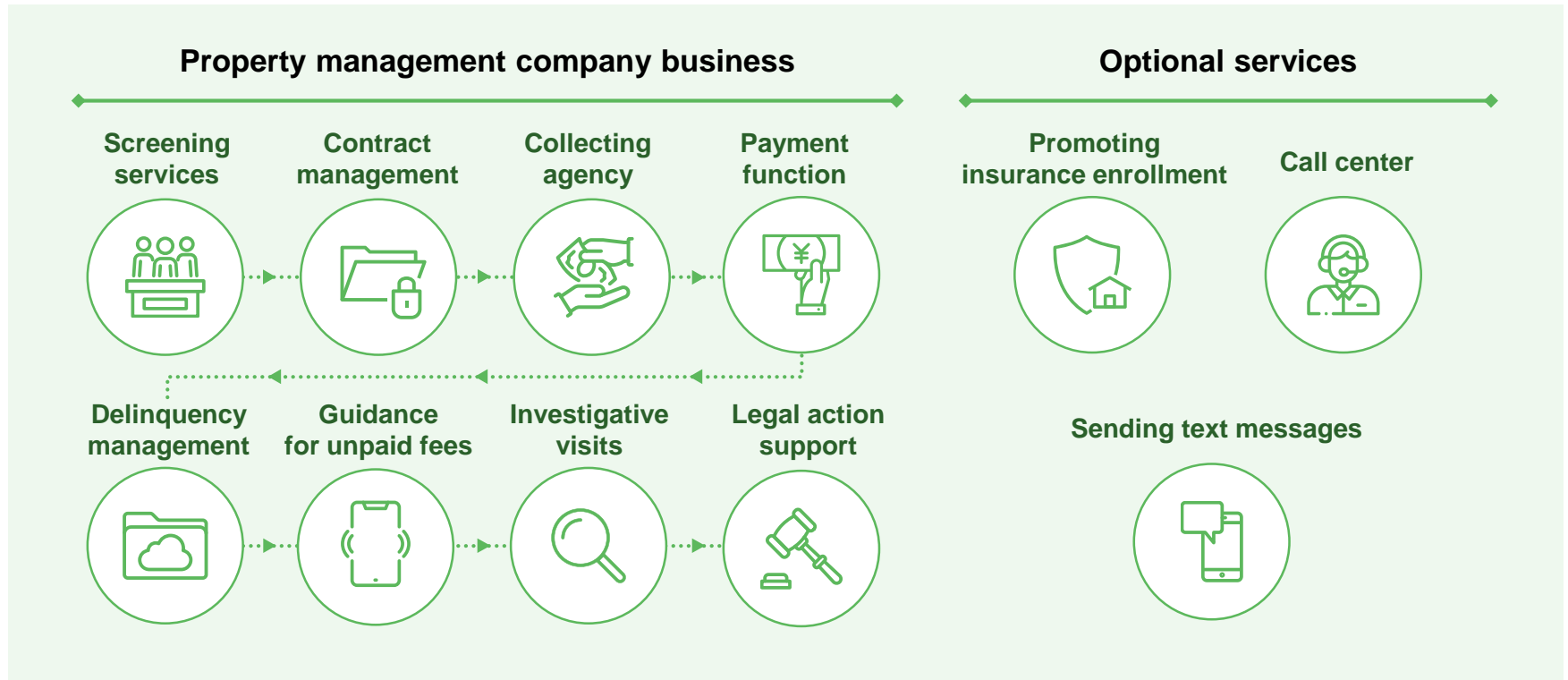
Rollout to
other
businesses



Business Lines

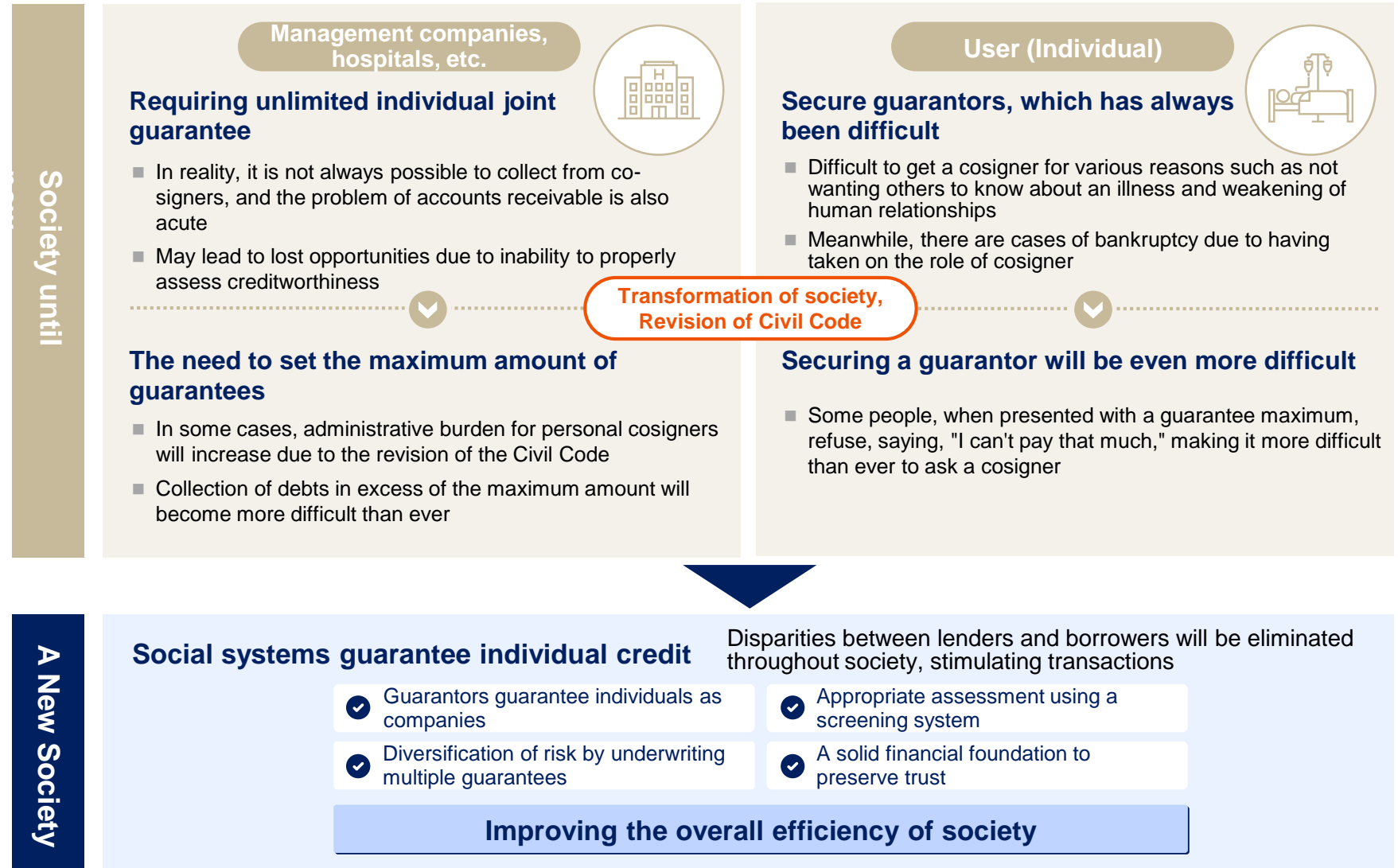
Solution business

Providing unique business support service based on expertise cultivated in the field of property rent guarantees

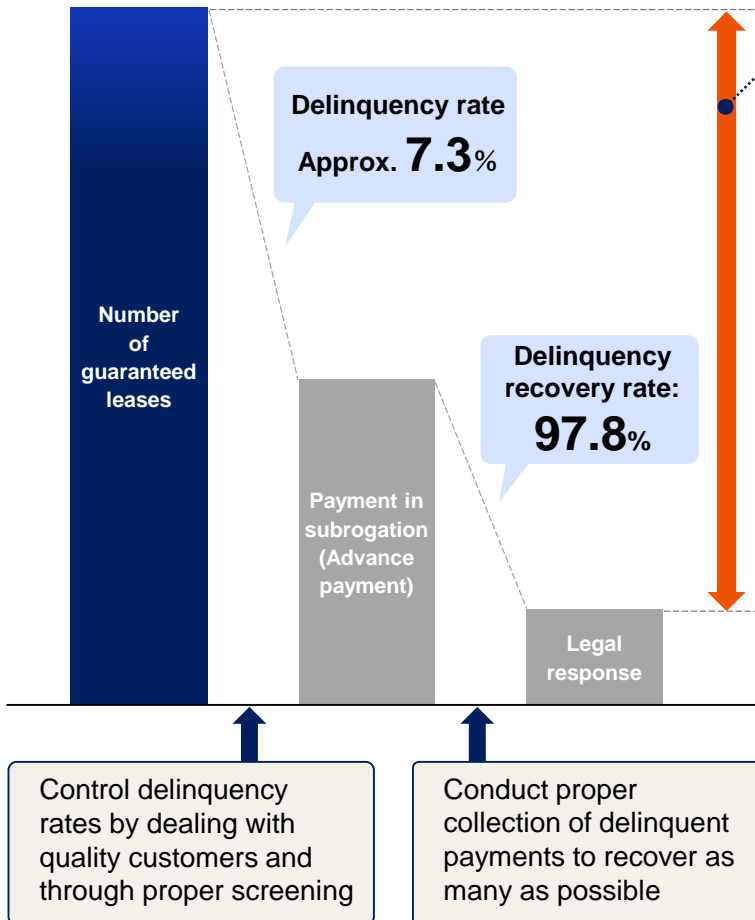


Solving unique customer needs with professional services

Creating a society where guarantee companies guarantee individual credit, previously guaranteed by regional bonds and kinship



About
280,000
cases



This gap is a source of profit

— 3 key factors that generate profits —

Assessment

- Precise management through accurate risk assessment
- Improved finances (high profit margins) by selecting quality lenders/borrowers rather than reckless expansion
- Create a virtuous cycle to expand our customer base

Collection

- Compliance-driven collection (Certified by the strict screening for the listing)
- Steadily carry out legitimate legal procedures
- Efficient recovery schemes by professional staff and IT/infrastructure to support them

Expertise

- Build up screening and collection expertise
- Free client (property management companies, hospitals, etc.) staff from tasks they are not familiar with
- Resolve needs by proposing solutions

The Medical Cost Guarantee Market Shows Expanding Demand

Accelerate implementations in hospitals in cooperation with a major non-life insurance company

<p><u>Average account receivable per hospital</u></p> <p>Approx. 4.5 million yen/year*</p> <p><small>*In-house research</small></p>	<p><u>External factors for expanding demand</u></p> <ul style="list-style-type: none">✓ Revision of Civil Code✓ Increase in the number of foreign visitors to Japan✓ Increase in out-of-pocket medical costs
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Our results

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Entrust Inc. target

Key KPIs and Financial Structure of the Guarantee Business

Key KPIs

Guarantee rent, elderly care, and child rearing expenses



* Prorated over warranty period

Medical care expense guarantees

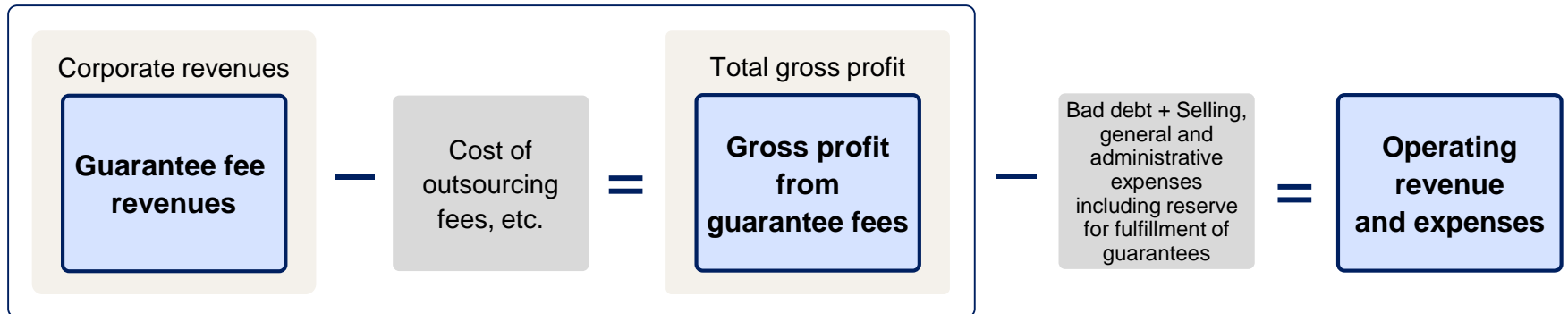


..... Smahosu

..... Hospitalization set product that comes with the guarantee

* Prorated over warranty period

Financial structure



The statements concerning business results projections stated in these materials are based on judgments derived from information available at that time; actual results may differ materially from those projected, depending on a variety of factors. Factors that have the potential to affect actual business results include a deterioration in the business environment or economic conditions, trends surrounding laws, regulations, and related rules, and unfavorable rulings in litigation.

Please direct any comments or questions regarding these materials or any other IR-related matters to the contact point for inquiries below.

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