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Fiscal Year Ending March 31, 2026 Third Quarter

# Results Briefing Information Materials

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Entrust Inc.

Securities Code: 7191

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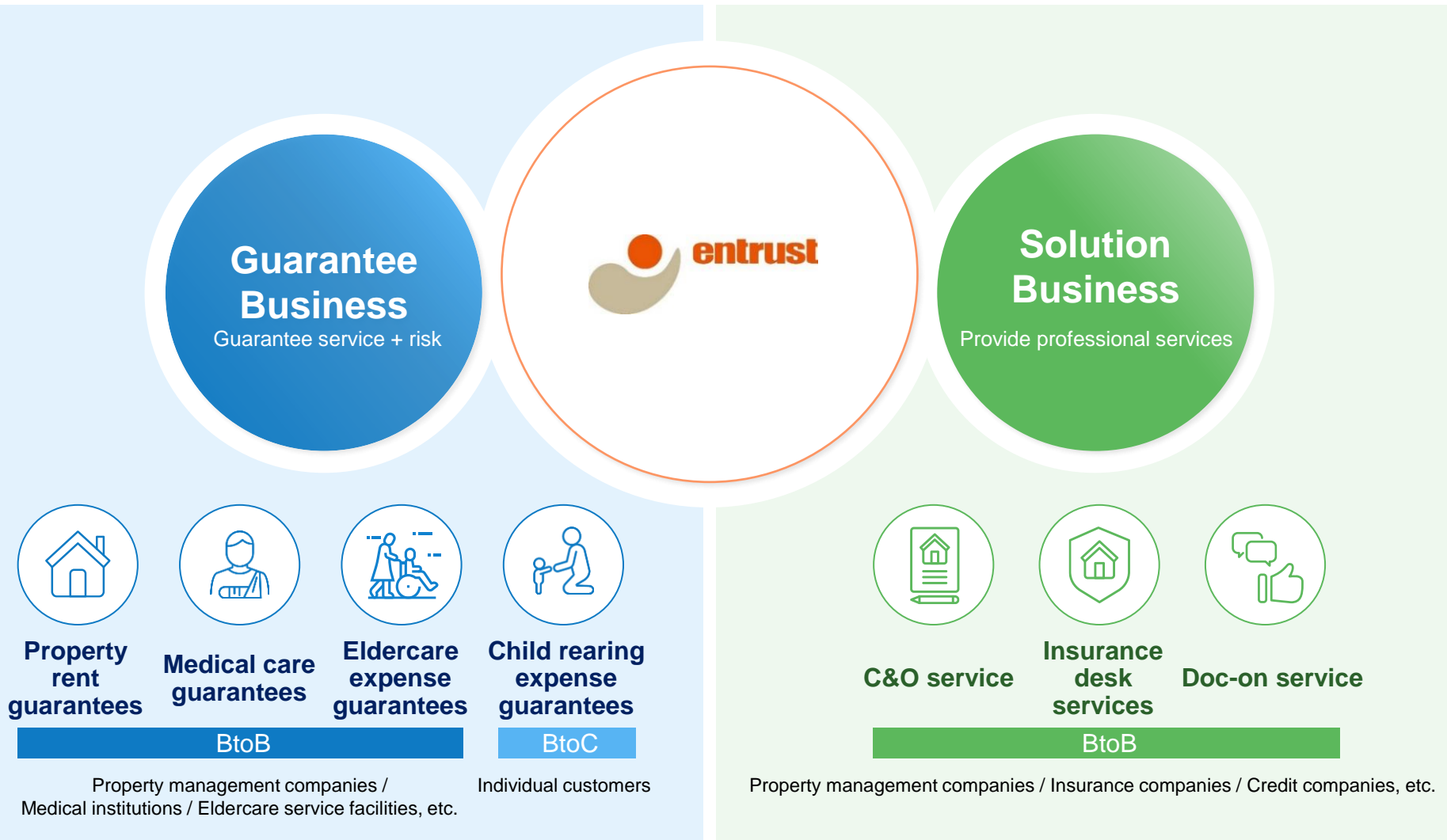
# Company Profile (As of December 31, 2025)



<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>	Consolidated: 353    Non-consolidated: 335 (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

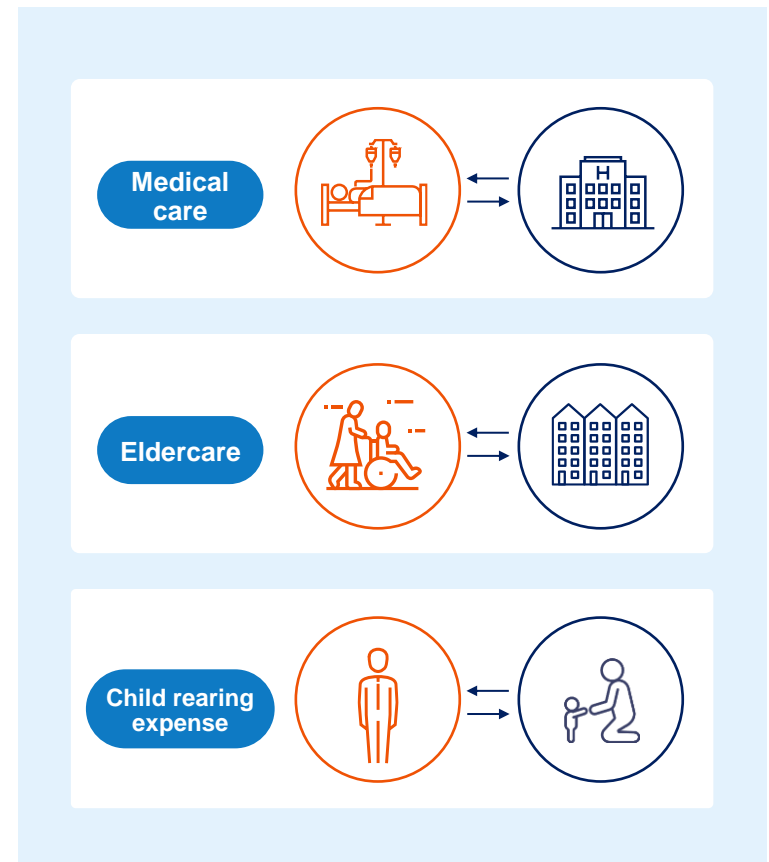


## Guarantee Business

Covers debt delinquency risk through joint guarantee on financial contracts  
Makes subrogation payments to creditors and collects from debtors for outstanding payments



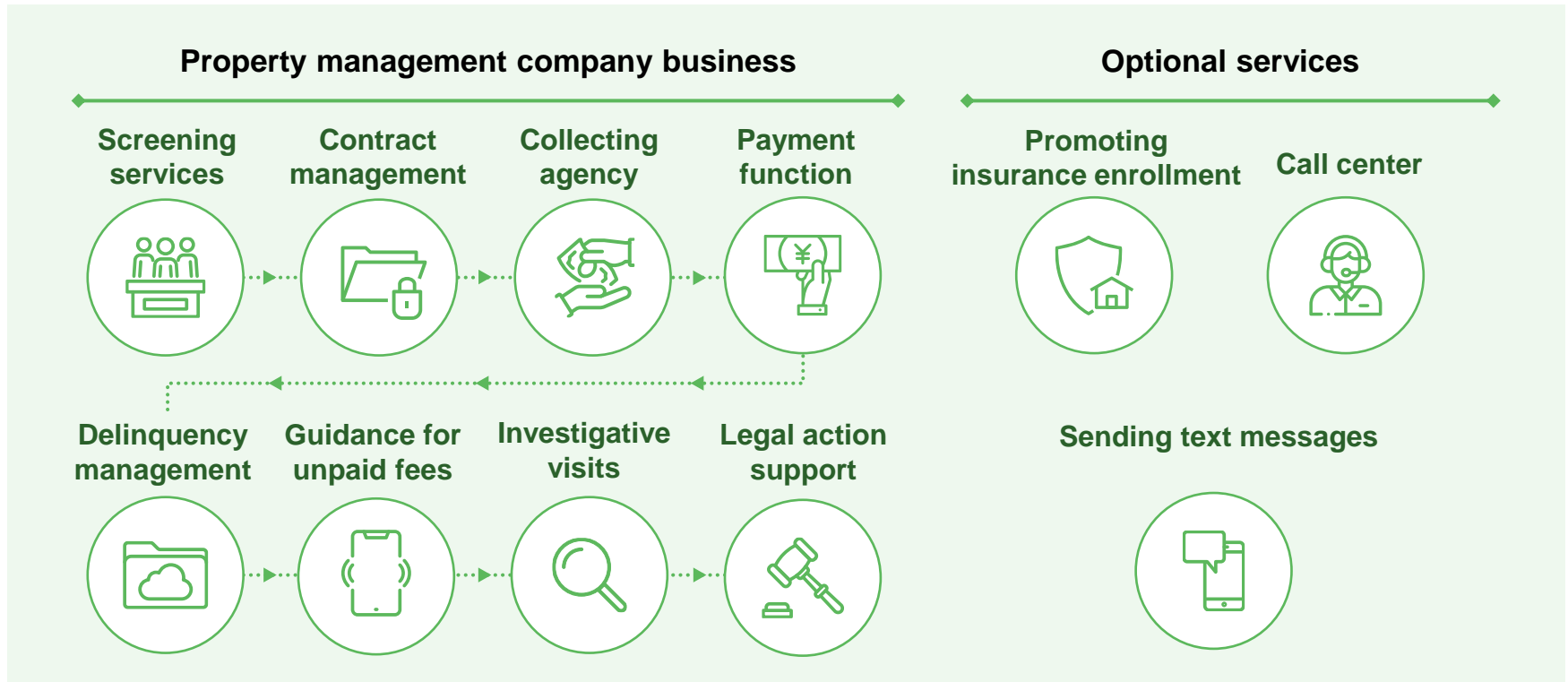
Rollout to  
other  
businesses



# 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**

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# Performance Overview

- Building on the steady growth of the property rent guarantee business, medical care and eldercare expense guarantees also showed progress, driving overall sales growth.
- Bad debt costs remain stable. Operating profit **increased 118.8%** year-on-year, driven by steady profit contributions from subsidiaries.
- Completed the acquisition of Carol System Inc.'s shares, the results of which are expected to be consolidated from the fourth quarter.

(Million yen)

	2024/12 Actual	2025/12 Actual	Year-on-year
Net sales	7,752	<b>8,866</b>	114.4%
Operating profit	1,705	<b>2,025</b>	118.8%
(Margin)	22.0%	<b>22.8%</b>	-
Ordinary profit	1,713	<b>2,041</b>	119.1%
(Margin)	22.1%	<b>23.0%</b>	-
Net income	966	<b>1,254</b>	129.8%
(Margin)	12.5%	<b>14.1%</b>	-

## Strong results with net sales at **114.4%** year-on-year

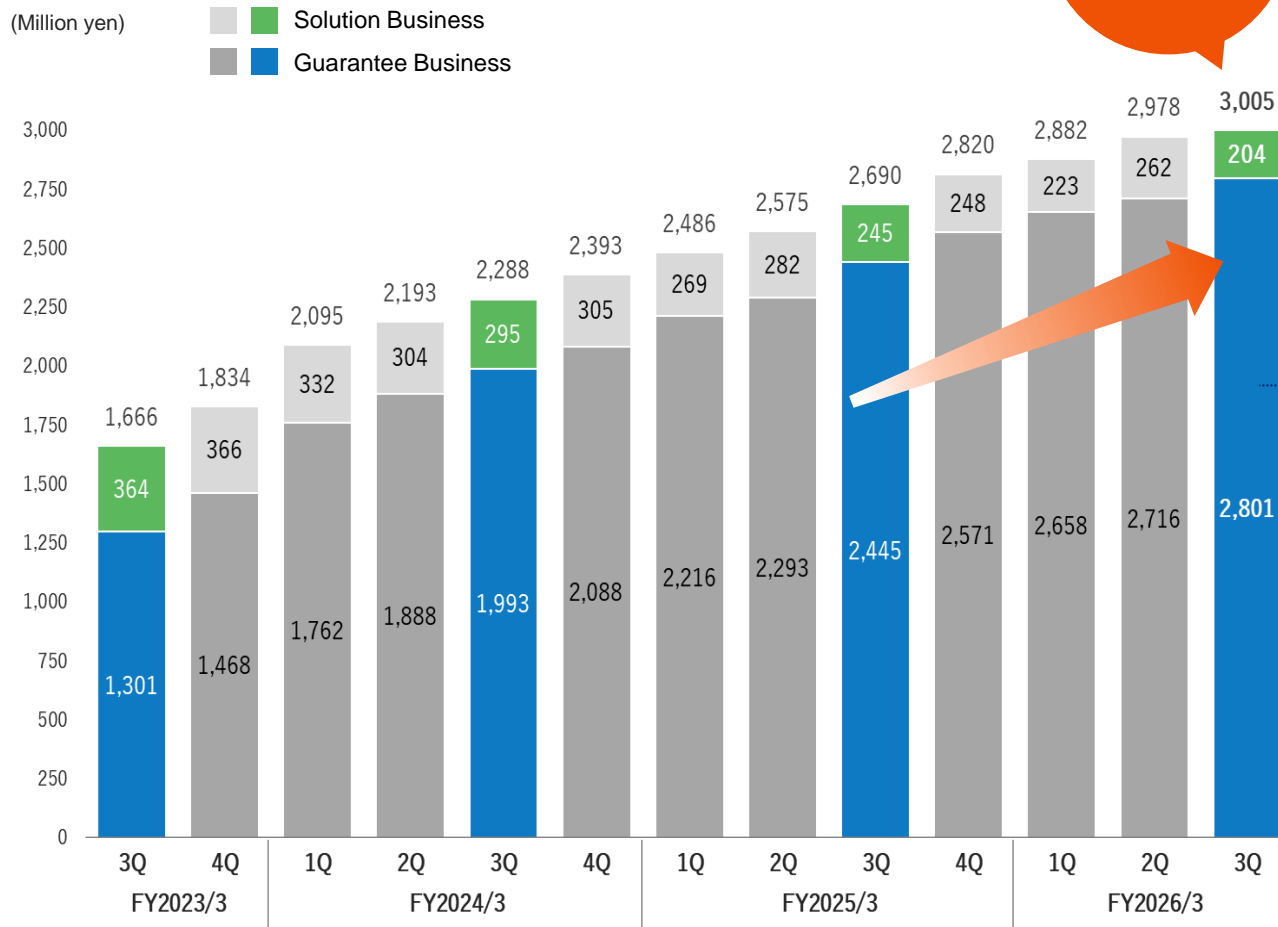
- Growth in property rent guarantees contributed to results. Both initial and renewal guarantee fees increased.
- Sales and new client acquisitions for medical care and eldercare expense guarantees continued to increase, entering a growth phase.
- Premier Life ("PRL"), which acquired Racoon Rent, continued to increase profits.

## Strong operating profit at **118.8%** year-on-year growth

- Despite higher business costs associated with the growth of property rent guarantees, profits continued to increase, supported by restrained growth in bad debt costs due to efficient collection activities.
- Recognized a gain of ¥29 million on the sale of shares in Prime Strategy Co., Ltd.

# Net Sales by Quarter

- Revenue increased steadily due to sales driven by the guarantee business  
111.7% (+315 million yen) year-on-year



Year-on-year  
**111.7%**  
(+315 million yen)

## Solution Business

83.5% year-on-year (-40 million yen)

Ongoing shift from C&O services to guarantee products. Rent Guarantee System Regional Bank Model\* in operation at four regional banks.

## Guarantee Business

114.5% year-on-year (+356 million yen)

Property rent guarantees increased **111.9%** year-on-year (+275 million yen), driven by higher renewal guarantee fees. Medical care guarantees continued to grow at **145.0%** year-on-year (+42 million yen). Eldercare expense guarantees grew significantly, increasing **205.2%** year-on-year (+35 million yen).

### \*Rent Guarantee System Regional Bank Model

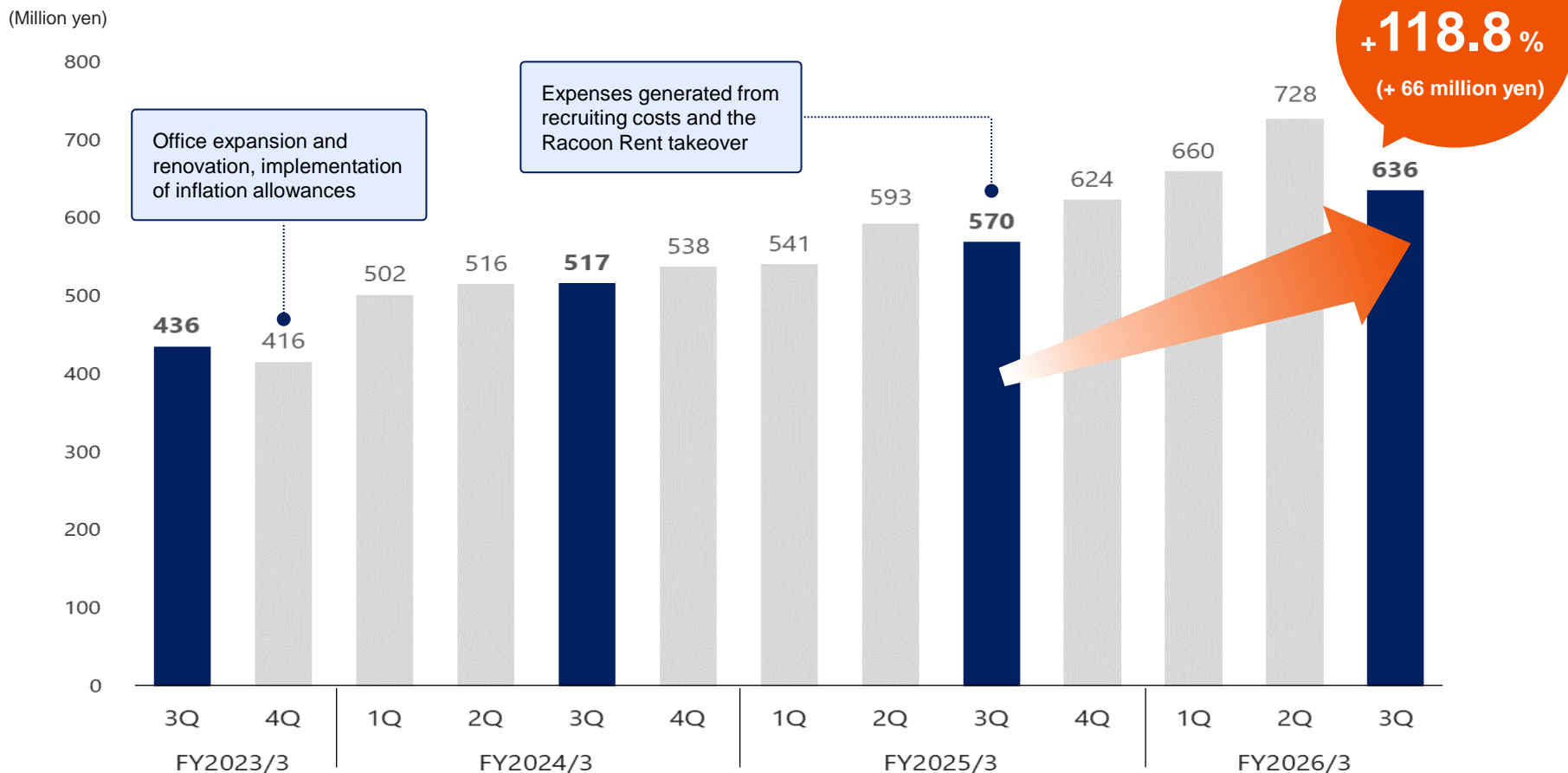
A service that provides Entrust's systems, know-how, and operations to regional banks to support the development and operation of their guarantee businesses.

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

# Operating Profit by Quarter

## ■ Operating profit increased to 118.8% year-on-year

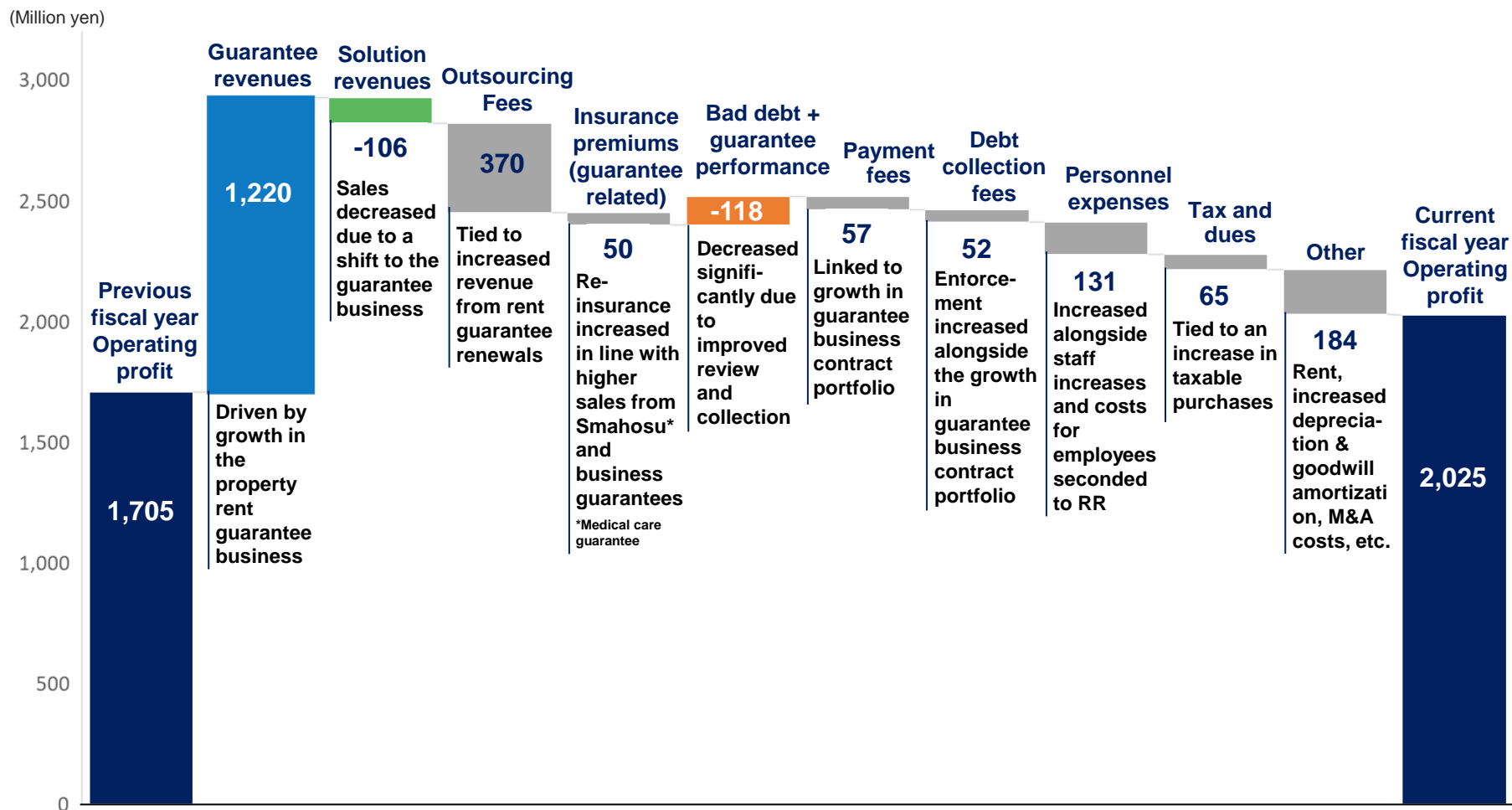
Outsourcing and direct debit processing fees increased due to growth in the number of contracts in the guarantee business. Expenses related to the acquisition of Carol System Inc. were also incurred. Operating profit also increased, driven by continued improvements in review and collection operations together with a stronger debt collection system at PRL.



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

# Analysis of Changes in Operating Profit

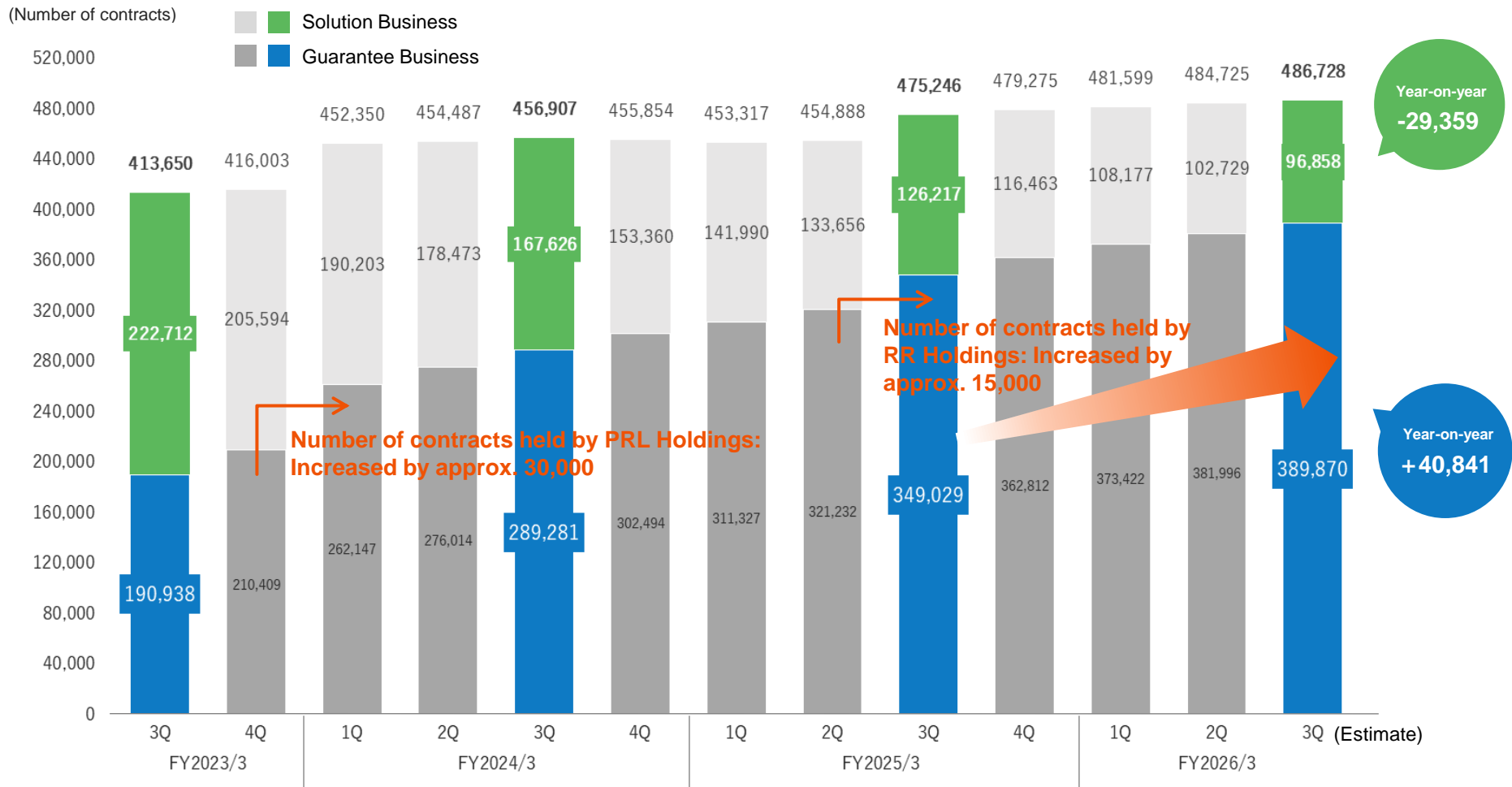
- Higher guarantee revenue contributed to profit. Profit increased despite an increase in sales-linked expenses (business outsourcing fees, settlement fees, and labor costs), as bad debt costs came in below projections.



# Property Rent Area: Number of Property Contracts by Quarter

## ■ Guarantee business led the growth

The transition from solution products automatically included in all lease agreements to optional guarantee products continued. The total number of contracts also continued to grow, with an increasing share of guarantees.

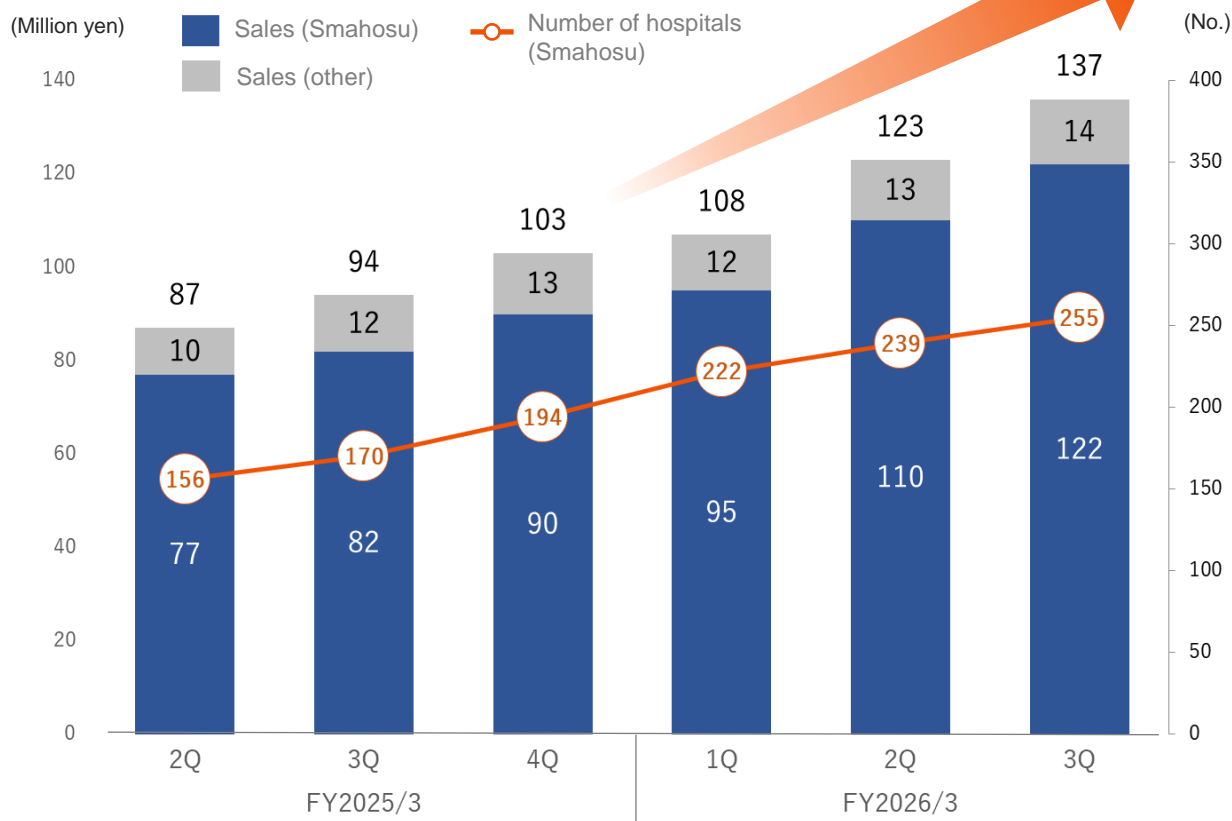


# New Area: Medical Care Guarantee Sales by Quarter

## ■ Sales growth driven by stronger Smahosu sales efforts and steady increases in participating medical institutions

- Contracts increased through partnerships with insurance companies. Growing market recognition led to more inquiries, with continued growth.
- The number of contracts increased, contributing to higher sales after overcoming declining guarantee fees from the second year onward.

Year-on-year  
**145.0%**  
in medical  
care sales



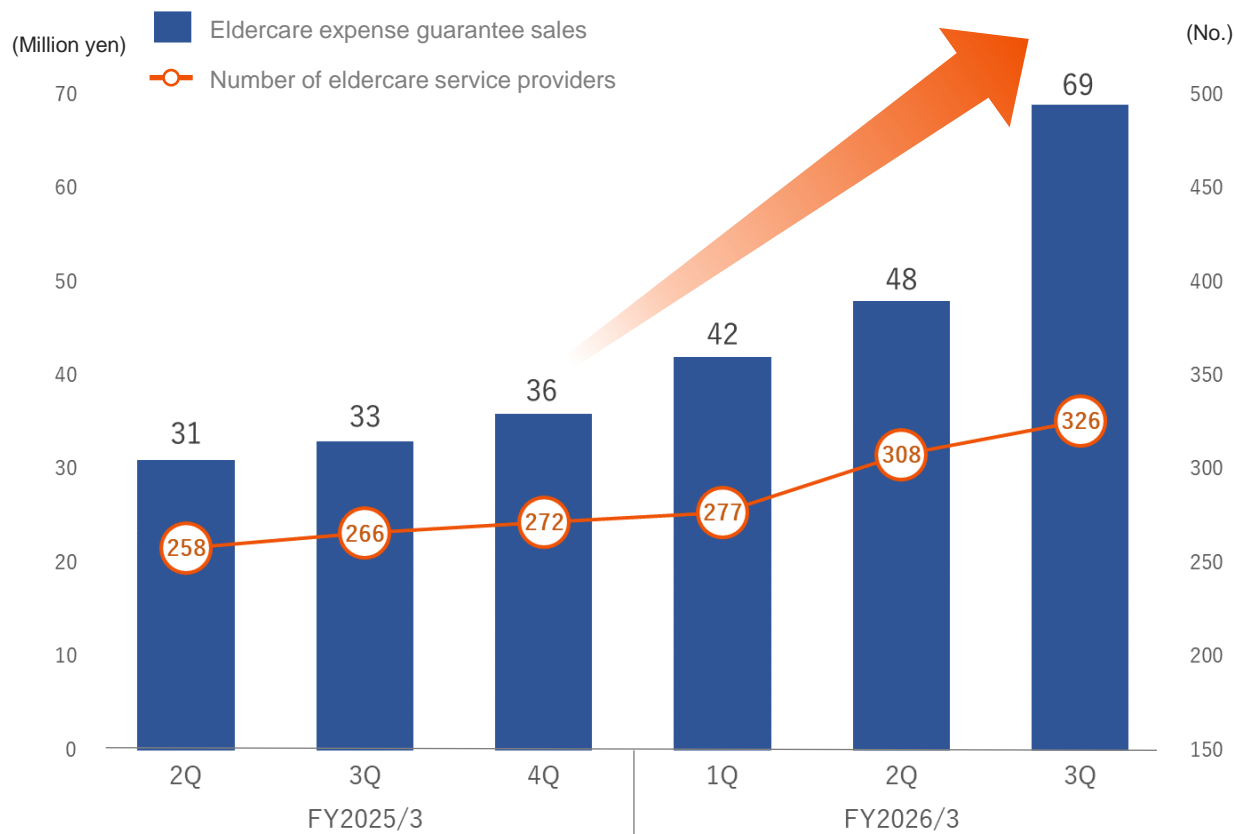
- **Co-signer agent system and Smahosu continued to grow**  
**255** medical facilities  
(85 from year-on-year)  
**59,923** hospital beds  
(19,264 year-on-year)
- **Hospitalization set with medical care guarantee and other products**  
**26** medical facilities  
(-4 year-on-year)  
**5,697** hospital beds  
(-19 year-on-year)

# New Area: Eldercare Expense Guarantee Sales by Quarter

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

- 18 new service providers adopted the service in this quarter.
- Products with accident insurance have contributed to higher guarantee coverage rates, steadily increasing sales and contract volume. Enhancements to the sales system accelerated business growth.

Year-on-year  
**205.2%**  
in eldercare  
sales



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

**133** eldercare service providers  
(+58 year-on-year)

**6,634** contracts  
(+5,288 year-on-year)

### ● Other products

**193** eldercare service providers  
(+2 year-on-year)

**5,013** contracts  
(+1,506 year-on-year)

# Other Financial Data (Balance Sheet)

(Million yen)

	2024/12 (Previous fiscal year)	2025/12 (Current fiscal year)	Change in amount
<b>Current assets</b>	9,260	<b>10,562</b>	1,301
Cash and deposits	6,305	<b>7,269</b>	963
Accounts receivable - trade	169	<b>162</b>	-7
Advances paid	4,671	<b>5,602</b>	931
Other	533	<b>570</b>	36
Allowance for doubtful accounts	-2,420	<b>-3,041</b>	-621
<b>Non-current assets</b>	1,143	<b>1,263</b>	119
Property, plant, and equipment	188	<b>217</b>	29
Intangible assets	349	<b>277</b>	-72
Investments and other assets	605	<b>768</b>	162
<b>Current liabilities</b>	3,653	<b>4,017</b>	364
(Unearned revenues)	2,189	<b>2,286</b>	96
(Reserve for fulfillment of guarantees)	707	<b>917</b>	209
<b>Non-current liabilities</b>	179	<b>188</b>	8
<b>Net assets</b>	6,570	<b>7,619</b>	1,048
<b>Total assets</b>	10,403	<b>11,825</b>	1,421

Tied to steady growth  
in the number of guarantee  
contracts held

Moderate growth in the **future  
expected due to an increase  
in the number of contracts  
for products involving  
monthly renewal**  
\*104% year-on-year

Tied to increased property rent  
guarantee contracts



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

- Committed to achieving sales of 12 billion yen and operating profit of 2.6 billion yen  
Steady progress toward **re-listing on the Prime Market**

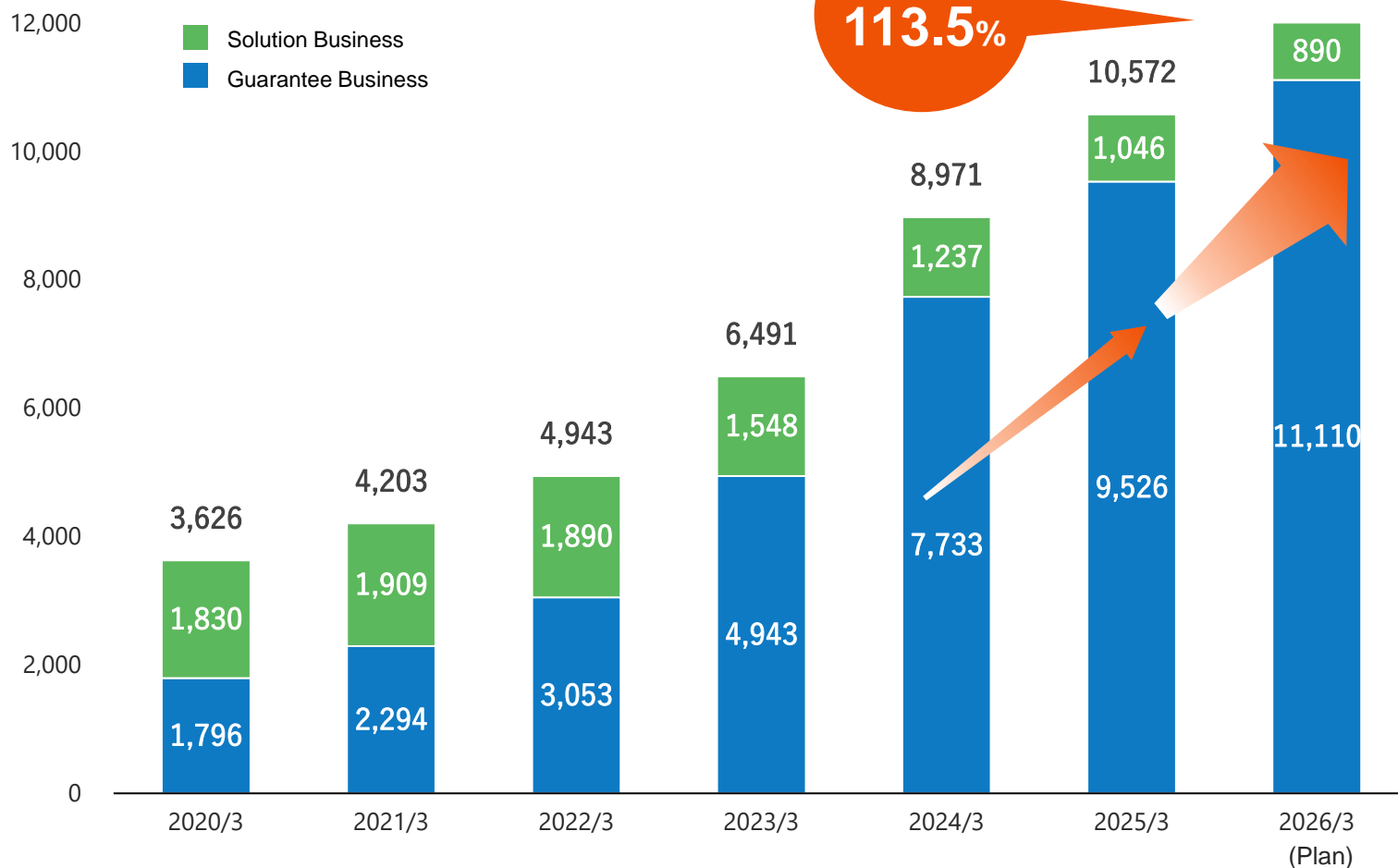
(Million yen)

	2025/3 Actual	2026/3 Plan	2025/12 Actual	Progress rate
Net sales	10,572	<b>12,000</b>	<b>8,866</b>	<b>73.9%</b>
Operating profit	2,329	<b>2,600</b>	<b>2,025</b>	<b>77.9%</b>
(Margin)	22.0%	<b>21.7%</b>	<b>22.8%</b>	-
Ordinary profit	2,345	<b>2,600</b>	<b>2,041</b>	<b>78.5%</b>
(Margin)	22.2%	<b>21.7%</b>	<b>23.0%</b>	-
Net income	1,360	<b>1,550</b>	<b>1,254</b>	<b>80.9%</b>
(Margin)	12.9%	<b>12.9%</b>	<b>14.1%</b>	-

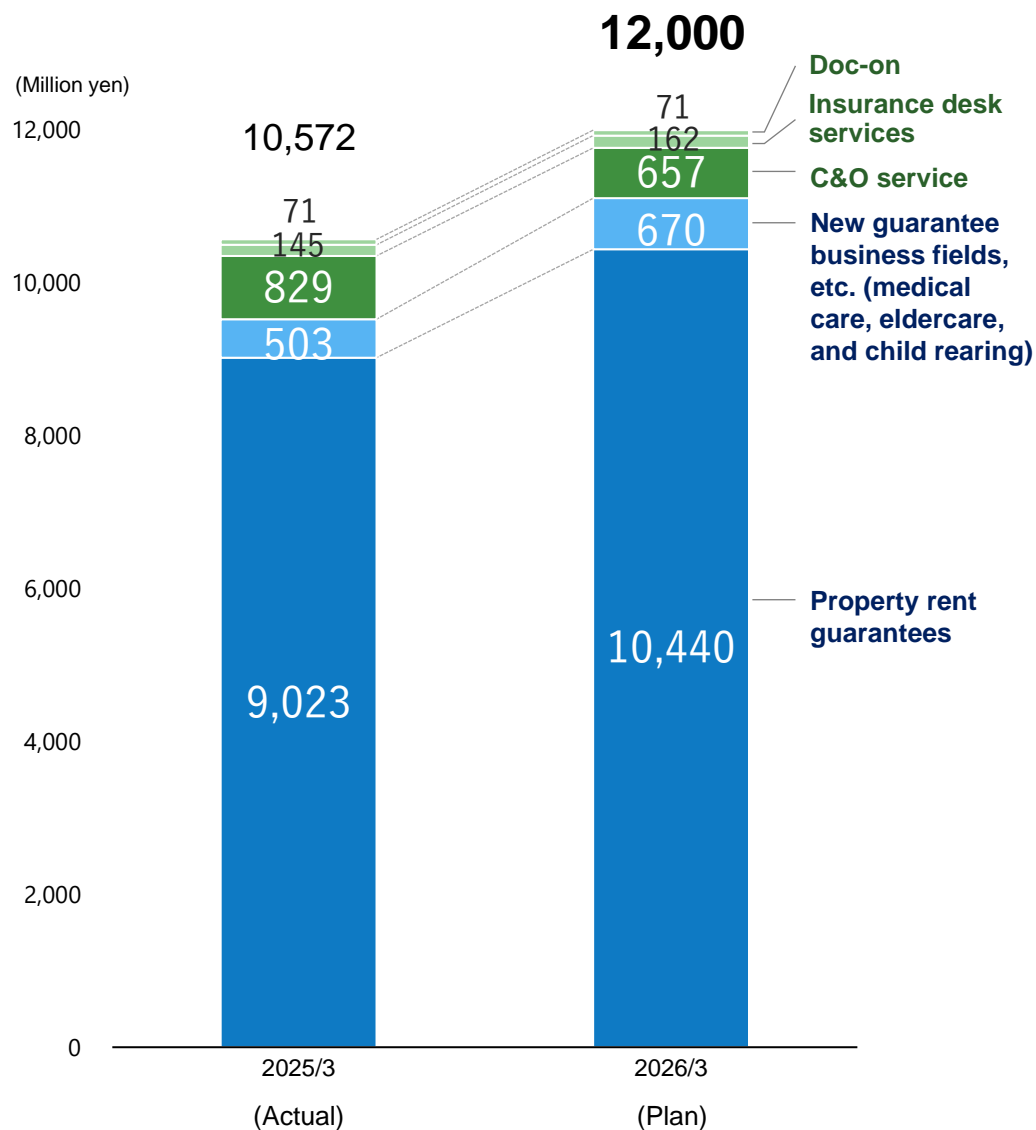
# Net Sales by Year and Plan

- 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

(Million yen)



# 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

### Rent liability guarantees

Trend toward increases in new contracts continues

Renewal guarantee fees also increase significantly due to increased contracts held and monthly contracts

### Medical care guarantees

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

### Eldercare expense guarantees

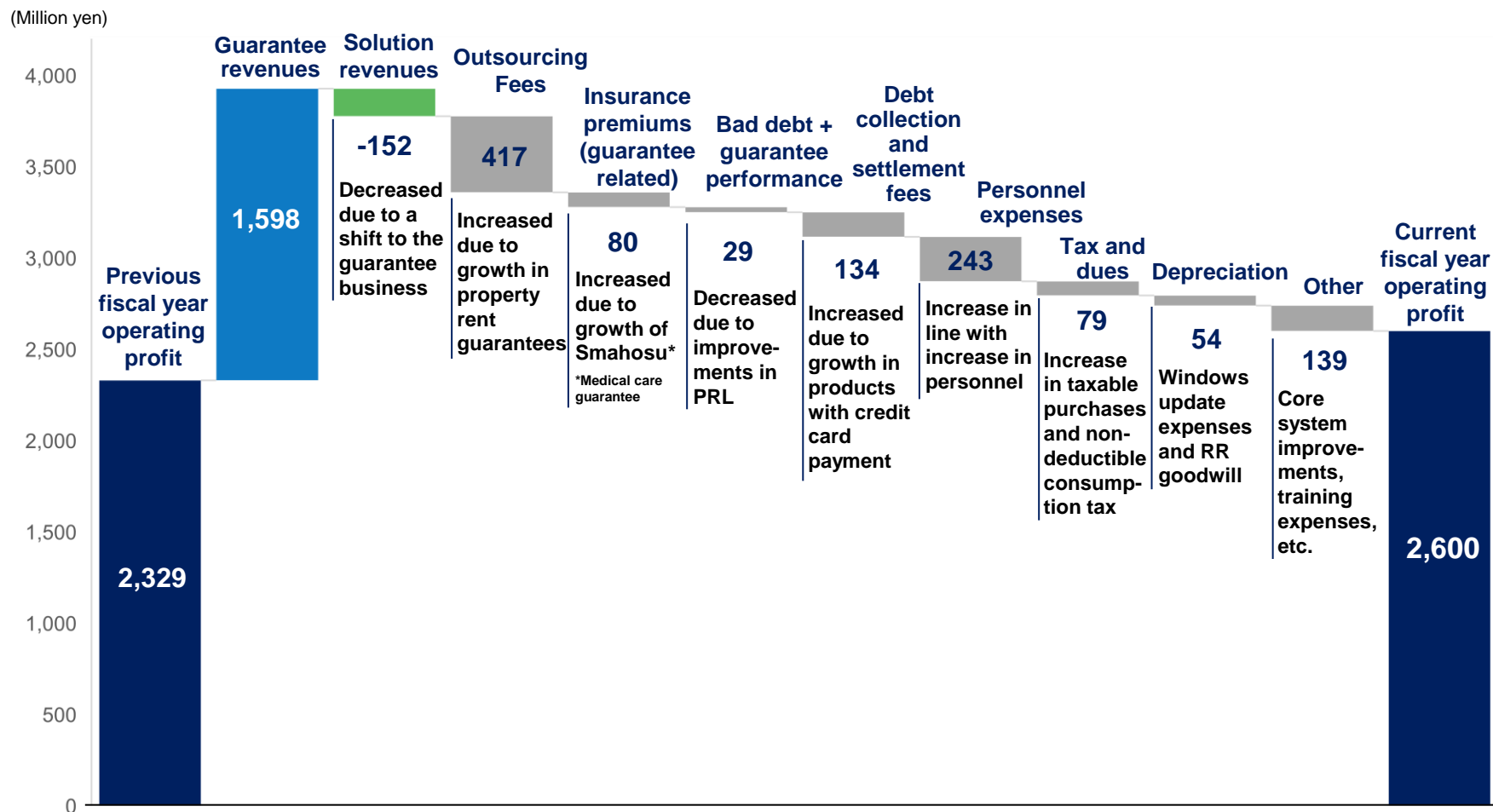
Strengthen sales structure to expand sales for products with accident insurance. Improve the guarantee utilization rate.

### Child rearing expense guarantees

Promote commercialization in local governments across Japan

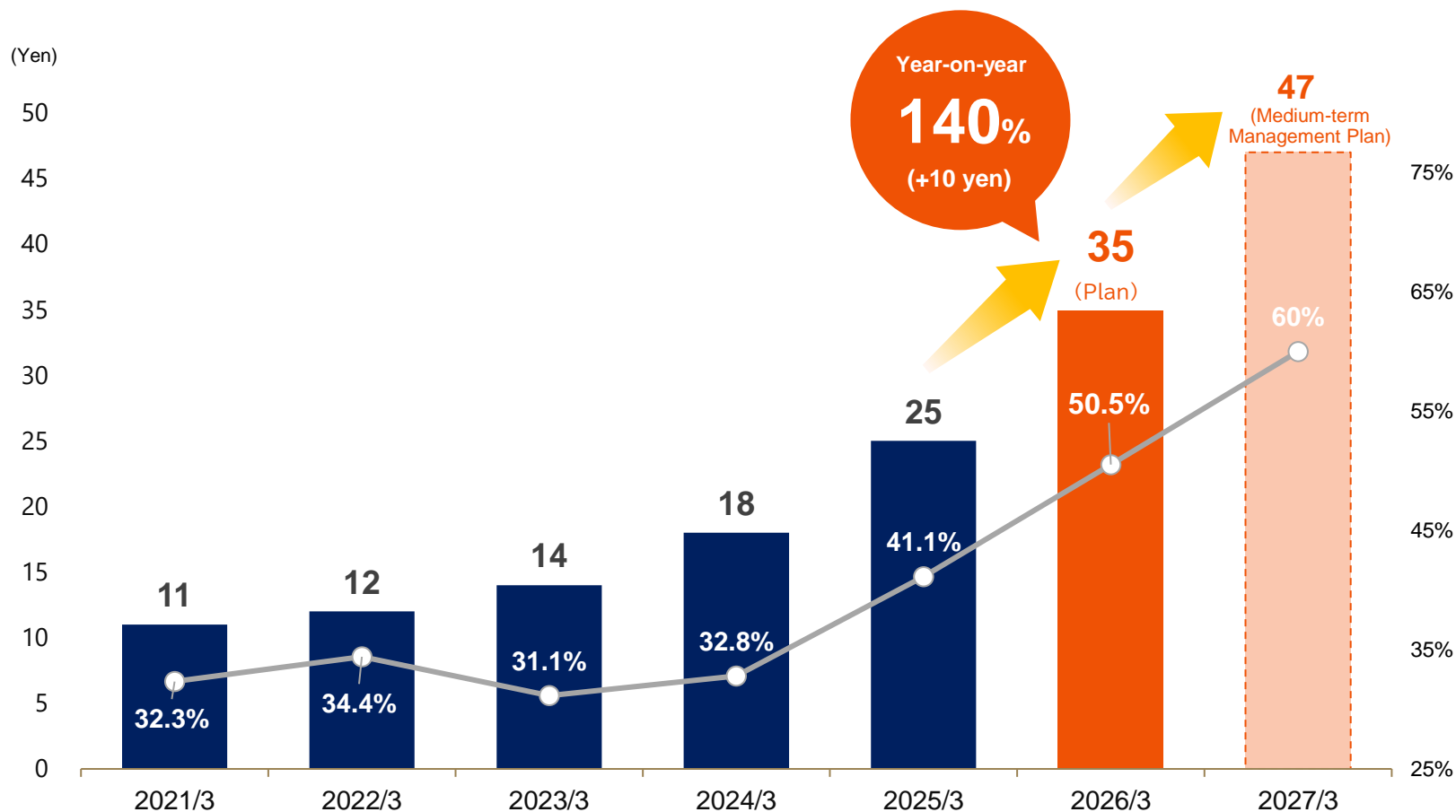
# Analysis of Changes in Operating Profit (Plan)

- Promote increase in revenue through growth in guarantee business
- Conduct Windows updates, improve core systems, and provide employee training programs. Expand operating profit beyond the increase in expenses



# Dividends by Year and Plan

- Increase in dividends for 10 consecutive fiscal years planned to promote further shareholder returns
  - Dividends of **35 yen**, a **10-yen** increase from the previous fiscal year, planned
  - Achieve dividend payout ratio of **50.5%**
- Aim for a dividend payout ratio of **60%** in the final year of the medium-term plan



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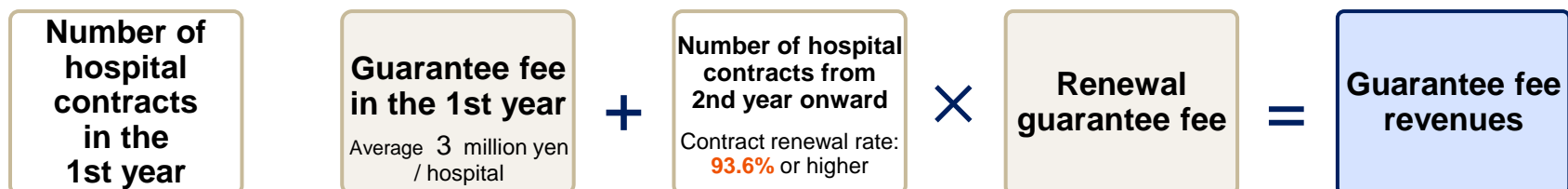
## Key KPIs

### Guarantee rent, elderly care, and child rearing expenses



\* Prorated over warranty period

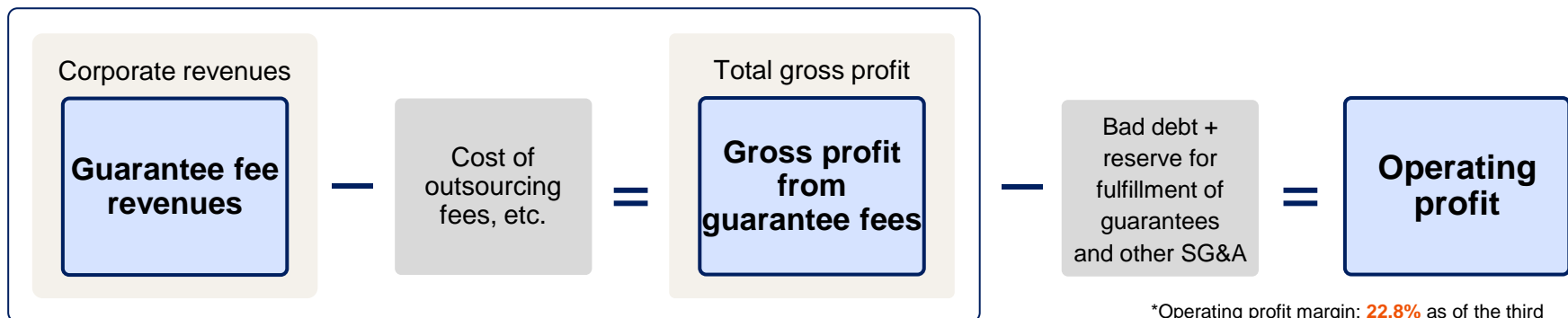
### Medical care guarantees



\* Prorated over warranty period

Smahosu

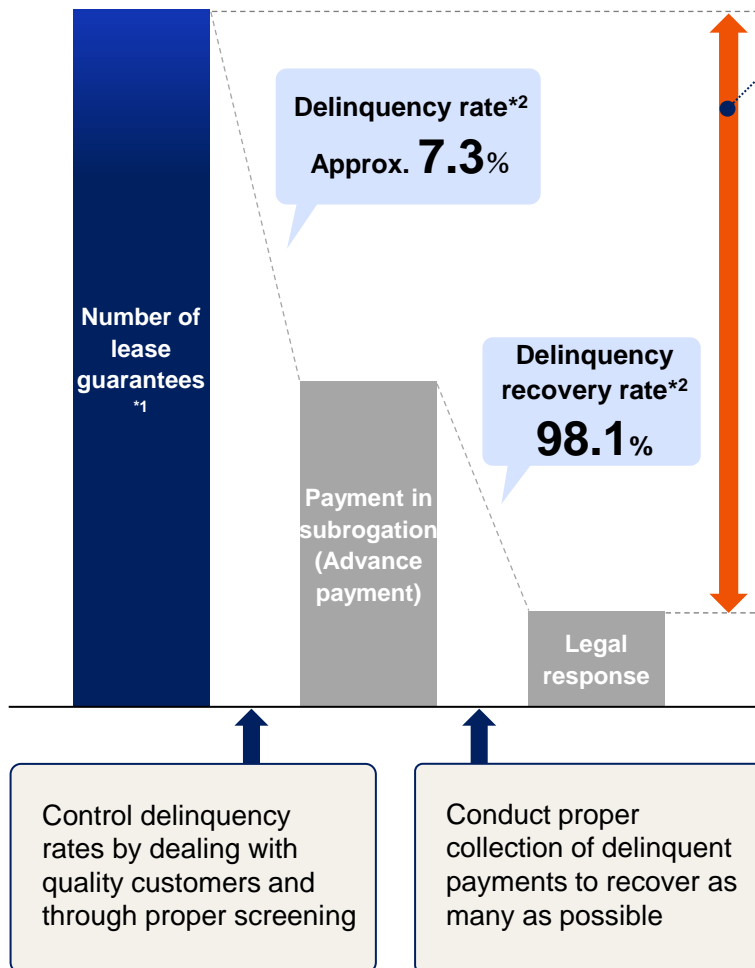
## Financial structure



\*Operating profit margin: 22.8% as of the third quarter in fiscal year ending March 31, 2026



About  
**380,000**  
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, 2025.

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

## 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



Transformation of society,  
Revision of Civil Code



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

### 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

# The medical cost guarantee market shows expanding demand

Guarantee Business

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

Average account  
receivable per hospital

Approx.  
**4.3**  
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. **8,000**\*

\*Dynamic Survey of Medical Institutions  
by Ministry of Health, Labour and  
Welfare / Preliminary figures as of the  
end of March 2024

Smahosu  
results

**255**

Entrust Inc. target

# Third Medium-Term Management Plan Targets

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

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

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

Zero to One  
Always go “from zero to one”

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

**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

- **Extend the consecutive record of increased revenue and profit while focusing on sales growth rather than operating profit margin**
  - ▷ Develop **medical care and eldercare expense guarantees** as the next major revenue pillar following property rent guarantees
  - ▷ Maintain operating profit margin at **20%**, using it as a resource for growth investments
  - ▷ **Invest** in growth
    - Make upfront investments in medical and eldercare expense guarantees
    - Prepare for post-merger integration of M&A (temporary profit margin reduction)
    - Invest in digital transformation and pursue new business creation initiatives
- **Level up shareholder returns**
  - ▷ Increase dividend payout ratio to **40-60%**
  - ▷ Aim for **60%** in final year

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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Company IR website:



Company IR  
email newsletter



Company research report by  
Shared Research Inc.

