



Fiscal Year Ended March 31, 2024

Results Briefing Information Materials

Entrust Inc.

Securities Code: 7191

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Company Information

Performance Overview

- Net sales and profits reached record highs
- Sales were **138.2%** year-on-year while operating profit was **127.5%** year-on-year
- This greatly exceeds the second Medium-term Management Plan (8 billion yen in net sales and 2 billion yen in operating profit)

Net sales

8,971 million yen
(138.2% year-on-year)

Operating profit

2,073 million yen
(127.5% year-on-year)

Profit

1,227 million yen
(122.1% year-on-year)

Dividend

18.0 yen
(+4.0 yen year-on-year)

Market capitalization value

19.6 billion yen
*based on the closing price
at the end of March

EPS

54.8 yen
(+9.9 yen year-on-year)

Performance Overview

- Sales and profits increased due to the growth in property rent guarantees
- Operating income remained at 23% due to an increase in outsourcing fees and bad debt/guarantee performance fees with the growth of our guarantee business

(Million yen)

	2023/3 Actual	2024/3 Actual	Year-on-year
Net sales	6,491	8,971	138.2%
Operating profit	1,627	2,073	127.5%
(Margin)	25.1%	23.1%	-
Ordinary profit	1,625	2,070	127.4%
(Margin)	25.0%	23.1%	-
Net income	1,005	1,227	122.1%
(Margin)	15.5%	13.7%	-

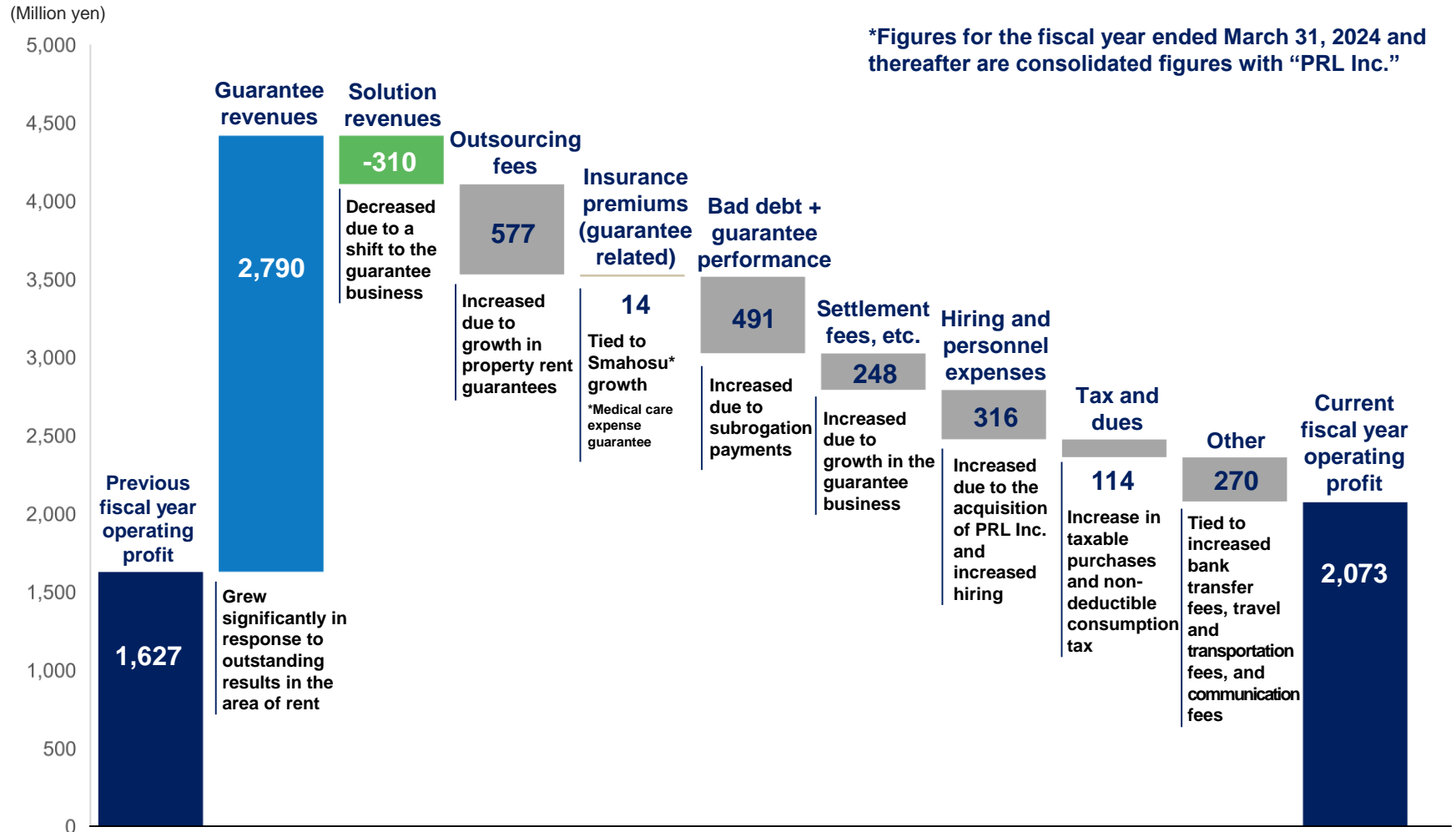
Strong results with net sales at **138.2%** year-on-year and operating profit at **127.5%** year-on-year

- Property rent guarantee growth contributed, with significant growth in both initial and renewal guarantee fees (161.1% year-on-year)
- Subrogation payments and rent collection payment costs increased with the growth in property rent guarantees
- Premier Life Inc. (hereafter “PRL”) in the black in the second half of the fiscal year

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

Analysis of Changes in Operating Profit

- Due to growth in guarantee sales, the increase in related costs (business outsourcing fees, bad debt-related costs, settlement fees) was absorbed, leading to significant growth in operating profit

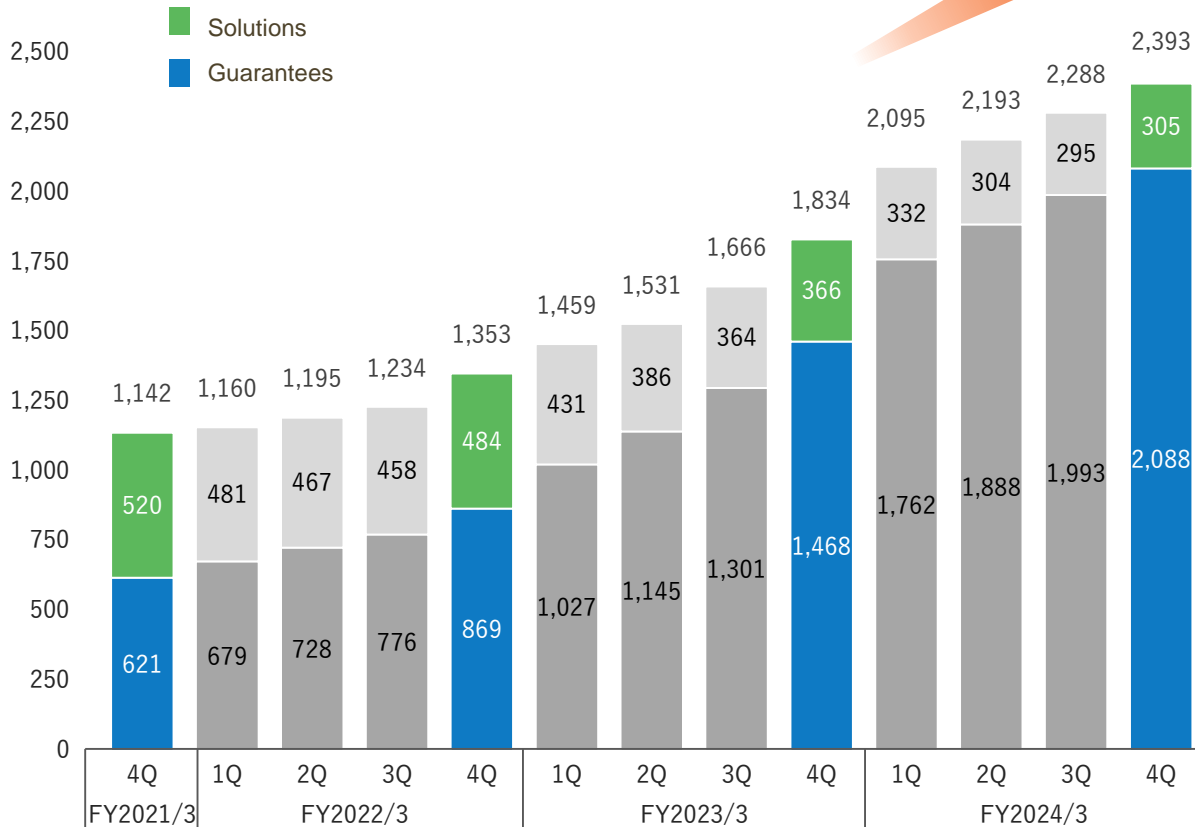


Net Sales by Quarter

Sales in the guarantee business contributed and recorded substantial growth

130% (+558 million yen) year on year

Year-on-year
130%
(+558 million yen)



Solution Business

Ongoing shift from C&O services to guarantee products
83.4% year-on-year
(-60 million yen)

Guarantee Business

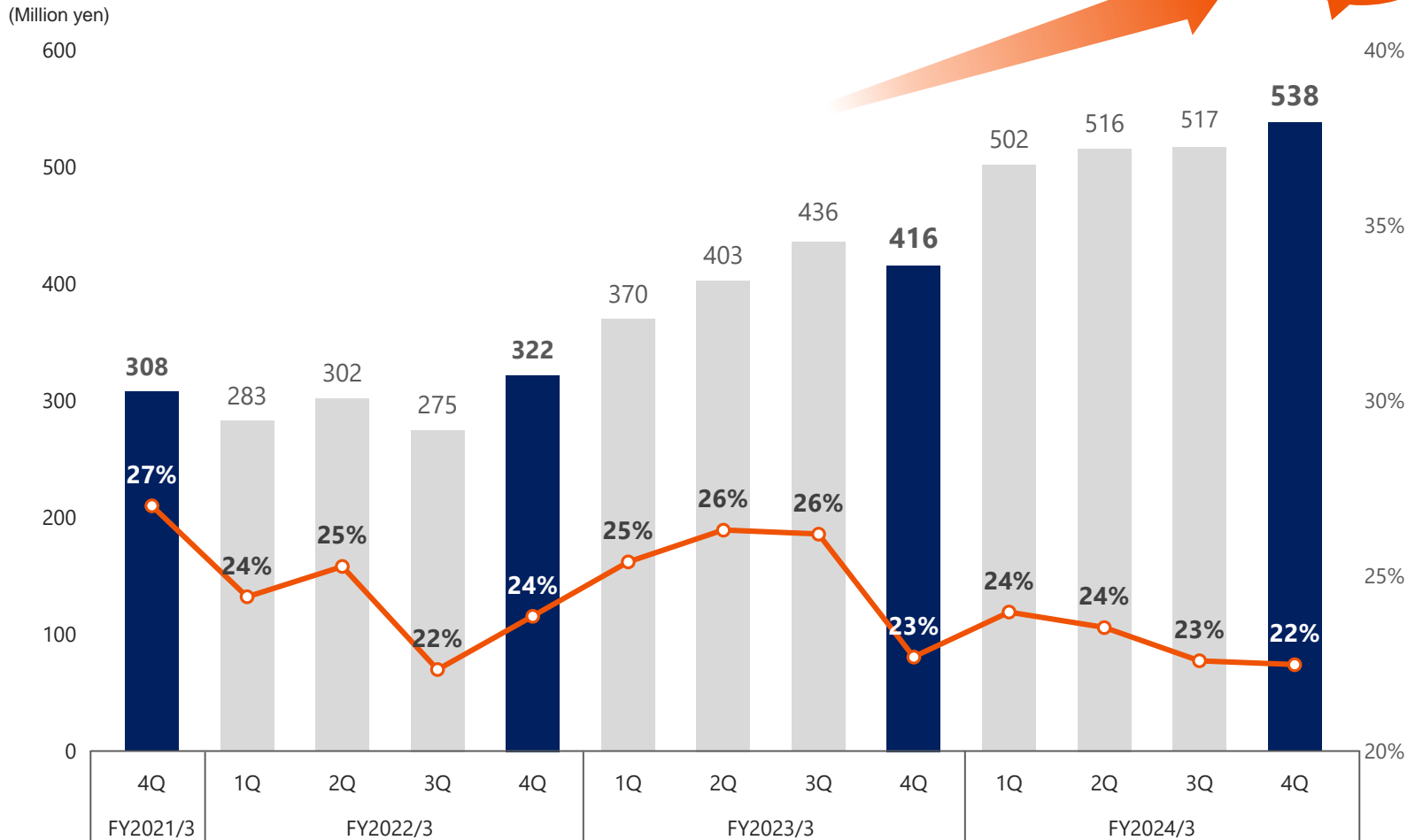
Ongoing growth due to new property rent guarantee contracts and increased renewal guarantee fees for products involving monthly renewal
142% year-on-year
(+ 619 million yen)

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

Operating Profit by Quarter

- Operating profit increased significantly to 129.2% year-on-year
- Operating profit margin decreased due to increased outsourcing fees, bad debt expenses, and personnel expenses, but remained steady at around 23%

Year-on-year
+129.2%

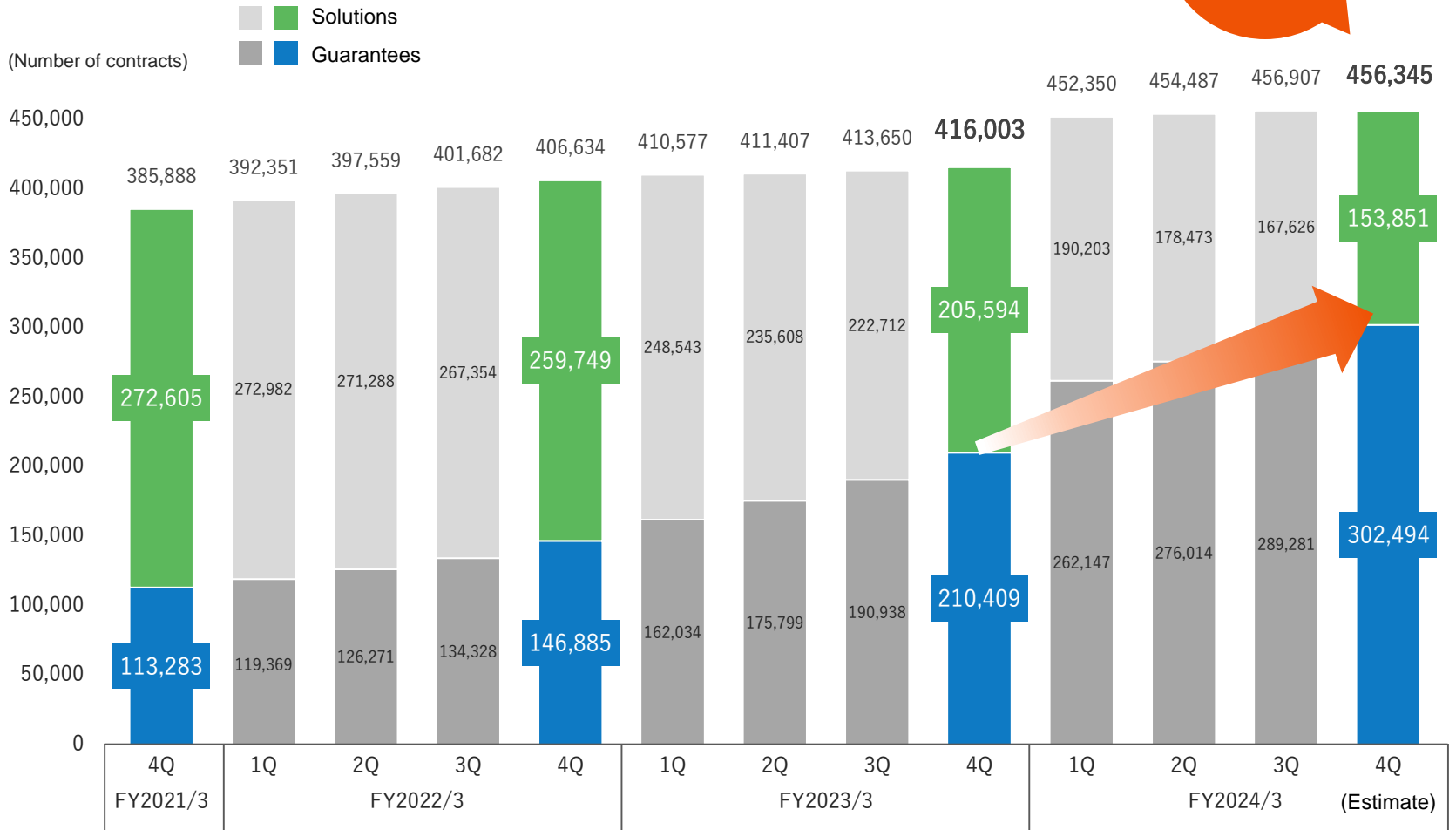


Property Rent Area: Number of Property Contracts by Quarter

■ Growth driven by the guarantee business

The acquisition of PRL Inc. also contributed to a steady increase in the number of contracts

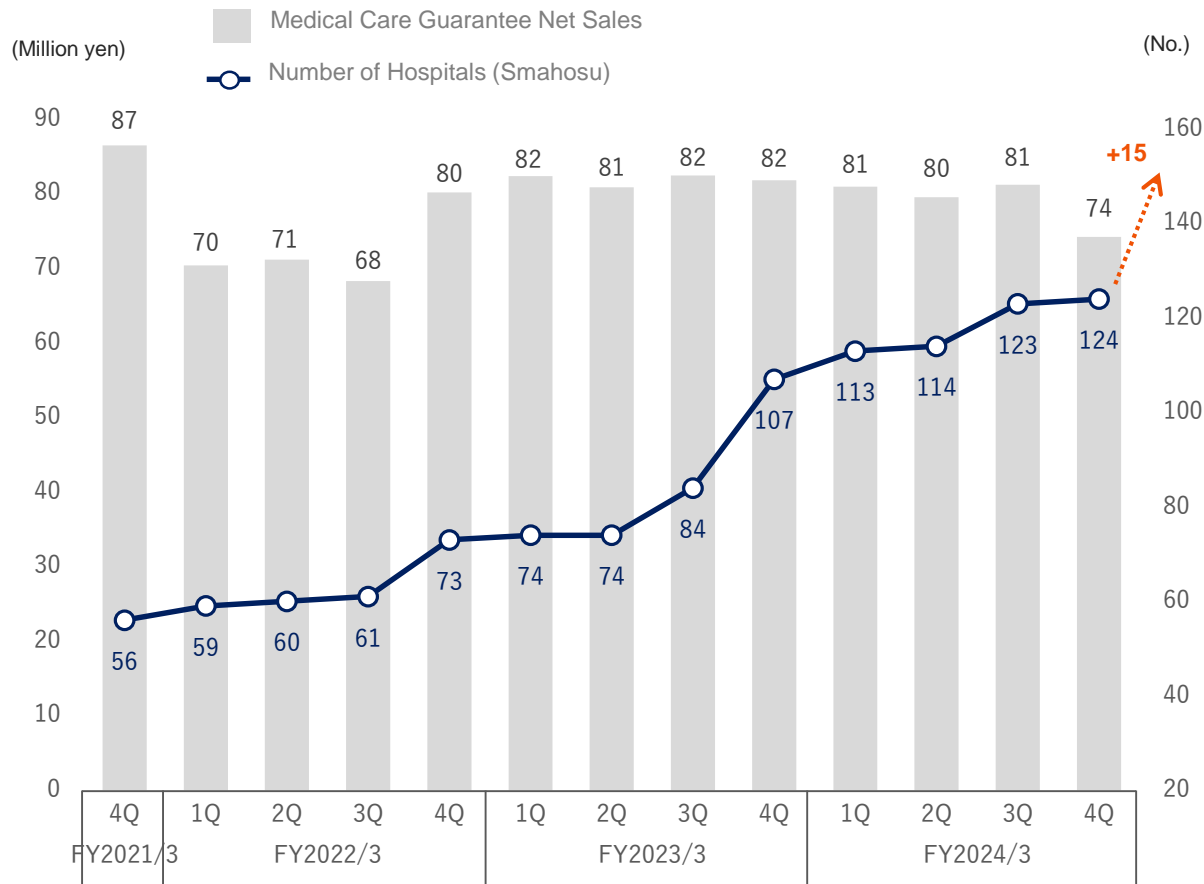
Year-on-year
+40,342



New Area: Medical Care & Eldercare Expense Guarantee Sales by Quarter

■ Medical Care: Strengthening of sales system for Smahosu and expansion of sales channels in progress

- Active sales activities in collaboration with insurance companies and sales support companies
- Ongoing efforts to expand sales channels (**15 contracts concluded** in April 2024)



● Co-signer agent system and Smahosu continued to grow

124 medical facilities
(+17 from year-on-year)

29,668 hospital beds
(+3,443 year-on-year)

● Hospitalization set with medical care expense guarantee and other products

40 medical facilities
(-32 year-on-year)

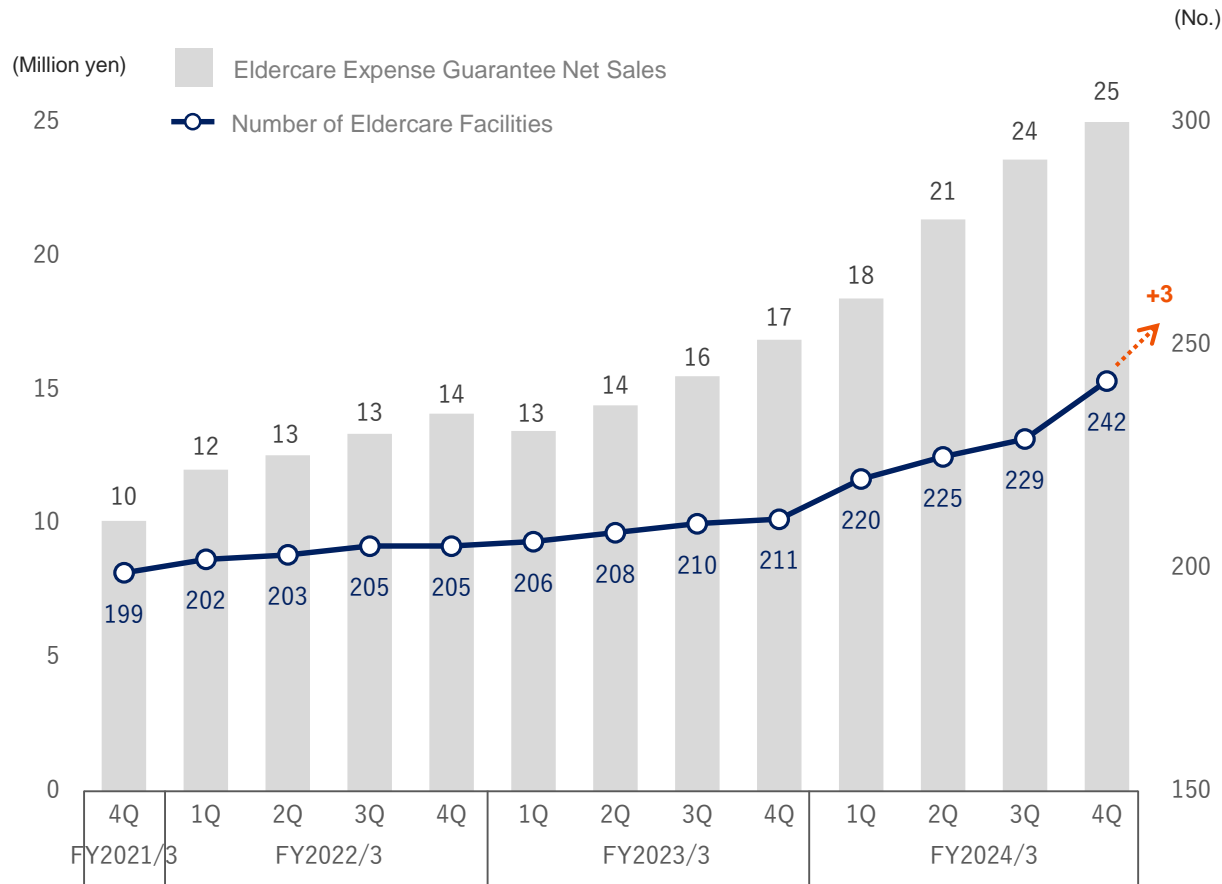
7,243 hospital beds
(-6,148 year-on-year)

※ Due to low profitability, reduced sales expansion and alliances

New Area: Eldercare Expense Guarantee Sales by Quarter

■ Eldercare Area: Eldercare expense guarantee with accident insurance performed well

- Introduction at 31 providers completed in the fiscal year ended March 2024
- Ongoing efforts to expand sales channels (**3 contracts concluded** in April 2024)



● **Eldercare expense guarantee with accident insurance continued to grow**

50 eldercare providers
1,538 contracts

● **Other products**

192 eldercare providers
5,215 contracts

※Due to low profitability, reduced sales expansion

Other Financial Data (Balance Sheet)

(Million yen)

	2023/3 (Previous fiscal year)	2024/3 (Current fiscal year)	Change in amount
Current assets	6,871	8,438	1,567
Cash and deposits	5,686	5,663	-23
Accounts receivable - trade	221	211	-10
Advances paid	1,514	3,824	2,310
Other	459	474	15
Allowance for doubtful accounts	-1,010	-1,735	-725
Non-current assets	1,104	1,214	110
Property, plant, and equipment	115	160	45
Intangible assets	218	222	4
Investments and other assets	770	831	60
Current liabilities	2,655	3,393	737
(Unearned revenues)	1,641	1,978	337
(Reserve for fulfillment of guarantees)	196	477	280
Non-current liabilities	110	154	43
Net assets	5,209	6,105	895
Total assets	7,975	9,653	1,677

In the previous year, advance money experienced a temporary yet significant decrease due to payment schedule irregularities. Returned to normal levels this fiscal year.

Grew in connection with 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 (20% 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 significantly toward achieving the third medium-term management plan, striving for 10.2 billion yen in sales and 2.3 billion yen in operation profit

(Million yen)

	2024/3 Actual	2025/3 Plan	Year-on-year	H1 plan
Net sales	8,971	10,230	114.0%	5,000
Operating profit	2,073	2,320	111.9%	1,170
(Margin)	23.1%	22.7%	-	23.4%
Ordinary profit	2,070	2,320	112.0%	1,170
(Margin)	23.1%	22.7%	-	23.4%
Net income	1,227	1,370	111.6%	690
(Margin)	13.7%	13.4%	-	13.8%

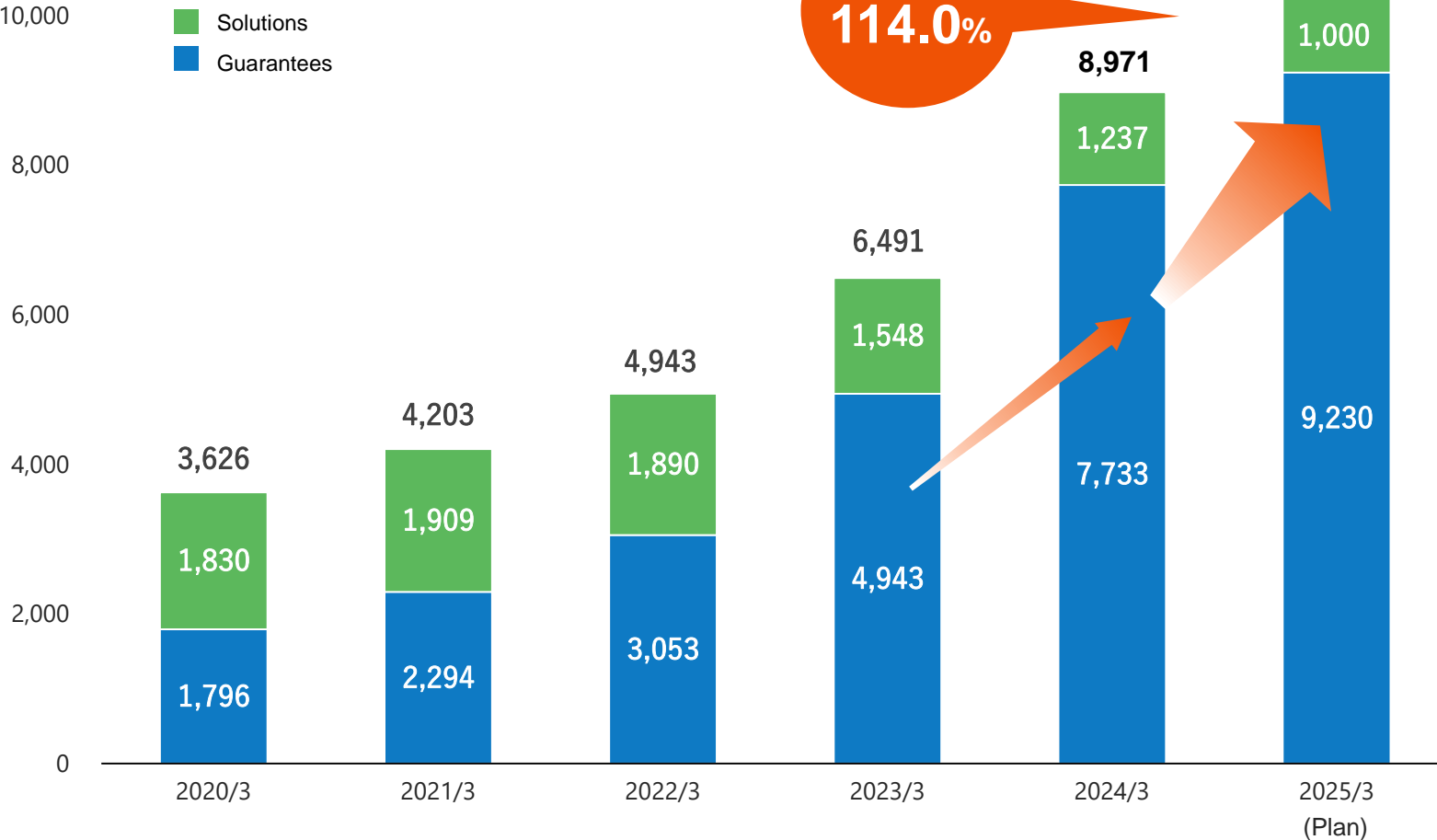
Net Sales by Year and Plan

- 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)

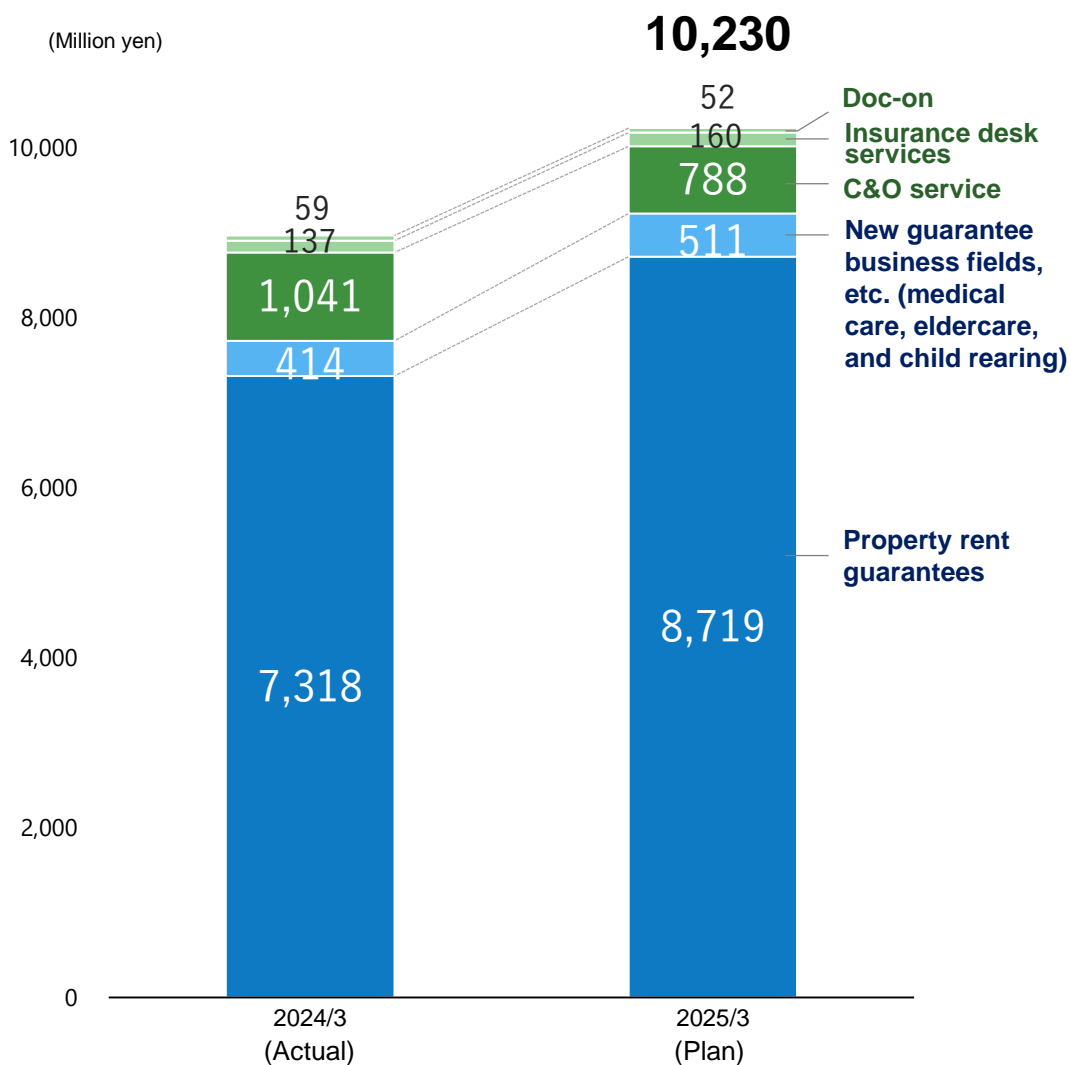
10,000

Solutions
Guarantees



Year-on-year
114.0%

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 in-force contracts and monthly renewal contracts

Medical care expense guarantees

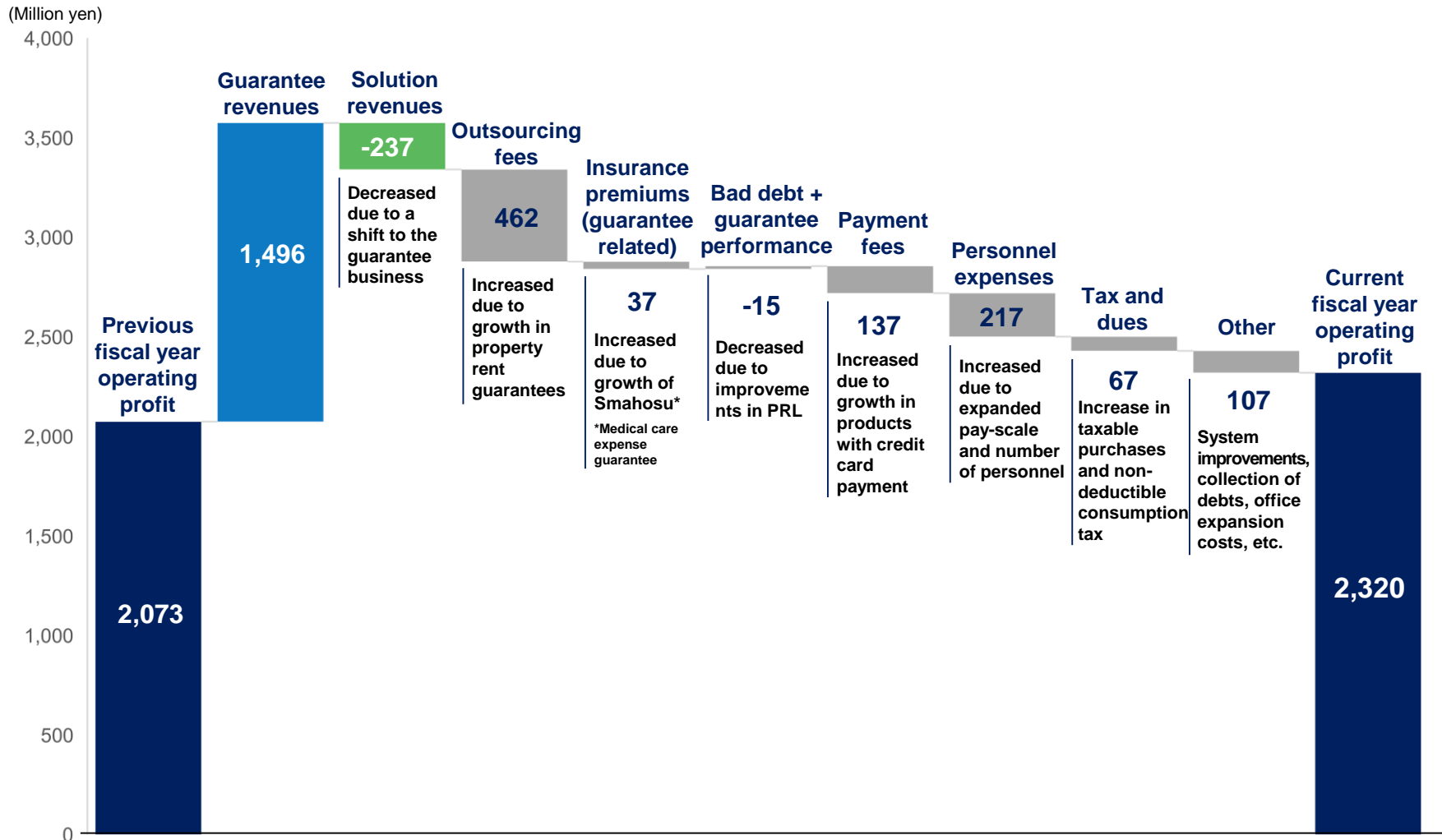
Further expansion of sales expected due to strengthened sales system and products

Eldercare expense guarantees

Strengthen sales system to expand sales channels for products with accident insurance

Analysis of Changes in Operating Profit (Plan)

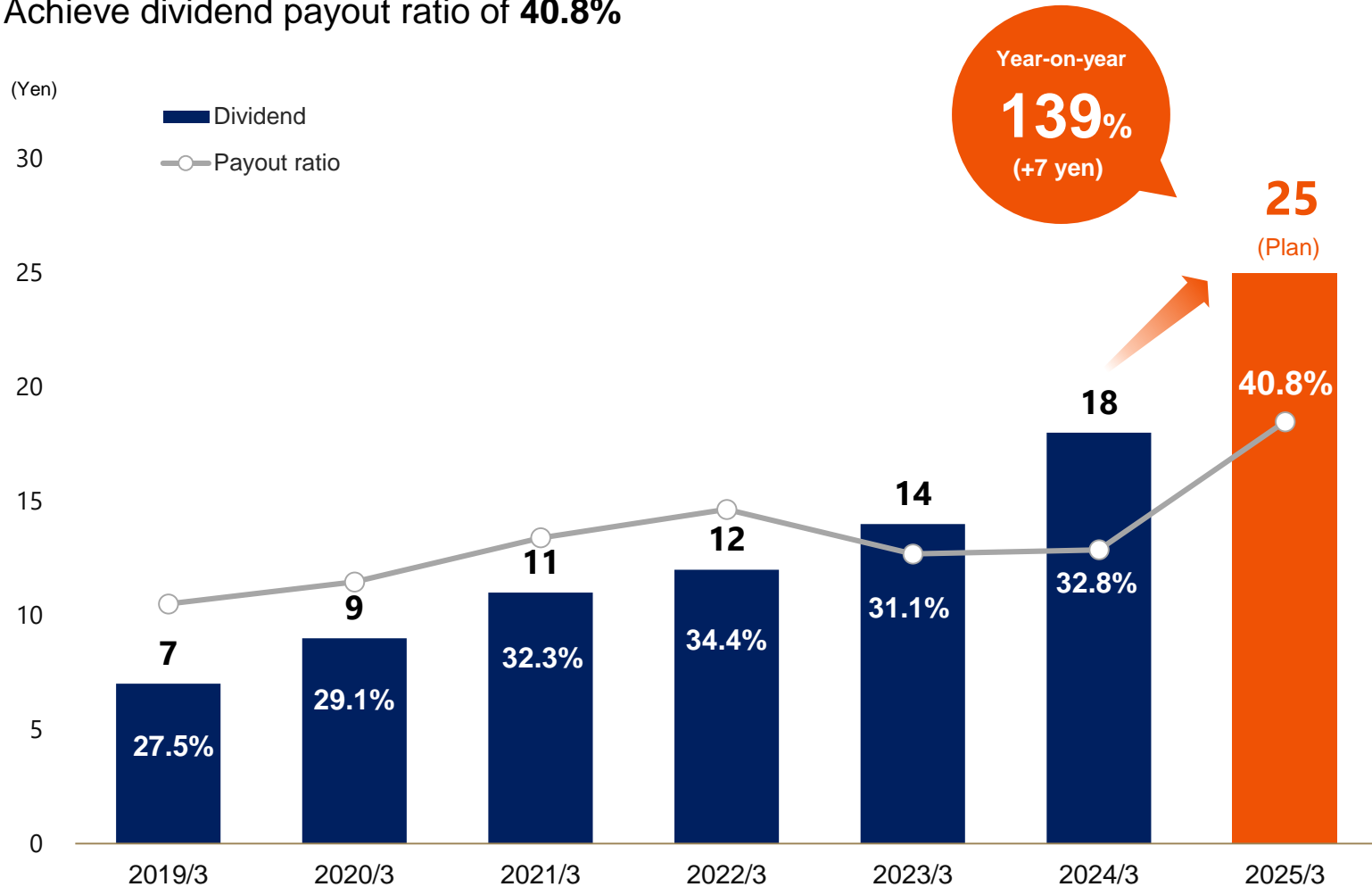
- Promote increase in revenue through growth in guarantee business
- Although conducting office space expansion and pay-scale increase, growth in operating profit exceeding increased cost is planned



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 March 31, 2024)



Company Name	Entrust Inc.
Established	March 2006
Capital	1,045 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, Osaka, Fukuoka, Tokyo Head Office ANNEX, Hamamatsu Solution Center
Number of employees	291 (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

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

BtoC

Individual customers



C&O service



**Insurance
desk services**



**Doc-on
service**

BtoB

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

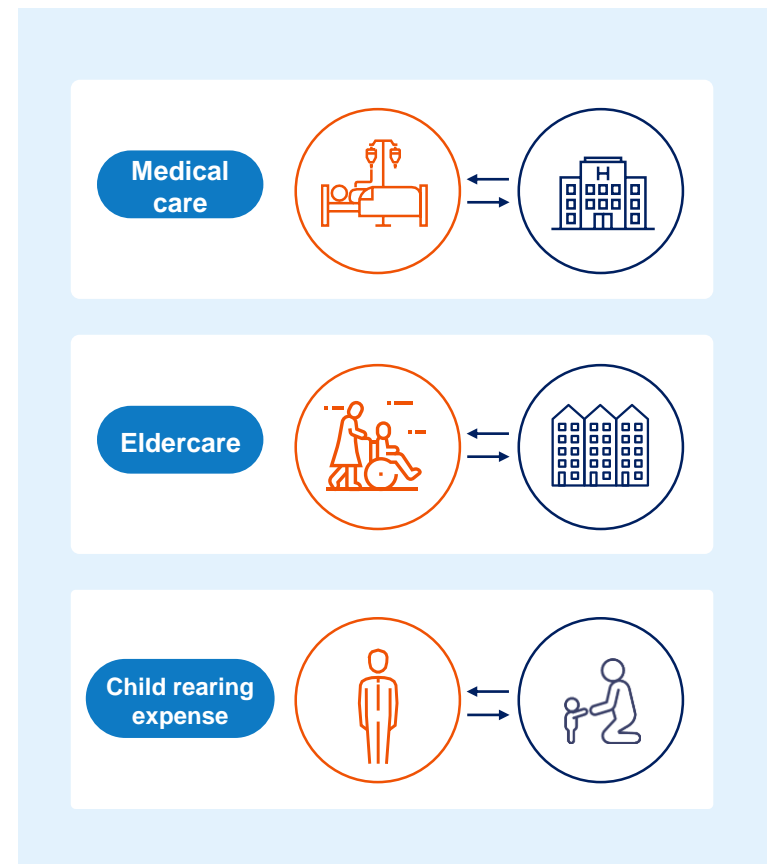
Business Lines

Guarantee business

Assume debt delinquency risk and provide various services pertaining to guarantees



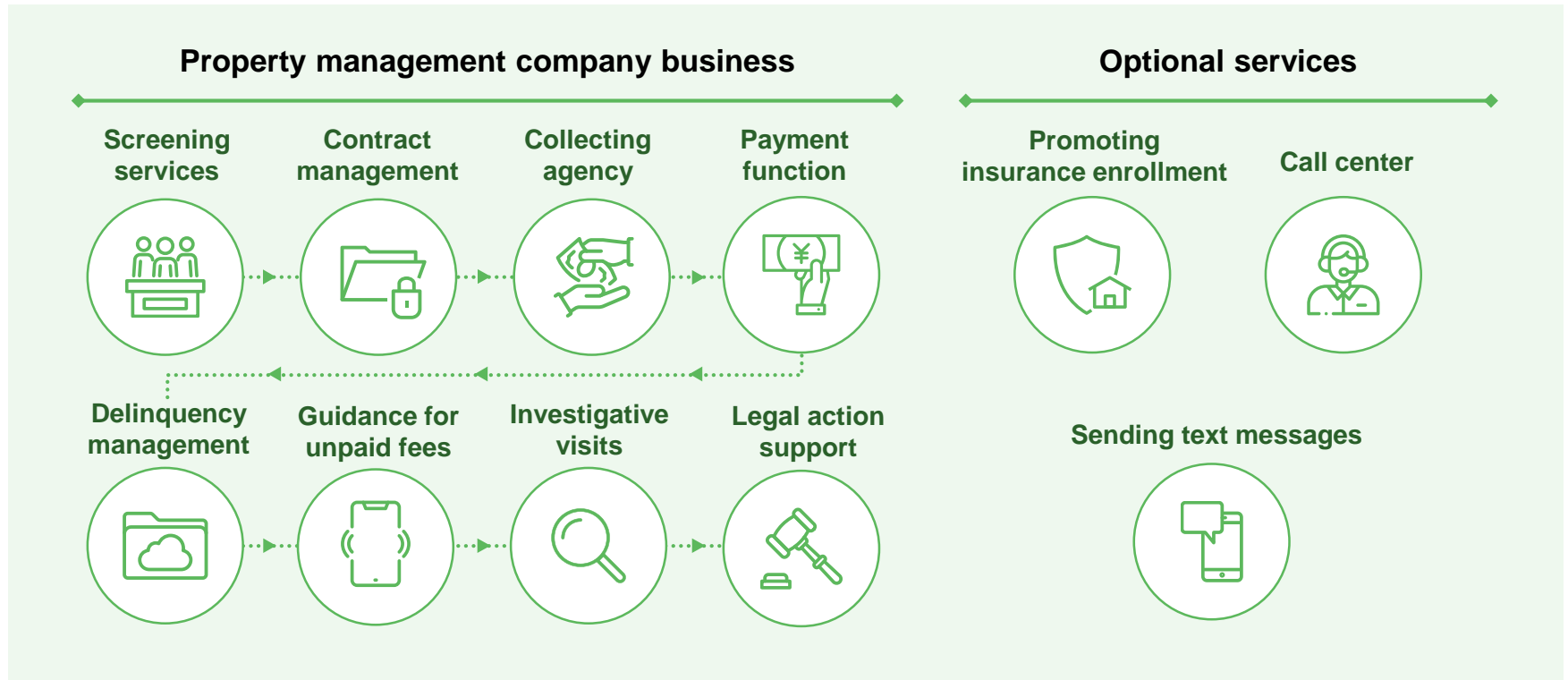
Rollout to
other
businesses



Business Lines

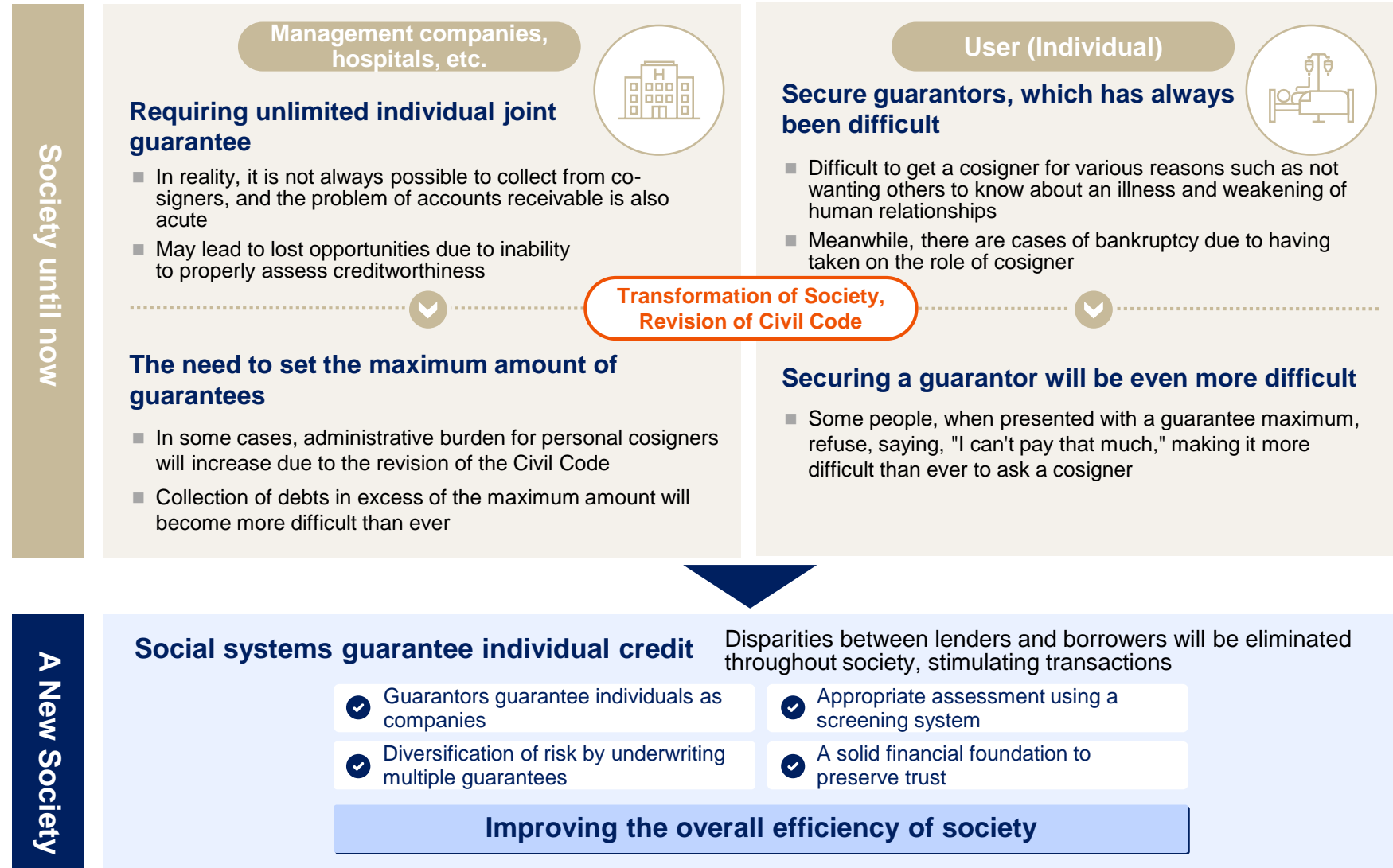
Solution business

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

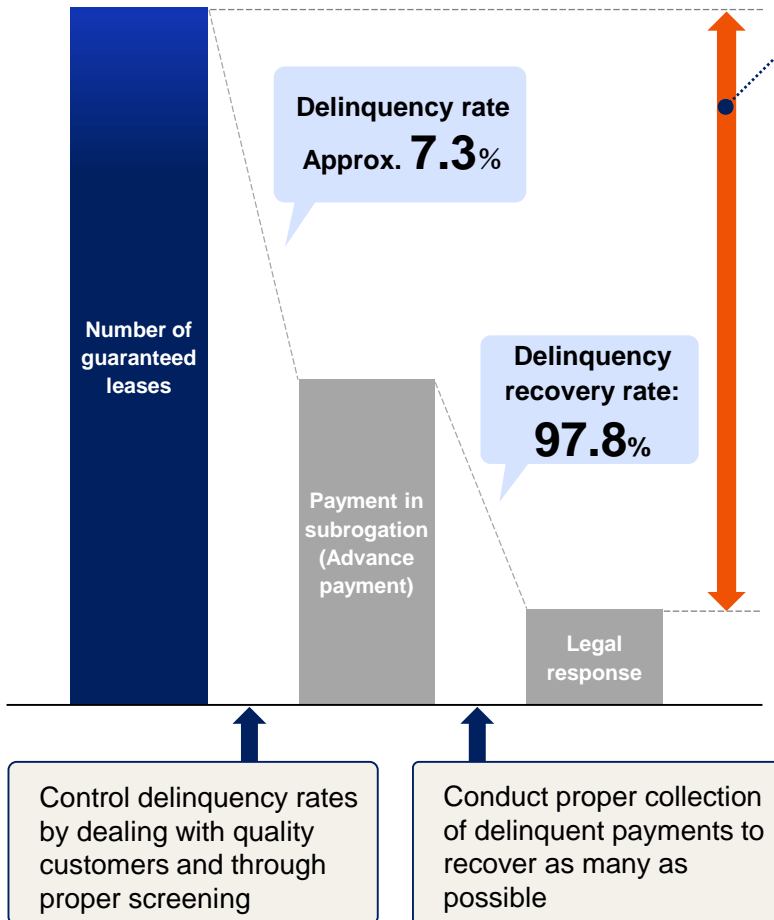


Solving unique customer needs with professional services

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



About
270,000
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



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

Number of hospitals nationwide
Approx. **8,300**

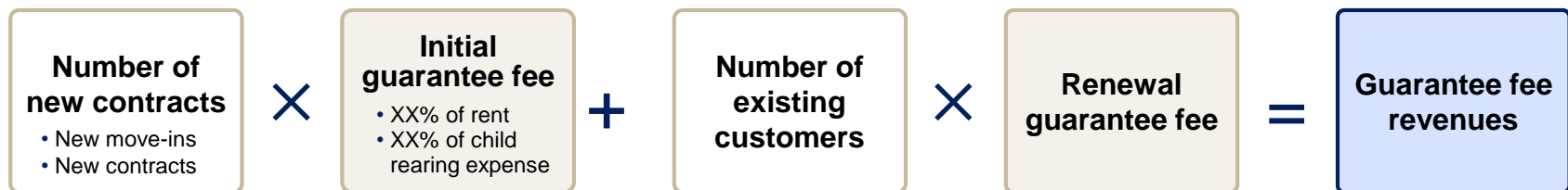
Our results

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Entrust Inc. target

Key KPIs

Guarantee rent, elderly care, and child rearing expenses



* Prorated over warranty period

Medical care expense guarantees

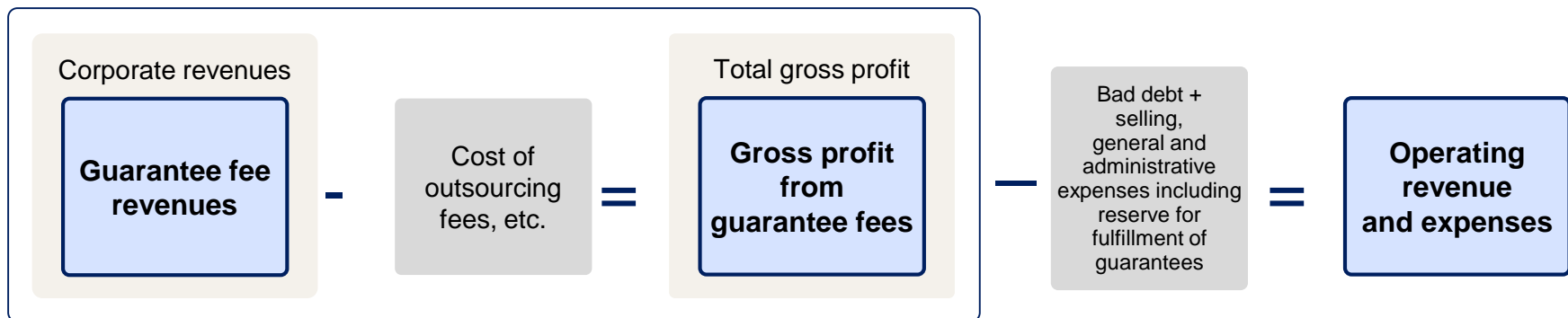


..... Smahosu

..... 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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