



Fiscal Year Ending March 31, 2024 Third Quarter

Results Briefing Information Materials

Entrust Inc.

Securities Code: 7191

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Performance Overview

Strong results with net sales at **141.2%** year-on-year and operating profit at **126.9%** year-on-year

- The guarantee business remains on a growth trend, with renewal guarantee fees increasing as well
- The number of new contracts for property rent guarantees has grown steadily, increasing sales and profits

(Million yen)

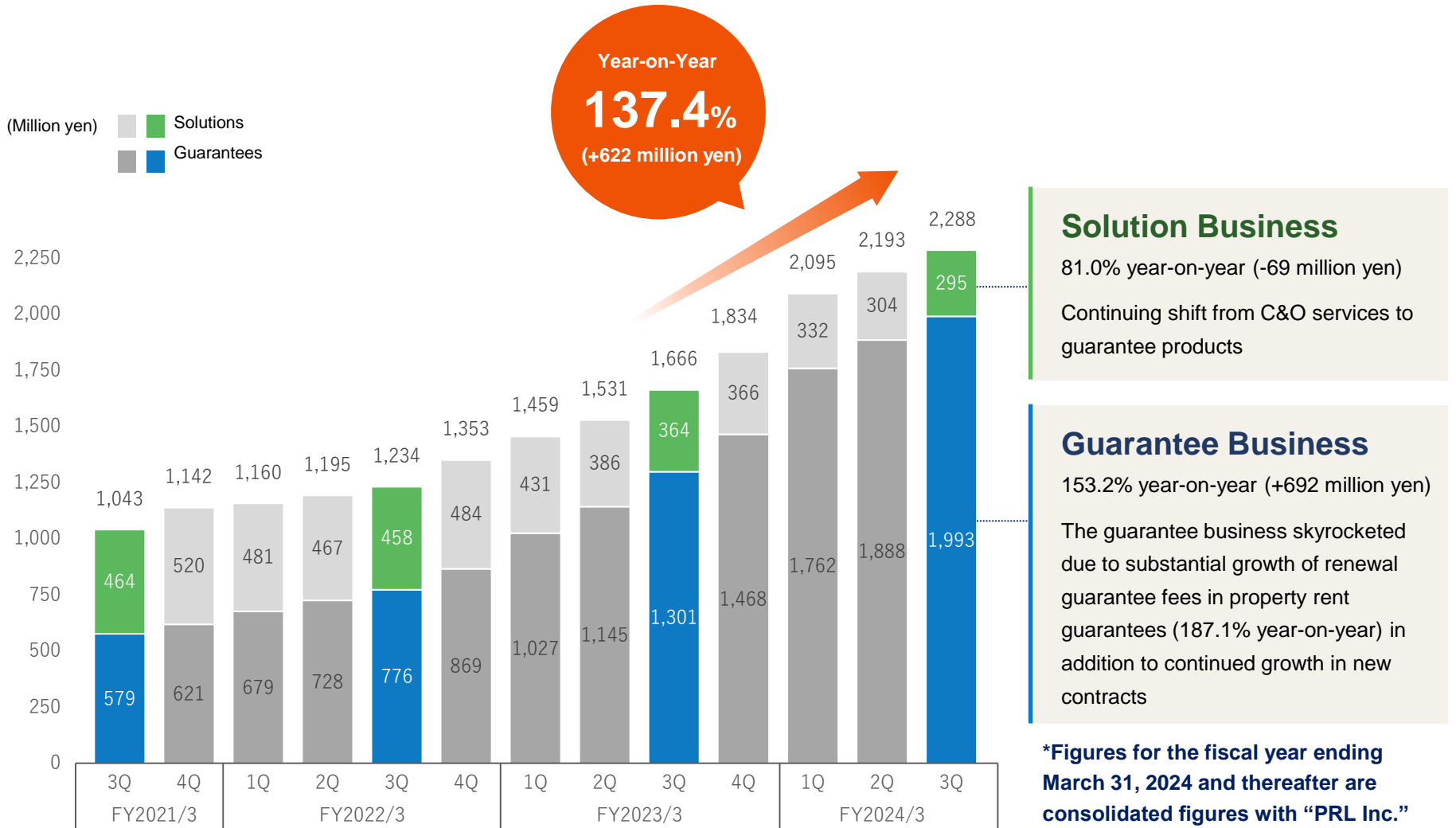
	2022/12 Actual	2023/12 Actual	Year-on-year
Net sales	4,656	6,577	141.2%
Operating profit	1,210	1,535	126.9%
(Margin)	26.0%	23.3%	-
Ordinary profit	1,208	1,531	126.7%
(Margin)	25.9%	23.3%	-
Net income	740	877	118.4%
(Margin)	15.9%	13.3%	-

- Property rent guarantee growth has contributed, with significant growth in both initial and renewal guarantee fees
- Subrogation payments and rent collection payment costs increased with the growth in property rent guarantees
- Premier Life Inc. (“PRL Inc.”) in the black every month in the third quarter
Proactive business improvement will be continued

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

Net Sales by Quarter

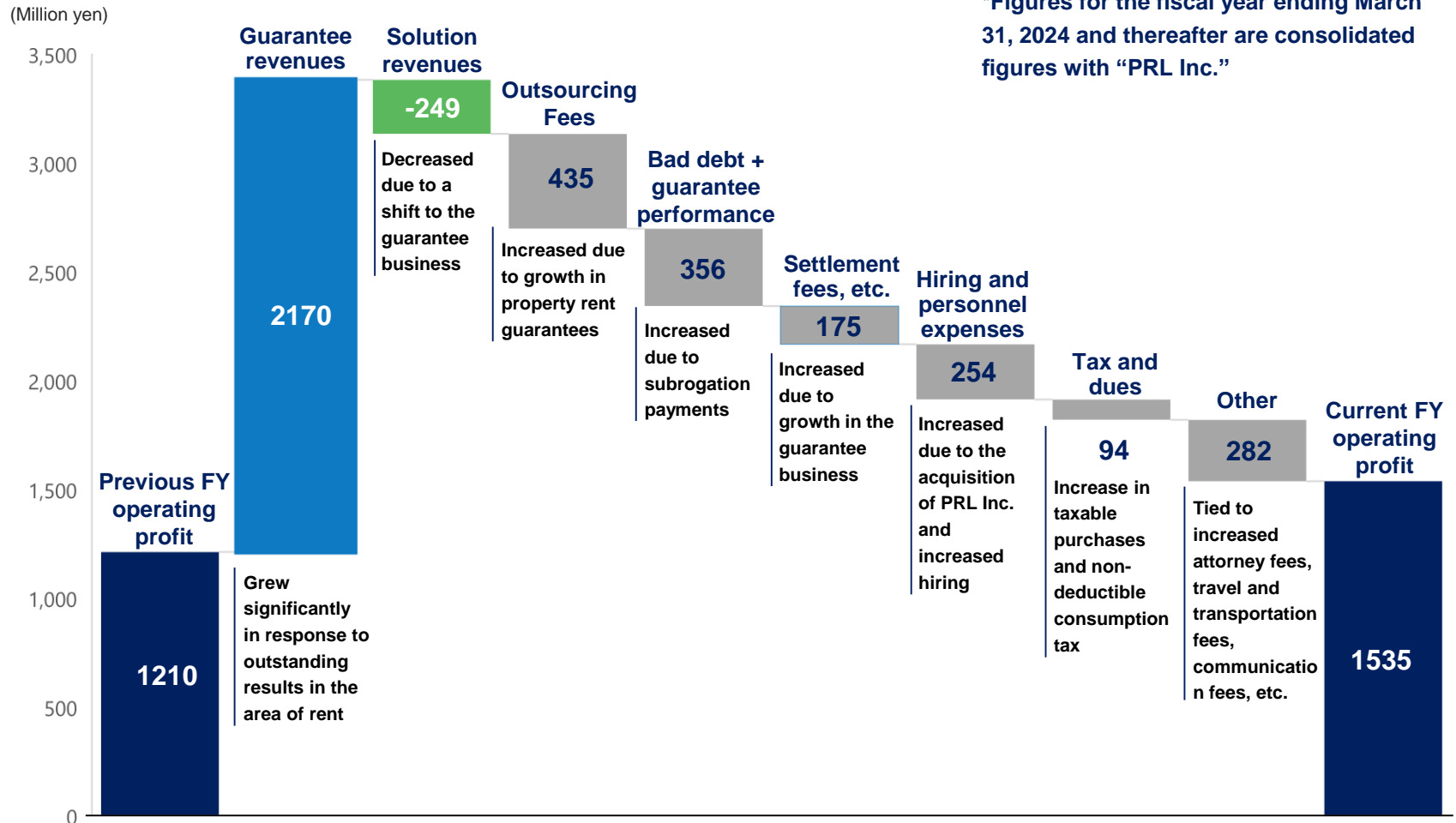
- Sales in the guarantee business made great progress, significantly outperforming the previous fiscal year 137.4% year-on-year (+622 million yen)



Analysis of Changes in Operating Profit

- Contribution from increased guarantee revenue
- Guarantee-related costs (business outsourcing fees, bad debt-related costs, settlement fees) absorbed and operating profit grew

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

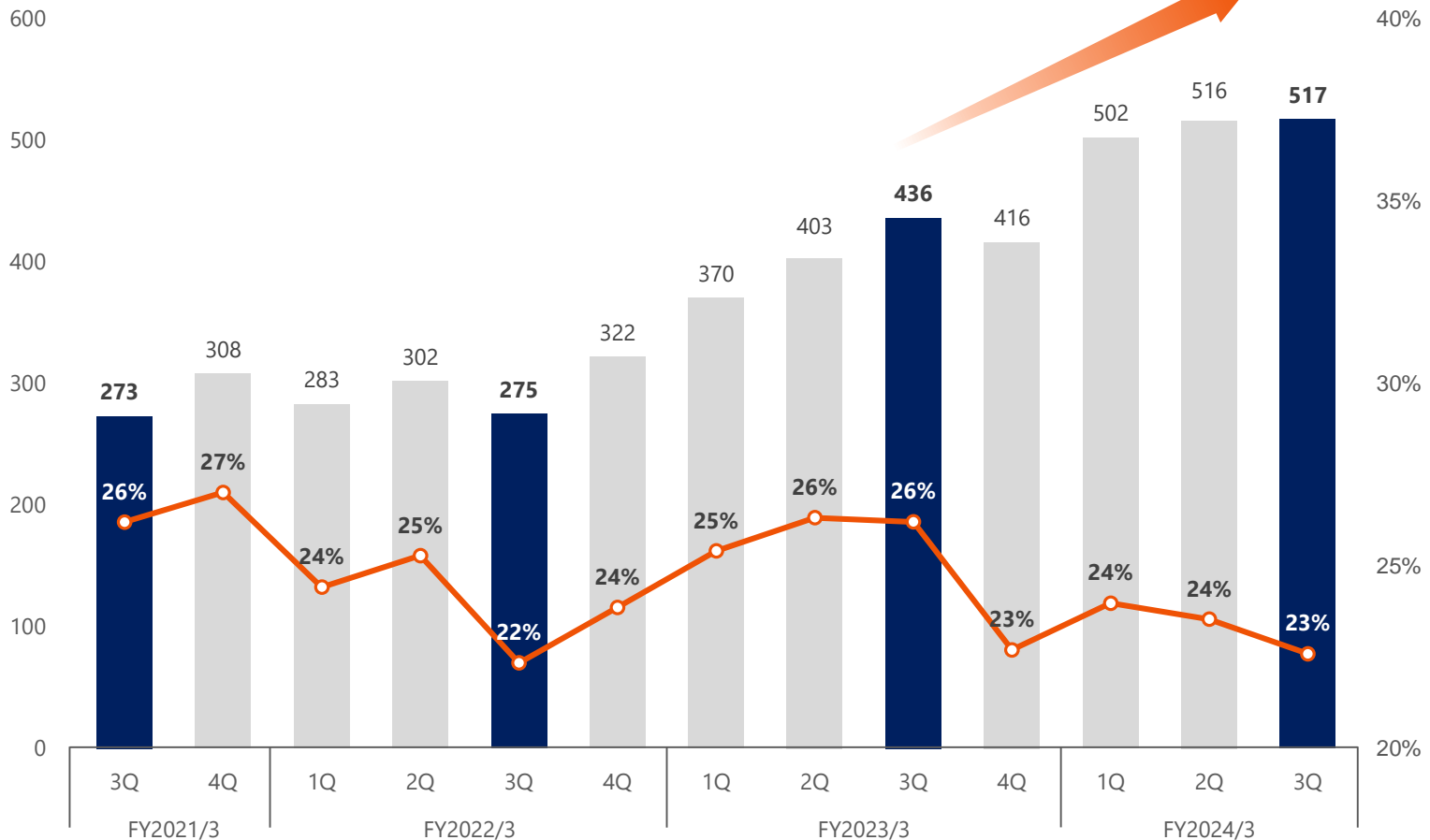


Operating Profit by Quarter

- Operating profit increased significantly to 118.4% year-on-year
- Operating profit margin remained steady at nearly 23% despite a temporary decrease due to increased hiring costs/bad debt expenses and the development of a new subscriber-only website

Year-on-Year
+118.4%

(Million yen)

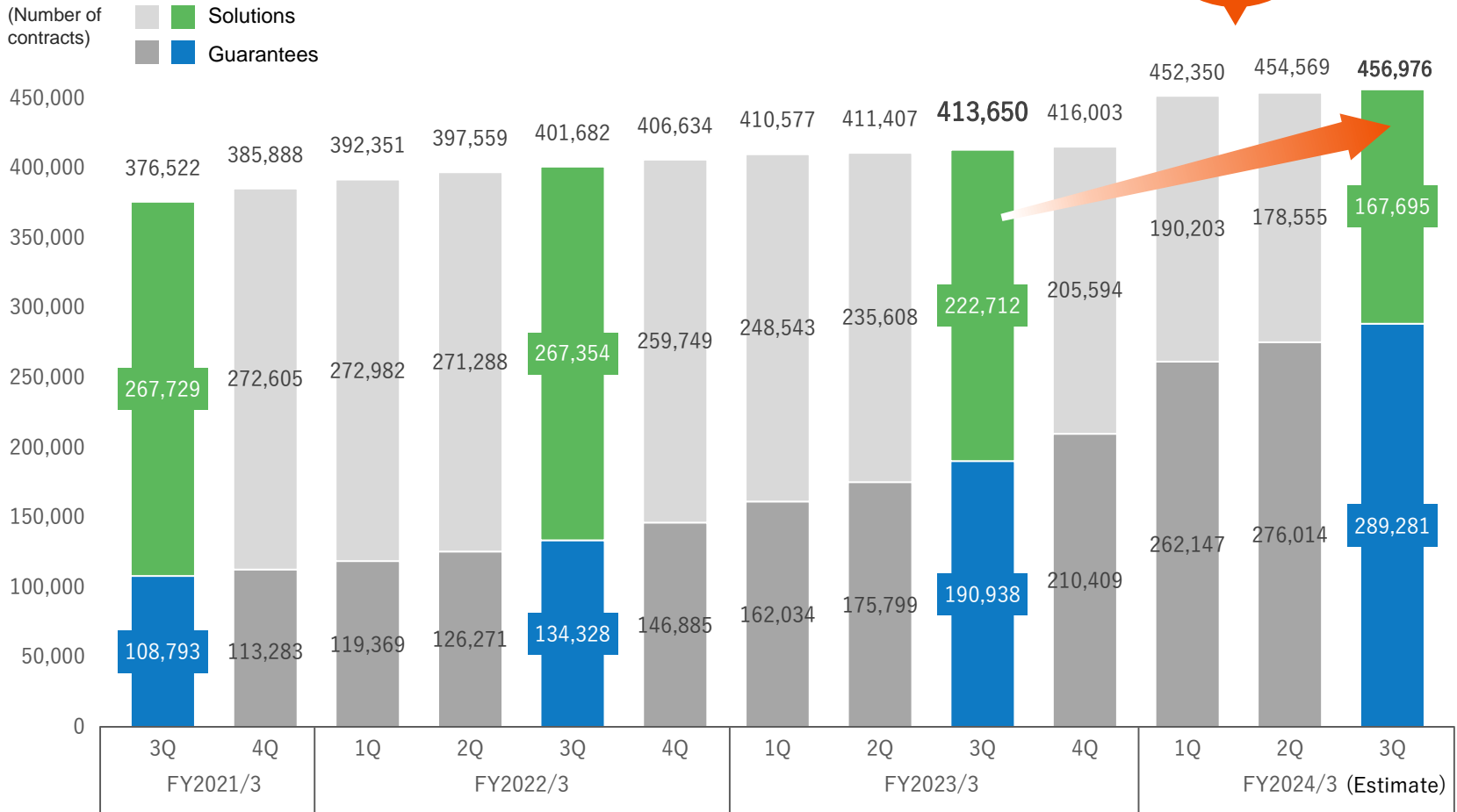


Number of Contracts in the Area of Property Rentals

■ 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 Comparison
+43,162 contracts



*The number of contracts for the fiscal year ending March 31, 2024 and thereafter includes those held by PRL Inc.

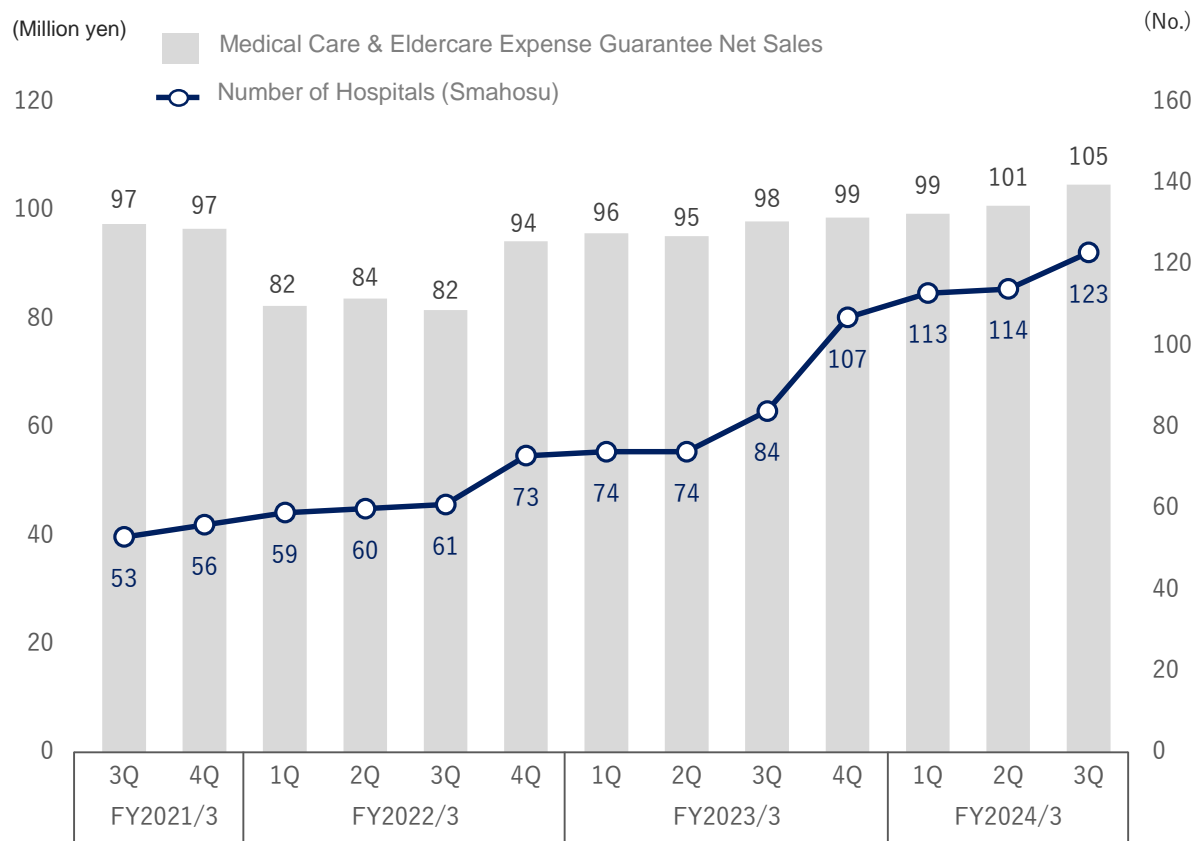
Medical Care & Eldercare Expense Guarantee Sales by Quarter

■ Medical Care: Increased Quotation Requests for Smahosu

- Active sales activities in collaboration with insurance companies and sales support companies, ongoing efforts to strengthen sales to expand channels

■ Eldercare: Eldercare Expense Guarantees With Accident Insurance Remained Strong

- Newly adopted by 4 service providers from the end of the previous fiscal year through 3Q



- **Continued Growth for co-signer agent system Smahosu**

123 medical facilities +9 compared to 4Q of the previous fiscal year

29,751 hospital beds

- **Hospitalization set with medical care expense guarantee and other products**

52 medical facilities

9,633 hospital beds

- **Eldercare expense guarantees**

229 eldercare service providers +4 compared to 4Q of the previous fiscal year

Other Financial Data (Balance Sheet)

(Million yen)

	2022/12 (Previous fiscal year)	2023/12 (Current fiscal year)	Change in amount
Current assets	6,216	7,722	1,506
Cash and deposits	3,895	5,183	1,288
Accounts receivable - trade	205	209	4
Advances paid	2,533	3,538	1,005
Other	457	466	8
Allowance for doubtful accounts	-875	-1,675	-799
Non-current assets	1,005	1,157	152
Property, plant, and equipment	85	167	81
Intangible assets	219	239	19
Investments and other assets	699	750	50
Current liabilities	2,215	2,998	783
(Contract liabilities)	1,521	1,949	427
(Reserve for fulfillment of guarantees)	161	354	192
Non-current liabilities	106	156	49
Net assets	4,900	5,725	825
Total assets	7,222	8,880	1,658

Grew in connection with the increase in new contracts for property rent guarantees

*Sufficient and appropriate amount against subrogation payments

Contract liabilities, a source of income from the following month onward, increased due to an increase in new contracts for property rent guarantees (28.1% increase)

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Summary and Progress of the Plan for the Entire Fiscal Year

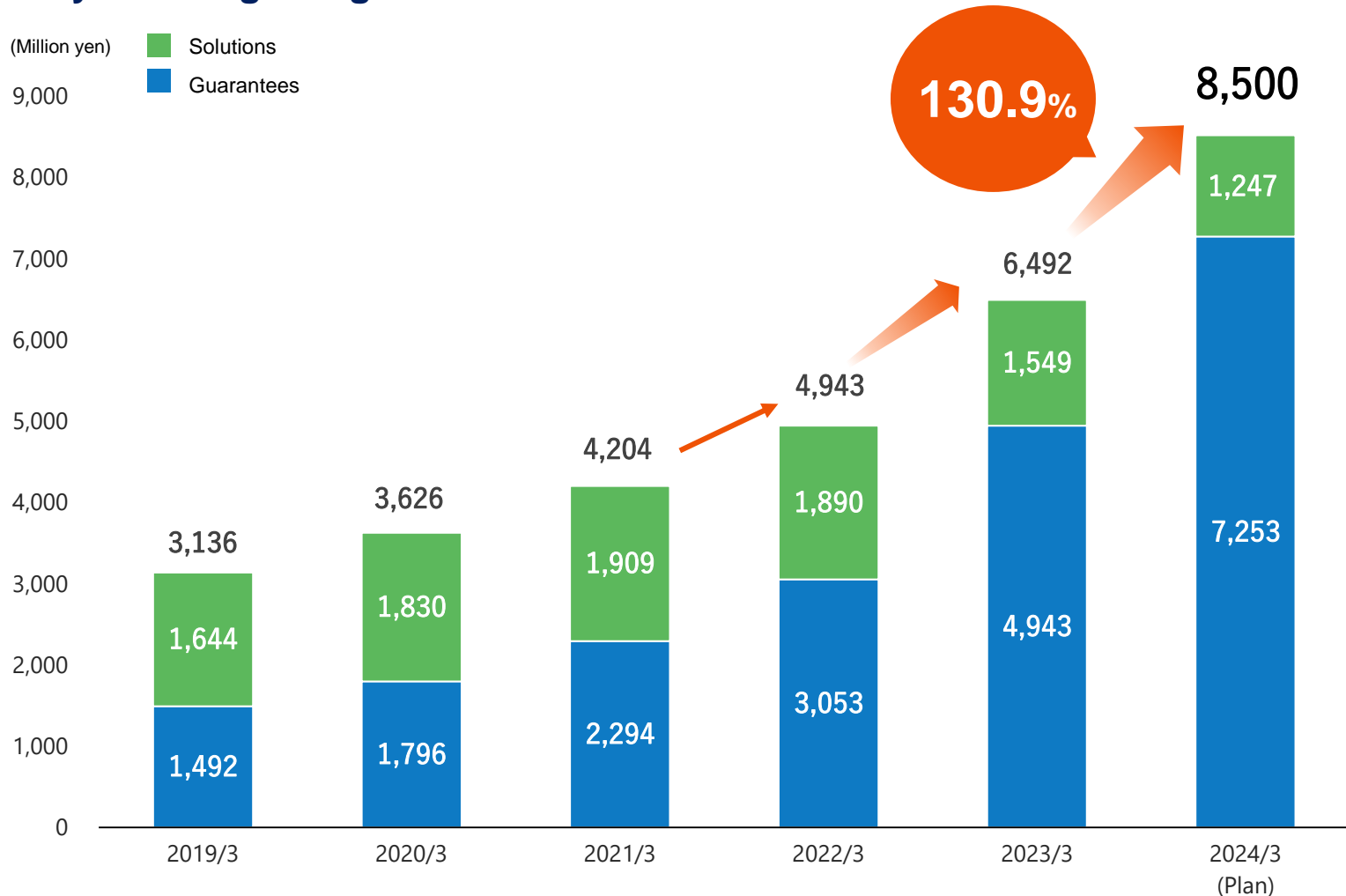
- Both net sales and operating profit in 3Q progressed as planned
New contracts to be accumulated during 4Q, the peak season
- **Growth plans for both sales and operating profit exceed the Medium-term Management Plan**

(Million yen)

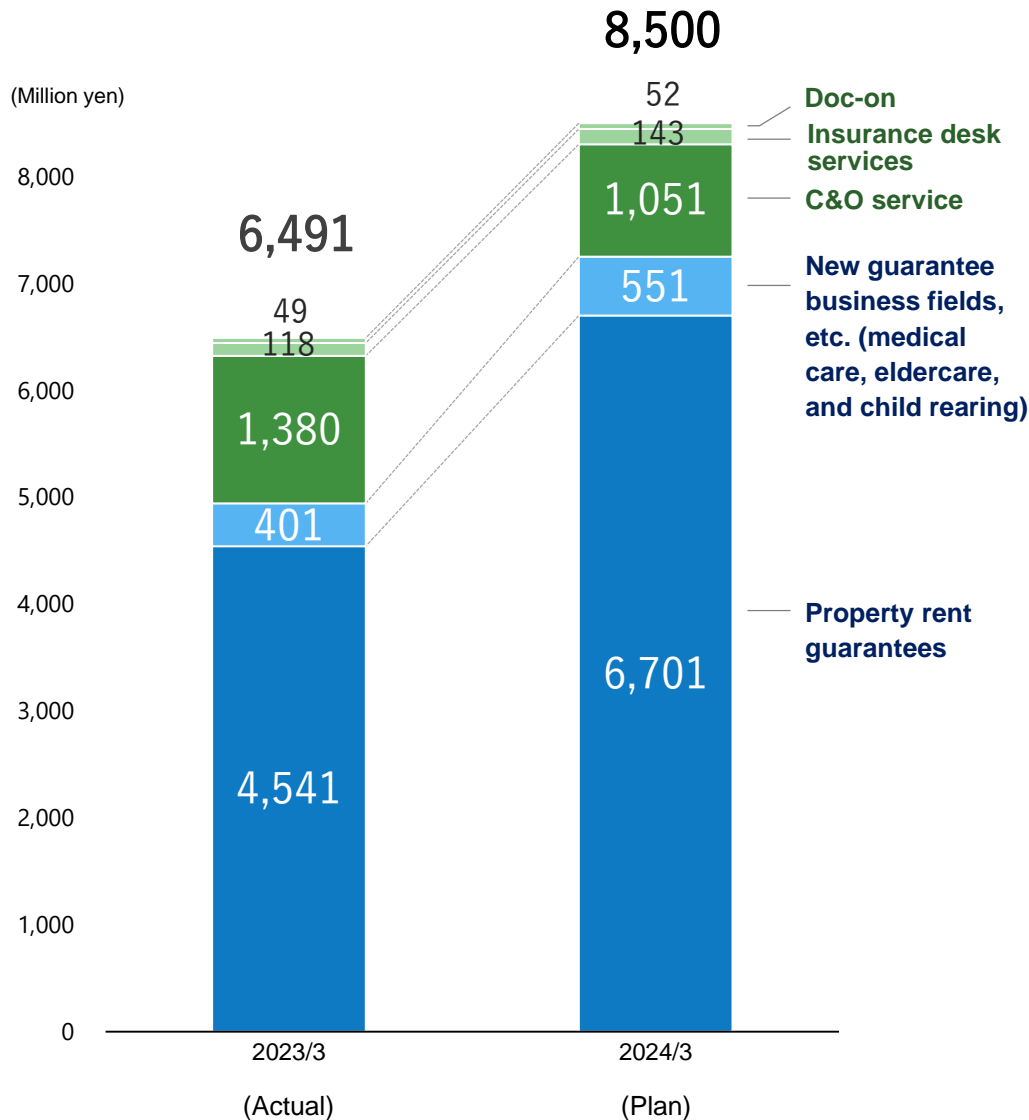
	2023/3 Actual	Medium-term Management Plan	2024/3 Plan	2023/12 Actual	Annual progress rate
Net sales	6,491	8,000	8,500	6,577	77.4%
Operating profit	1,627	2,000	2,100	1,535	73.1%
(Margin)	25.1%	25.0%	24.7%	23.3%	-
Ordinary profit	1,625	-	2,100	1,531	72.9%
(Margin)	25.0%	-	24.7%	23.3%	-
Net income	1,005	-	1,280	877	68.5%
(Margin)	15.5%	-	15.1%	13.3%	-

Net Sales by Year and Plan

- Rent liability guarantees have driven continuous increases in residential products and expansion in sales of business products
- Medical care and eldercare expense guarantees are seeing strengthened sales activity 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

Rent liability guarantees

Trend toward significant increases in new contracts continues
Renewal guarantee fees also increase significantly due to increased contracts held and monthly contracts

Medical care expense guarantees

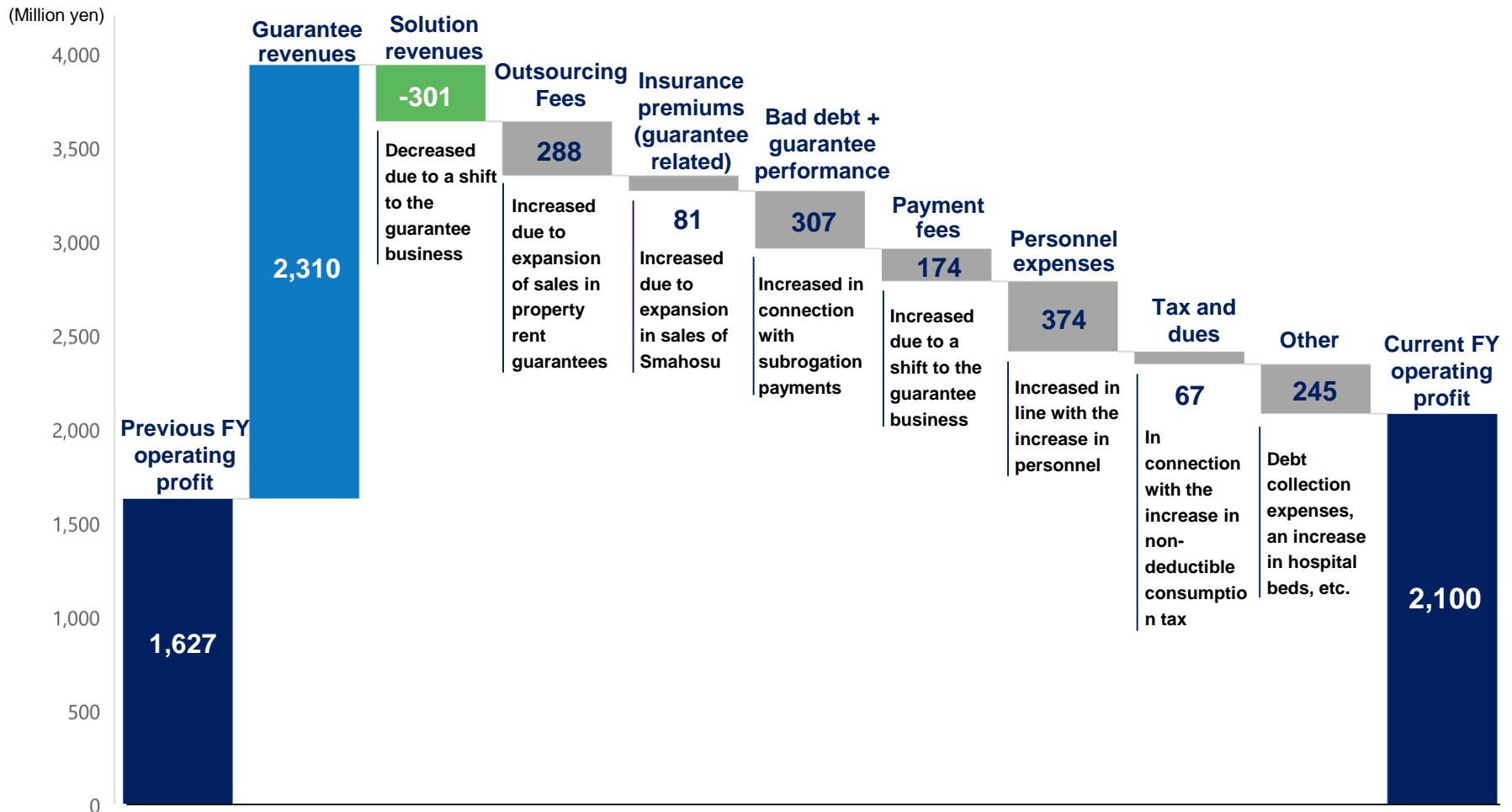
Further expansion of sales expected due to a strengthened sales system

Eldercare expense guarantees

Increase efforts to expand sales as COVID-19 subsidies

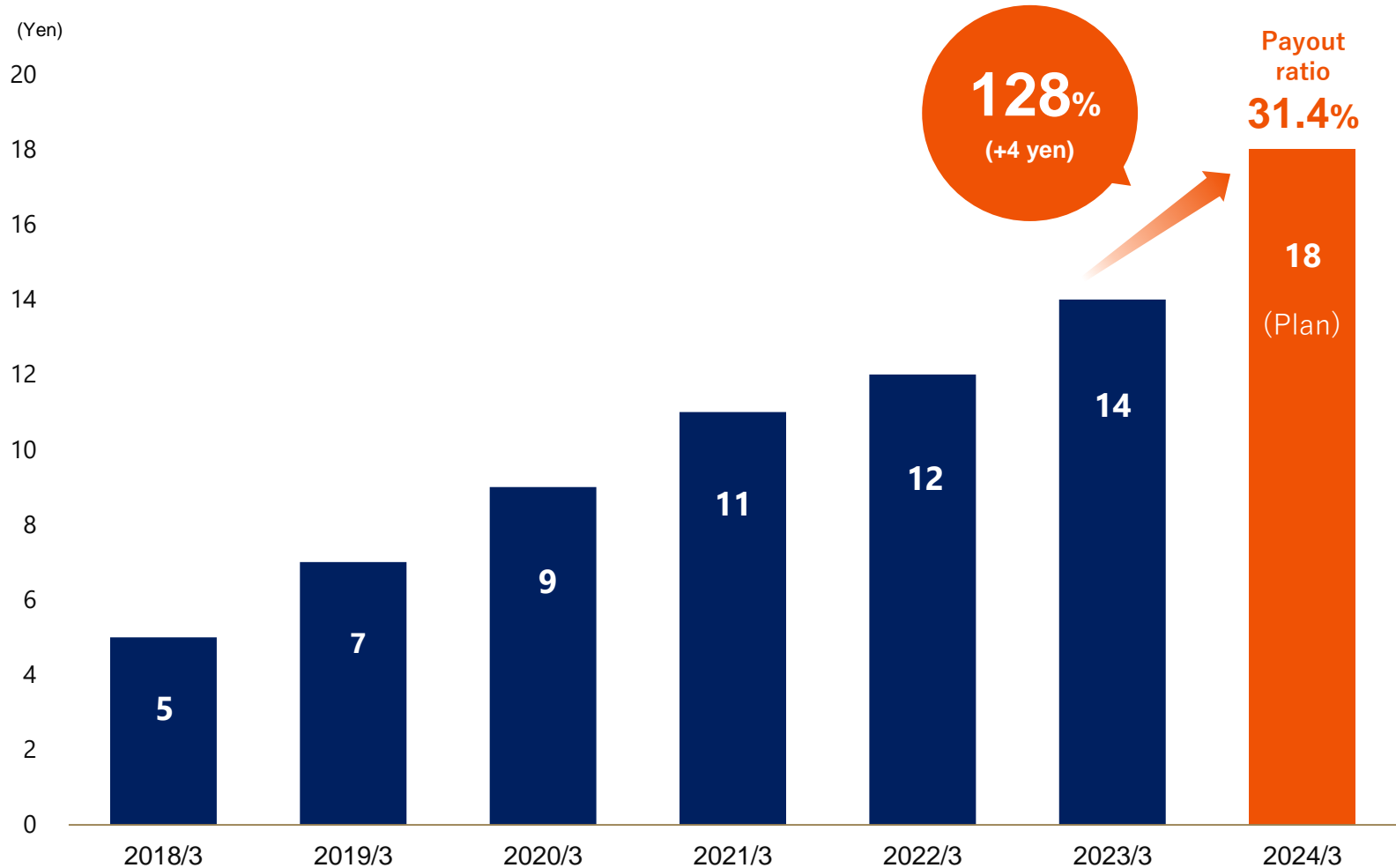
Analysis of Changes in Operating Profit (Plan)

- Increase in revenue promoted through growth in guarantee business
- Planned expansion of operating profit that exceeds the increase in variable expenses



Dividends by Year and Plan

- Plan to increase dividend payments for the eighth consecutive year
- Payout of dividends to increase 4 yen from the previous fiscal year to 18 yen, with a payout ratio of 31.4% forecast



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Company Profile (As of December 31, 2023)



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 Ichibancho Annex, Hamamatsu Solution Center
Number of employees	296 (including part-time workers)
Businesses	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.

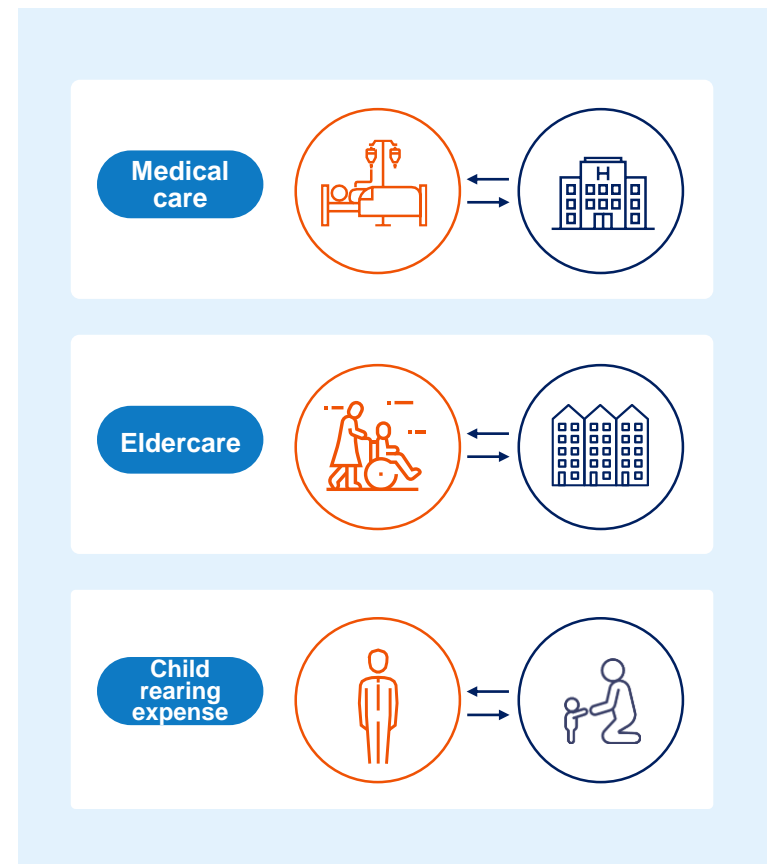
Business Lines

Guarantee business

Assume debt delinquency risk and provide various services pertaining to guarantees



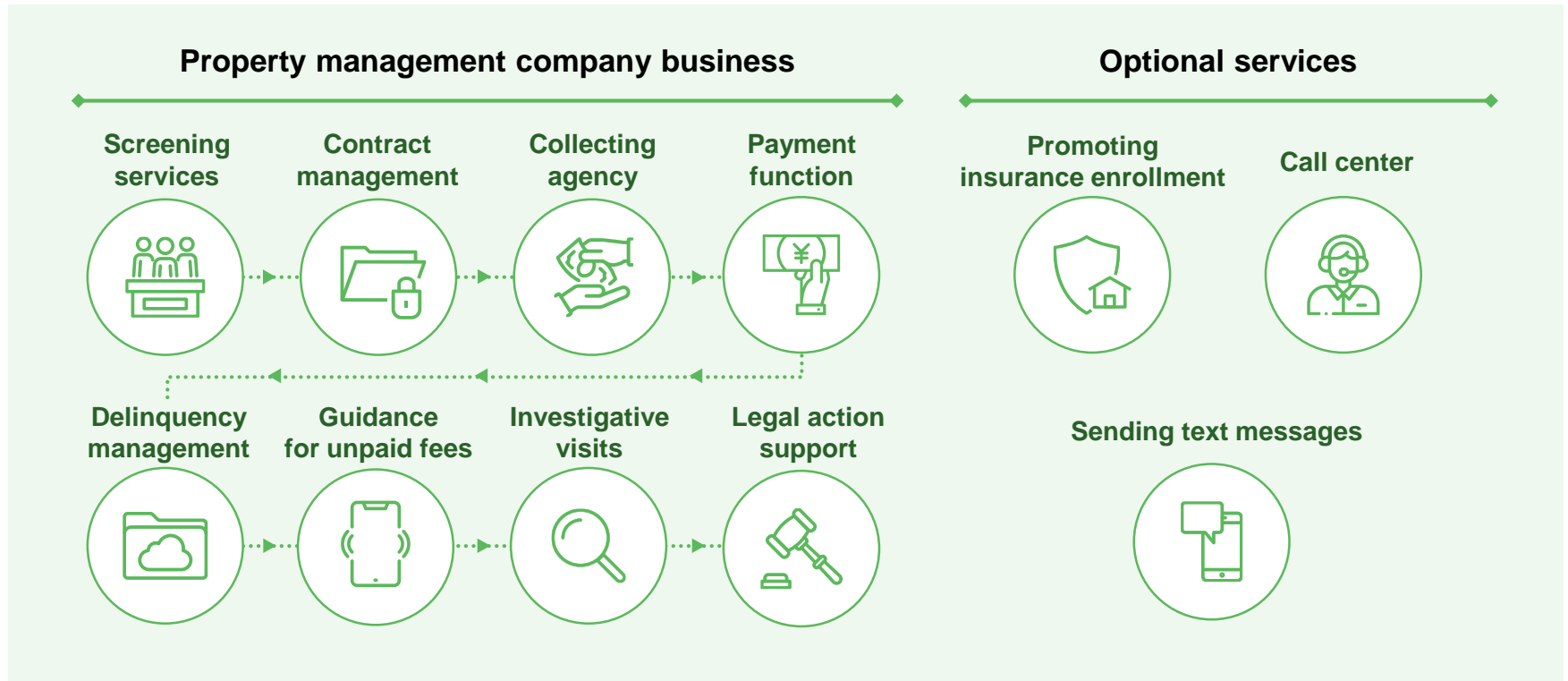
Rollout to
other
businesses
▶▶▶



Business Lines

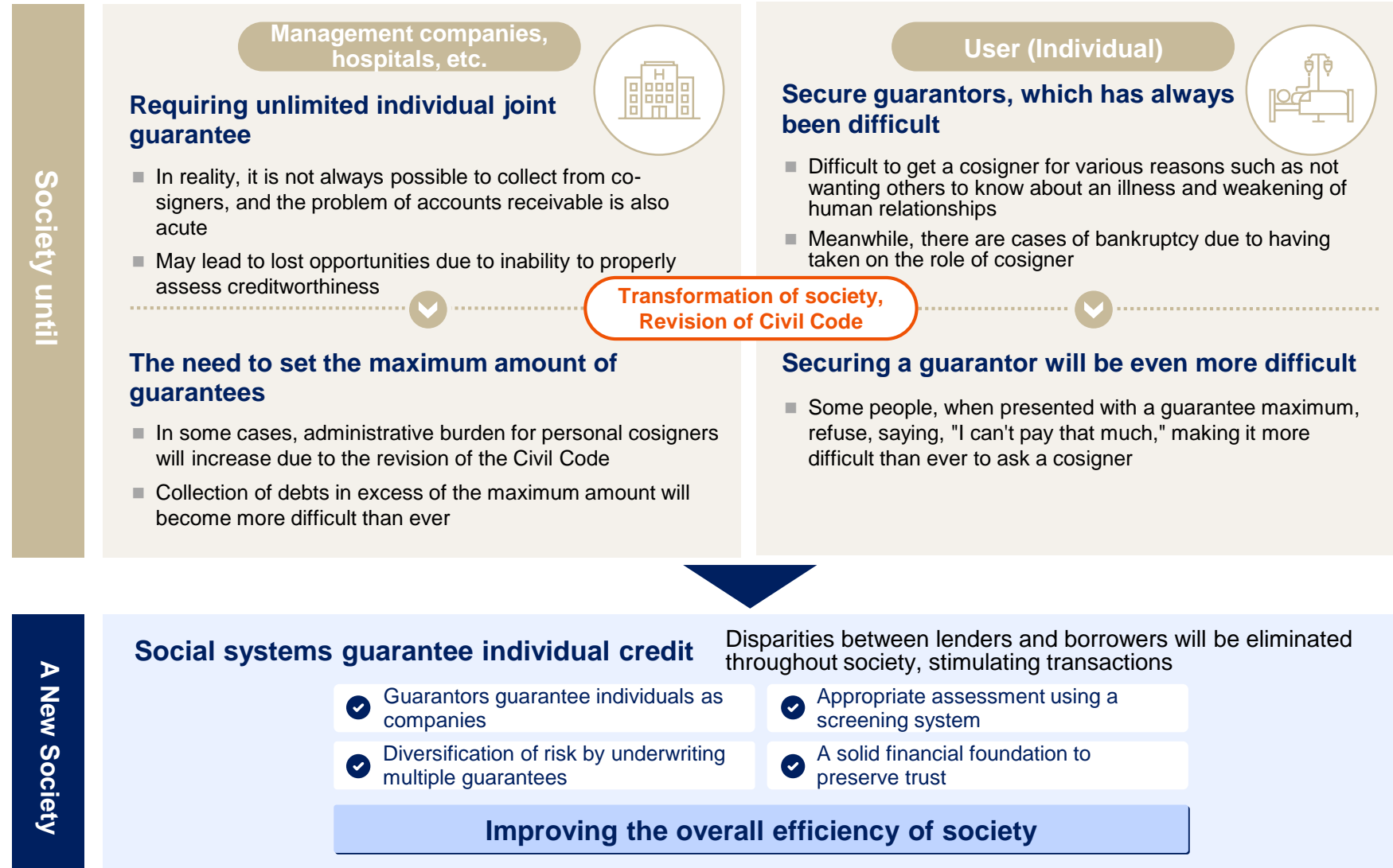
Solution business

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

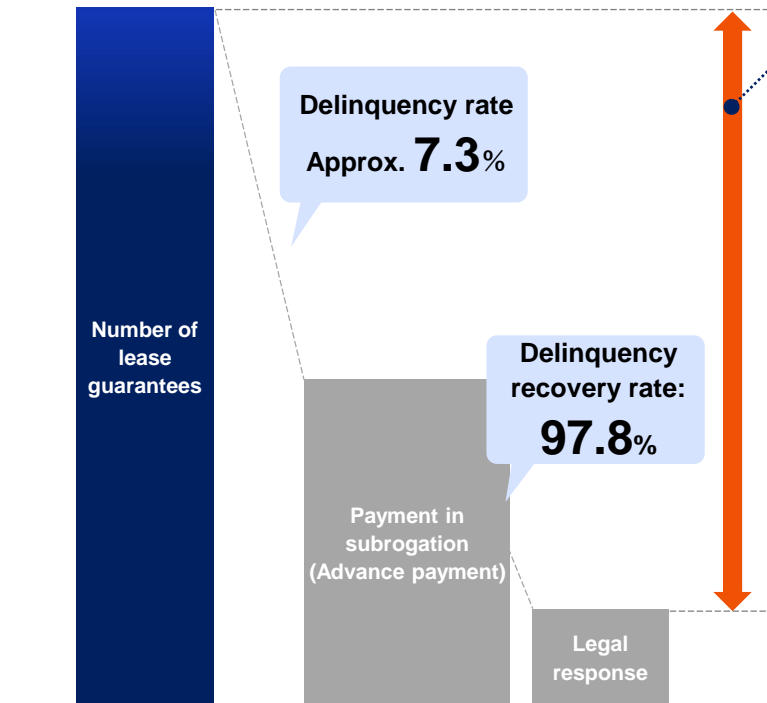


Solving unique customer needs with professional services

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



About
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 strict screening during 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

Control delinquency rates by dealing with quality customers and through proper screening

Conduct proper collection of delinquent payments to recover as many as possible

The medical cost 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**

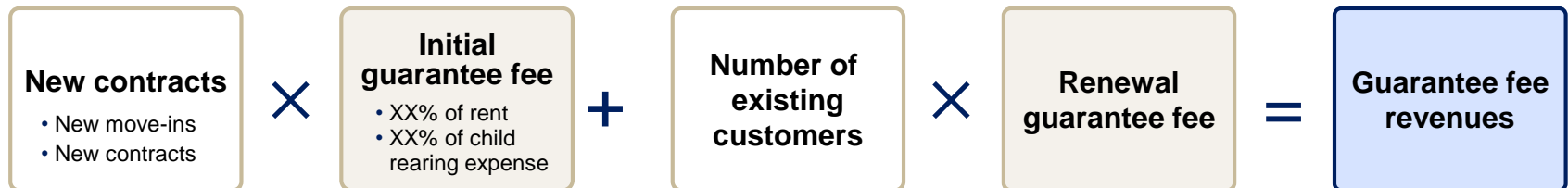
Our results

175

Entrust Inc. target

Key KPIs

Guarantee rent, elderly care, and child rearing expenses



* Prorated over warranty period

Medical care expense guarantees

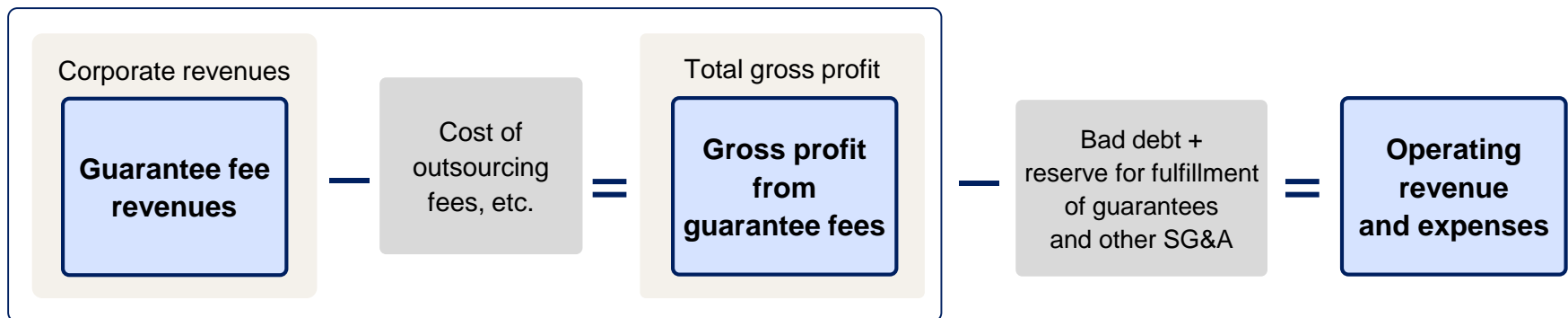


..... Smahosu

..... 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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