



Fiscal Year Ending March 31, 2024 Second Quarter

Results Briefing

Information Materials

Entrust Inc.

Securities Code: 7191

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Fiscal Year Ending March 31, 2024
– Second Quarter Business Results

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Company Plan for the Fiscal Year
Ending March 31, 2024

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Performance Overview

Strong results with net sales at **143.4%** year-on-year and operating profit at **131.6%** year-on-year

- Revenues increased due to the significant growth in property rent guarantees
- Operating profit margin remained steady at 23.8% as the guarantee business expanded

(Million yen)

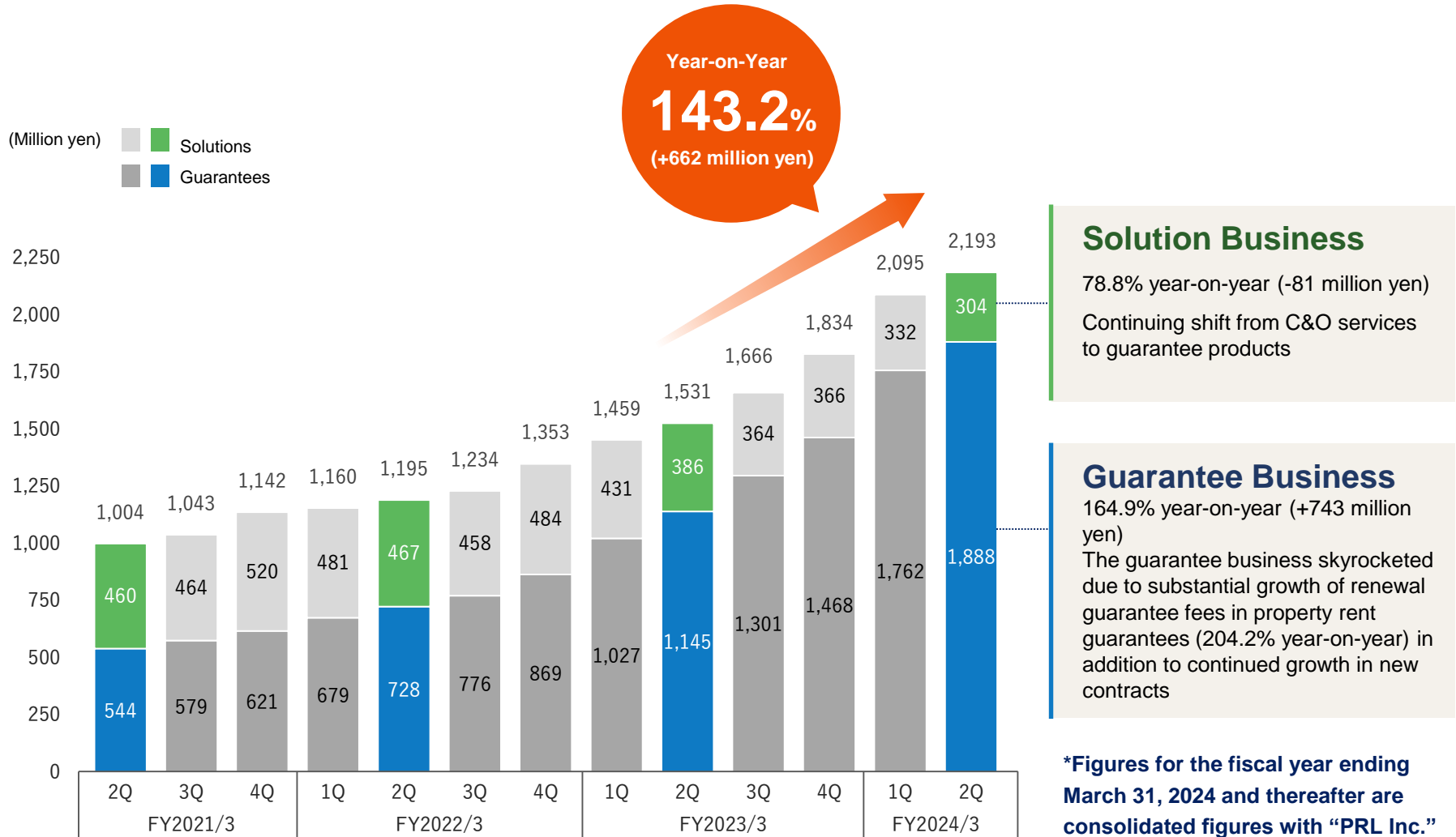
	2022/9 Actual	2023/9 Actual	Year-on-year
Net sales	2,990	4,289	143.4%
Operating profit	773	1,018	131.6%
(Margin)	25.9%	23.8%	-
Ordinary profit	771	1,012	131.3%
(Margin)	25.8%	23.6%	-
Net income	478	592	123.8%
(Margin)	16.0%	13.8%	-

- 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
- Continuing from 1Q, temporary expenses arose as a result of actively improving business at Premier Life Inc.

*Figures for the fiscal year ending March 31, 2024 and thereafter are consolidated figures with Premier Life Inc. ("PRL Inc.")

Net Sales by Quarter

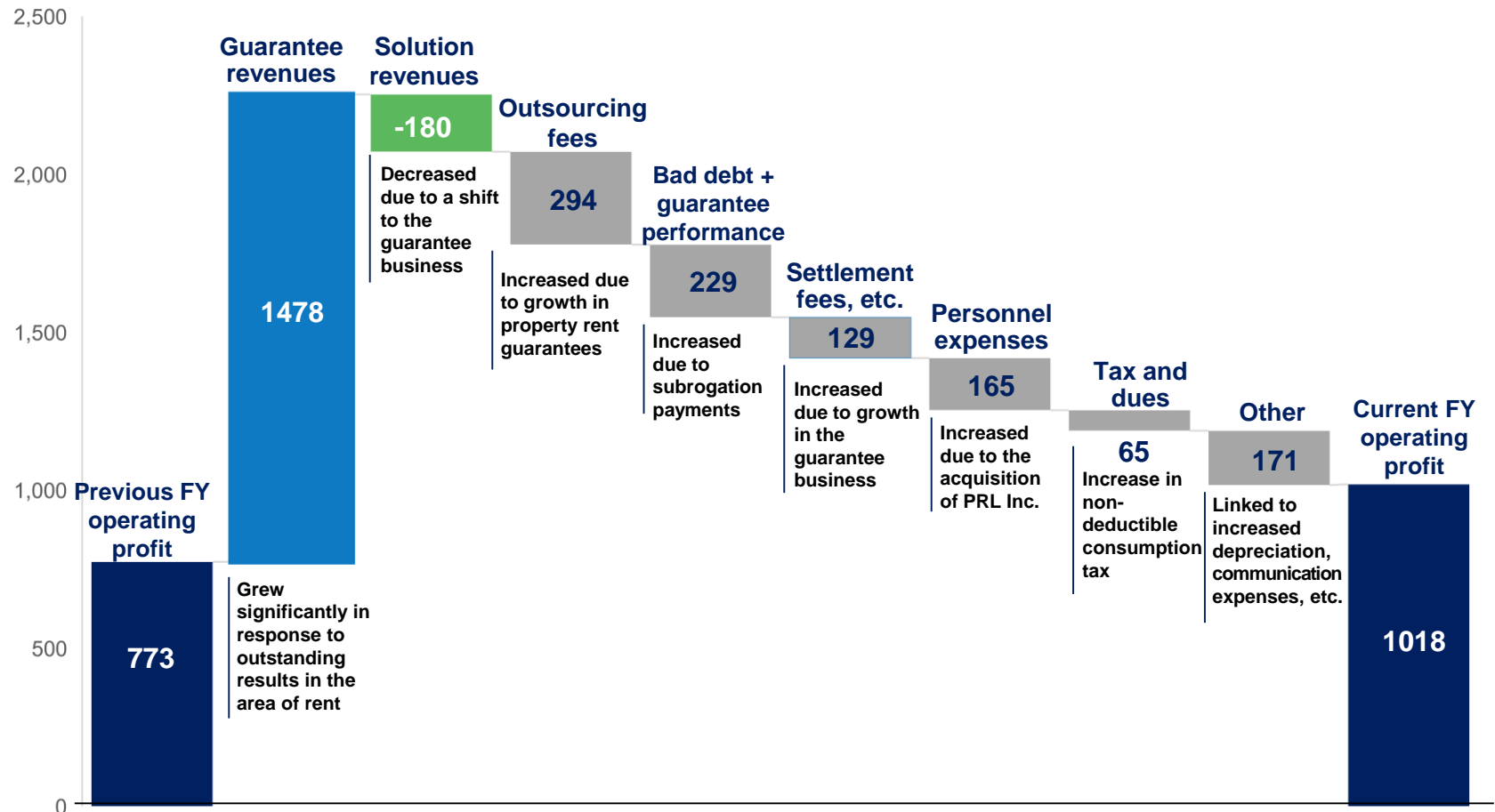
- Sales in the guarantee business made great progress, significantly outperforming the previous fiscal year 143.2% year-on-year (+662 million yen)



Analysis of Changes in Operating Profit

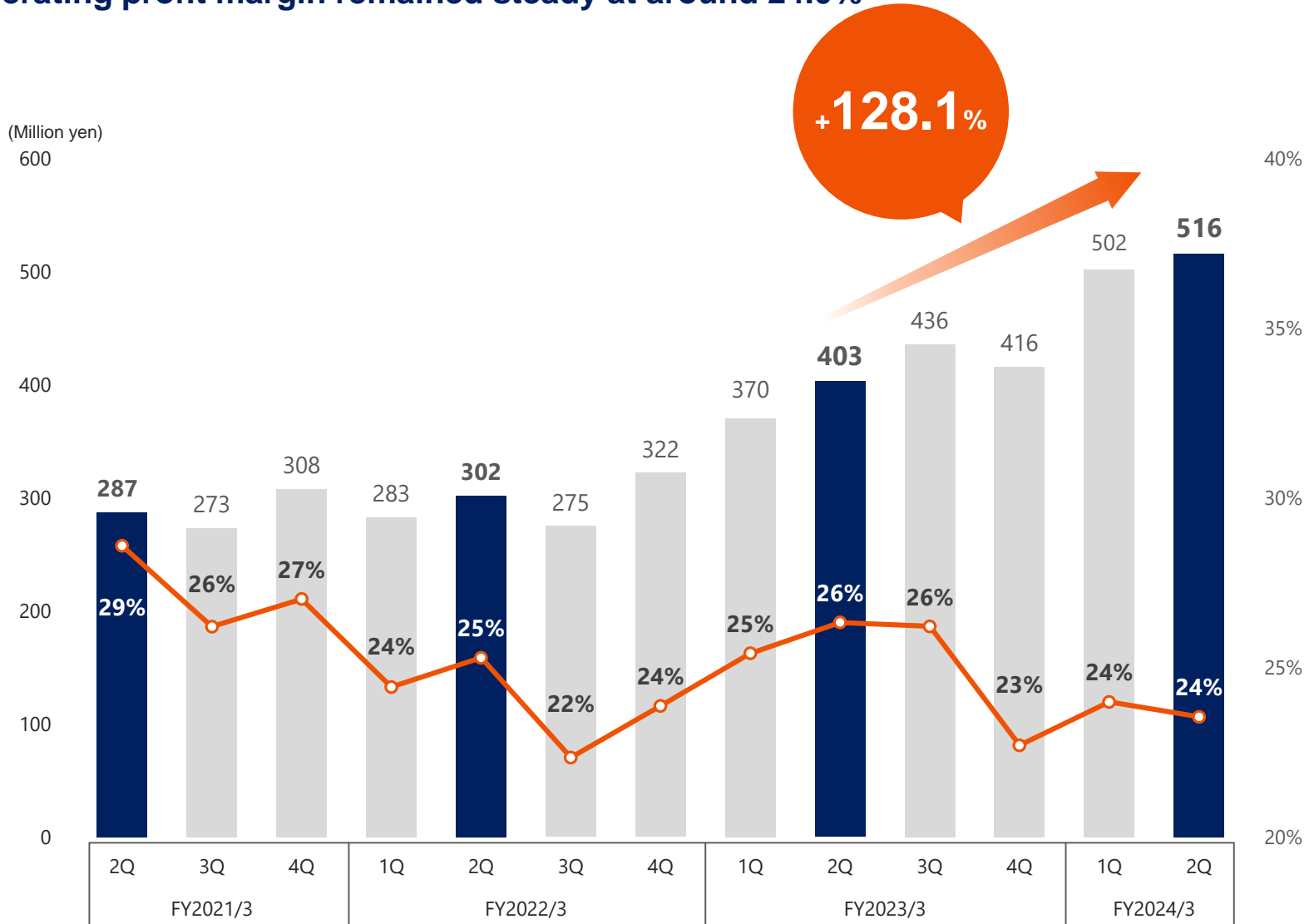
- Contribution from increased guarantee revenue
- Guarantee-related costs (business outsourcing fees, bad debt-related costs, settlement fees) absorbed and operating profit grew significantly

(Million yen)



Operating Profit by Quarter

- Operating profit increased significantly to 128.1% year-on-year
- Operating profit margin remained steady at around 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

+43,162



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

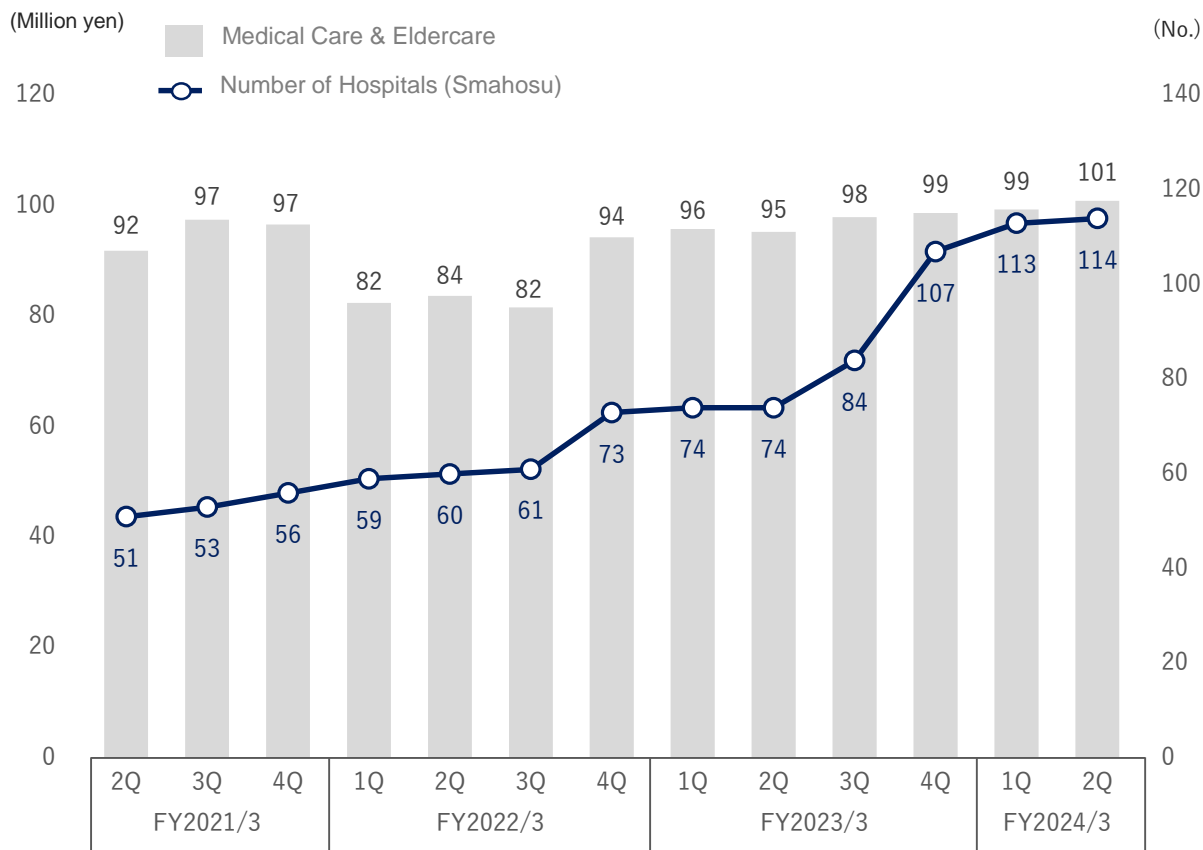
Medical Care & Eldercare Expense Guarantee Sales by Quarter

■ 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 14 service providers from the end of the previous fiscal year through 2Q



• Continued Growth For Co-Signer Agent System Smahosu

114 medical facilities

+7 compared with the end of the previous fiscal year

28,399 hospital beds

• Hospitalization set with medical care expense guarantee and other products

62 medical facilities

11,473 hospital beds

• Eldercare expense guarantees

225 eldercare service providers

+14 compared with the end of the previous fiscal year

Other Financial Data (Balance Sheet)

(Million yen)

	2022/9 (Previous fiscal year)	2023/9 (Current fiscal year)	Change in amount
Current assets	6,099	7,743	1,643
Cash and deposits	3,873	5,229	1,356
Accounts receivable - trade	199	209	9
Advances paid	2,322	3,244	922
Other	468	521	53
Allowance for doubtful accounts	-764	-1,461	-696
Non-current assets	989	1,201	212
Property, plant, and equipment	89	172	83
Intangible assets	222	252	30
Investments and other assets	677	776	99
Current liabilities	2,183	3,136	952
(Contract liabilities)	1,492	2,030	538
(Reserve for fulfillment of guarantees)	146	314	168
Non-current liabilities	105	154	49
Net assets	4,800	5,654	853
Total assets	7,089	8,945	1,856

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 (36% increase)

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Summary and Progress of the Plan for the Entire Fiscal Year

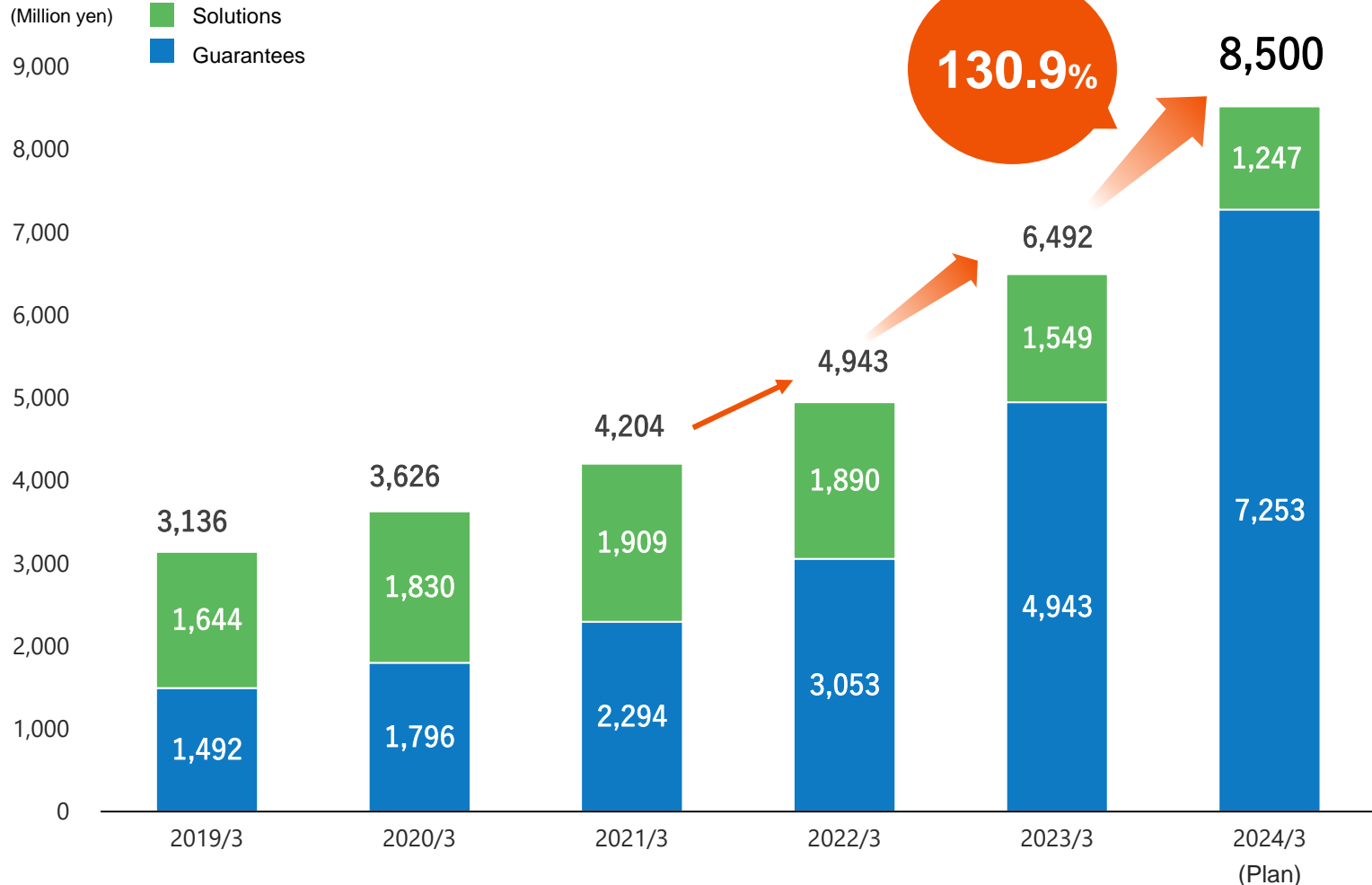
- Both net sales and operating profit in 2Q **progressed as planned**
- Growth plans for both sales and operating profit exceed the Medium-term Management Plan

(Million yen)

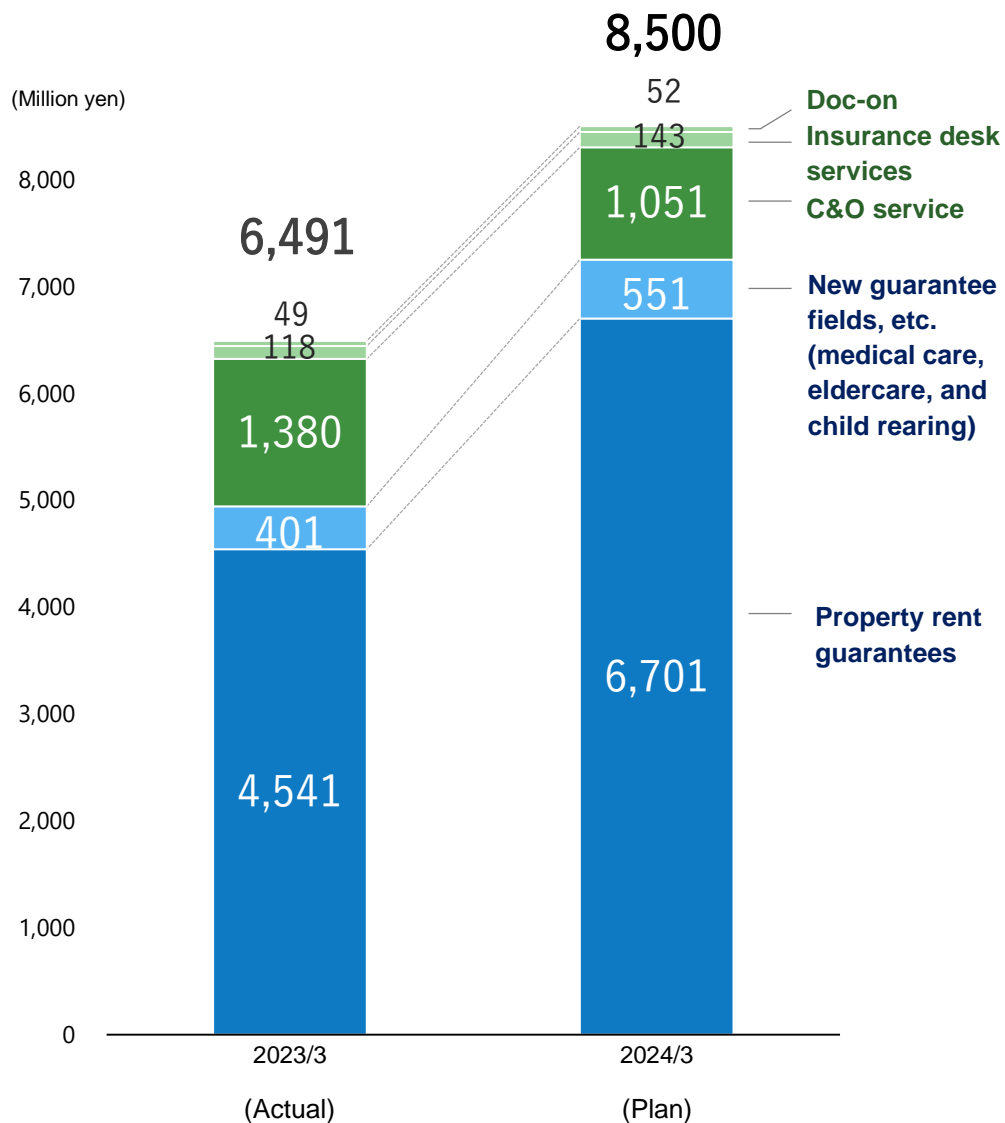
	2023/3	Medium-term	2024/3	2023/9	Progress rate	
	Actual	Management Plan	Plan	Actual	H1	Annual
Net sales	6,491	8,000	8,500	4,289	104.6%	50.5%
Operating profit	1,627	2,000	2,100	1,018	100.9%	48.5%
(Margin)	25.1%	25.0%	24.7%	23.8%	-	-
Ordinary profit	1,625	-	2,100	1,012	100.3%	48.2%
(Margin)	25.0%	-	24.7%	23.6%	-	-
Net income	1,005	-	1,280	592	95.5%	46.3%
(Margin)	15.5%	-	15.1%	13.8%	-	-

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

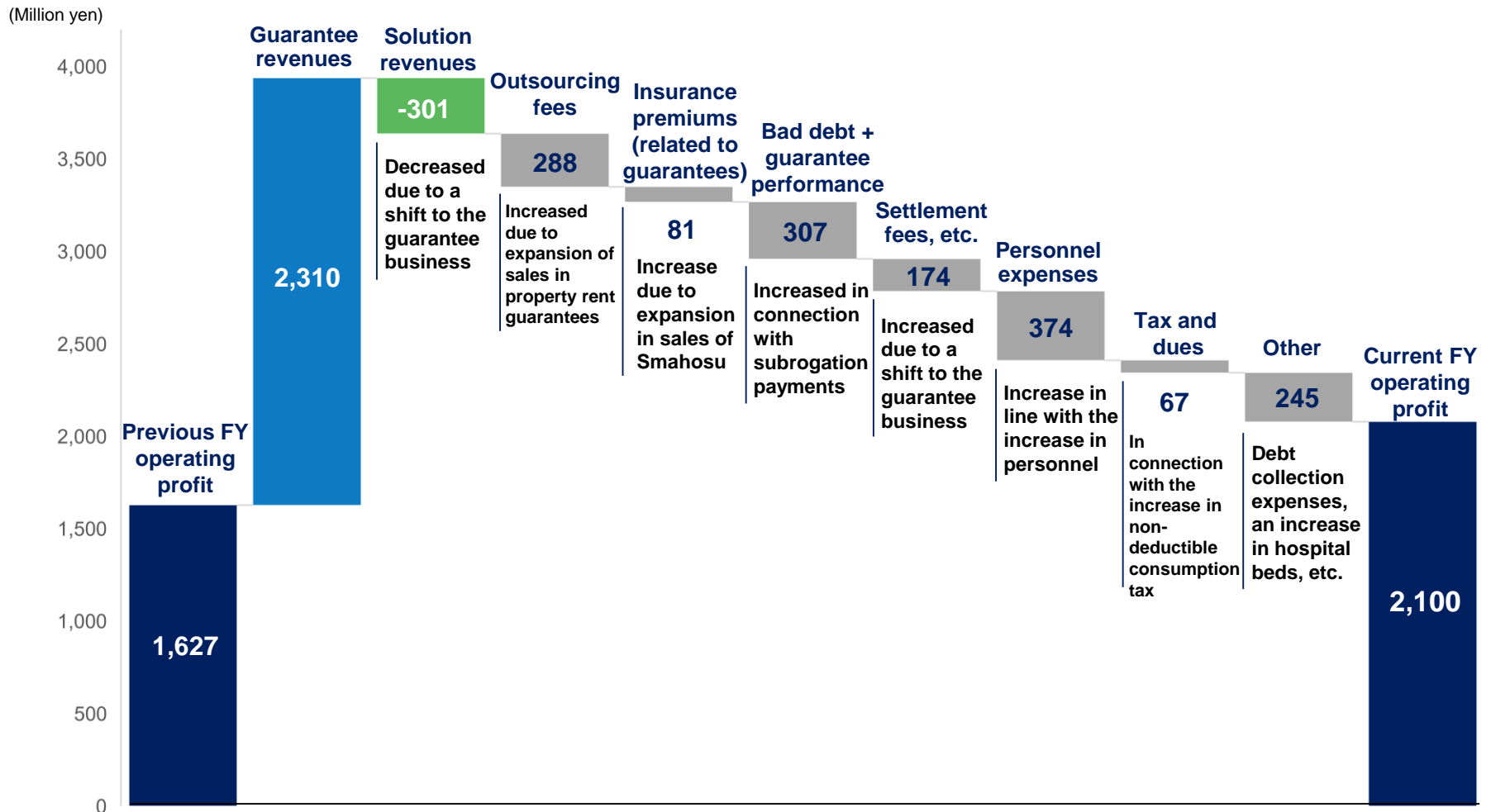
Further expansion of sales expected due to a strengthened sales system

Eldercare expense guarantees

Increase efforts to expand sales as COVID-19 subsides

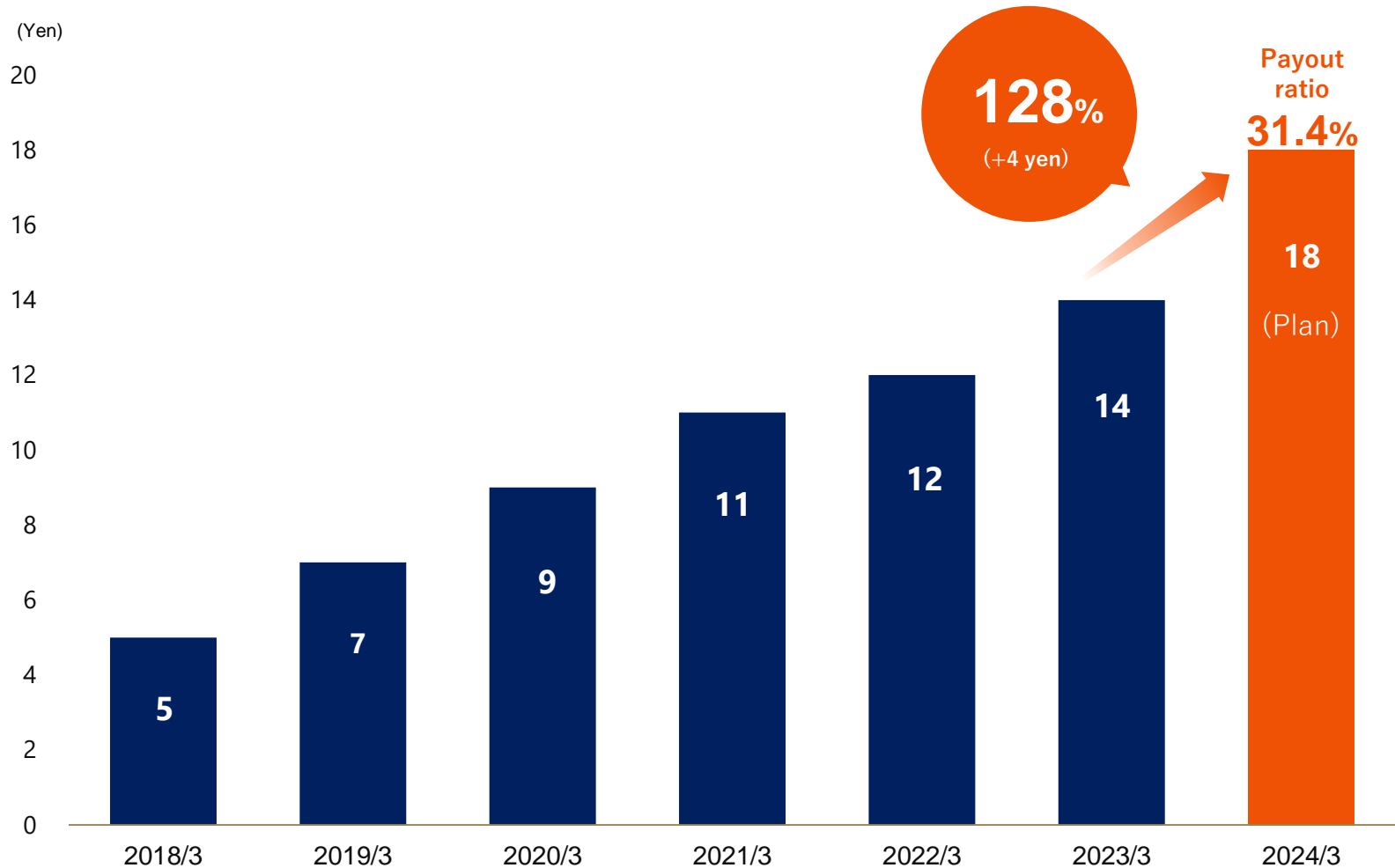
Analysis of Changes in Operating Profit (Plan)

- 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 September 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	284 (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.

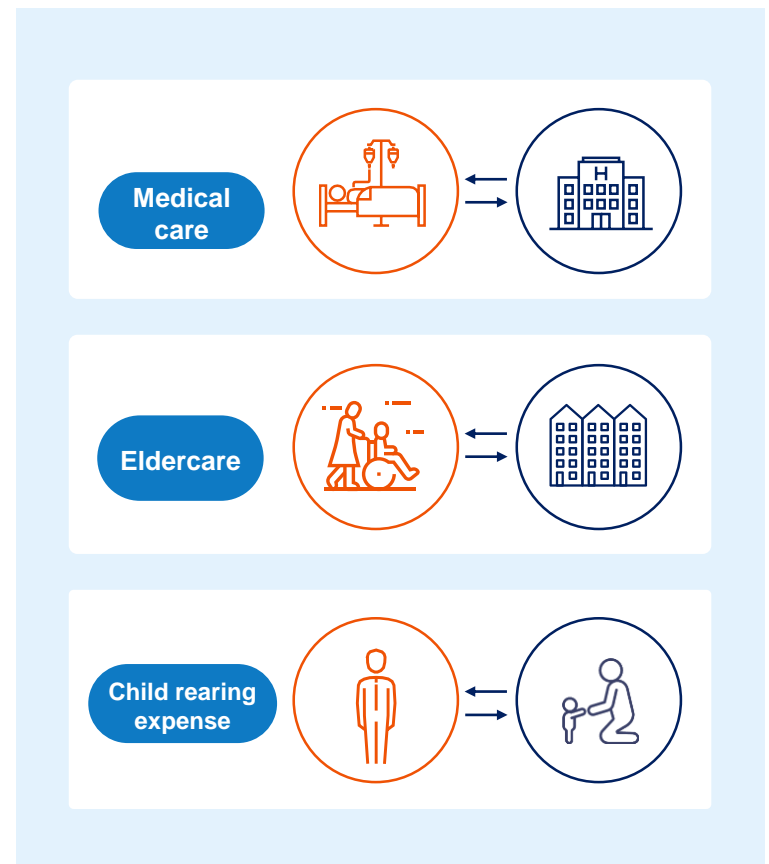
Business Lines

Guarantee business

Assume debt delinquency risk and provide various services pertaining to guarantees

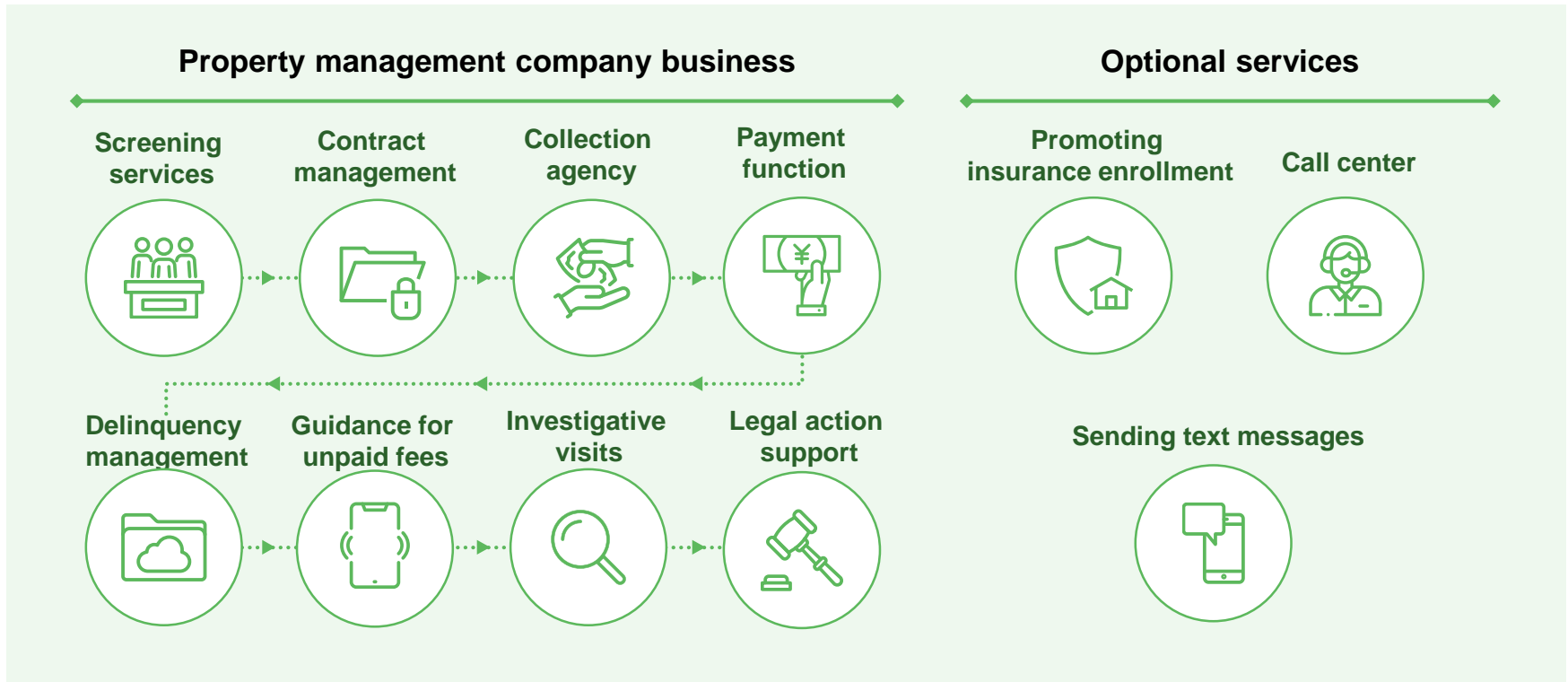


Rollout to
other
businesses
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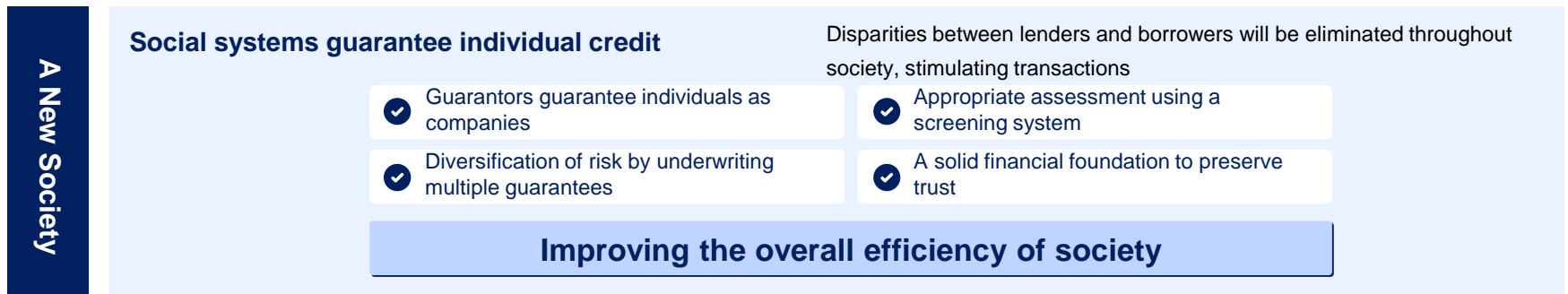
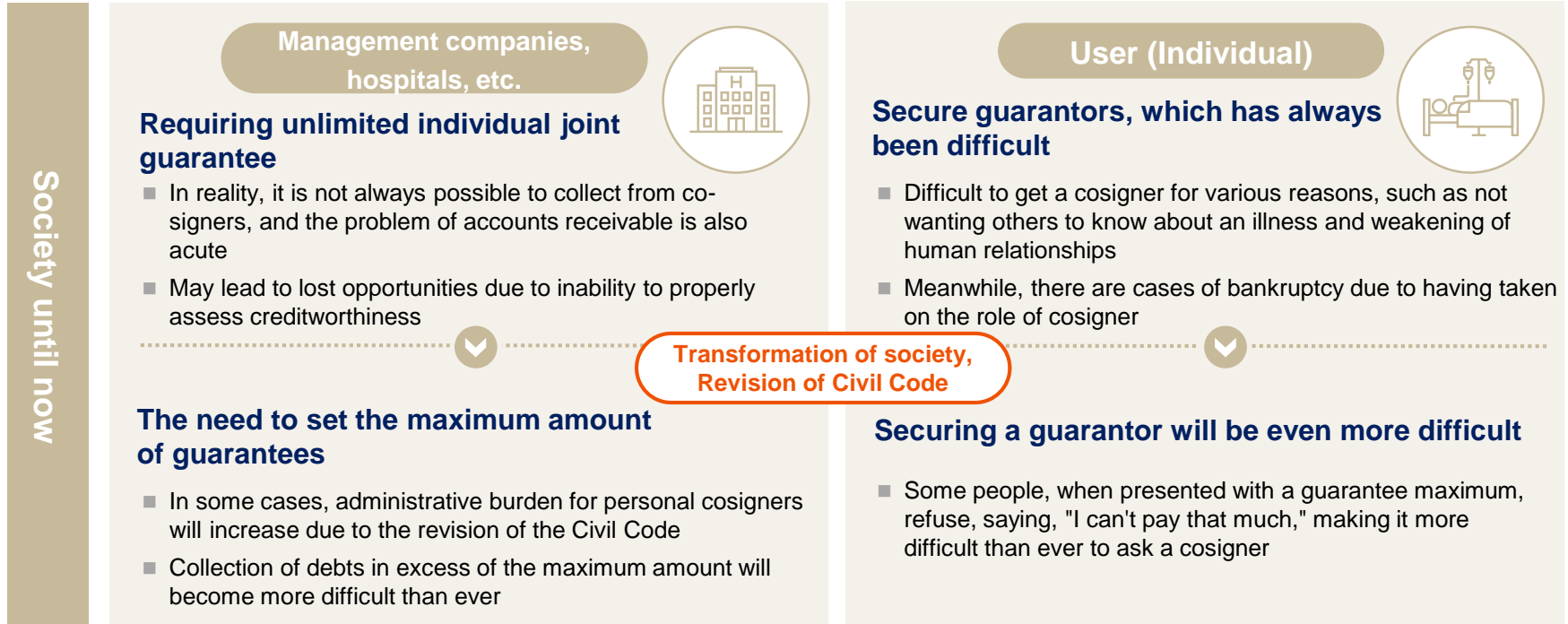
Solution business

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

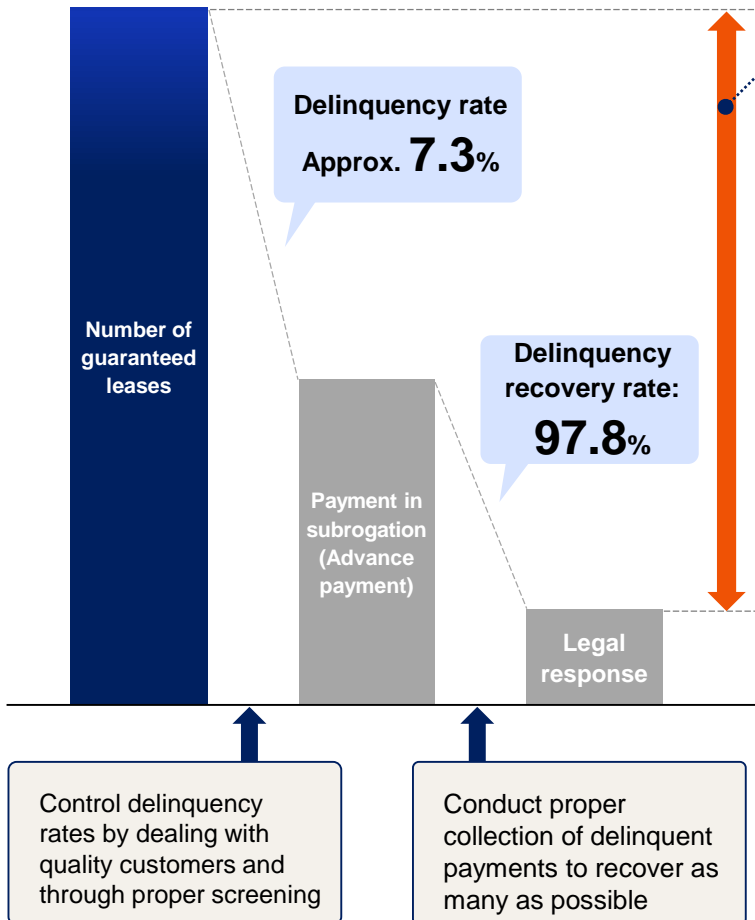


Solving unique customer needs with professional services

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 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

Average account
receivable per hospital

Approx. **4.5** million yen*

※ *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**

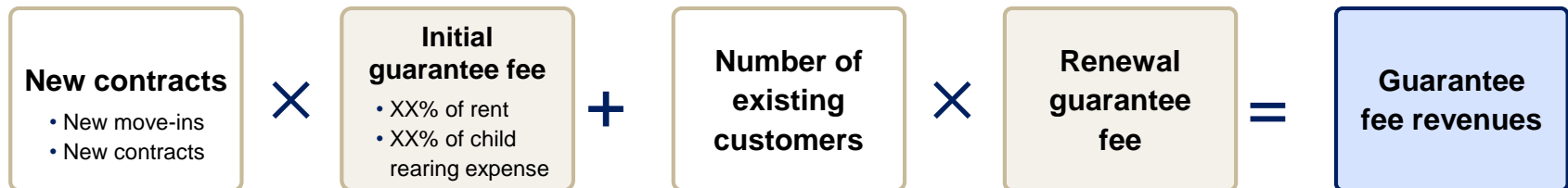
Our results

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Entrust Inc. target

Key KPIs

Guarantee rent, elderly care, and child rearing expenses



※ * Prorated over warranty period

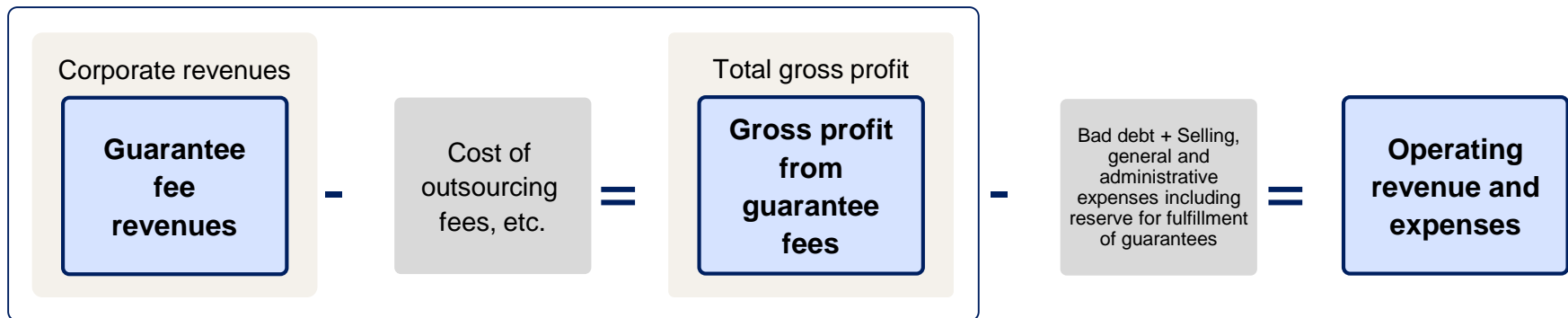
Medical care expense guarantees



※ * Prorated over warranty period

..... Smahosu Hospitalization set product that comes with the guarantee

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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