



Fiscal Year Ending March 31, 2024 First Quarter

Results Briefing Information Materials

Entrust Inc.

Securities Code: 7191

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Performance Overview

Strong results with net sales at **143.6%** year-on-year and operating profit at **135.5%** year-on-year

- Revenues increased due to the significant growth in property rent guarantees
- Consolidated accounting commences following the acquisition of Premier Life Inc. (“PRL Inc.”)

(Million yen)

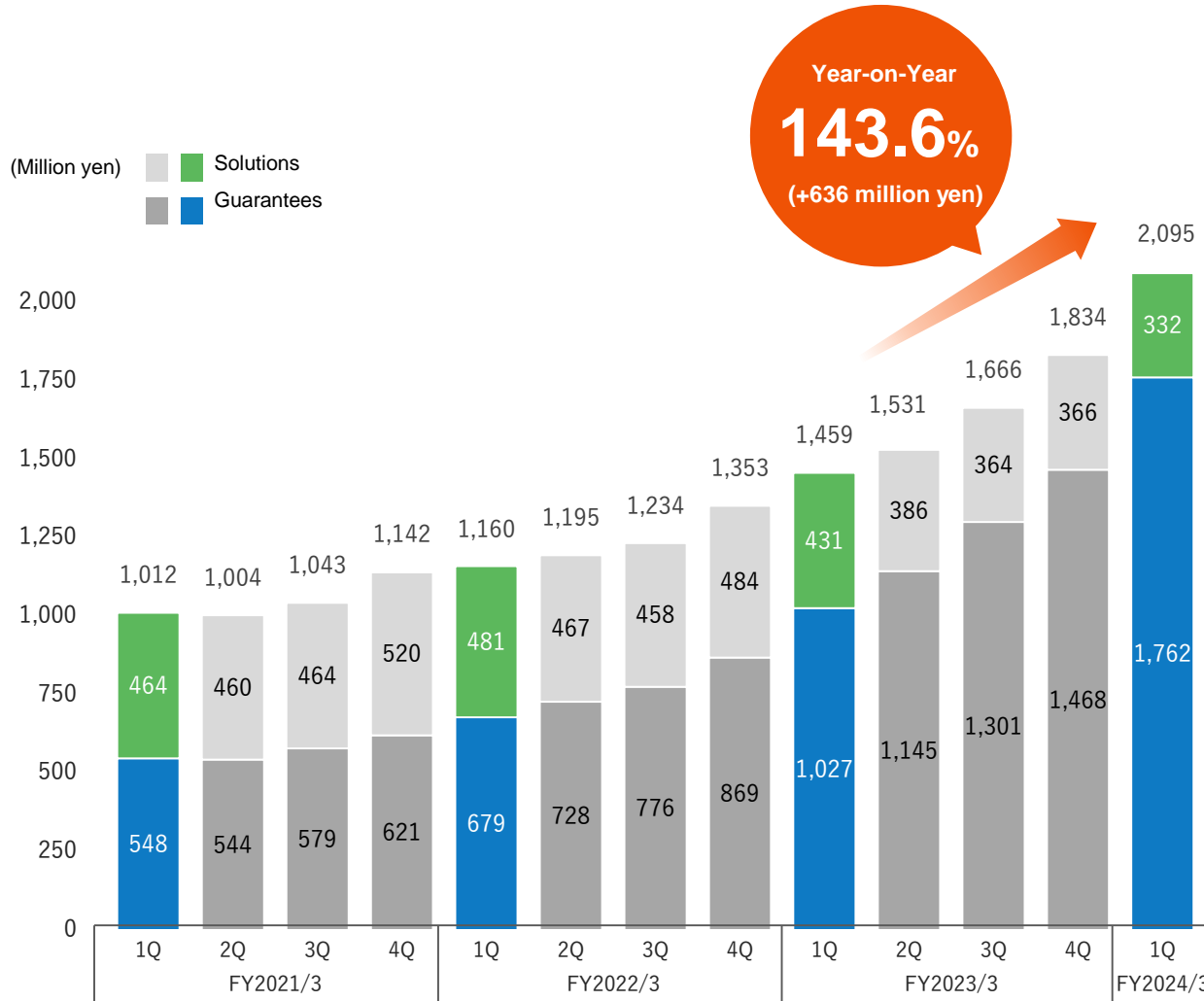
	2022/6 Actual	2023/6 Actual	Year-on-Year
Net sales	1,459	2,095	143.6%
Operating profit	370	502	135.5%
(Margin)	25.4%	24.0%	-
Ordinary profit	367	496	135.0%
(Margin)	25.2%	23.7%	-
Net income	214	280	130.7%
(Margin)	14.7%	13.4%	-

- Growth in property rent guarantees contributed to the significant growth
- Subrogation payments and rent collection payment costs increased with the growth in property rent guarantees
Temporary expenses also arose as a result of actively improving business at PRL Inc.

***Figures for the fiscal year ending March 31, 2024 and thereafter are consolidated figures**

Net Sales by Quarter

- Sales in the guarantee business made great progress, significantly outperforming the previous fiscal year 143.6% year-on-year (+636 million yen)



Solution Business

77.1% year-on-year (-98 million yen)
Continuing shift from C&O services to guarantee products

Guarantee Business

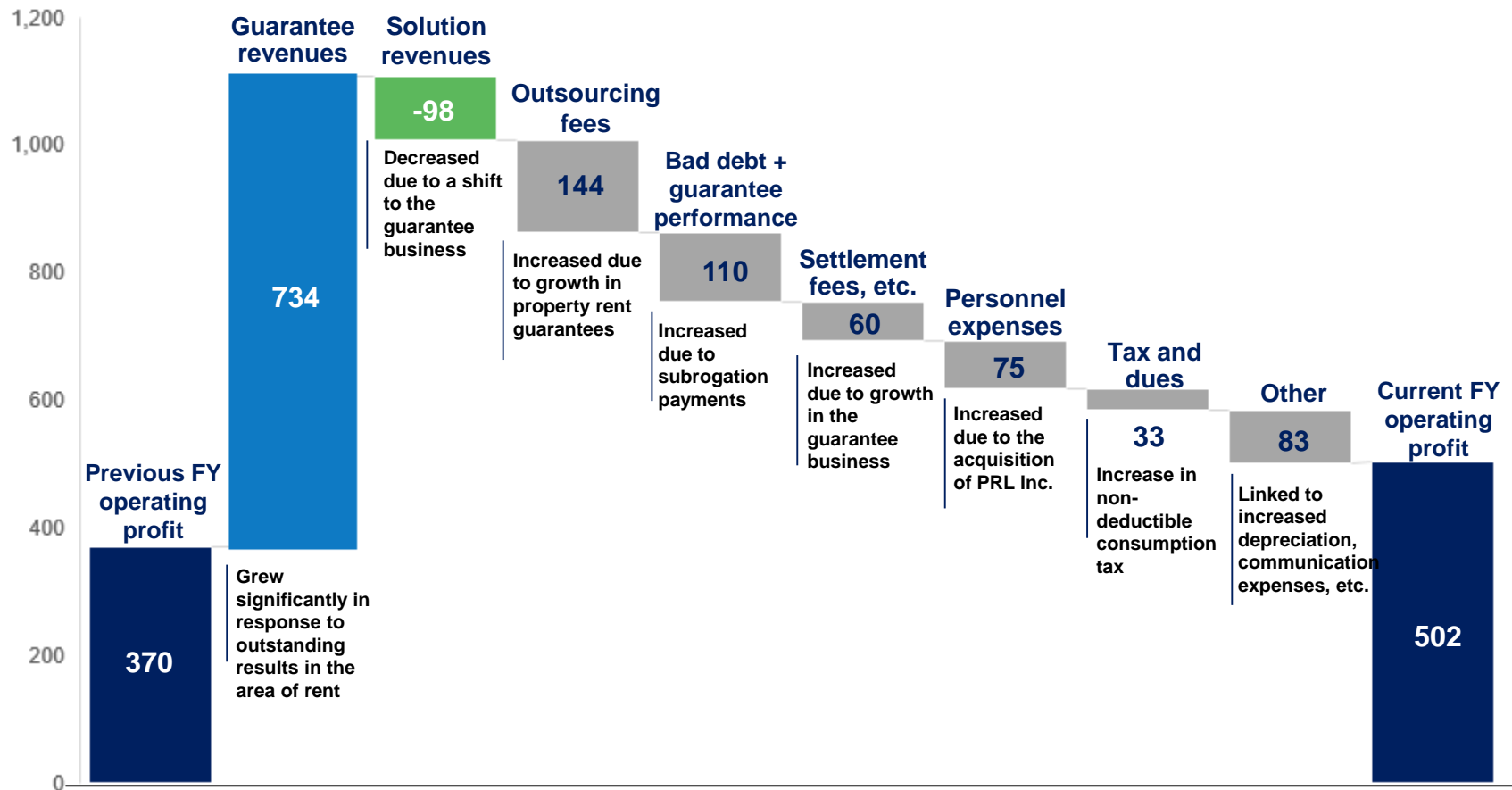
171.5% year-on-year (+734 million yen)
The guarantee business skyrocketed due to substantial growth of renewal guarantee fees in property rent guarantees (222.0% year-on-year) in addition to continued growth in new contracts

***Figures for the fiscal year ending March 31, 2024 and thereafter are consolidated figures**

Analysis of Changes in Operating Profit

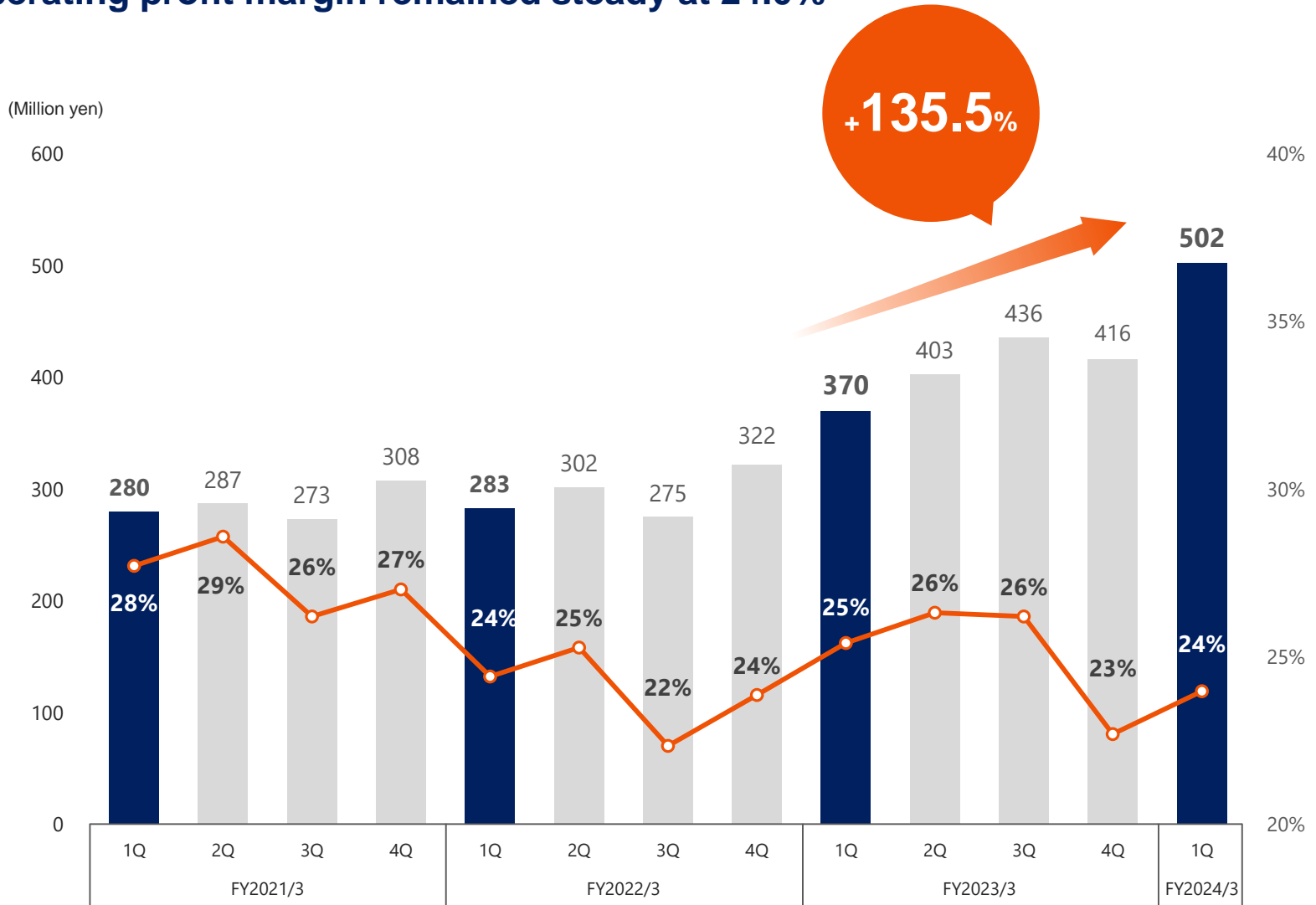
- Contribution from increased guarantee revenue
- Guarantee-related costs (business outsourcing fees, bad debt-related costs, settlement fees) absorbed and operating profit grew significantly

(Million yen)



Operating Profit by Quarter

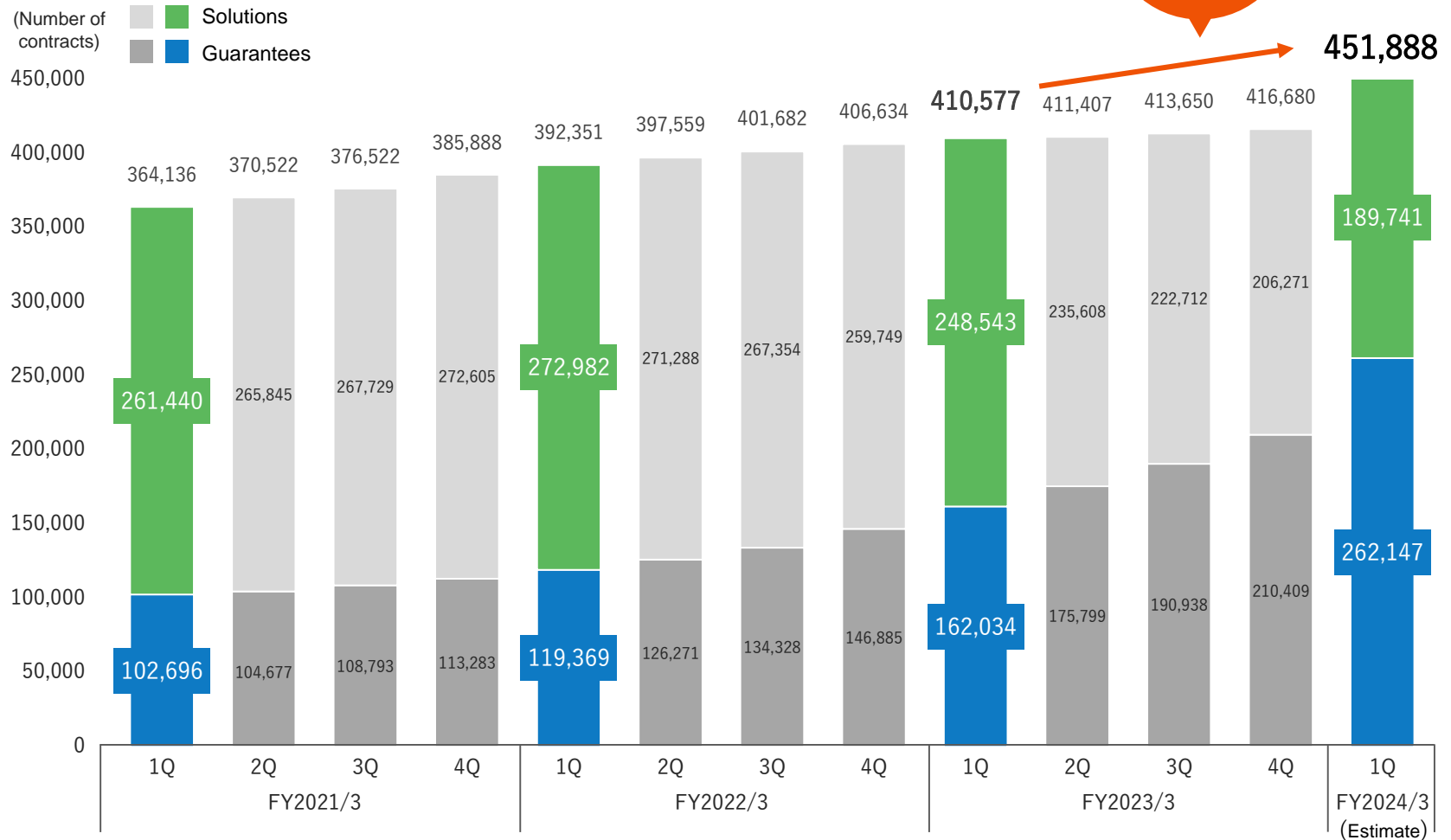
- Operating profit increased significantly to 135.5% year-on-year
- Operating profit margin remained steady at 24.0%



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



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

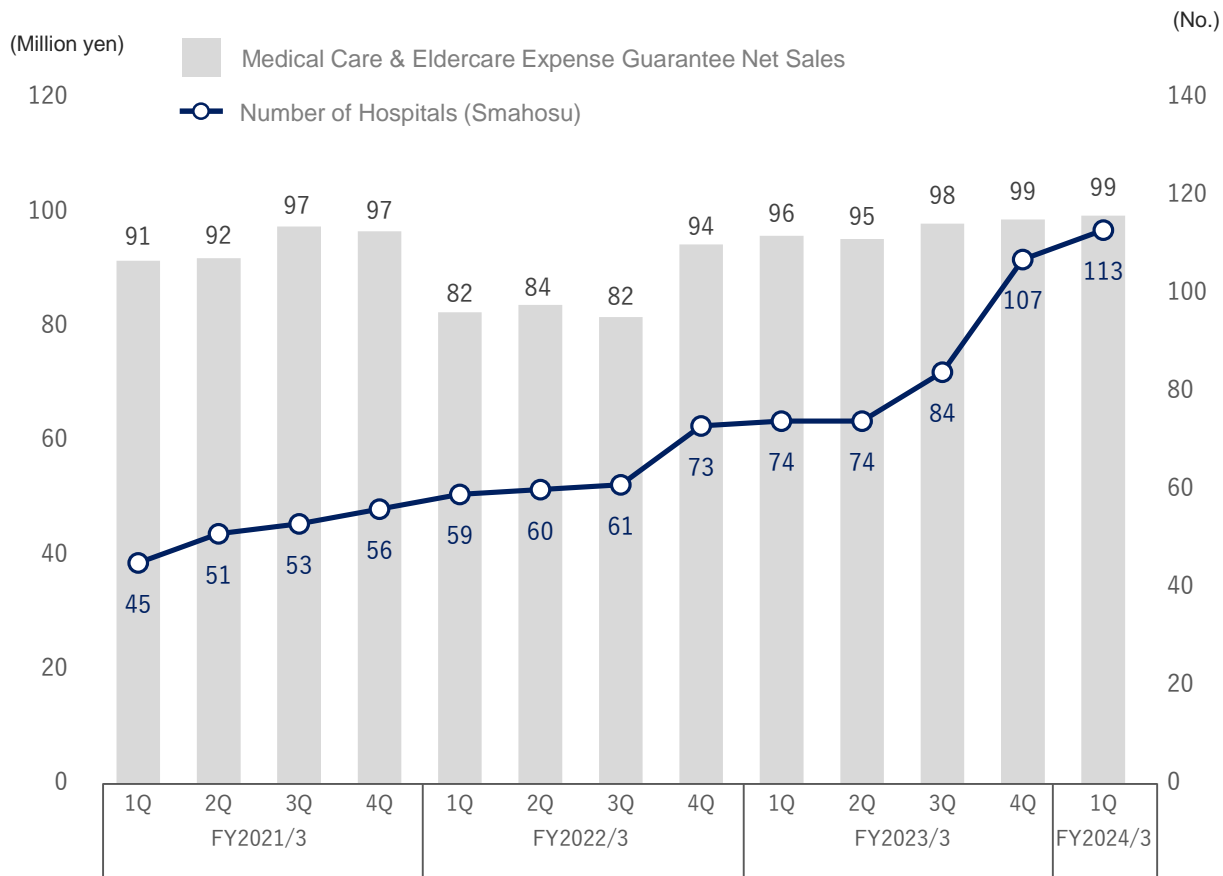
Medical Care & Eldercare Expense Guarantee Sales by Quarter

■ Medical Care: Increased Quotation Requests for Smahosu

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

■ Eldercare: Eldercare Expense Guarantees With Accident Insurance Remained Strong

- Newly adopted by 9 service providers as of the end of June 2023



• Continued Growth For Co-Signer Agent System Smahosu

113 medical facilities

+6 compared with the end of the previous fiscal year

27,997 hospital beds

• Hospitalization set with medical care expense guarantee and other products

62 medical facilities

-10 compared with the end of the previous fiscal year

11,473 hospital beds

• Eldercare expense guarantees

220 eldercare service providers

+9 compared with the end of the previous fiscal year

Other Financial Data (Balance Sheet)

(Million yen)

	2022/6 (Previous fiscal year)	2023/6 (Current fiscal year)	Change in amount
Current assets	5,588	7,185	1,597
Cash and deposits	3,428	4,695	1,266
Accounts receivable - trade	213	182	-30
Advances paid	2,199	3,110	910
Other	477	542	64
Allowance for doubtful accounts	-730	-1,344	-614
Non-current assets	992	1,221	228
Property, plant, and equipment	92	178	85
Intangible assets	235	249	13
Investments and other assets	663	793	130
Current liabilities	1,939	2,879	940
(Contract liabilities)	1,423	2,043	619
(Reserve for fulfillment of guarantees)	133	284	151
Non-current liabilities	103	152	48
Net assets	4,537	5,375	837
Total assets	6,580	8,406	1,826

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 (43% increase)

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Summary and Progress of the Plan for the Entire Fiscal Year

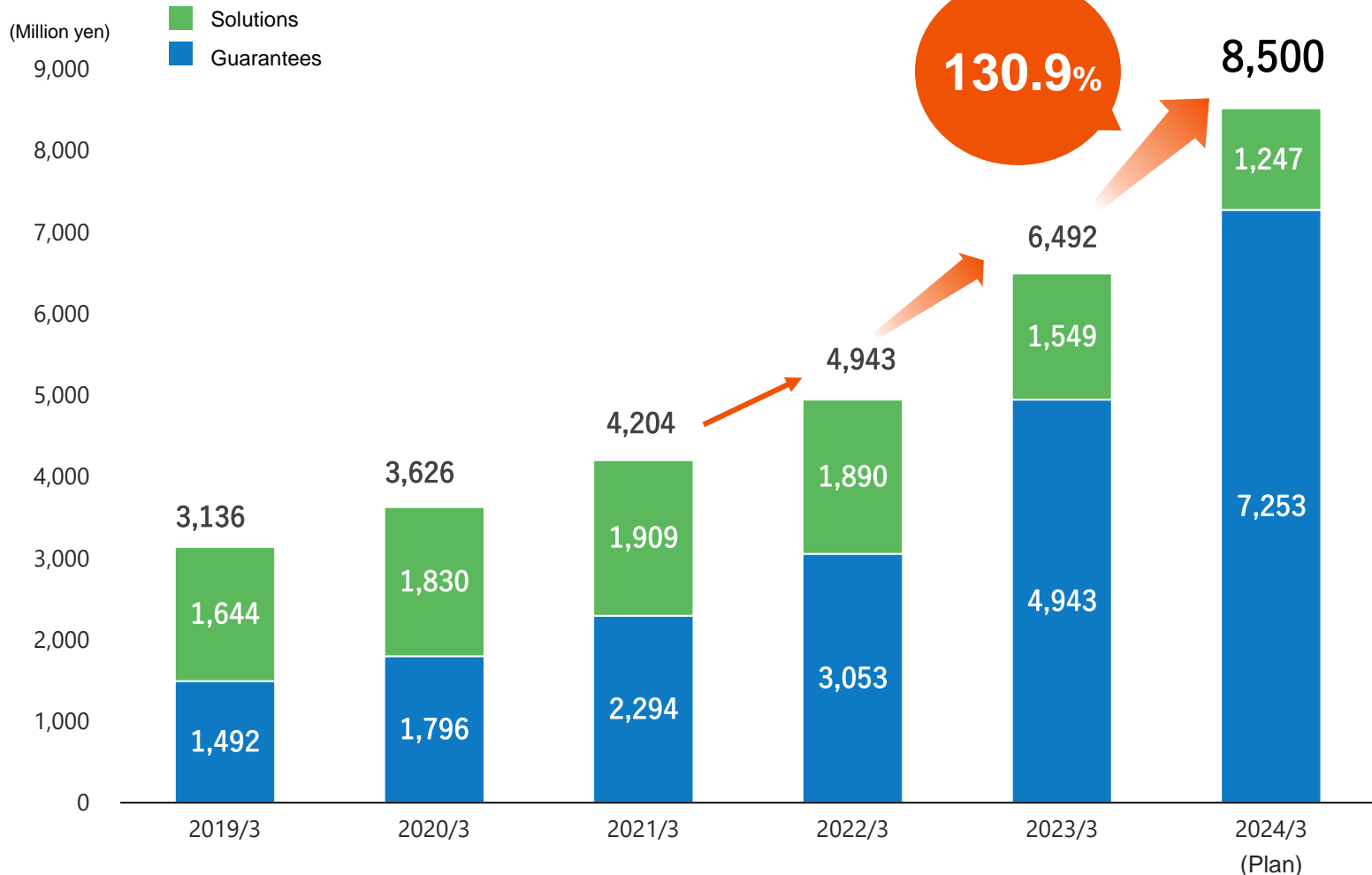
- Growth plans for both sales and operating profit exceed the Medium-term Management Plan
- Both net sales and operating profit in 1Q are progressing ahead of the plan

(Million yen)

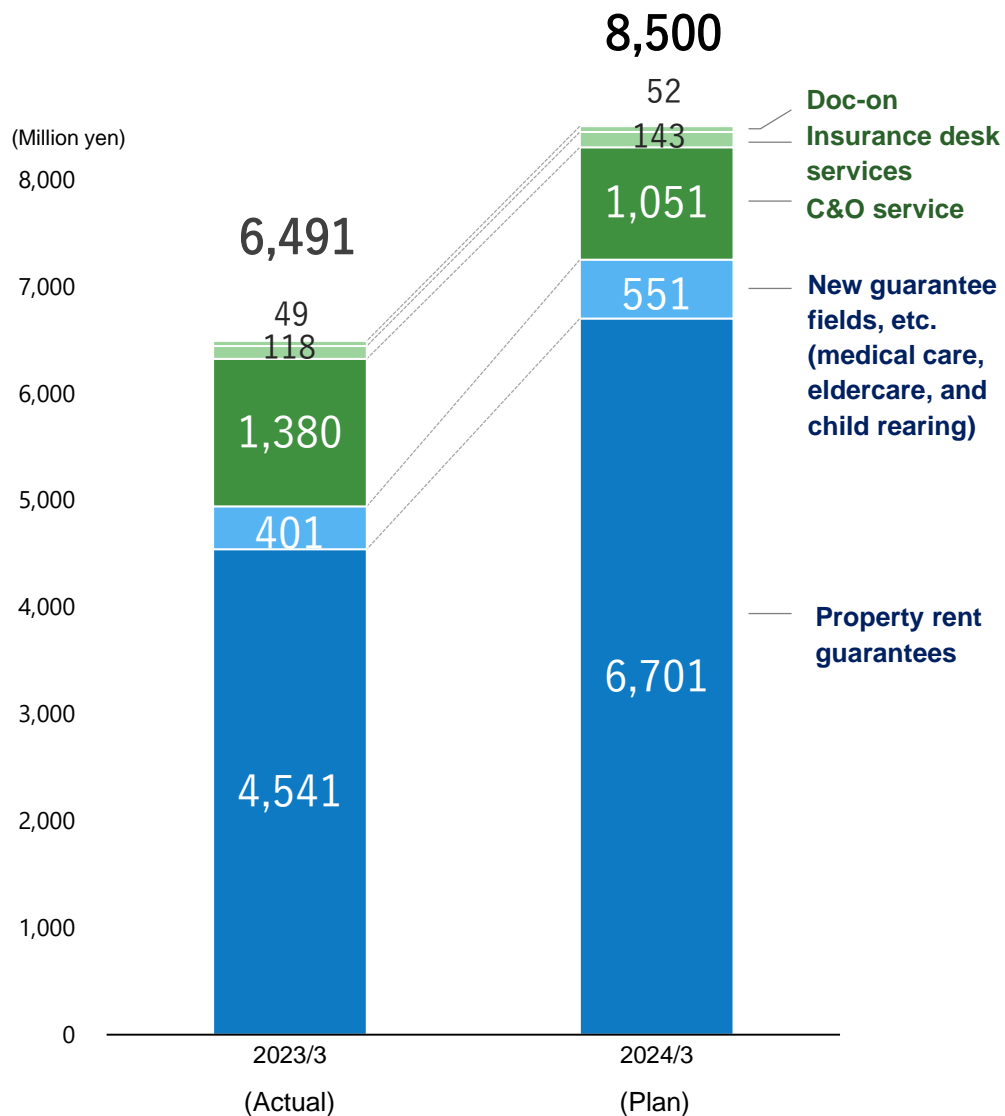
	2023/3	Medium-term Management Plan	2024/3	2023/6	Progress rate	
	Actual	Plan	Plan	Actual	H1	Annual
Net sales	6,491	8,000	8,500	2,095	51.1%	24.7%
Operating profit	1,627	2,000	2,100	502	49.8%	23.9%
(Margin)	25.1%	25.0%	24.7%	24.0%	-	-
Ordinary profit	1,625	-	2,100	496	49.1%	23.6%
(Margin)	25.0%	-	24.7%	23.7%	-	-
Net income	1,005	-	1,280	280	45.3%	21.9%
(Margin)	15.5%	-	15.1%	13.4%	-	-

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 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

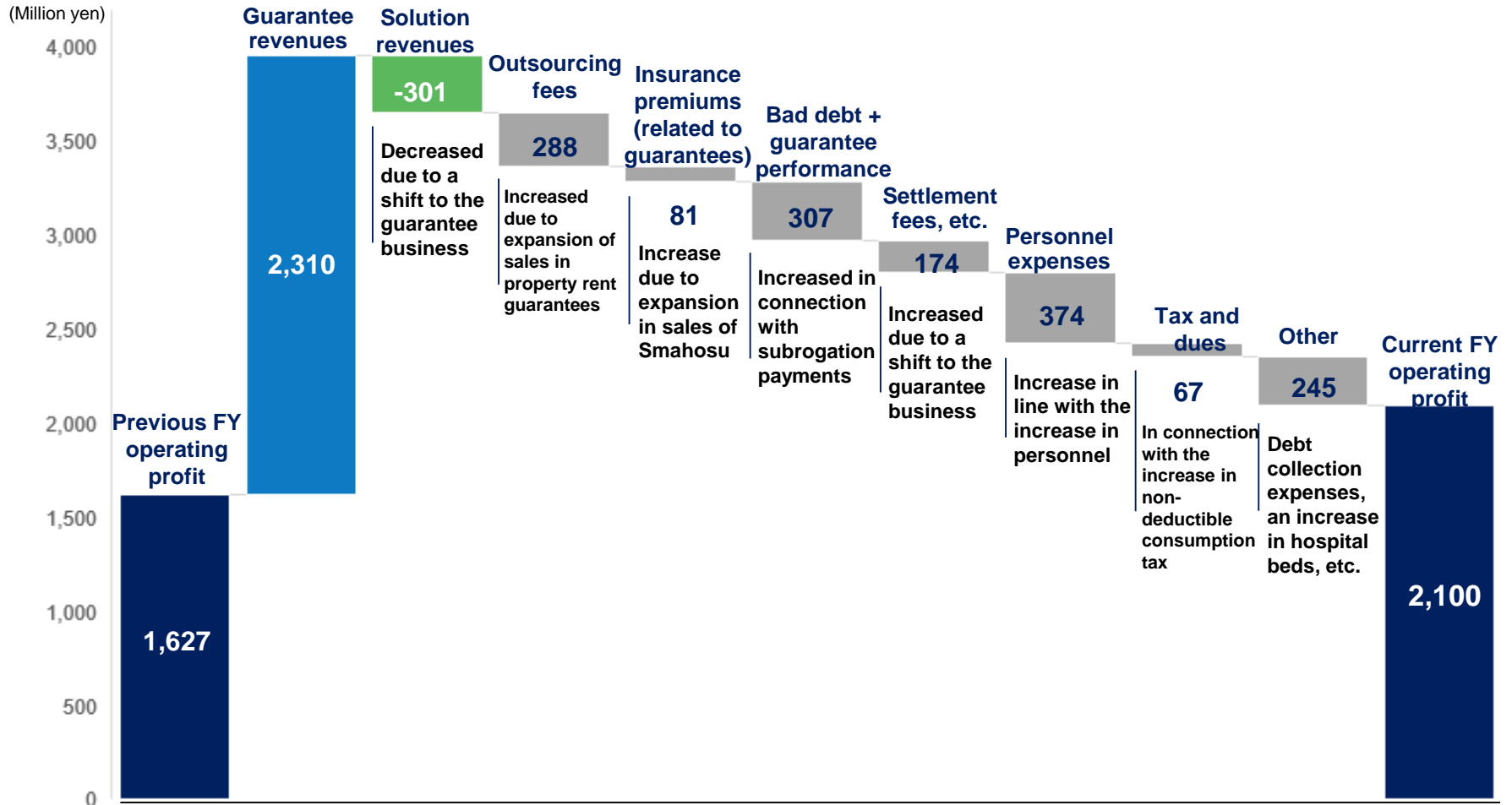
Further expansion of sales expected due to a strengthened sales system

Eldercare expense guarantees

Increase efforts to expand sales as COVID-19 subsides

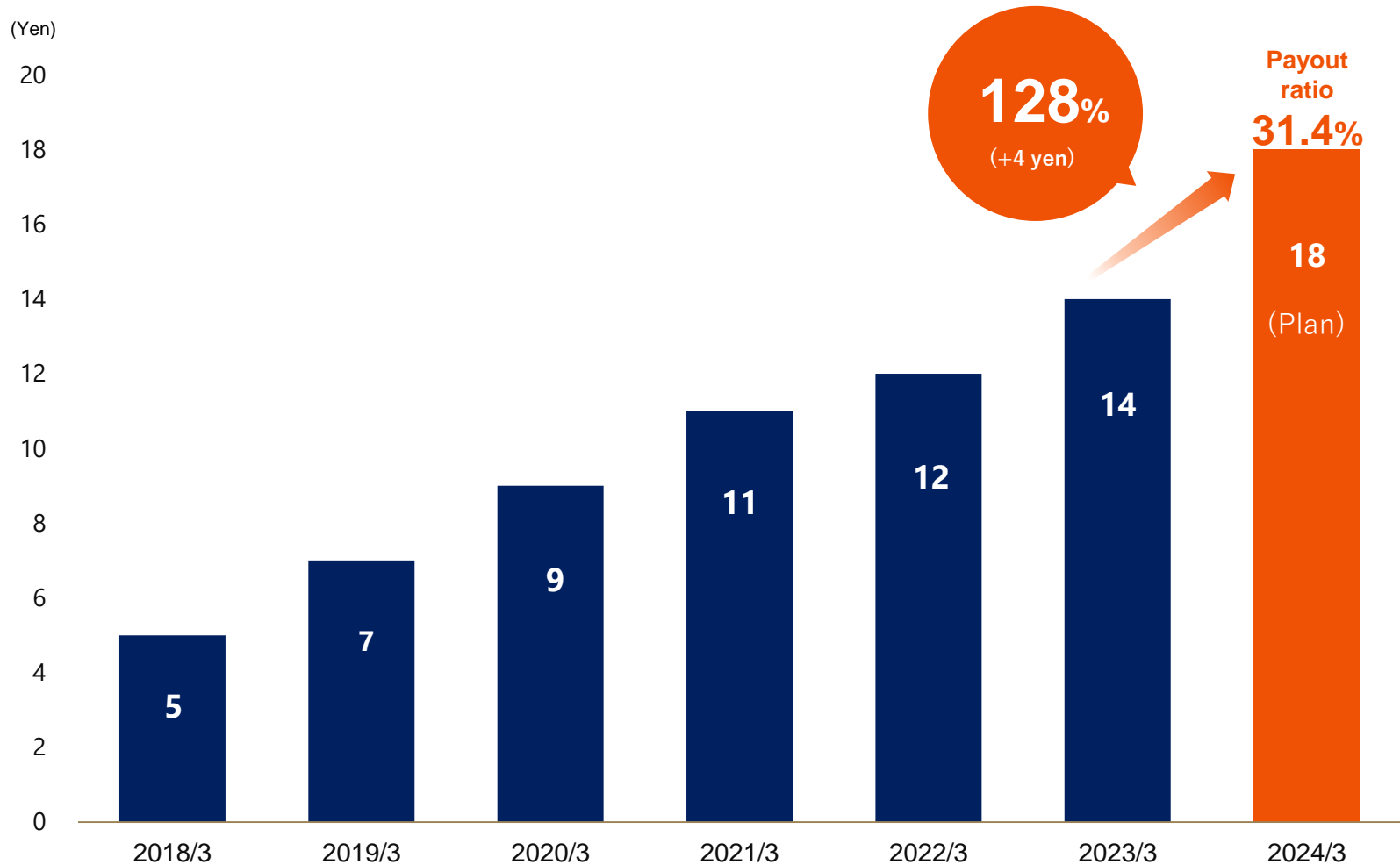
Analysis of Change in Operating Profit (Plan)

- 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 June 30, 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	278 (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



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.

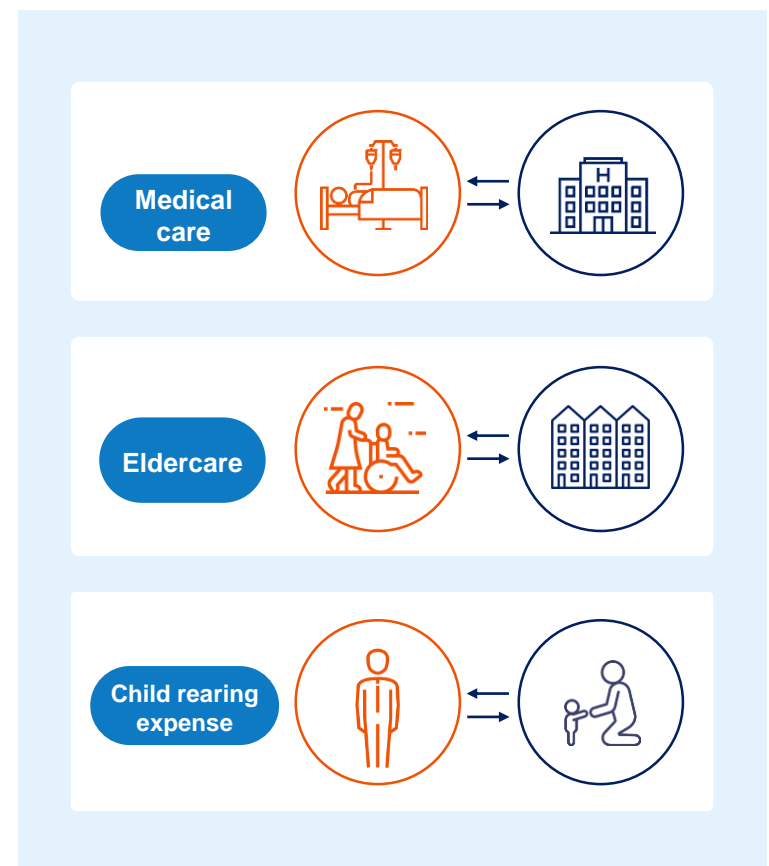
Business Lines

Guarantee business

Assume debt delinquency risk and provide various services pertaining to guarantees



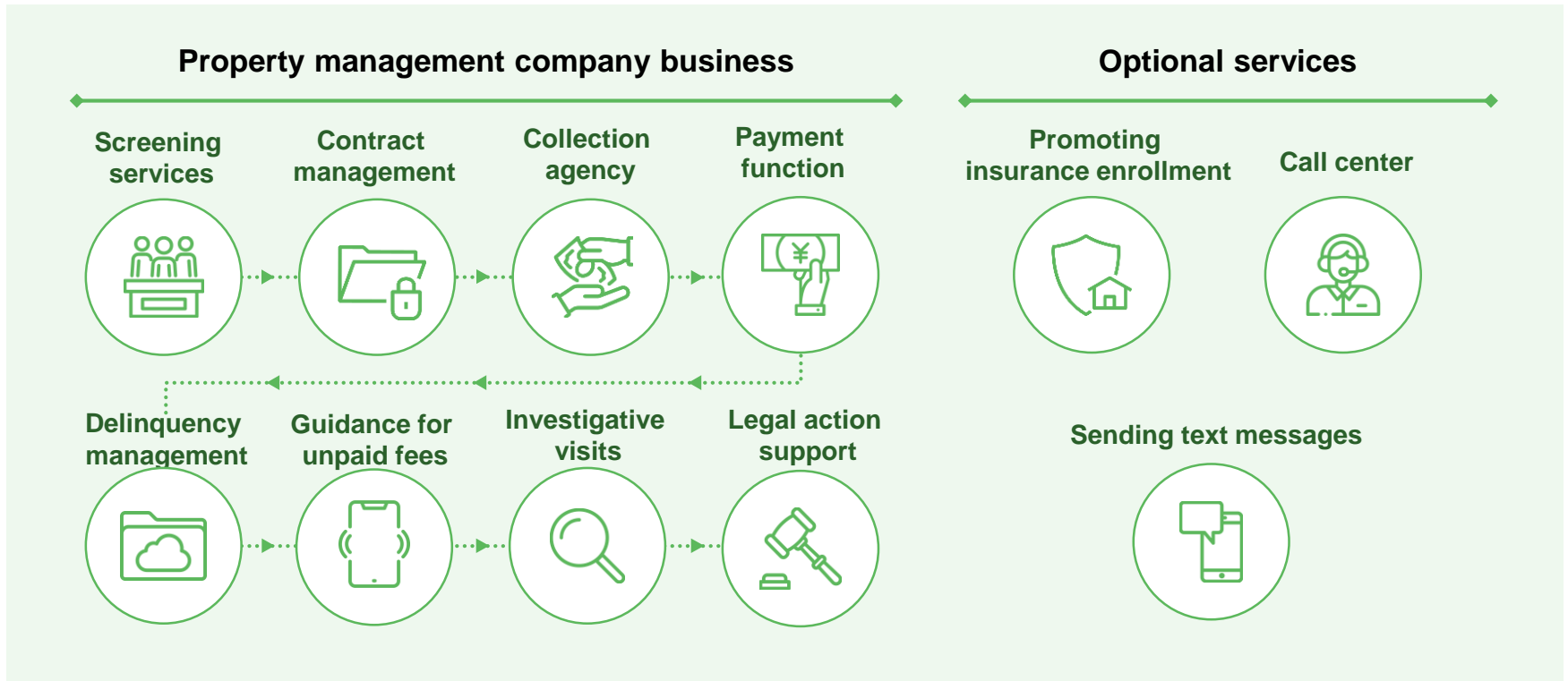
Rollout to
other
businesses
▶▶▶



Business Lines

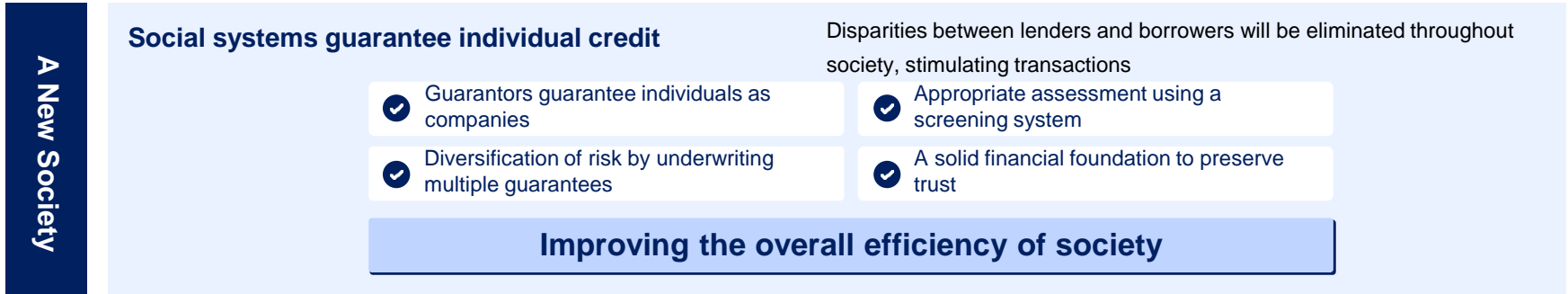
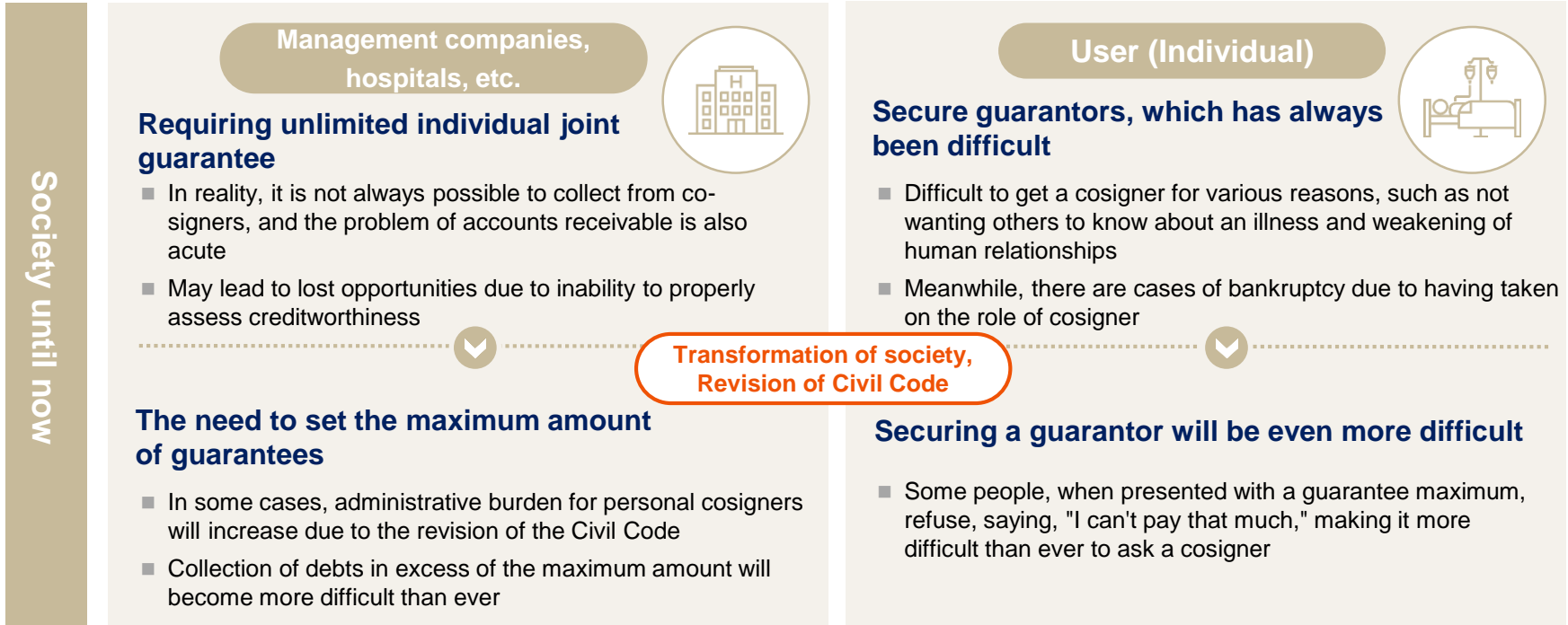
Solution business

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

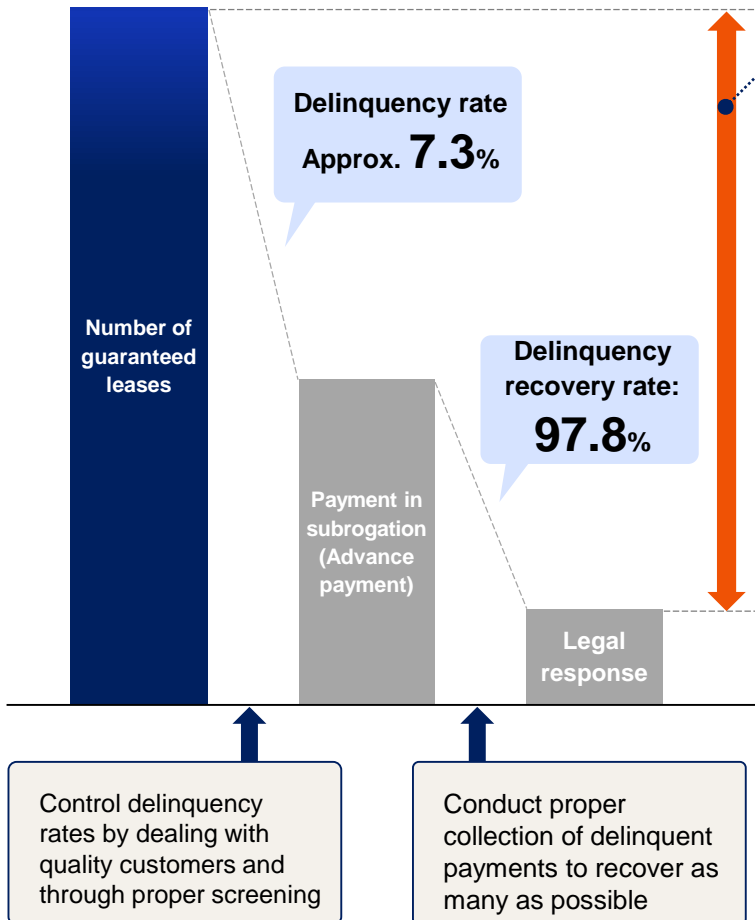


Solving unique customer needs with professional services

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



About
260,000
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

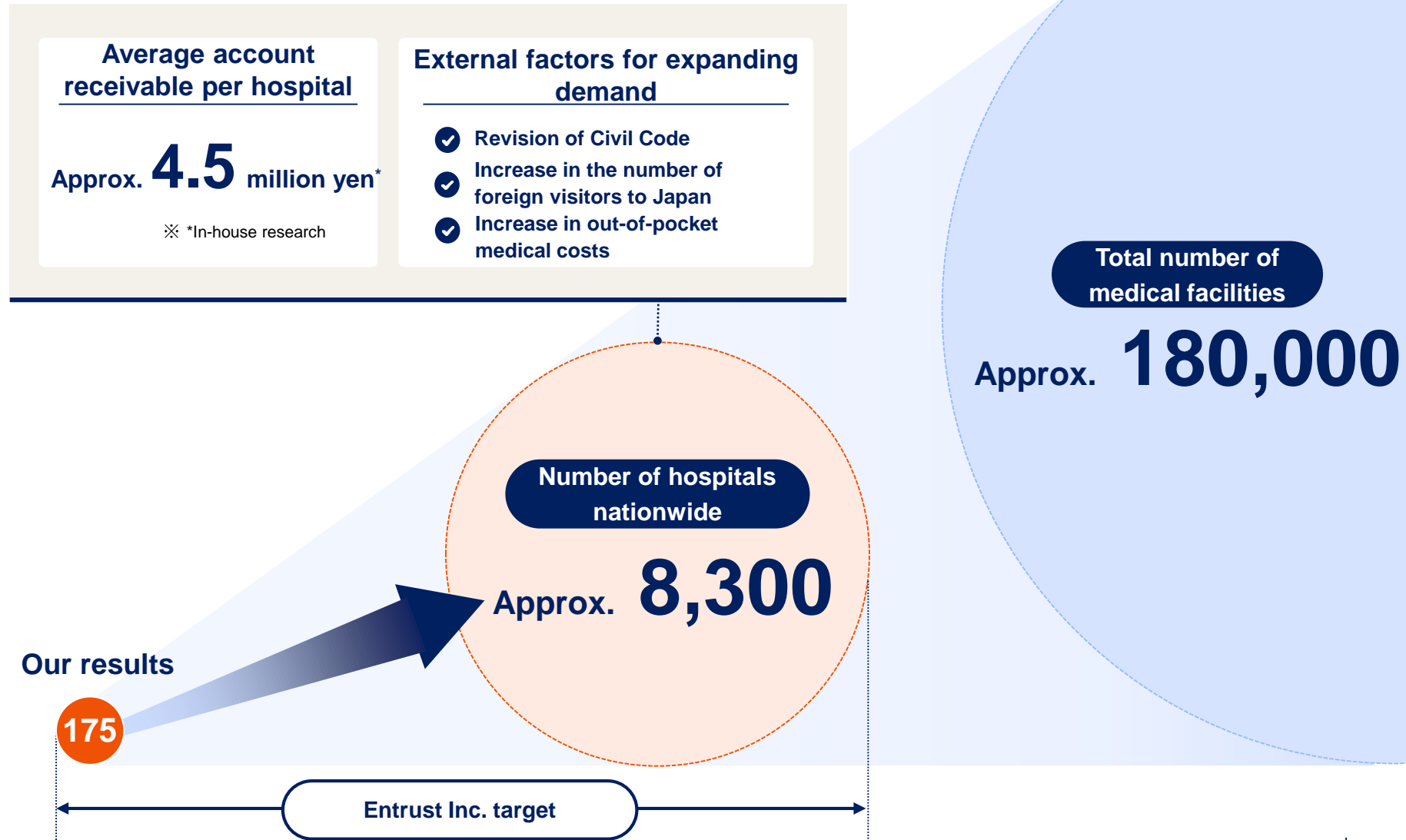
Expertise

- Build up screening and collection expertise
- Free client (property management companies, hospitals, etc.) staff from tasks they are unfamiliar with
- Resolve needs by proposing solutions

The medical cost guarantee market shows expanding demand

Guarantee
business

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



Key KPIs

Guarantee rent, elderly care, and child rearing expenses



※ * Prorated over warranty period

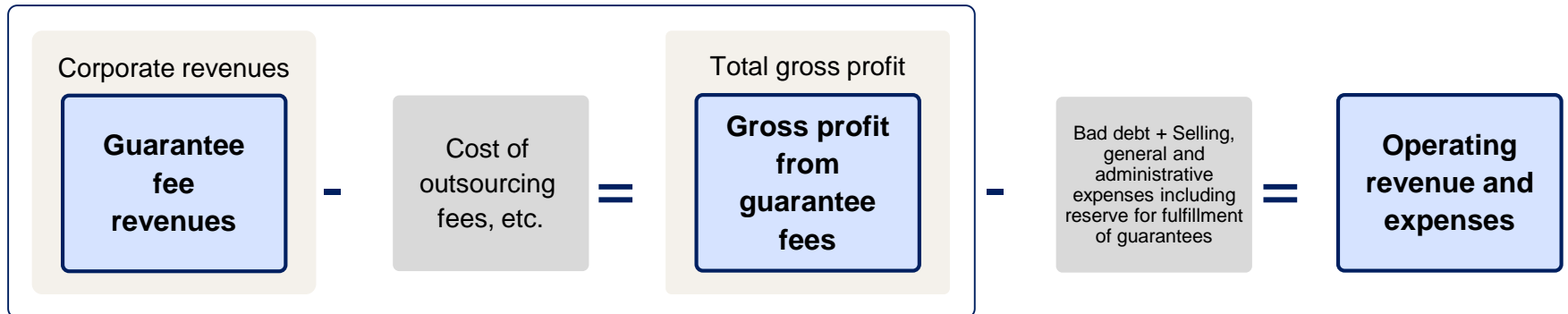
Medical care expense guarantees



..... 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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