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Fiscal Year Ending March 31, 2025 Third Quarter

# Results Briefing Information Materials

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**Entrust Inc.**

**Securities Code: 7191**

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Fiscal Year Ending March 31, 2025  
– Third Quarter Business Results

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# Performance Overview

- In the guarantee business, both rent and eldercare expense showed **double-digit growth**, and medical care also entered a growth phase with **double-digit sales growth** this quarter.
- Outsourcing fees and bad debt/guarantee performance fees rose with the growth of our guarantee business

(Million yen)

	2023/12 Actual	2024/12 Actual	Year-on-year
Net sales	6,577	<b>7,752</b>	117.9%
Operating profit	1,535	<b>1,705</b>	111.0%
(Margin)	23.3%	<b>22.0%</b>	-
Ordinary profit	1,531	<b>1,713</b>	111.9%
(Margin)	23.3%	<b>22.1%</b>	-
Net income	877	<b>966</b>	110.1%
(Margin)	13.3%	<b>12.5%</b>	-

## Strong results with net sales at **117.9%** year-on-year

- Property rent guarantee growth has contributed, with growth in both initial and renewal guarantee fees
- Steady increase in adoption of medical care and eldercare expense guarantees

## Operating profit at **111%** year-on-year

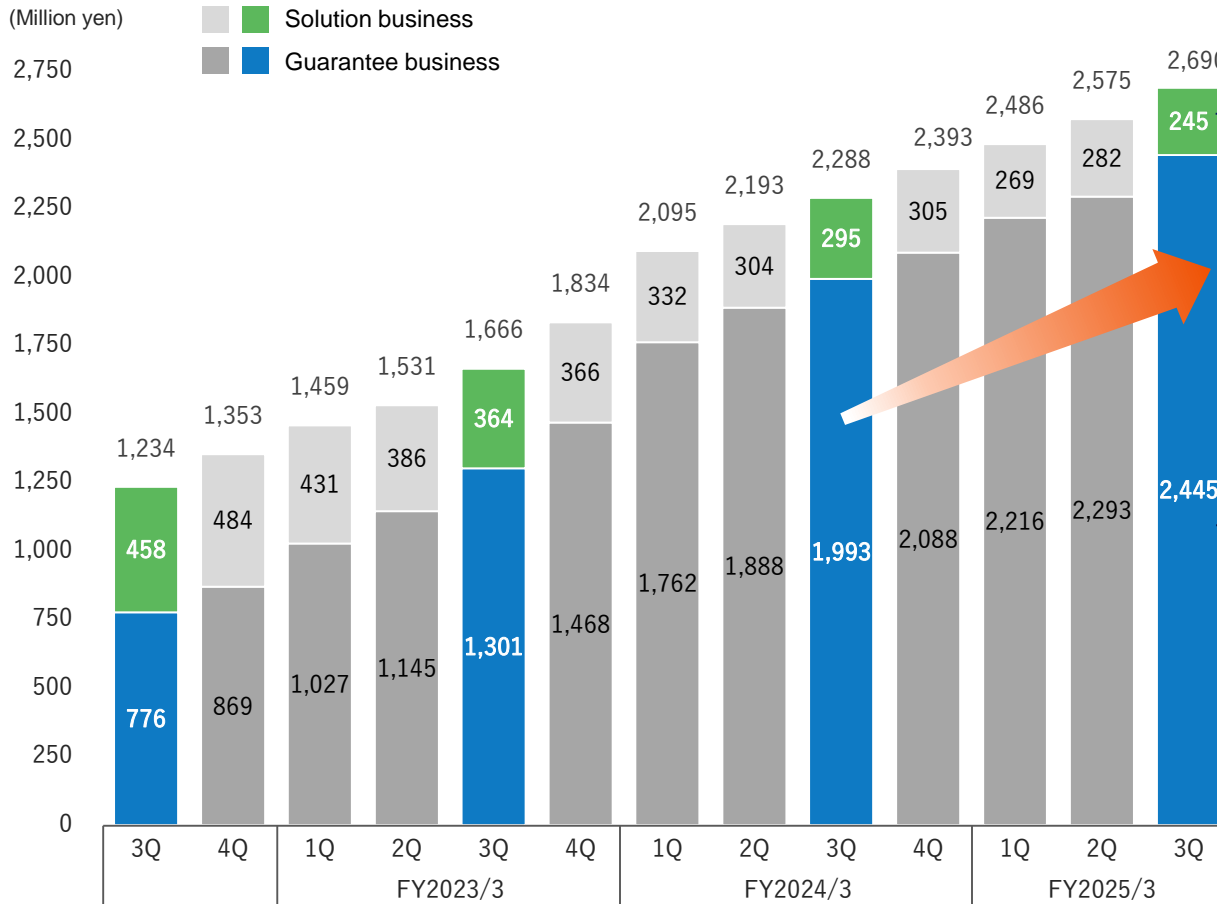
- Increase in revenue despite increasing business outsourcing fees, rent collection payment costs, and bad debt costs accompanying growth in property rent guarantees

# Net Sales by Quarter

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

117.5% (+401 million yen) year-on-year

Year-on-Year  
**117.5%**  
(+401 million yen)



### Solution Business

Ongoing shift from C&O services to guarantee products  
83% year-on-year (-50 million yen)

### Guarantee Business

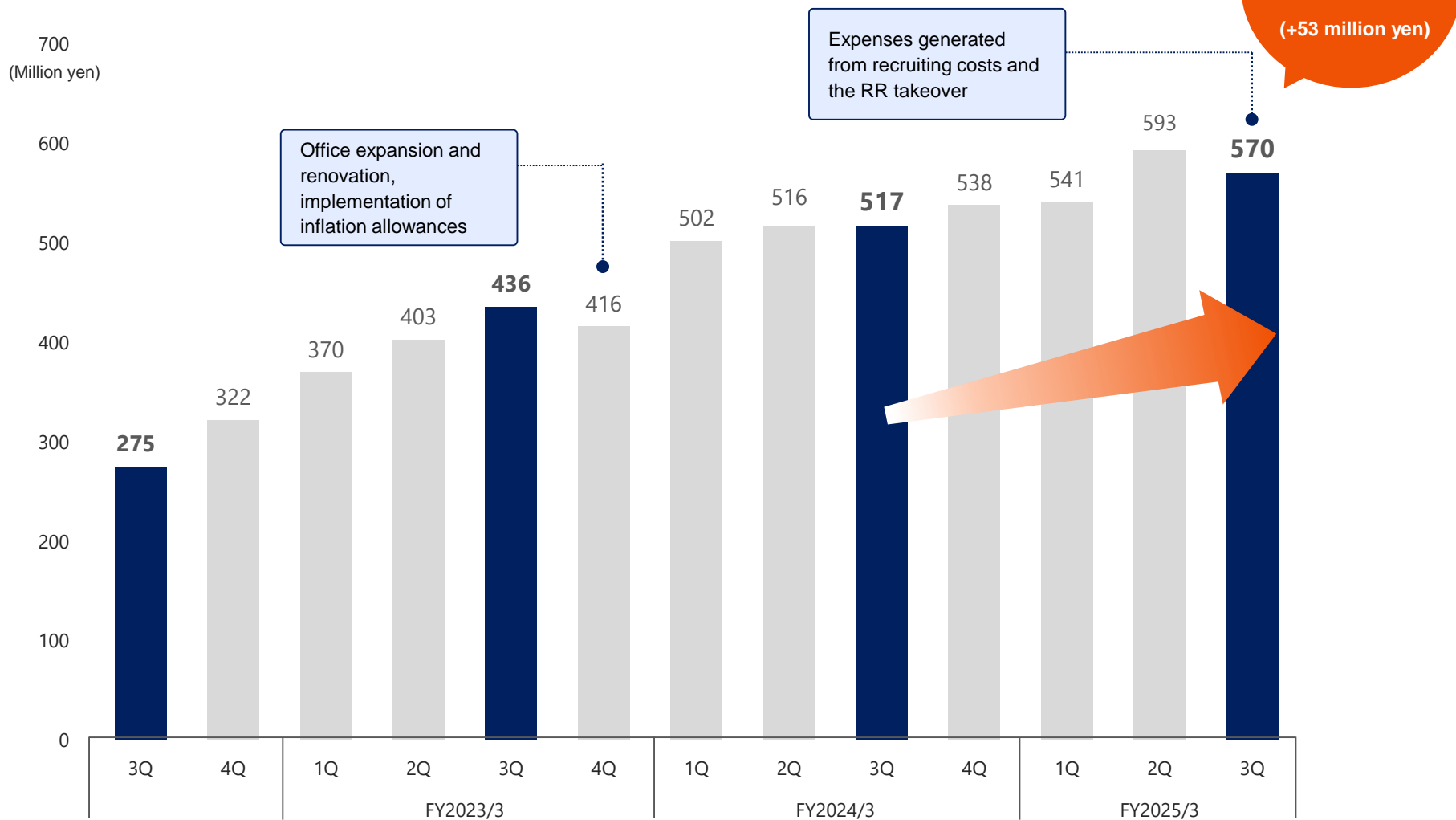
Ongoing growth due to new property rent guarantee contracts and increased renewal guarantee fees  
122.7% year-on-year  
(+451 million yen)

**\*Figures for the fiscal year ended March 31, 2024 and thereafter are consolidated figures.**

# Operating Profit by Quarter

## ■ Operating profit increased to 110.3% year-on-year

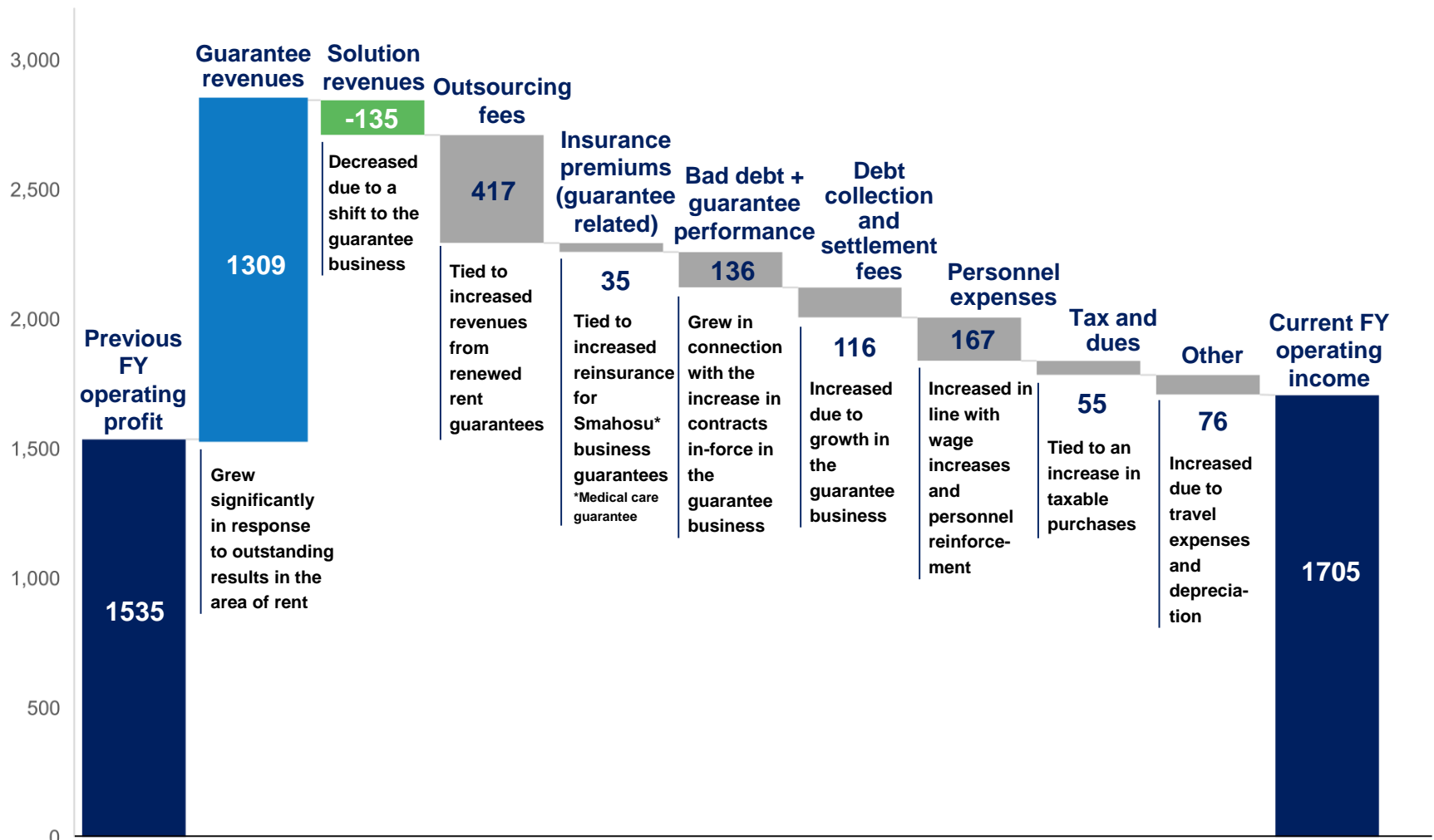
\*Figures for the fiscal year ended March 31, 2024 and thereafter are consolidated figures.



# Analysis of Changes in Operating Profit

- Achieved increased revenue despite an increase in related expenses (business outsourcing fees, fees related to bad debt, and settlement fees) in line with growth in guarantee sales

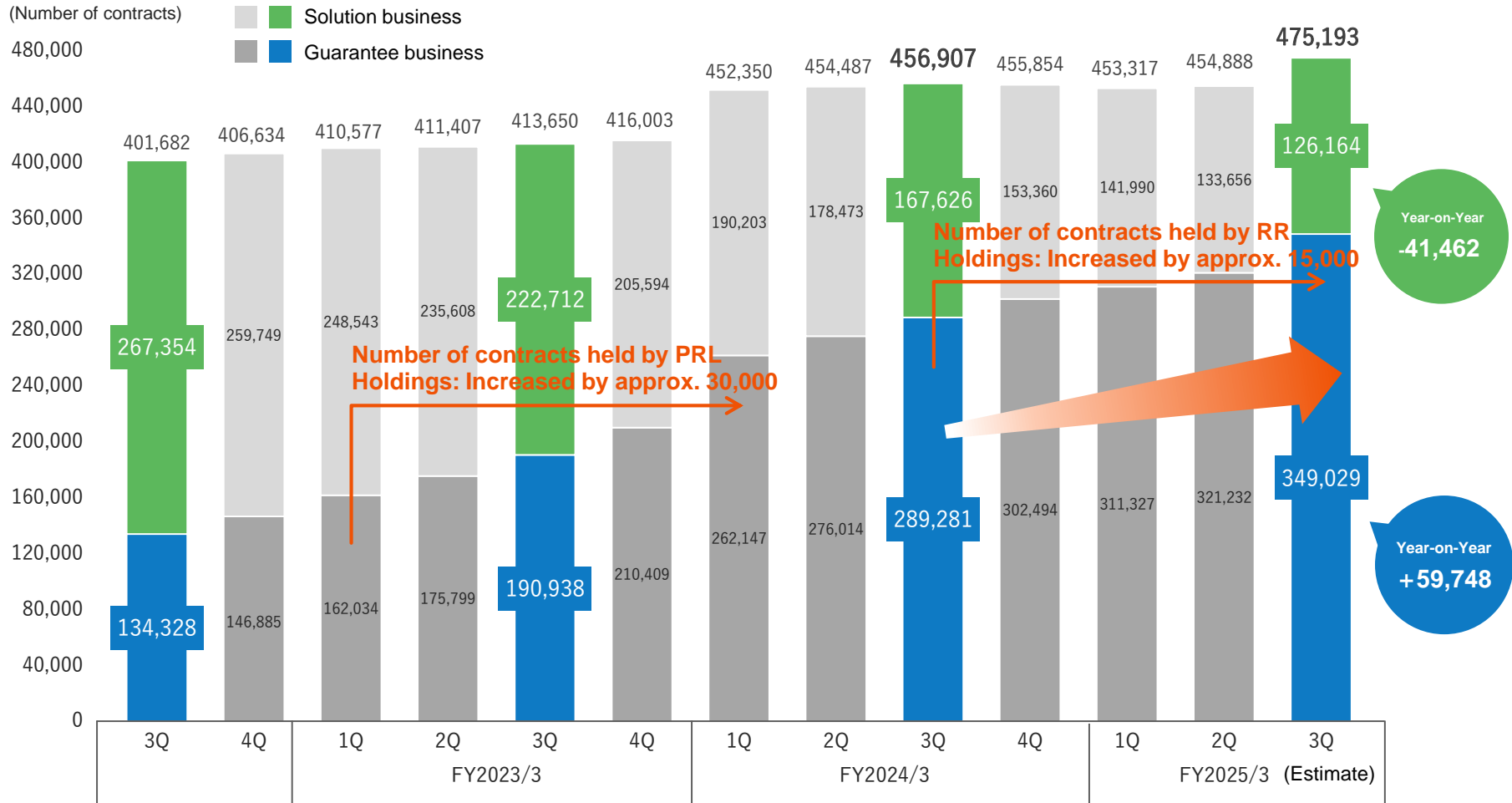
(Million yen)



# Property Rent Area: Number of Property Contracts by Quarter

## ■ Guarantee Business Drives Growth

The overall number of contracts in-force increased slightly as a result 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.



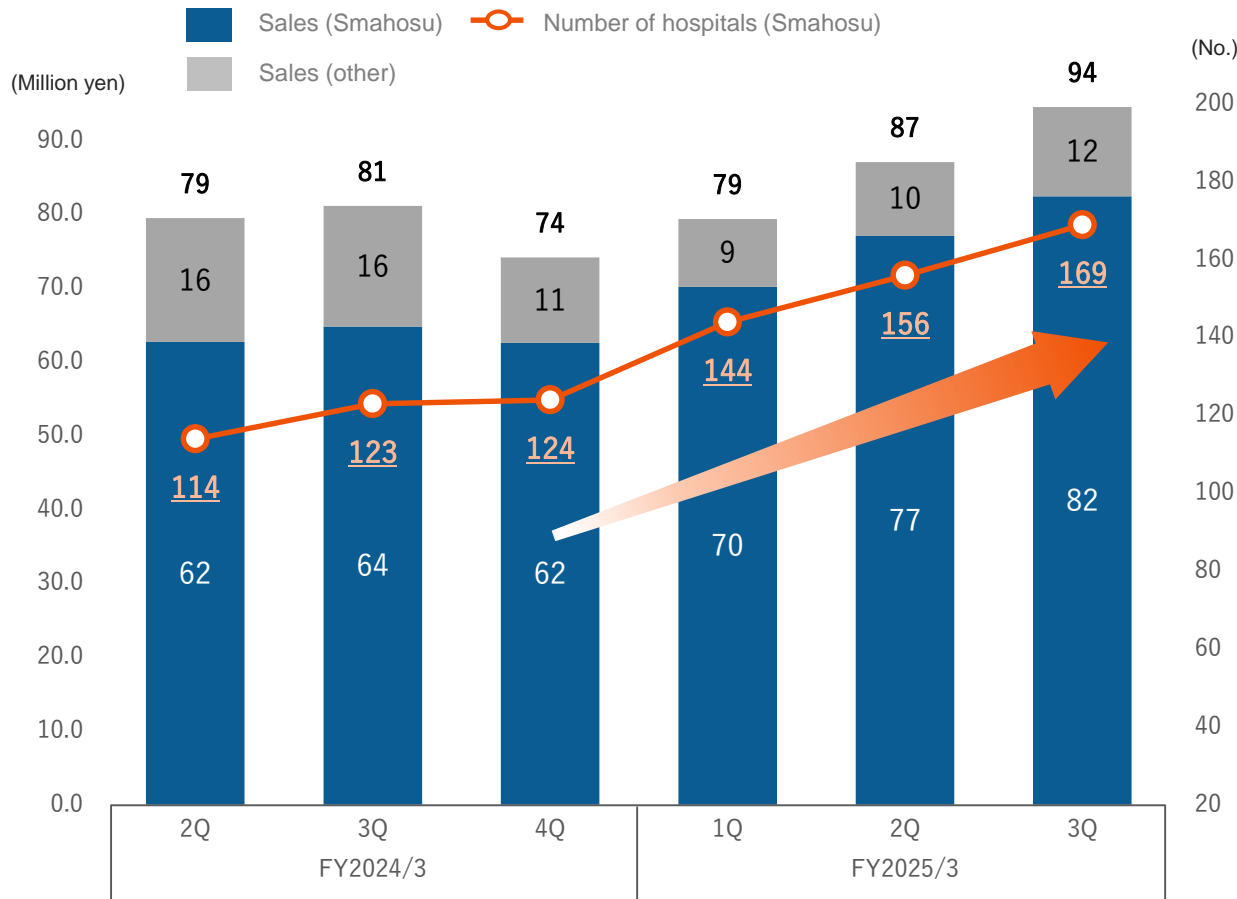


# New Area: Medical Care Guarantee Sales by Quarter

## ■ Smahosu sales efforts revitalized, resulting in steady growth in the number of medical institutions adopting Smahosu

- Pace of new contract acquisitions returned to pre-COVID levels, with further increases expected
- Reduction in guarantee fees from the second year onward offset by growth in new contracts, stabilizing guarantee fee unit prices

Medical Care Guarantee Sales Year-on-Year  
**117%**



### ● Continued growth for co-signer agent system Smahosu

**169** medical facilities  
(+45 from the end of the previous fiscal year)

**40,659** hospital beds  
(+10,991 from the end of the previous fiscal year)

### ● Hospitalization set with medical care guarantee and other products

**30** medical facilities  
(-10 year-on-year)

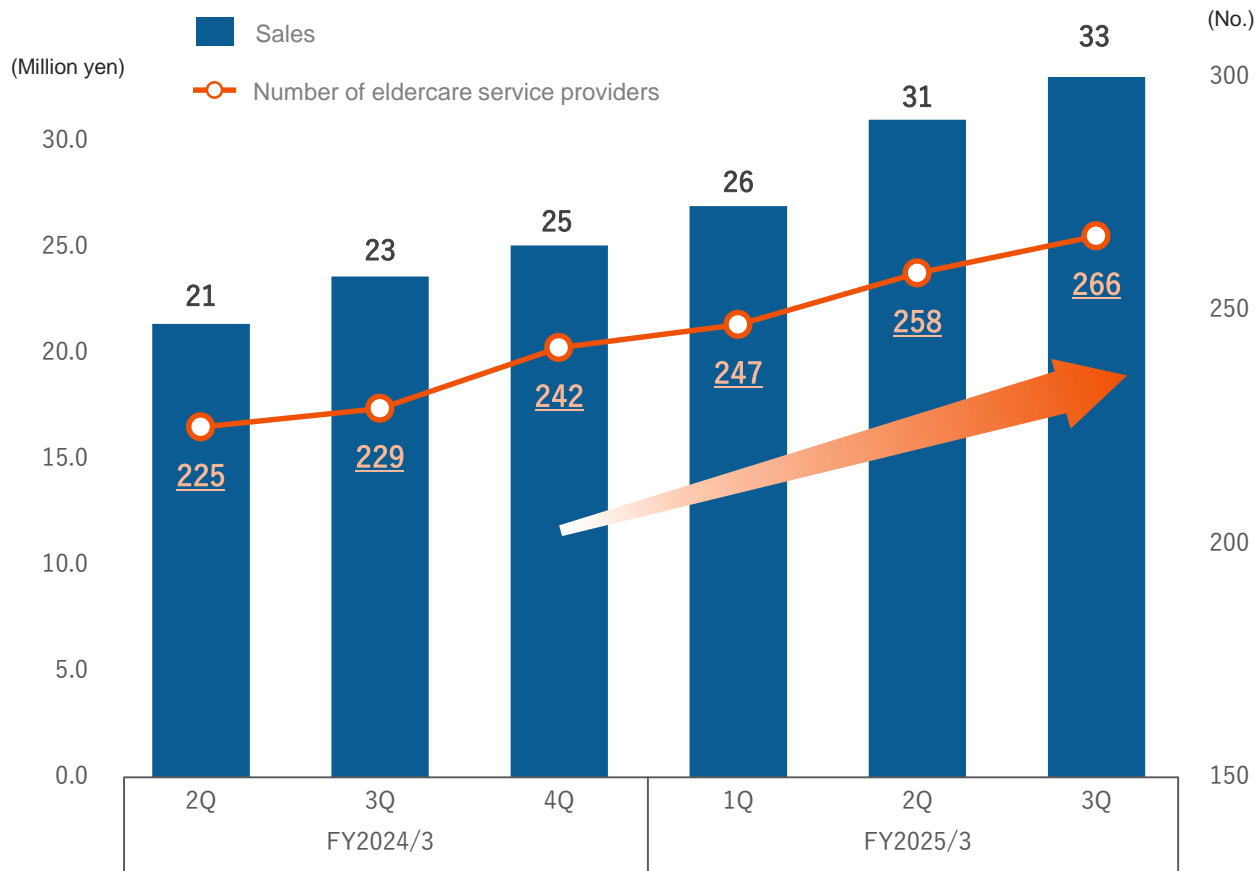
**5,716** hospital beds  
(-1,527 year-on-year)

# New Area: Eldercare Expense Guarantee Sales by Quarter

## ■ Eldercare: Eldercare expense guarantees with accident insurance remained strong

- Newly adopted by 24 service providers from the end of the previous fiscal year through 3Q. 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

Eldercare Expense Guarantee Sales Year-on-Year  
**144%**



### ● Continued growth of eldercare expense guarantees with accident insurance

**75** eldercare service providers  
(+24 from the end of the previous fiscal year)

**1,346** contracts  
(+553 from the end of the previous fiscal year)

### ● Other Products

**191** eldercare service providers  
(±0 from the end of the previous fiscal year)

**3,507** contracts  
(+881 from the end of the previous fiscal year)

# Other Financial Data (Balance Sheet)

(Million yen)

	2023/12 (Previous fiscal year)	2024/12 (Current fiscal year)	Change in amount
<b>Current assets</b>	7,722	<b>9,260</b>	1,537
Cash and deposits	5,183	<b>6,305</b>	1,122
Accounts receivable - trade	209	<b>169</b>	-39
Advances paid	3,538	<b>4,671</b>	1,133
Other	466	<b>533</b>	67
Allowance for doubtful accounts	-1,675	<b>-2,420</b>	-745
<b>Non-current assets</b>	1,157	<b>1,143</b>	-14
Property, plant, and equipment	167	<b>188</b>	20
Intangible assets	239	<b>349</b>	109
Investments and other assets	750	<b>605</b>	-144
<b>Current liabilities</b>	2,998	<b>3,653</b>	654
(Unearned revenues)	1,949	<b>2,189</b>	240
(Reserve for fulfillment of guarantees)	354	<b>707</b>	353
<b>Non-current liabilities</b>	156	<b>179</b>	23
<b>Net assets</b>	5,725	<b>6,570</b>	844
<b>Total assets</b>	8,880	<b>10,403</b>	1,522

Tied to steady growth in the number of guarantee contracts held

Tied to the increase in new contracts for property rent guarantees

**Secured deferred revenue** that serves as **future income source** at levels on par with the previous year (up 12%)

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

Tied to the increase in new contracts for property rent guarantees

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# Summary and Progress of the Plan for the Entire Fiscal Year

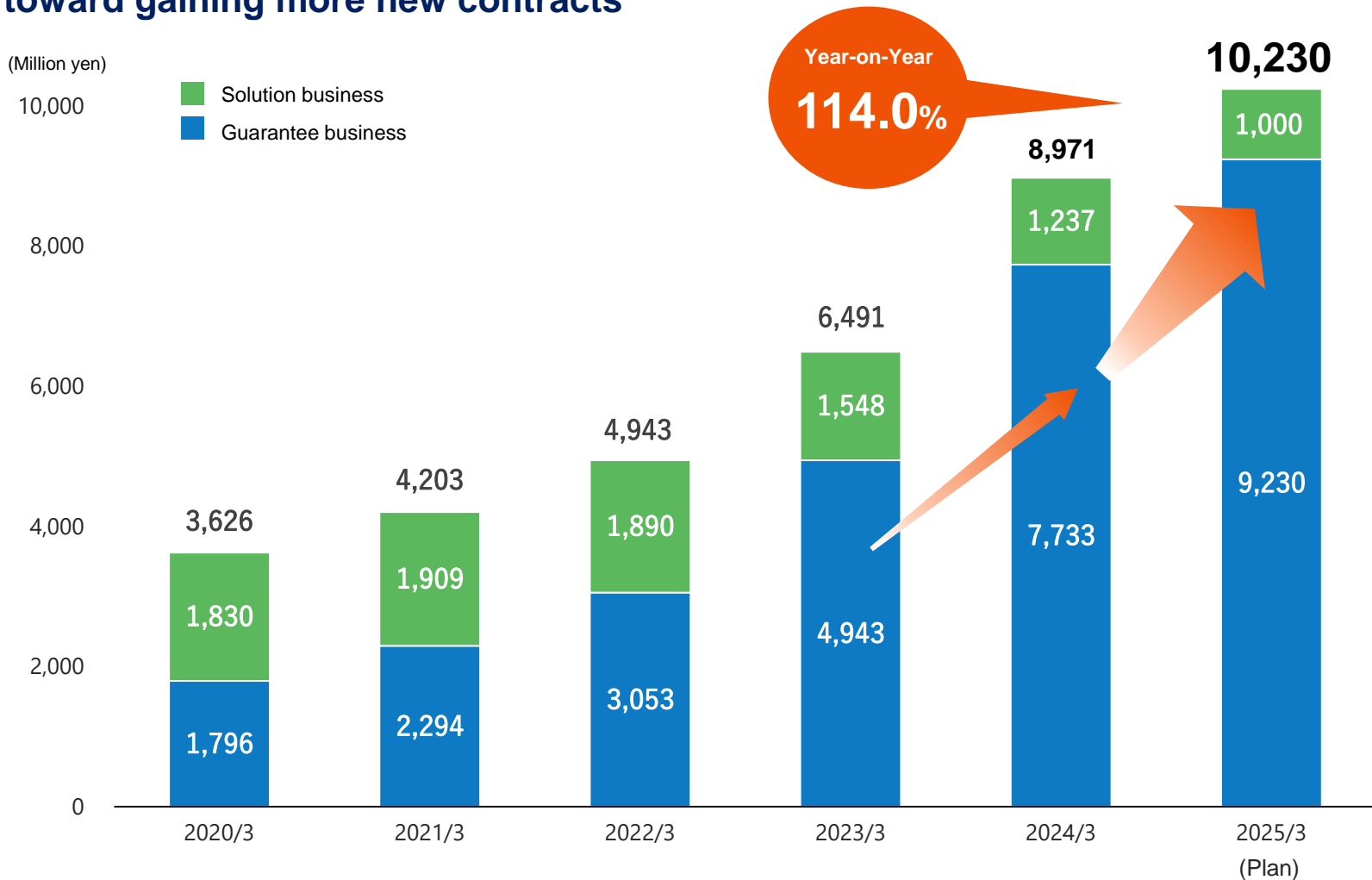
- Work steadily toward achieving the third medium-term management plan, striving for 10.2 billion yen in sales and 2.3 billion yen in operation profit for the fiscal year ending March 31, 2025

(Million yen)

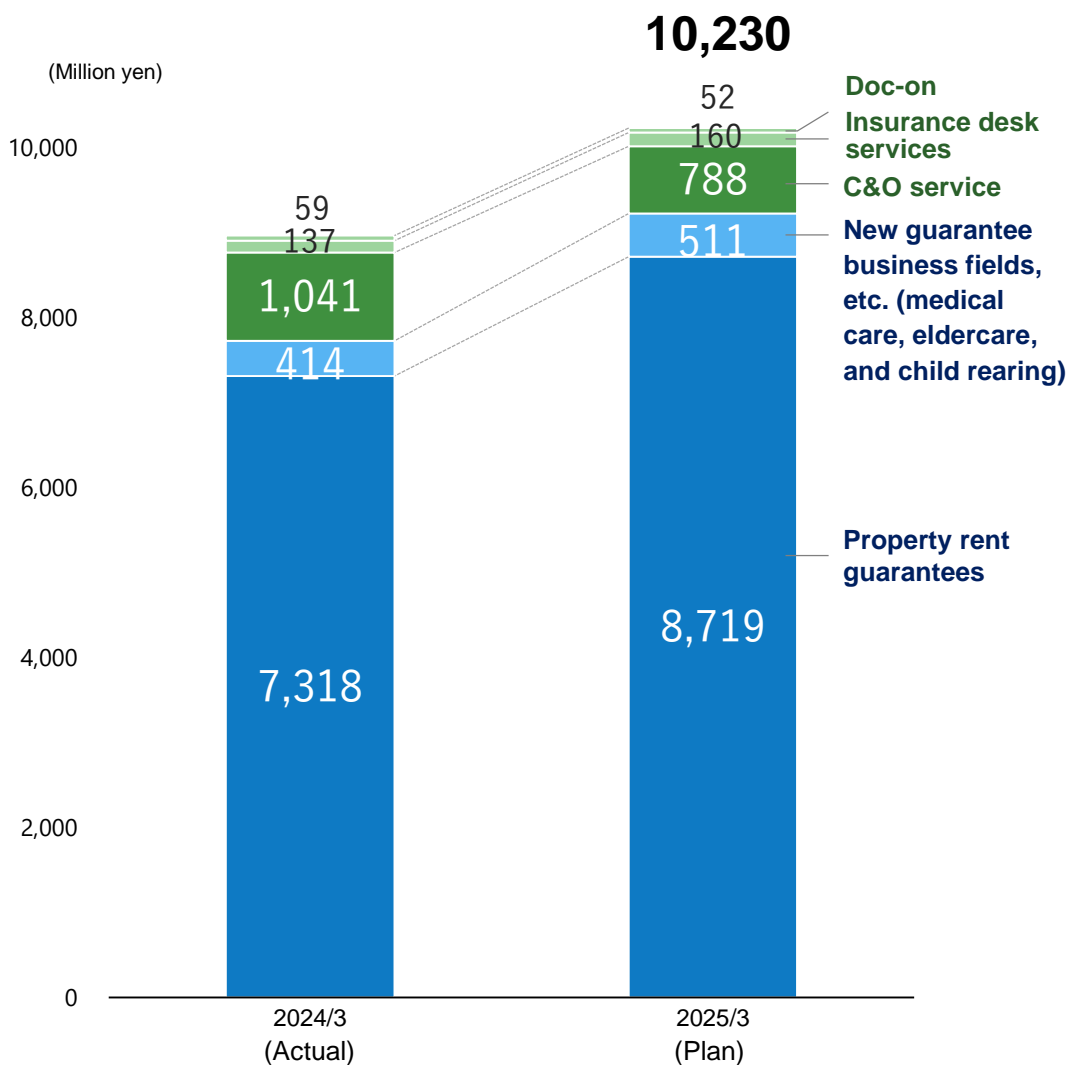
	2024/3 Actual	2025/3 Plan	2024/12 Actual	Annual Progress rate	Medium-term Management Plan (2027/3)
Net sales	8,971	<b>10,230</b>	<b>7,752</b>	<b>75.8%</b>	<b>15,000</b>
Operating profit	2,073	<b>2,320</b>	<b>1,705</b>	<b>73.5%</b>	<b>3,000</b>
(Margin)	23.1%	<b>22.7%</b>	<b>22.0%</b>	-	<b>20.0%</b>
Ordinary profit	2,070	<b>2,320</b>	<b>1,713</b>	<b>73.9%</b>	-
(Margin)	23.1%	<b>22.7%</b>	<b>22.1%</b>	-	-
Net income	1,227	<b>1,370</b>	<b>966</b>	<b>70.5%</b>	-
(Margin)	13.7%	<b>13.4%</b>	<b>12.5%</b>	-	-

# 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 guarantees

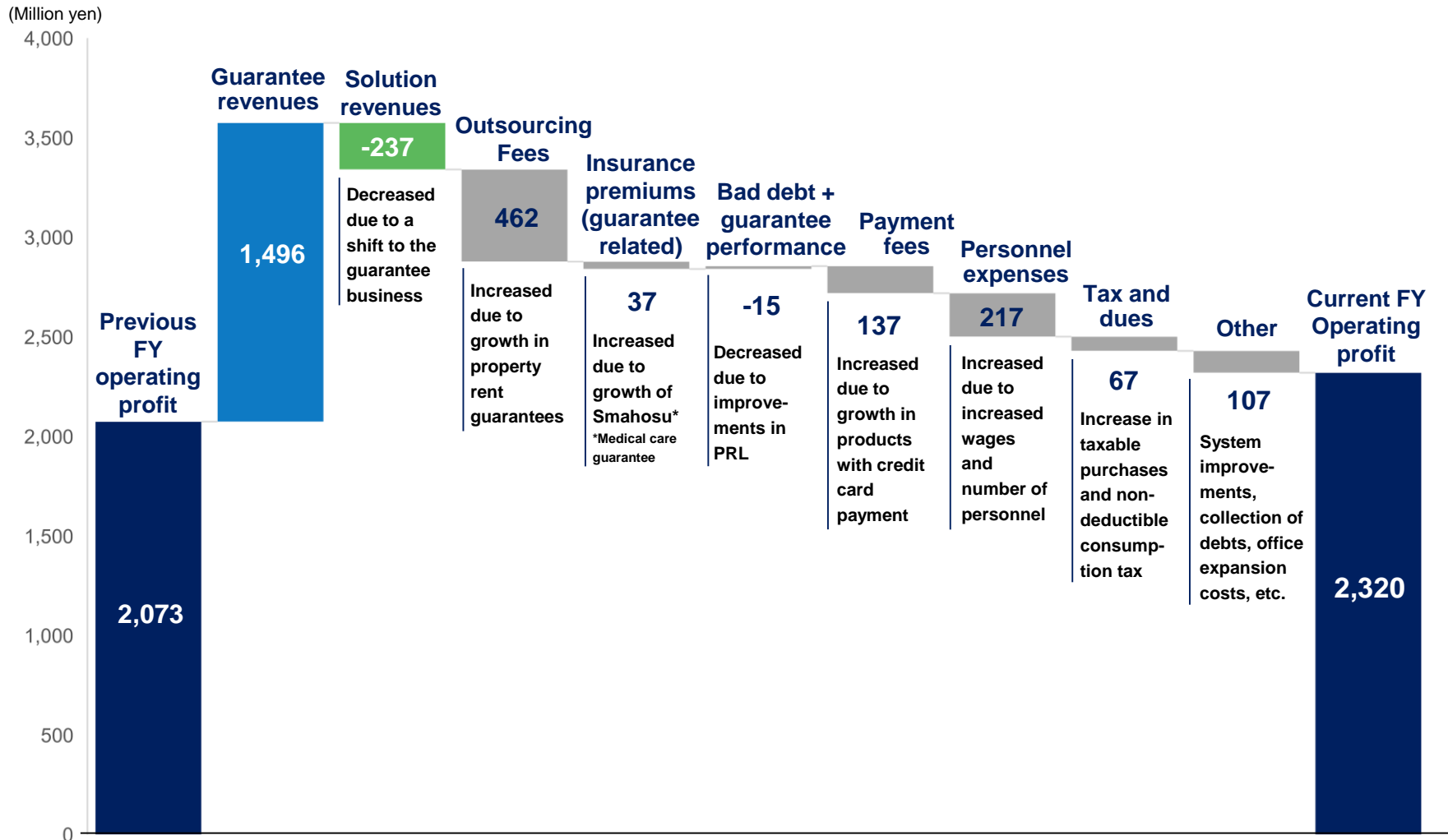
Further expansion of sales expected due to strengthened sales system and products

### 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

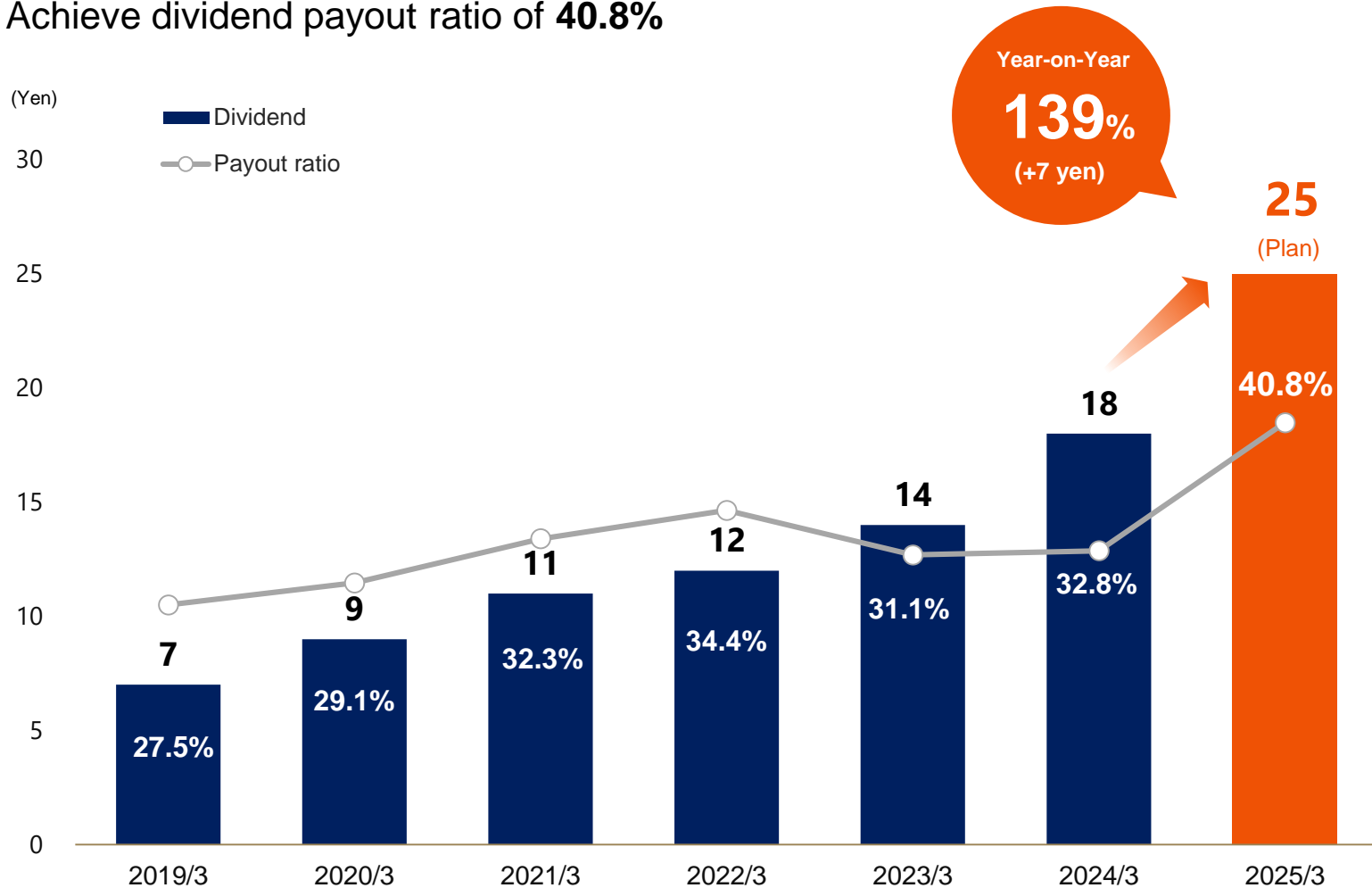




# Dividends by Year and Plan

## ■ 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%**



# Third Medium-Term Management Plan Targets

**Hop**  
First Medium-Term  
Management Plan  
(2019 - 3/2021)

Zero to One  
Always go “from zero to one”

**Step**  
Second Medium-Term  
Management Plan  
(2022 - 3/2024)

Road to the higher  
Draw 10 billion yen in sales within reach

**Jump**  
Third Medium-Term  
Management Plan  
(2025 - 3/2027)

**Change the Stage**  
Make great strides toward the next growth stage

(Million yen)

	Start in fiscal year ending March 2024	Goal in fiscal year ending March 2027	Growth rate for the period
Net sales	8,971	15,000	1.7 x
Operating profit	2,073	3,000	1.4 x
Operating profit margin	23.1%	20.0%	-
Payout ratio (dividends)	32.8% (18 yen)	40 - 60% (47 yen)	Aim for 60% in the final year
ROE	20.16%	20% or more	-

## Third Medium-Term Management Plan measures

- We will continue to break records in revenue and profit while prioritizing sales growth over operating profit margin
  - ▷ Develop **medical care and eldercare expense guarantees** as a revenue pillar alongside rent guarantees
  - ▷ Keep operating profit margin at **20%** to fund growth investments
  - ▷ **Invest** in growth
    - Upfront investment in medical care and eldercare expense guarantees
    - Prepare for PMI in M&A (temporary decrease in profit margin)
    - Take on challenges such as investing in DX and creating new businesses
- **Level up shareholder returns**
  - ▷ Increase dividend payout ratio to **40-60%**
  - ▷ Aim for **60%** in final year

# Third Medium-Term Management Plan Targets (By Business)

## ■ Aim for 1.7x sales growth over the 3 years of Third Medium-Term Management Plan

Rental property area: Make a growth and profit pillar and aim for 1.5x sales growth

Medical care and eldercare area: Move to growth stage through upfront investment

New business creation : Try new things based on changing social conditions

(Million yen)

Growth area	Business segment		Fiscal year ending March 2024		Fiscal year ending March 2027			Major points	Overview of the market
			Net sales	Com-position ratio	Net sales	Com-position ratio	Growth rate		
#1 Steady growth of conventional businesses	Rental property area	Property rent guarantees & solutions (SOL)	8,556	95%	13,150	88%	1.5 x	Boost usage rates (in-store share) by bolstering our ability to meet needs. Accumulate SOL services and skills to solve customer issues and build trust.	Major management companies have gradually moved toward oligopoly while manufacturer management companies have maintained growth. Meanwhile, regional banks and others have also entered the market.
#2 Accelerated growth in new businesses	Medical care area	Medical care guarantees	315	4%	900	6%	2.9 x	Invest in creating new businesses/bolstering sales force to develop Smahosu (guarantees based on contracts with medical institutions).	A market pioneered by Entrust. The market is right before a growth stage.
	Eldercare area	Eldercare expense guarantees	88	1%	400	3%	4.5 x	Create new businesses, bolster sales force, and increase product appeal to improve in-store share.	
#3 New business creation and challenges	New business	Child rearing expense guarantees & other new businesses	12	1%	550	4%	45.8 x	Support prefectures and municipalities in designing child rearing expense guarantee systems. Launch tenant proxy services for foreign residents.	Signs of local governments promoting child rearing support policies.
			8,971	100%	15,000	100%	1.7 x		

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# Company Profile (As of December 31, 2024)



<b>Company Name</b>	Entrust Inc.
<b>Established</b>	March 2006
<b>Capital</b>	1,049 million yen
<b>Fiscal Year</b>	12 months to March
<b>Representative Director</b>	Yutaka Kuwabara
<b>Head Office Location</b>	1-4 Kojimachi, Chiyoda-ku, Tokyo
<b>Major Branch Offices</b>	Akita, Sendai, Toyama, Nagoya, Osaka, Fukuoka, Tokyo Head Office Annex, Osaka Kawaramachi Annex, Hamamatsu Solution Center
<b>Number of Employees</b>	312 (including part-time workers)
<b>Business Lines</b>	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  
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.

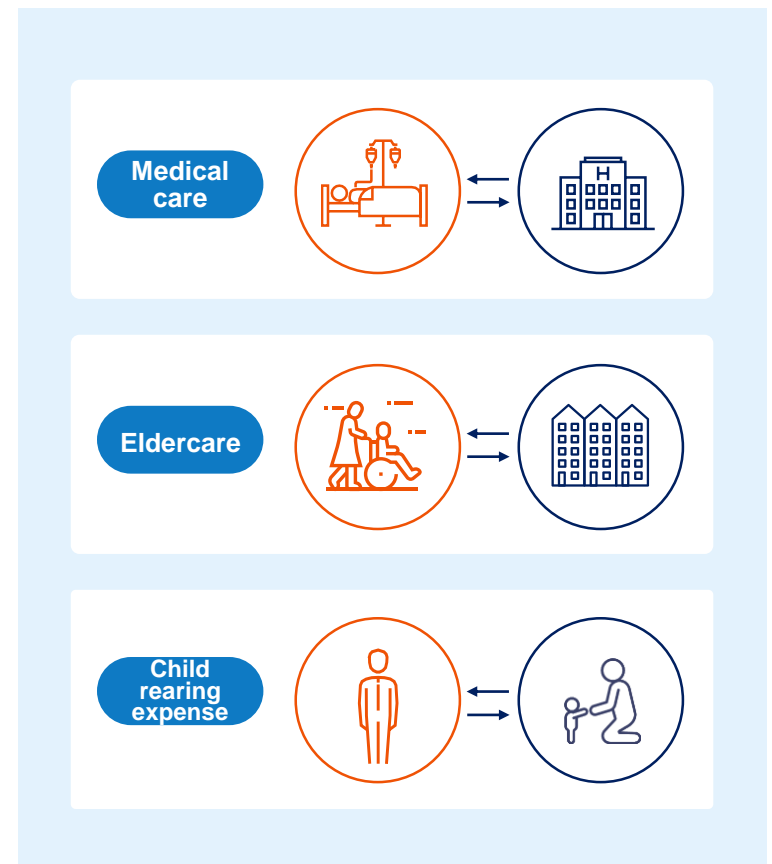
# Business Lines

## Guarantee business

Assume debt delinquency risk and provide various services pertaining to guarantees



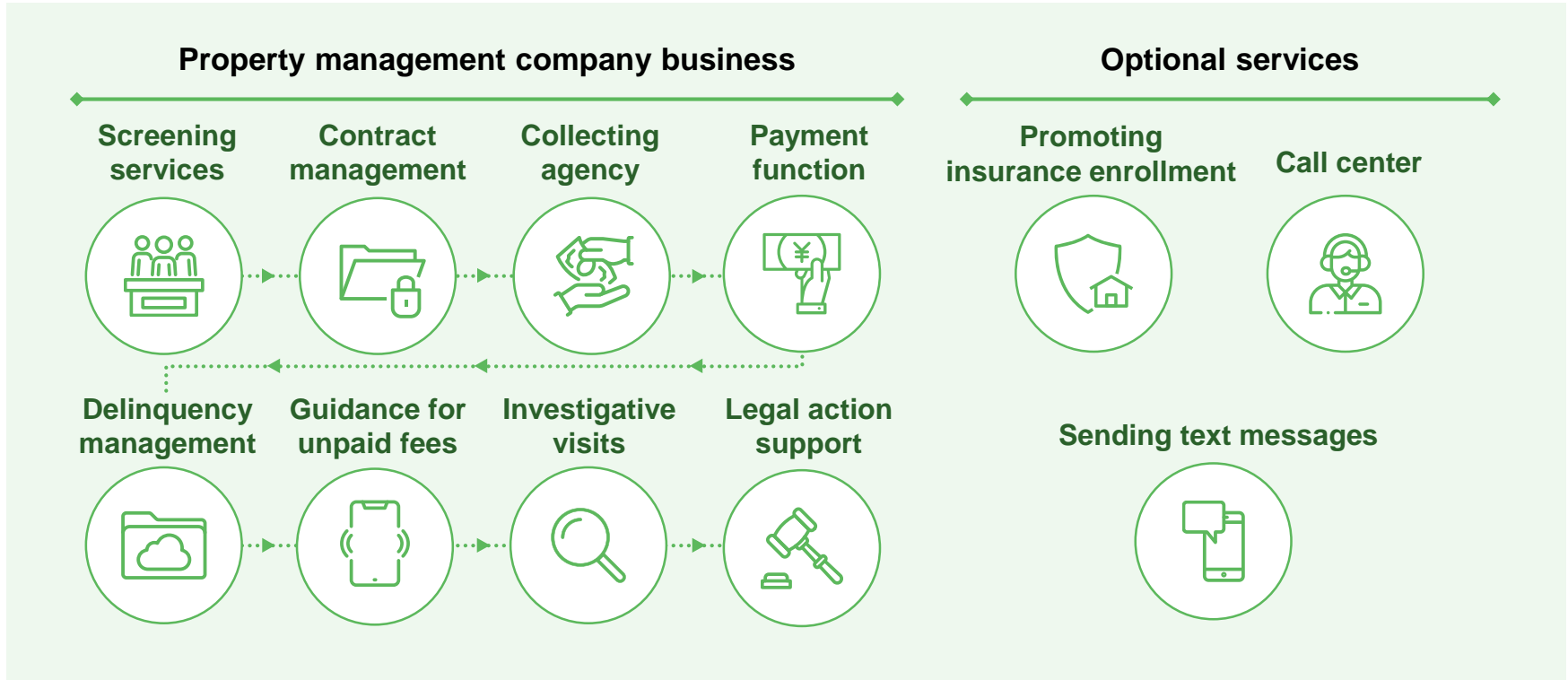
Rollout to  
other  
businesses  
▶▶▶



# 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

Society Until Now

Management companies, hospitals, etc.



### Requiring unlimited individual joint guarantee

- In reality, it is not always possible to collect from co-signers, and the problem of accounts receivable is also acute
- May lead to lost opportunities due to inability to properly assess creditworthiness

User (Individual)



### Secure guarantors, which has always been difficult

- Difficult to get a cosigner for various reasons such as not wanting others to know about an illness and weakening of human relationships
- Meanwhile, there are cases of bankruptcy due to having taken on the role of cosigner

Transformation of society, Revision of Civil Code

### The need to set the maximum amount of guarantees

- In some cases, administrative burden for personal cosigners will increase due to the revision of the Civil Code
- Collection of debts in excess of the maximum amount will become more difficult than ever

### Securing a guarantor will be even more difficult

- Some people, when presented with a guarantee maximum, refuse, saying, "I can't pay that much," making it more difficult than ever to ask a cosigner

A New Society

### Social systems guarantee individual credit

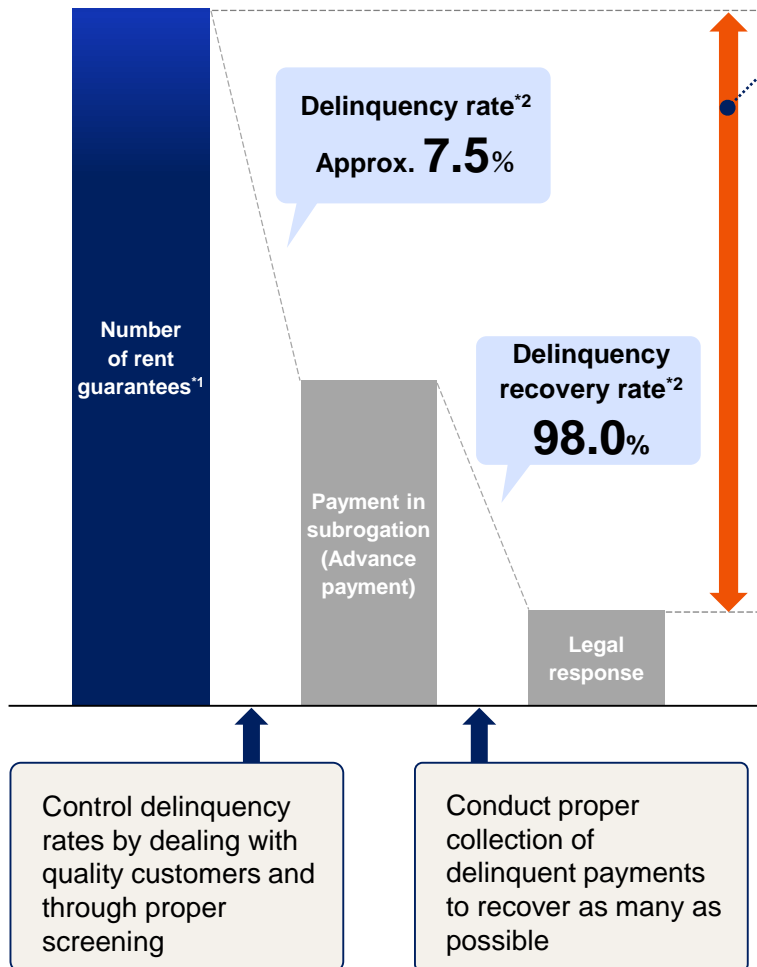
Disparities between lenders and borrowers will be eliminated throughout society, stimulating transactions

- ✓ Guarantors guarantee individuals as companies
- ✓ Diversification of risk by underwriting multiple guarantees

- ✓ Appropriate assessment using a screening system
- ✓ A solid financial foundation to preserve trust

Improving the overall efficiency of society

About  
**300,000**  
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

\*1 The number of rent guarantee contracts as of December 31, 2024.

\*2 Calculated based on moving averages for the past 12 months.

# The Medical Care Guarantee Market Shows Expanding Demand

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

Average account receivable per hospital

Approx.  
**4.5**  
million yen/year \*

\*In-house research

External factors for expanding demand

- ✓ Revision of Civil Code
- ✓ Increase in the number of foreign visitors to Japan
- ✓ Increase in out-of-pocket medical costs

Total number of medical facilities  
Approx. **180,000**

Number of hospitals nationwide

Approx. **8,300**

Our results

**199**

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 guarantees

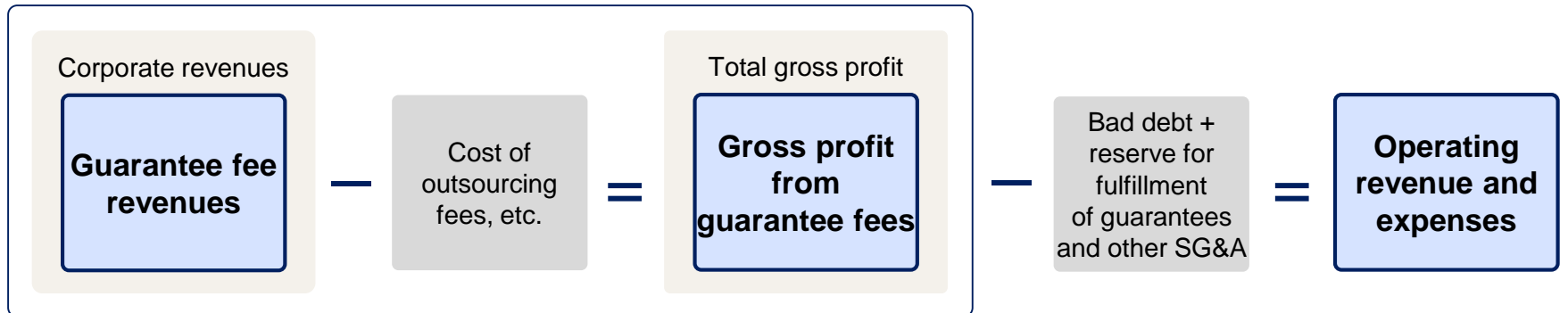


..... Smahosu .....

..... 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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