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Fiscal Year Ended March 31, 2025

# Results Briefing Information Materials

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Entrust Inc.

Securities Code: 7191

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# Company Profile (As of March 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: 330 Non-consolidated: 308 (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

Guarantee service + risk



## Solution Business

Provide professional services



**Property  
rent  
guarantees**



**Eldercare  
expense  
guarantees**



**Medical care  
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.

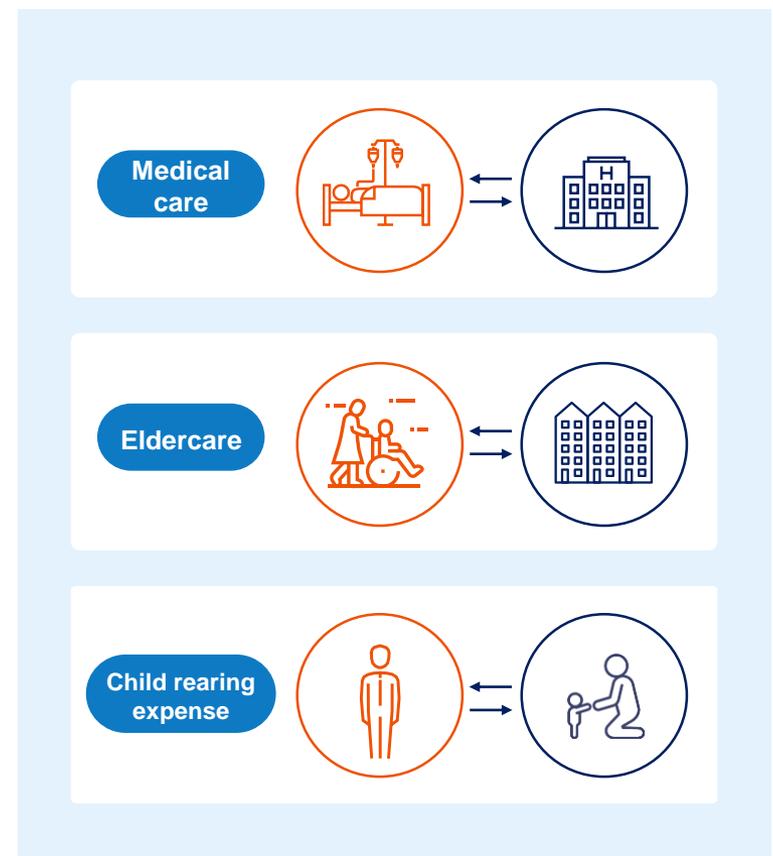
# Business Lines

## Guarantee Business

Assume debt delinquency risk and provide various services pertaining to guarantees



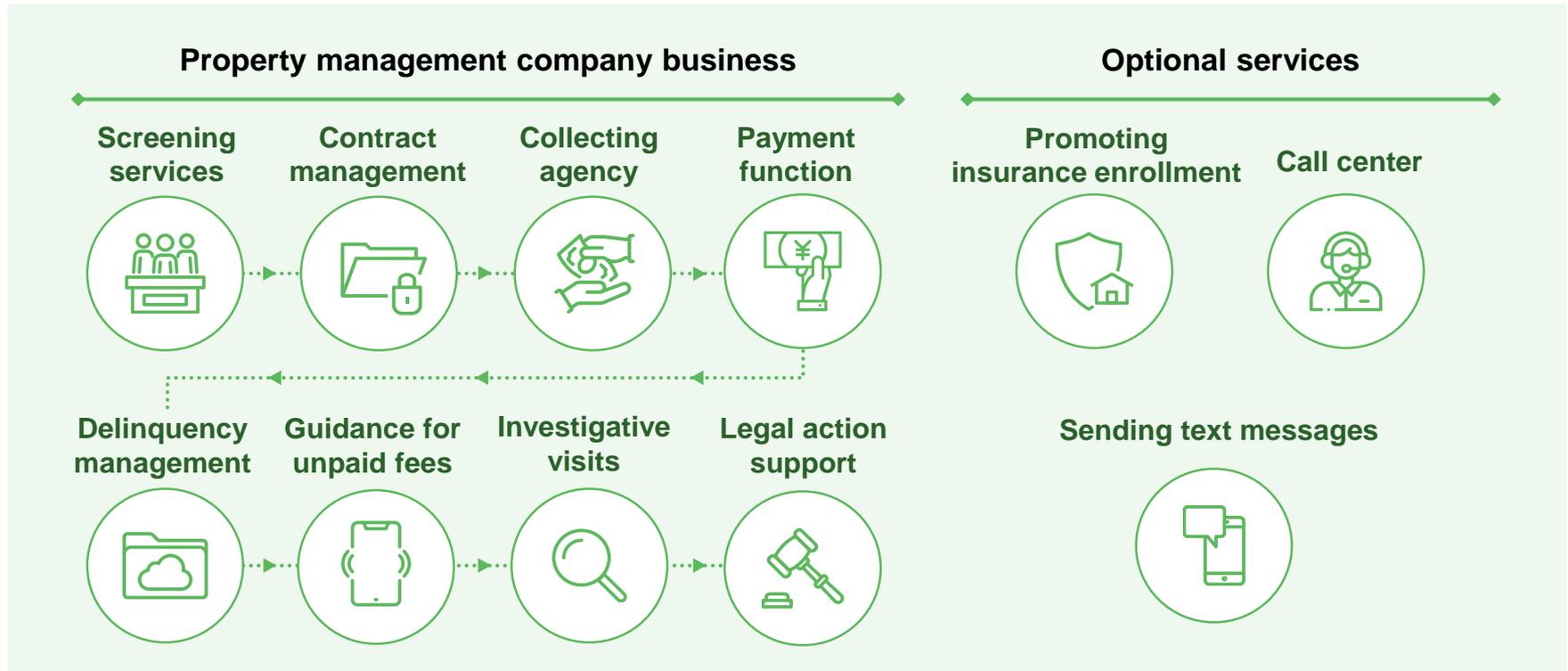
Rollout to  
other  
businesses  
▶▶▶



# 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**

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# Performance Highlights

- Net sales, operating profit, and net profit reached record highs
- Net sales were **117.9%** year-on-year, while operating profit was **112.3%** year-on-year
- Yearly dividend of **25.0 yen** (+7.0 yen) achieved with a dividend payout ratio of 41.1%, marking the **9th consecutive year of dividend growth**

## Net sales

**10,572** million yen  
(117.9% year-on-year)

## Operating profit

**2,329** million yen  
(112.3% year-on-year)

## Profit

**1,360** million yen  
(110.8% year-on-year)

## Dividend

**25.0** yen  
(+7.0 yen year-on-year)

## Market capitalization value

**17.4** billion yen  
(Based on the closing price at the end of March)

## EPS

**60.8** yen  
(+5.9 yen year-on-year)

## ROE

**20.85** %  
(20.16% in previous fiscal year)

# Performance Overview

- Net sales in the guarantee business recorded **double-digit growth** across all segments: property rent, medical care, and eldercare
- Operating profit achieved **double-digit growth** by absorbing increases in outsourcing fees and bad debt-related costs associated with the expansion of the guarantee business

(Million yen)

	2024/3 Actual	2025/3 Actual	Year-on-year
Net sales	8,971	<b>10,572</b>	117.9%
Operating profit	2,073	<b>2,329</b>	112.3%
(Margin)	23.1%	<b>22.0%</b>	-
Ordinary profit	2,070	<b>2,345</b>	113.3%
(Margin)	23.1%	<b>22.2%</b>	-
Net income	1,227	<b>1,360</b>	110.8%
(Margin)	13.7%	<b>12.9%</b>	-

Strong results with net sales at **117.9%** year-on-year

- Property rent guarantee growth has contributed, with growth in both initial and renewal guarantee fees
- Steady increase in adoption of medical care and eldercare expense guarantees, entering a growth phase
- Acquisition of Racoon Rent, Co., Ltd. (hereafter “RR”) also contributed to increased revenue

Operating profit at **112.3%** year-on-year

- Increase in revenue despite increasing business outsourcing fees, rent collection payment costs, and bad debt costs accompanying growth in property rent guarantees

# First-Year Action Plan for Achieving the Third Medium-Term Management Plan

- **New initiatives launched based on our expertise accumulated in the guarantee business, establishing a foundation for the second year and beyond through ongoing M&A evaluations, new product releases, existing business enhancement, and more**

## M&A

- **RR share acquisition**  
We completed a share acquisition with industry peer RR, merging it into our subsidiary, Premier Life Inc. (hereafter “PRL”).
- **Ongoing M&A evaluations**  
We proactively pursue M&A opportunities with companies both within our industry and in other sectors where we see potential for business synergy. Multiple candidate companies have already progressed to the interview stage.

## New product releases

- **Car Up Support Guarantee**  
In partnership with Global Mobility Service Inc. and Mitsui Sumitomo Insurance Co., Ltd., we have launched a guarantee service for in-house installment sales of used vehicles. This initiative aims to create a new market within the used car sales industry.
- **Educational loan guarantee for Certified Care Workers**  
In partnership with the Japan Association of Training Institutions for Certified Care Workers and Mitsui Sumitomo Insurance Co., Ltd., we have launched an institutional guarantee service for educational loan programs targeting Certified Care Workers and related professionals. This service aims to promote loan accessibility as well as develop and secure an eldercare workforce, helping to address social challenges.

## Promoting existing businesses

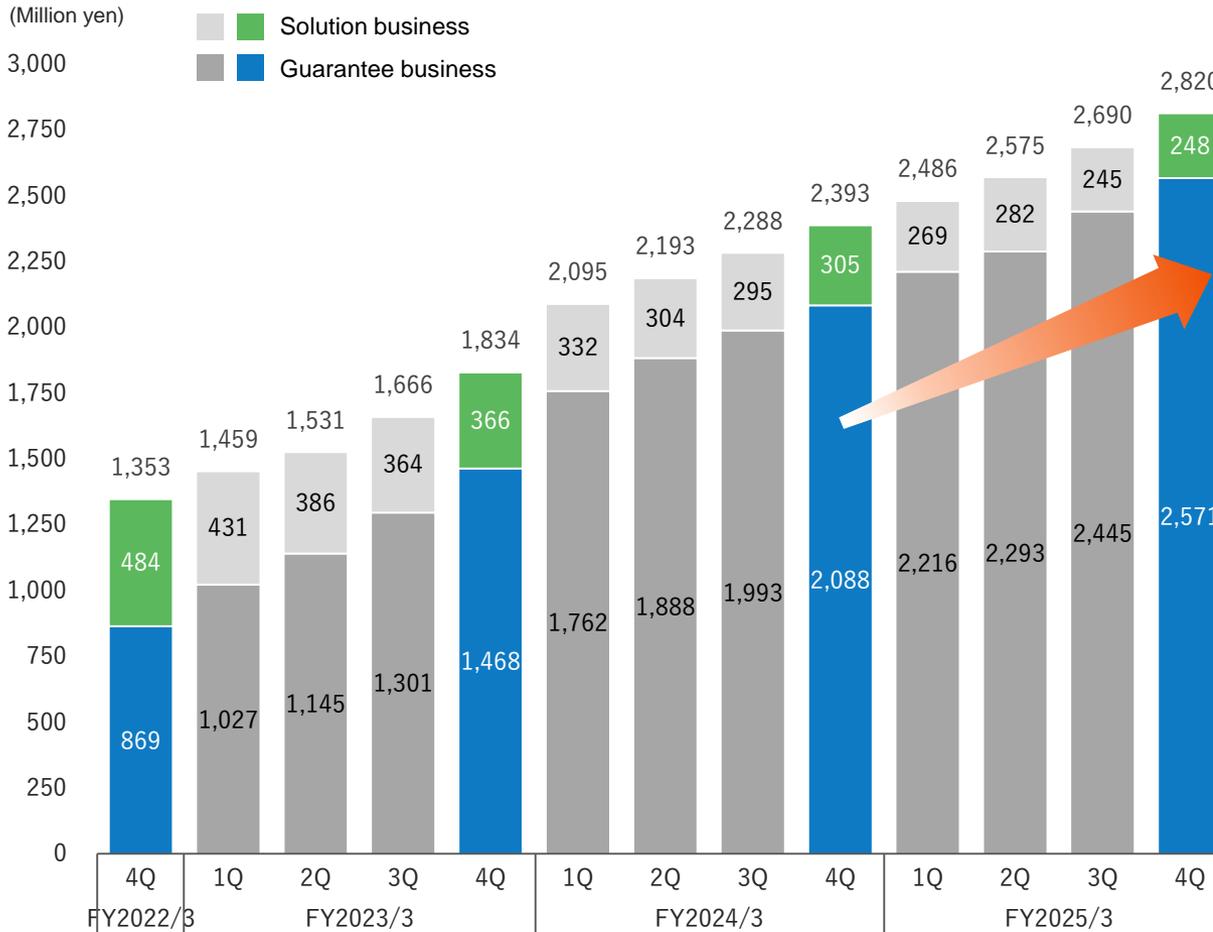
- **Launch of child rearing expense guarantees for local governments in Miyazaki City, Miyazaki Prefecture**  
We have entered into the Agreement on Child Rearing Expense Assurance Services with Miyazaki City, the first of its kind in Japan, to provide a scheme that reduces financial and procedural burden among users. We intend to expand this initiative to local governments across Japan.

# Net Sales by Quarter

## ■ Revenue increased steadily due to sales driven by the guarantee business

117.8% (+426 million yen) year-on-year

Year-on-year  
**117.8%**  
(+426 million yen)



### Solution Business

Ongoing shift from C&O services to guarantee products  
81.5% year-on-year (-56 million yen)

### Guarantee Business

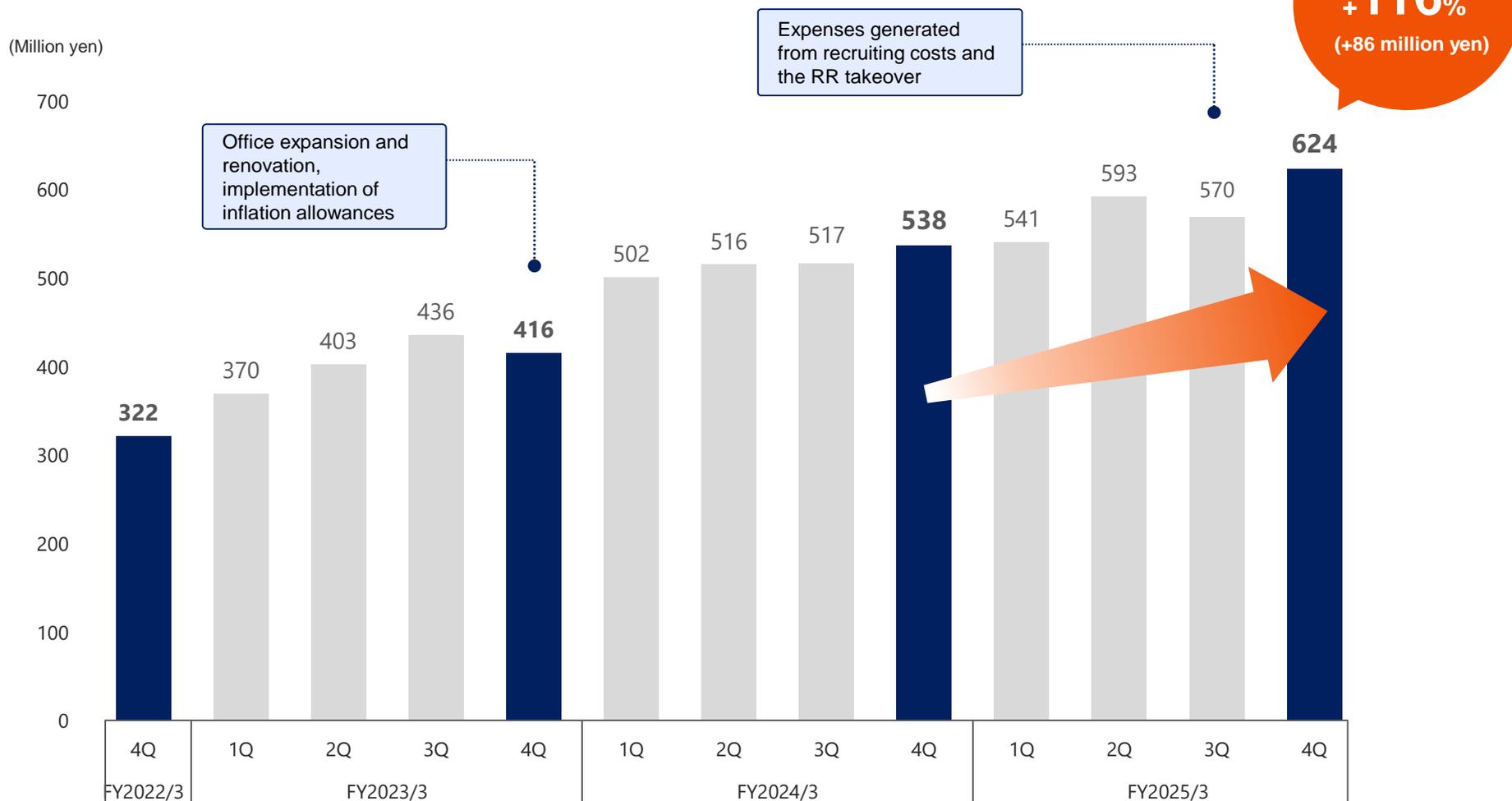
Ongoing growth due to new property rent guarantee contracts and increased renewal guarantee fees  
123.1% year-on-year (+483 million yen)

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

# Operating Profit by Quarter

## ■ Operating profit rose to 116% year-on-year

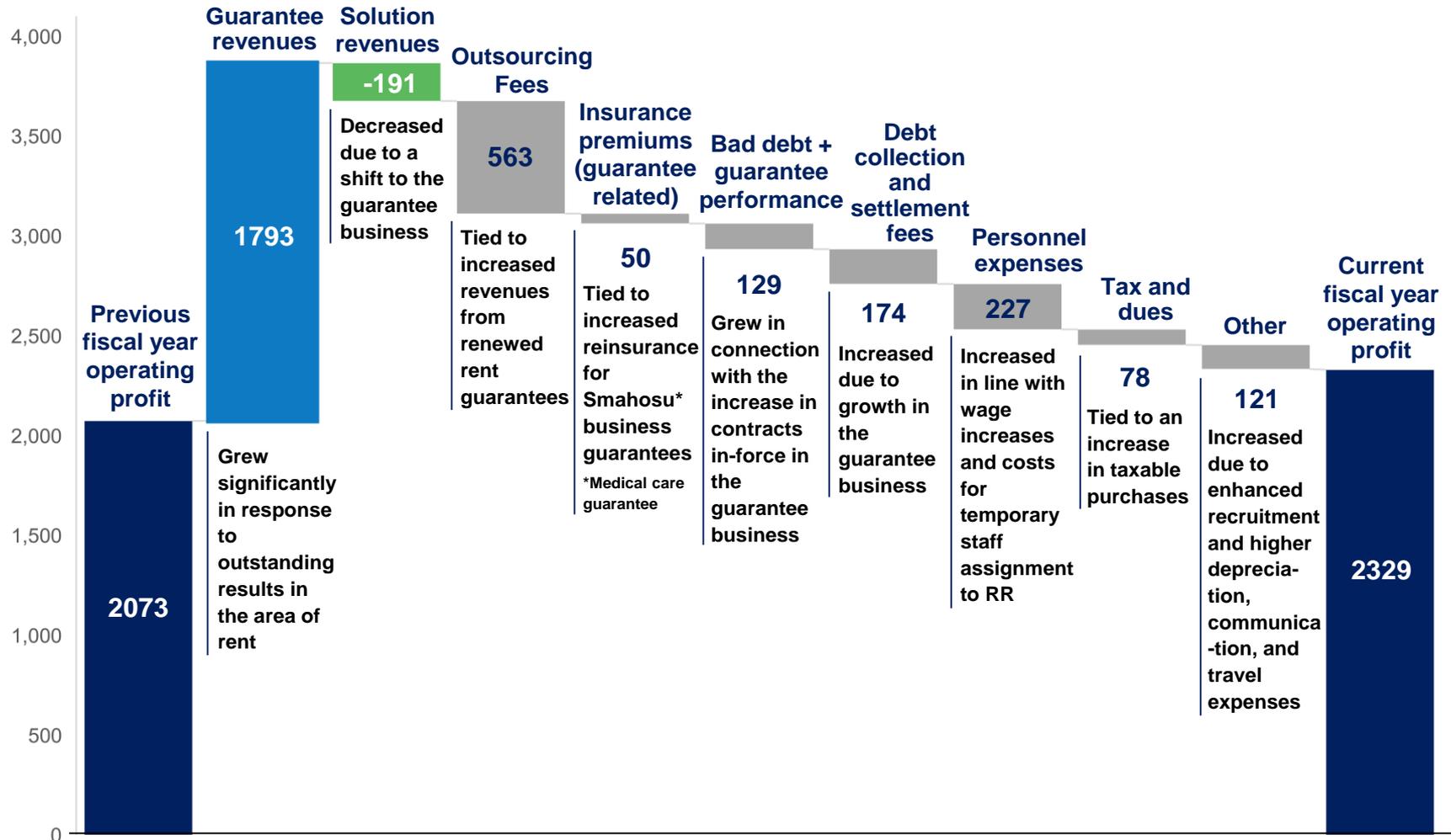
\*Figures for the fiscal year ended March 31, 2024 and thereafter are consolidated figures



# Analysis of Changes in Operating Profit

- Profit increased despite an increase in related expenses (business outsourcing fees, settlement fees, and bad debt-related costs) in line with growth in guarantee sales

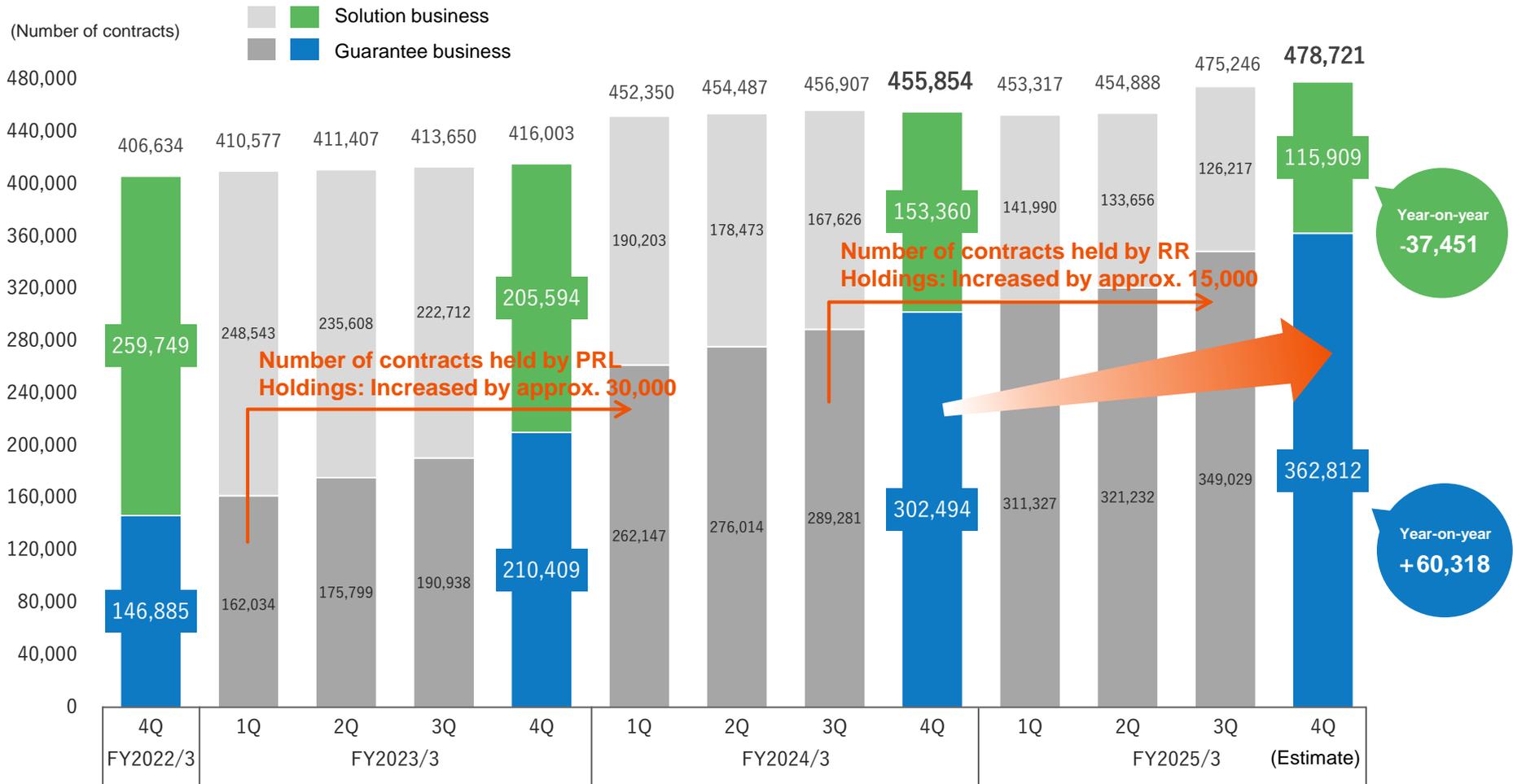
(Million yen)



# Property Rent Area: Number of Property Contracts by Quarter

## ■ Guarantee business led the growth

The overall number of contracts in-force increased slightly as a result of switching from solution products automatically attached to properties managed by clients to optional guarantee products. Guarantee products with high unit prices have grown steadily, resulting in increased sales.

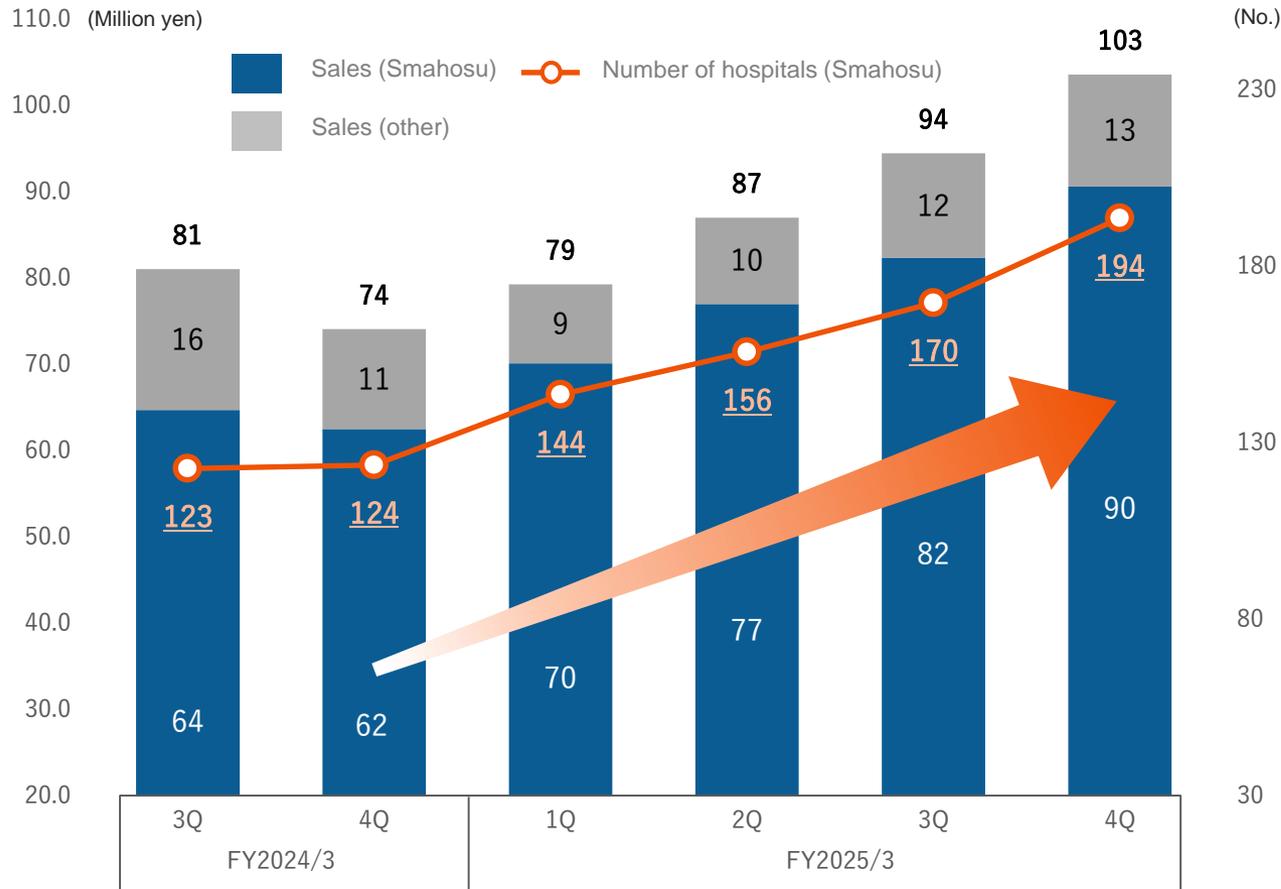


# New Area: Medical Care Guarantee Sales by Quarter

## ■ Sumahosu sales activities strengthened to steadily expand the number of medical institution clients and drive growth

- Inquiries have increased through partnerships with insurance companies and hospital associations, with further growth expected.
- Stable guarantee unit prices have been maintained by offsetting second-year fee reductions with new contract acquisitions.

Year-on-year  
**139.8%**  
in medical care sales



### • Continued growth for co-signer agent system Smahosu

**194** medical facilities  
(+70 from the end of the previous fiscal year)

**45,823** hospital beds  
(+16,155 from the end of the previous fiscal year)

### • Hospitalization set with medical care guarantee and other products

**30** medical facilities  
(-10 year-on-year)

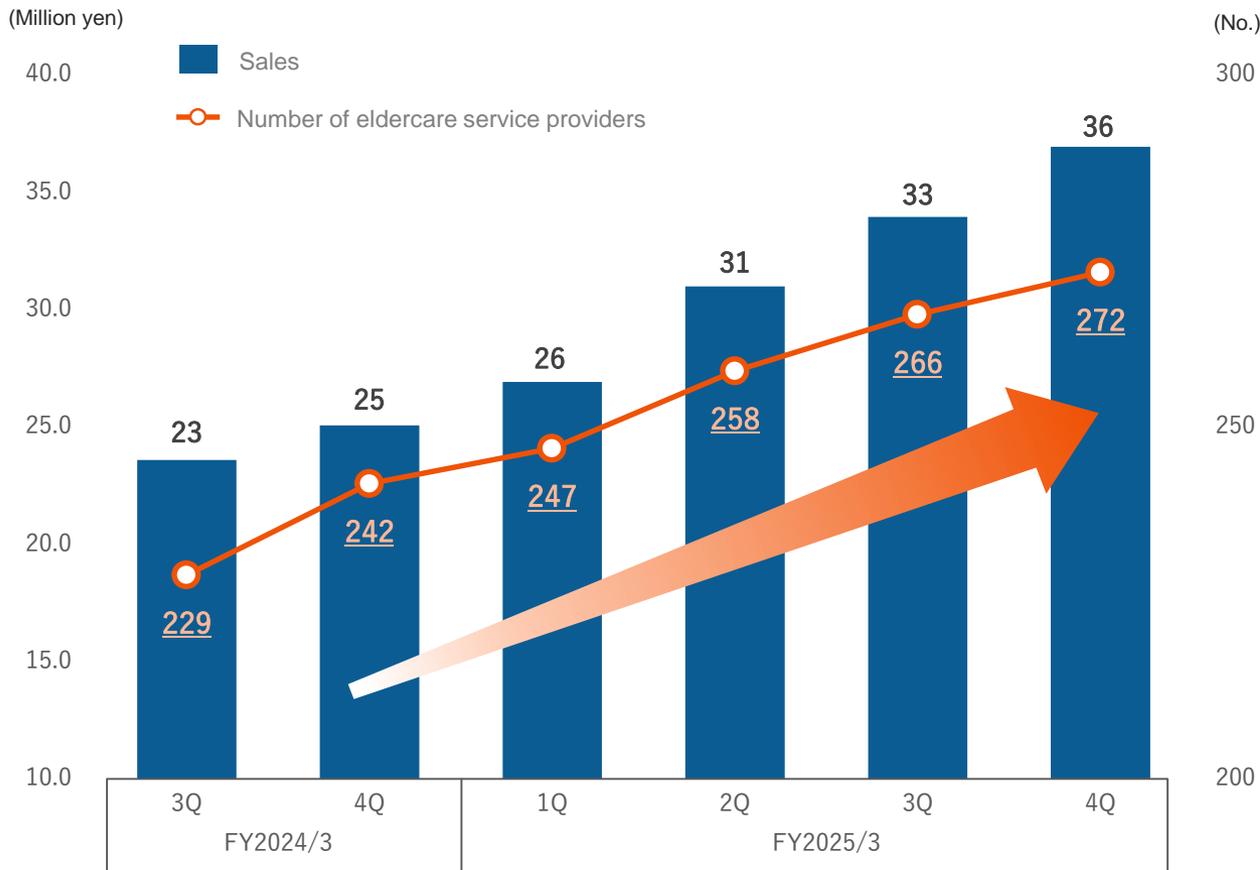
**5,920** hospital beds  
(-1,323 year-on-year)

# New Area: Eldercare Expense Guarantee Sales by Quarter

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

- 29 service providers newly adopted the service in FY 2025. Products with accident insurance have contributed to improving the guarantee coverage rate, steadily increasing sales and contract volume.
- We will continue to partner with sales support companies and promote sales.

Year-on-year  
**147.3%**  
in eldercare sales



- Continued growth of eldercare expense guarantees with accident insurance**  
**80** eldercare service providers (+29 from the end of the previous fiscal year)  
**1,646** contracts (+853 from the end of the previous fiscal year)
- Other products**  
**192** eldercare service providers (+1 from the end of the previous fiscal year)  
**3,725** contracts (+1,099 from the end of the previous fiscal year)

# Other Financial Data (Balance Sheet)

(Million yen)

	2024/3 (Previous fiscal year)	2025/3 (Current fiscal year)	Change in amount
<b>Current assets</b>	8,438	<b>10,004</b>	1,566
Cash and deposits	5,663	<b>6,822</b>	1,159
Accounts receivable - trade	211	<b>206</b>	-4
Advances paid	3,824	<b>4,991</b>	1,166
Other	474	<b>539</b>	65
Allowance for doubtful accounts	-1,735	<b>-2,555</b>	-820
<b>Non-current assets</b>	1,214	<b>1,256</b>	42
Property, plant, and equipment	160	<b>183</b>	23
Intangible assets	222	<b>311</b>	89
Investments and other assets	831	<b>761</b>	-70
<b>Current liabilities</b>	3,393	<b>4,108</b>	715
(Unearned revenues)	1,978	<b>2,239</b>	260
(Reserve for fulfillment of guarantees)	477	<b>826</b>	348
<b>Non-current liabilities</b>	154	<b>182</b>	28
<b>Net assets</b>	6,105	<b>6,970</b>	864
<b>Total assets</b>	9,653	<b>11,261</b>	1,608

Tied to steady growth in the number of guarantee contracts held

Tied to the increase in new contracts for property rent guarantees

**Secured deferred revenue** that serves as **future income source** at levels on par with the previous year (up 13.2%)

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

Tied to the increase in new contracts for property rent guarantees

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

- In the second year of the Third Medium-Term Management Plan, achieve the targets of 12.0 billion yen in sales and 2.6 billion yen in operating profit
- We are steadily progressing toward **re-listing on the Prime Market**

(Million yen)

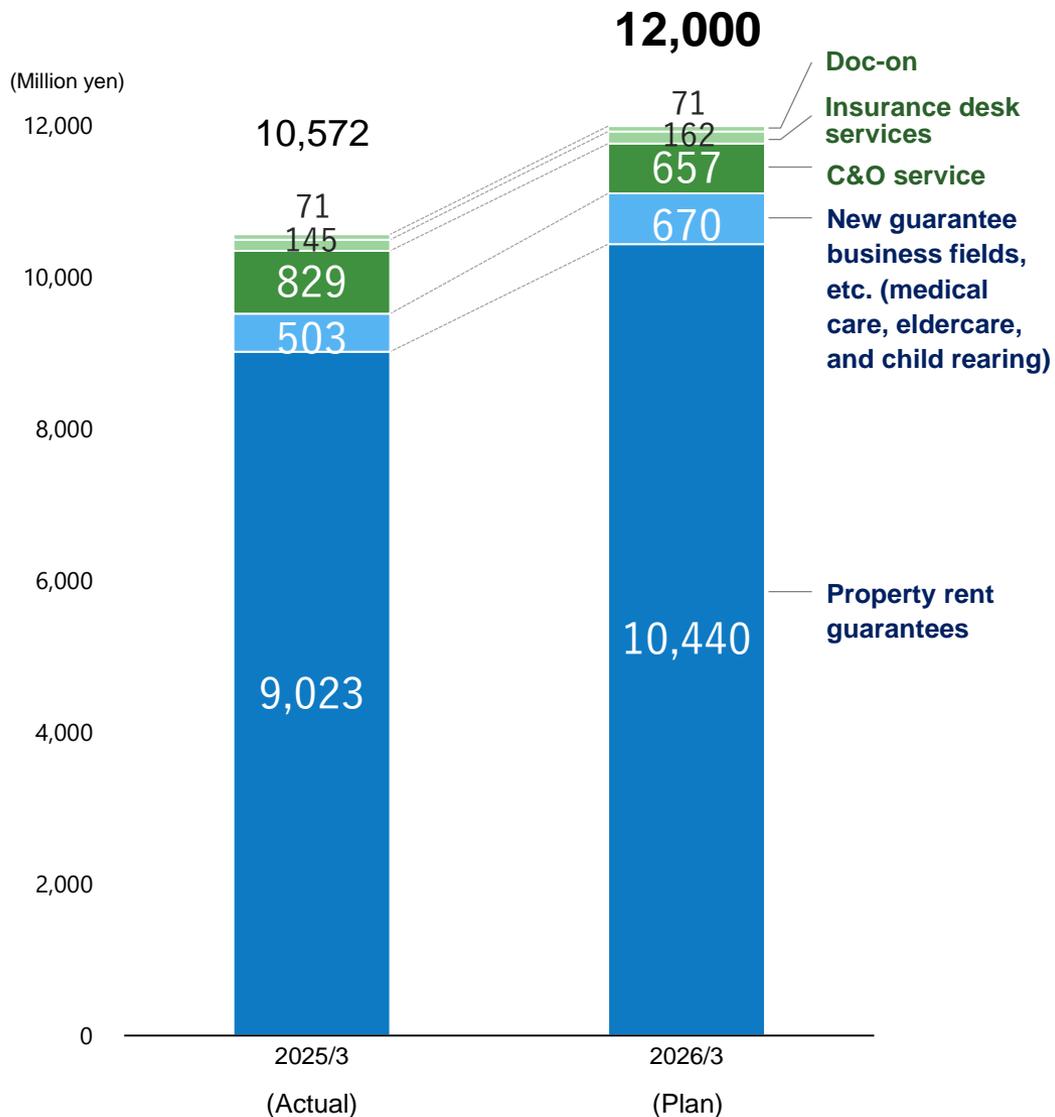
	2025/3 Actual	2026/3 Plan	Year-on-year	H1 plan	Medium-term Management Plan (2027/3)
Net sales	10,572	<b>12,000</b>	113.5%	<b>5,880</b>	<b>15,000</b>
Operating profit	2,329	<b>2,600</b>	111.6%	<b>1,300</b>	<b>3,000</b>
(Margin)	22.0%	<b>21.7%</b>	-	<b>22.1%</b>	<b>20.0%</b>
Ordinary profit	2,345	<b>2,600</b>	110.9%	<b>1,300</b>	-
(Margin)	22.2%	<b>21.7%</b>	-	<b>22.1%</b>	-
Net income	1,360	<b>1,550</b>	114.0%	<b>780</b>	-
(Margin)	12.9%	<b>12.9%</b>	-	<b>13.3%</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



# 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

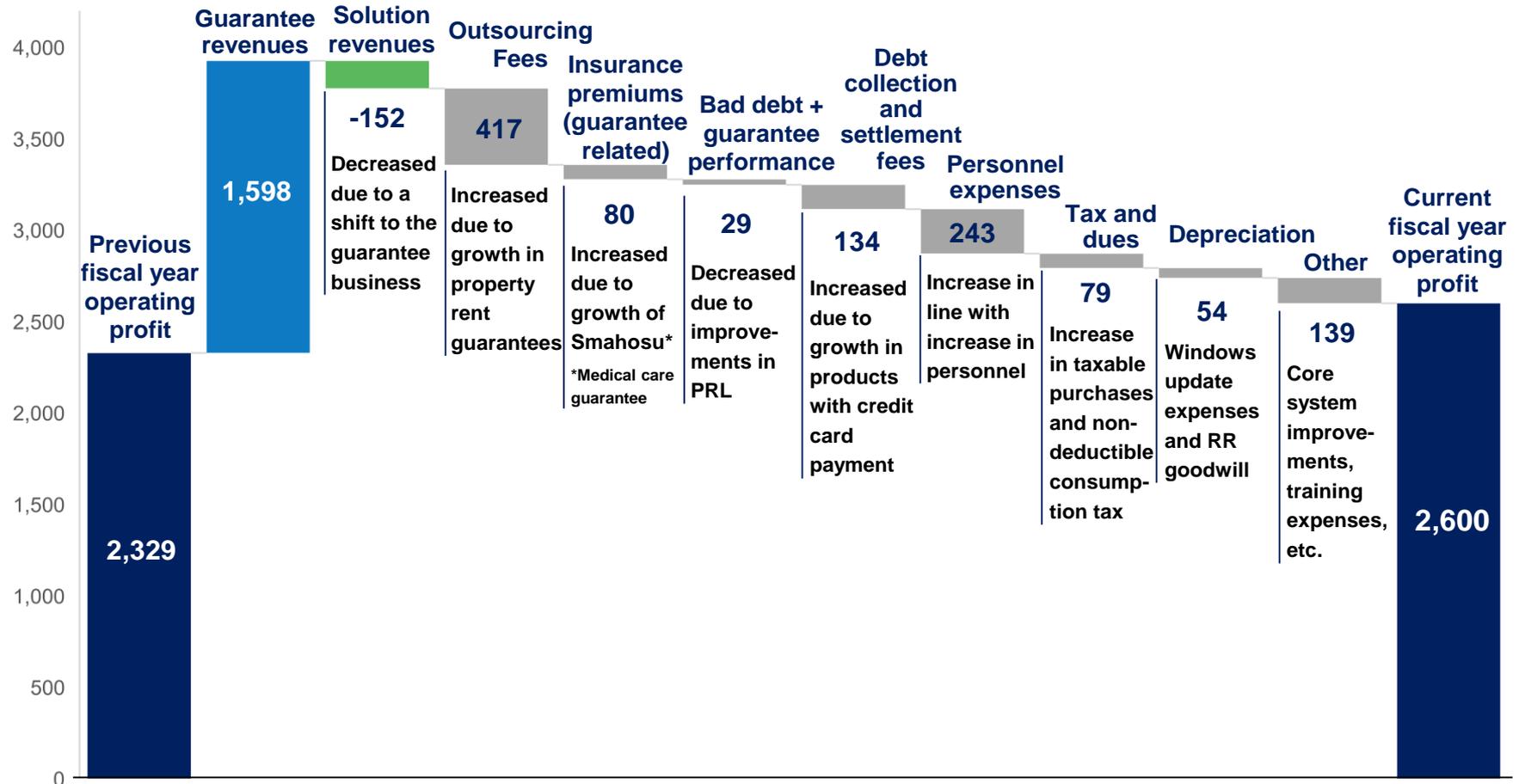
### Child rearing expense guarantees

Promote commercialization in local governments across Japan

# Analysis of Changes in Operating Profit (Plan)

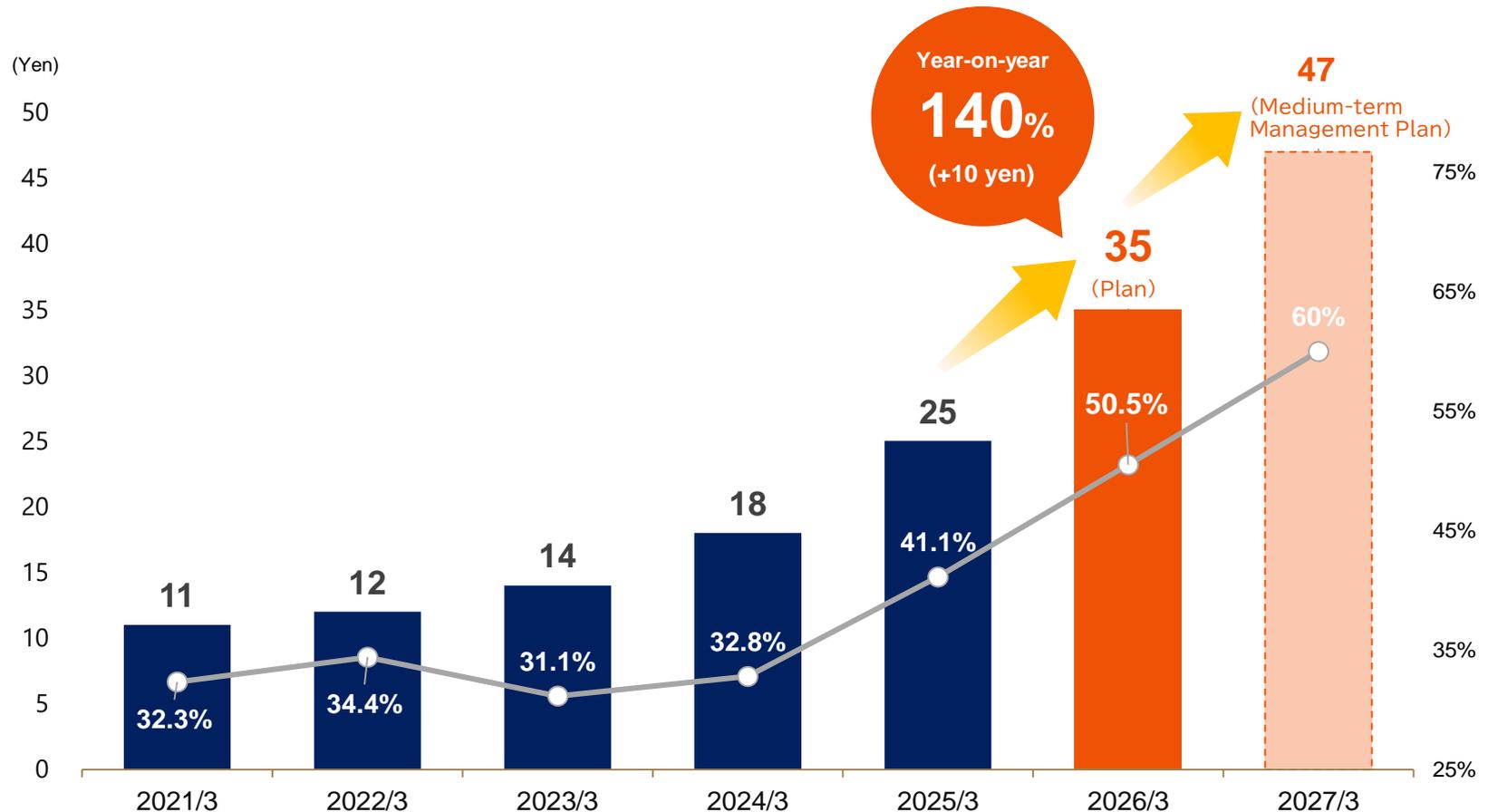
- Promote increase in revenue through growth in guarantee business
- Conduct Windows updates, improve core systems, and provide employee training programs / Expand operating profit beyond the increase in expenses

(Million yen)



# 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%**
- Achieve a dividend payout ratio of **60%** in the final year of the medium-term plan



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# Key KPIs and Financial Structure of the Guarantee Business

## Key KPIs

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



\* Prorated over warranty period

### Medical care guarantees

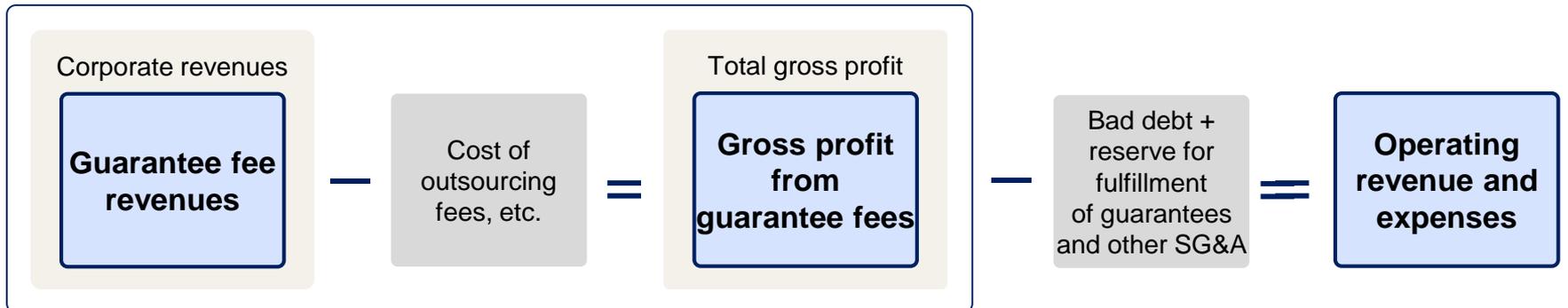


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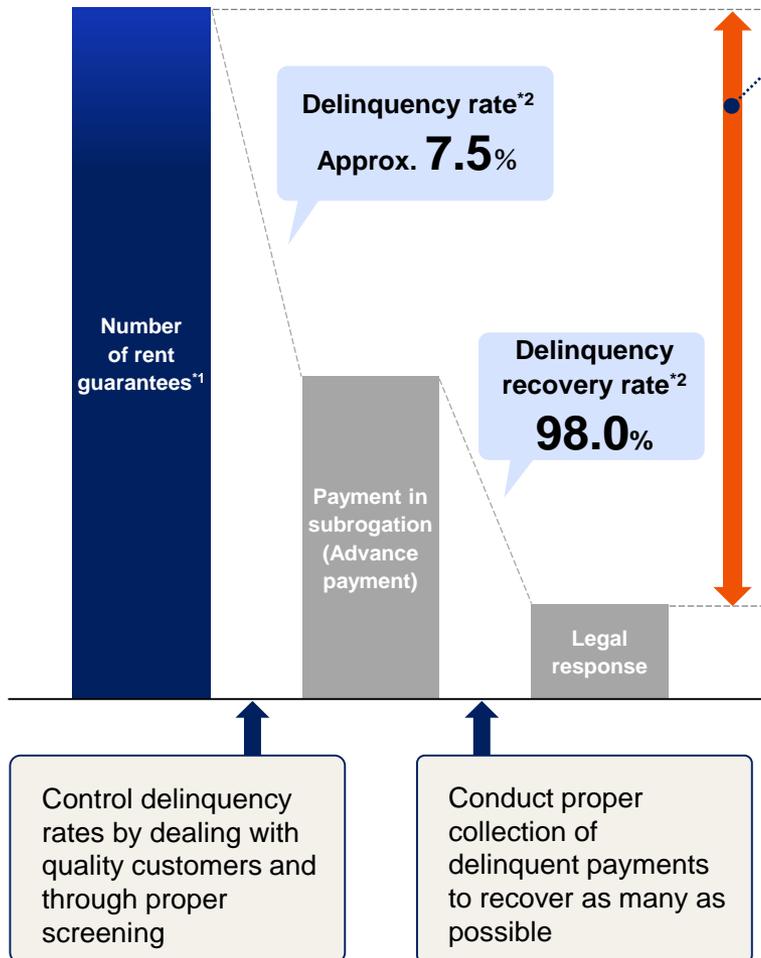
..... Hospitalization set product that comes with the guarantee .....

\* Prorated over warranty period

## Financial structure



About  
**310,000**  
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

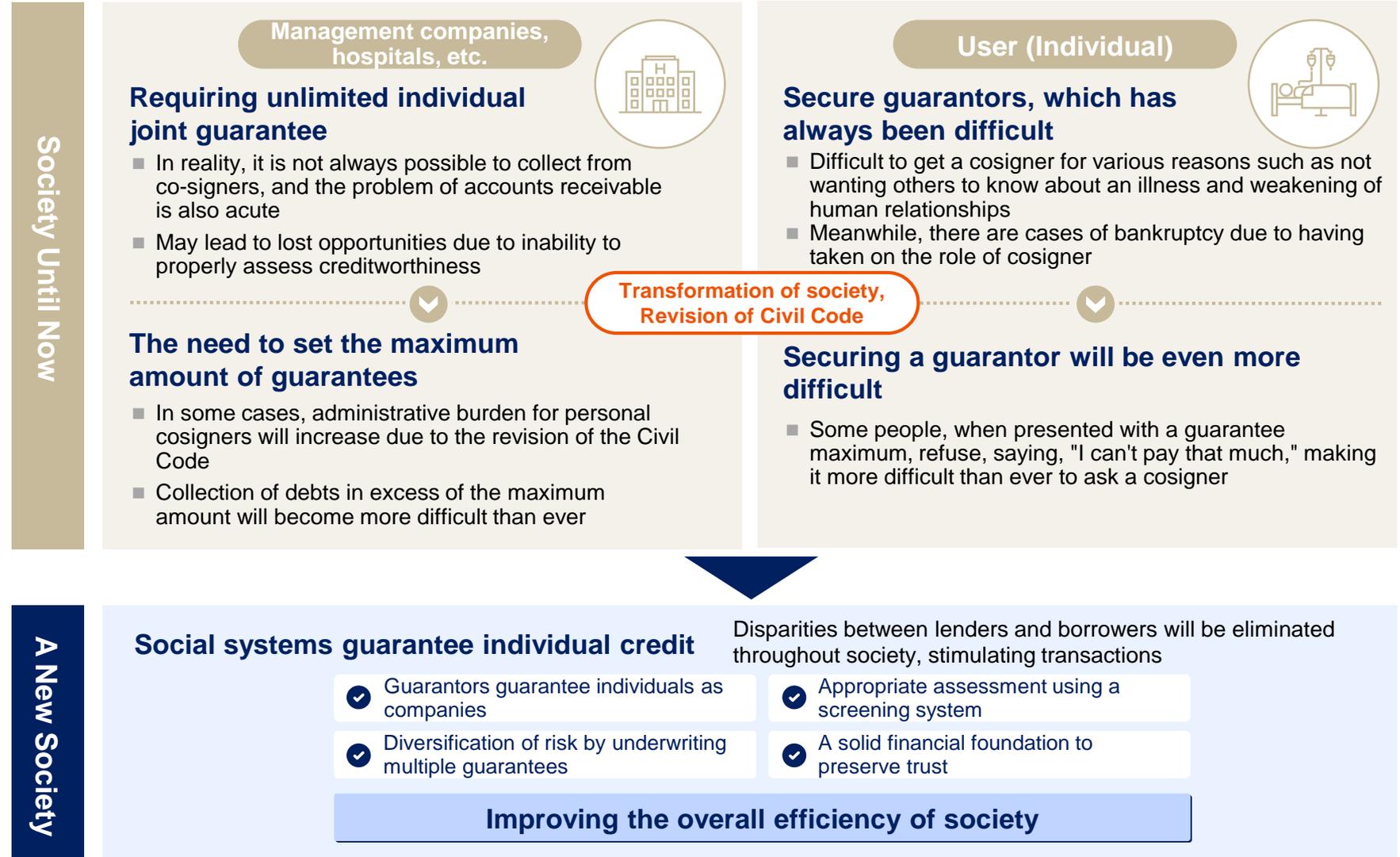
### Expertise

- 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 March 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



# 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

**224**

Entrust Inc. target

# Third Medium-Term Management Plan Targets

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

Zero to One  
Always go “from zero to one”

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

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

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

## 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	<b>15,000</b>	<b>1.7 x</b>
Operating profit	2,073	<b>3,000</b>	<b>1.4 x</b>
Operating profit margin	23.1%	<b>20.0%</b>	-
Payout ratio (dividends)	32.8% (18 yen)	<b>40 - 60%</b> (47 yen)	<b>Aim for 60% in the final year</b>
ROE	20.16%	<b>20% or more</b>	-

### 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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