



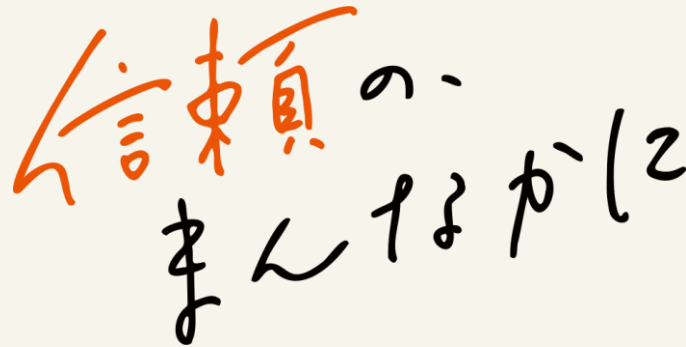
3rd Medium-Term Management Plan
FY2025/3 to FY2027/3

Change the Stage

Leaping further toward the growth stage

Entrust Inc.

Securities Code: 7191



Entrust guarantees peace of mind between people
We have the most dependable presence when people are in need

The challenge of building a joint guarantor agency system is not limited to property rent guarantees, but we are also expanding into other fields, including medical care expense guarantees, eldercare expense guarantees, and child rearing expense guarantees.

With the expertise we have cultivated through guarantees, we also provide a solutions service for resolving corporate issues.

Entrust continues to grow as a comprehensive guarantees service company.

1

Review of the 2nd Medium-Term Management Plan

- Review of the 2nd Medium-Term Management Plan (Summary)
- Review of the 2nd Medium-Term Management Plan (By Business)

2

Policies of the 3rd Medium-Term Management Plan

- Policies of the 3rd Medium-Term Management Plan
- Target Values of the 3rd Medium-Term Management Plan
- Target Values of the 3rd Medium-Term Management Plan (By Business)
- Business Portfolio: Growth Stage and Investment Themes

3

Growth Strategies

- Rental Real Estate
- Medical Care
- Eldercare
- New Businesses
- Investments (Organic Strengthening and Stretch M&A)

4

Financial and Non-Financial Goals

- Goals in the Financial Area
- Targets for Shareholder Returns
- Goals in the Non-Financial Area

1

Review of the 2nd Medium-Term Management Plan

1: Review of the 2nd Medium-Term Management Plan (Summary)

Hop
1st Medium-Term Management Plan
(2019/3 to 2021/3)

Step
**2nd Medium-Term Management Plan
(2022/3 to 2024/3)**

Jump
3rd Medium-Term Management Plan
(2025/3 onward)

Zero to One

Always realizing "From zero to one"

Road to the higher

Drive sales to within reach of 10 billion yen

(Million yen)

	Start 2021/3	Goal 2024/3	2nd Medium-Term Management Plan	
			Realization status	Growth rate
Net sales	4,203	8,971	Achieved! 112%	2.1x
Operating profit	1,149	2,073	Achieved! 104%	1.8x
Operating profit margin	27.4%	23.1%	Not achieved 92%	-
Payout ratio (dividend)	32.3% (11 yen)	32.8% (18 yen)	Achieved! 30 to 40%	1.6x
ROE	20.8%	20.2%	Achieved! 20% or higher	-

TOPICS

- **Record-breaking performance**
 - Sales up 2.1x, operating profit up 1.8x
 - Business scale of 10 billion yen within reach
- **Growth in new areas (medical care, eldercare) still in progress due to the COVID-19 pandemic**
- **Challenges in new businesses**
 - Taking on the challenges of child rearing expense guarantees, housing loan guarantees, and other guarantee areas
- **Reinforcement of business infrastructure**
 - Established Hamamatsu Solution Center
 - Complete renewal of mission-critical information systems
 - Continuous strengthening of personnel
- **Continued to increase dividends for shareholders**

1: Review of the 2nd Medium-Term Management Plan (by Business)

Hop
1st Medium-Term Management Plan
(2019/3 to 2021/3)

Step
2nd Medium-Term Management Plan
(2022/3 to 2024/3)

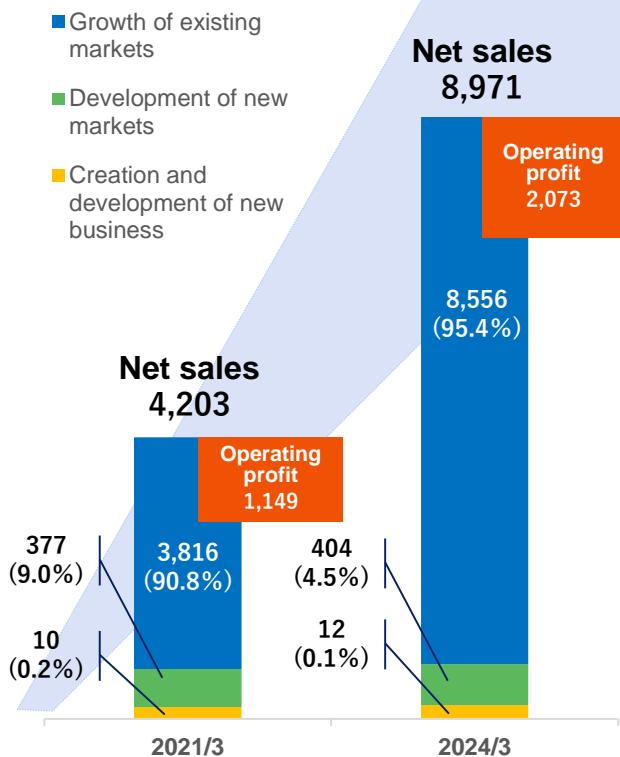
Jump
3rd Medium-Term Management Plan
(2025/3 onward)

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(Million yen)

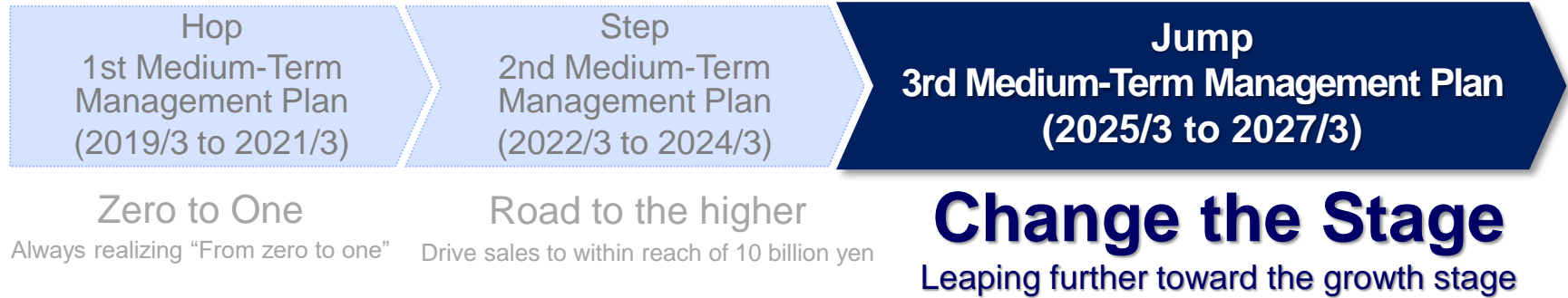


Growth area	Business segment		Net sales		Degree of realization in mid-term		Key points
			2021/3	2024/3	Plan achievement rate	Growth rate	
#1 Growth of existing markets	Rental real estate	Property rent guarantees and solutions (SOL)	3,816	8,556	133%	2.24x	Launched new guarantee products in response to needs of major management companies. Promoting transition from SOL to guarantees. Premier Life became a subsidiary through M&A.
#2 Development of new markets	Medical care	Medical care expense guarantees	341	315	23%	0.92x	With the impact of the COVID-19 pandemic, the priorities of medical institution issues have changed. For a while, it was not possible to be fully active in new development and proposal activities.
	Eldercare	Eldercare expense guarantees	36	88	68%	2.44x	The pandemic continued to prevent approaching facilities. However, introducing products that meet customer needs increased the use of guarantees.
#3 Creation and development of new business	New business	Child rearing expense guarantees and other new businesses	10	12	12%	1.09x	We continued to watch the business environment and developed trials for child-rearing expenses. We also developed new areas, such as taking on the challenge of home loan guarantees.
			4,203	8,971	112%	2.1x	

2

Policies of the 3rd Medium-Term Management Plan

2: Policies of the 3rd Medium-Term Management Plan



P O I N T

- ✓ Aim to grow to the **15 billion-yen sales** stage
- ✓ Make **investments that foster growth**
- ✓ **Record results** for both sales and operating profit
- ✓ **Increase the return rate** for shareholder dividends

2: Target Values of the 3rd Medium-Term Management Plan

Hop
1st Medium-Term
Management Plan
(2019/3 to 2021/3)

Step
2nd Medium-Term
Management Plan
(2022/3 to 2024/3)

Jump
3rd Medium-Term Management Plan
(2025/3 to 2027/3)

Zero to One

Always realizing “From zero to one”

Road to the higher

Drive sales to within reach of 10 billion yen

Change the Stage
Leaping further toward the growth stage

(Million yen)

	Start 2024/3	Goal 2027/3	Term growth rate
Net sales	8,971	15,000	1.7x
Operating profit	2,073	3,000	1.4x
Operating profit margin	23.1%	20.0%	-
Payout ratio (dividend)	32.8% (18 yen)	40 to 60% (47 yen)	Target of 60% for the final year
ROE	20.16%	20% or more	-

Measures of the 3rd Medium-Term Management Plan

- **Whilst aiming for sales growth rather than operating profit margin, we will record consecutive increases in sales and profits**
 - ▷ **Develop medical care and eldercare expense guarantees** as a pillar of sales following property rent guarantees
 - ▷ Keep the operating profit margin at **20%** to use as investment capital for growth
 - ▷ **Invest** towards growth
 - Upfront investment in medical care and eldercare expense guarantees
 - Preparation for M&A of PMI (temporary drop in profit margin)
 - Take on the challenge of DX investment, business creation, etc.
- **Move up to a new stage for shareholder returns**
 - ▷ Dividend payout ratio of **40 to 60%**
 - ▷ Aim for **60%** in the final year

2: Target Values of the 3rd Medium-Term Management Plan (By Business)

■ Aim to achieve sales growth of 1.7 times over the 3 years of the 3rd Medium-Term Management Plan

- Rental real estate : Pillar of growth and profit; aim for sales growth of 1.5 times
- Medical care and eldercare : Reach the “growth stage” with upfront investment to develop
- New business creation : Take on challenges that capture changes in social conditions

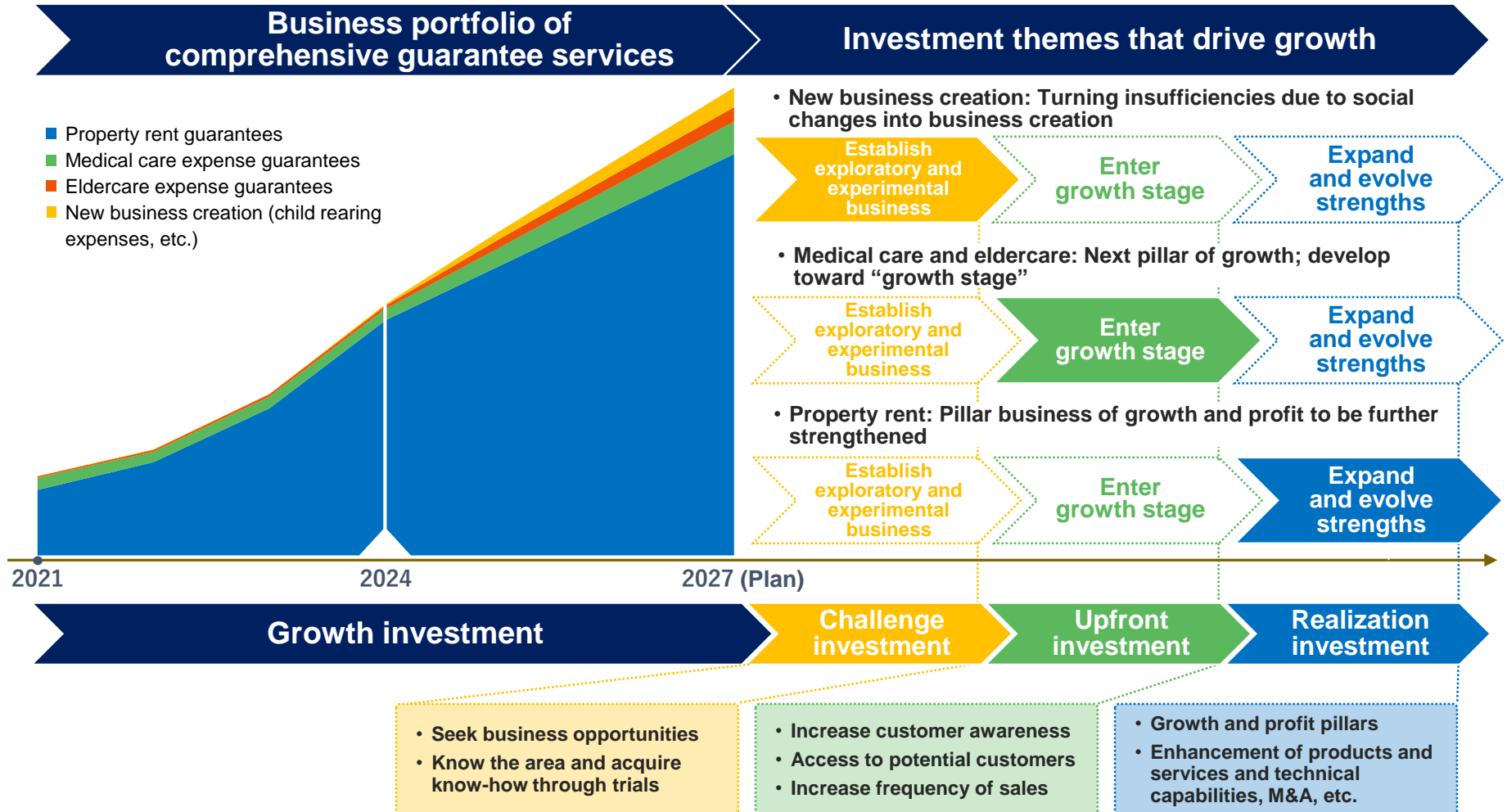
(Million yen)

Growth area	Business segment		FY ended Mar. 2024		FY ending Mar. 2027			Key points	Market overview
			Net sales	Composition ratio	Net sales	Composition ratio	Growth rate		
#1 Steady growth of future business	Rental real estate	Property rent guarantees and solutions (SOL)	8,556	95%	13,150	88%	1.5x	Strengthen ability to respond to needs and improve the utilization rate (in-store share). Earn trust by accumulating SOL services and technologies to solve customers' problems.	An oligopoly has slowly progressed toward major management companies, and manufacturer-affiliated management companies are maintaining growth. Meanwhile, regional banks, etc. have also entered the market.
#2 Accelerated growth of new business	Medical care	Medical care expense guarantees	315	4%	900	6%	2.9x	Develop new business and invest in strengthening sales capabilities to expand Smahosu (contract-type guarantee with medical institutions).	New markets created by Entrust upfront, which are approaching the growth stage.
	Eldercare	Eldercare expense guarantees	88	1%	400	3%	4.5x	Develop new business, strengthen sales capabilities, and enhance the attractiveness of products to improve in-store share.	
#3 Business creation and challenges	New business	Child rearing expense guarantees and other new business	12	1%	550	4%	45.8x	Support the design of a guarantee system for prefectures and municipalities with child rearing expense guarantees. Start a borrower agency service for foreign residents.	There are signs of child rearing expense policies being promoted by local governments.
			8,971	100%	15,000	100%	1.7x		

2: Business Portfolio: Growth Stage and Investment Themes

■ Growth and investment

Further expand and strengthen property rent guarantees as a pillar of growth and profit, and develop medical care and eldercare expense guarantees toward the growth stage

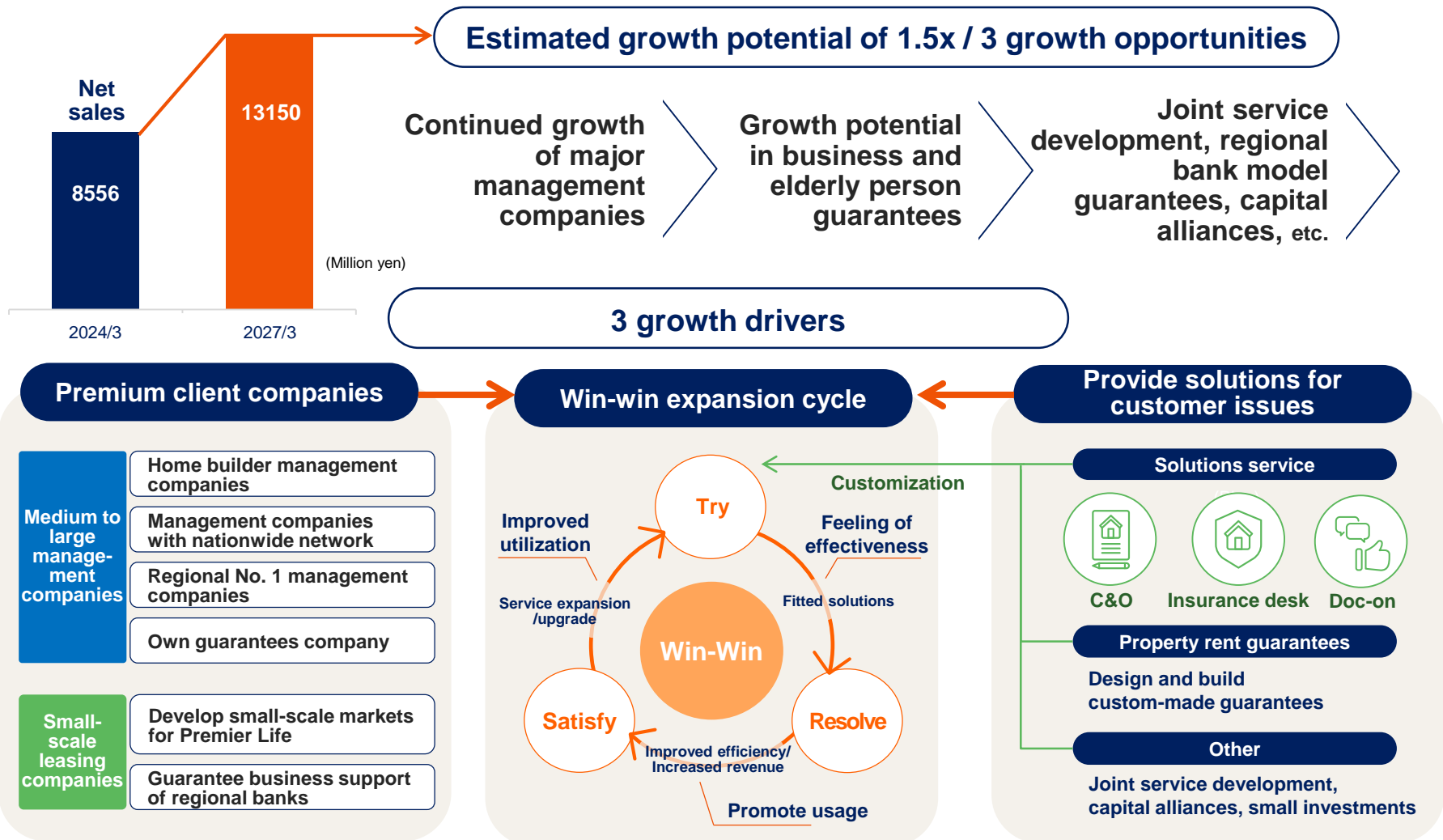


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Growth Strategies

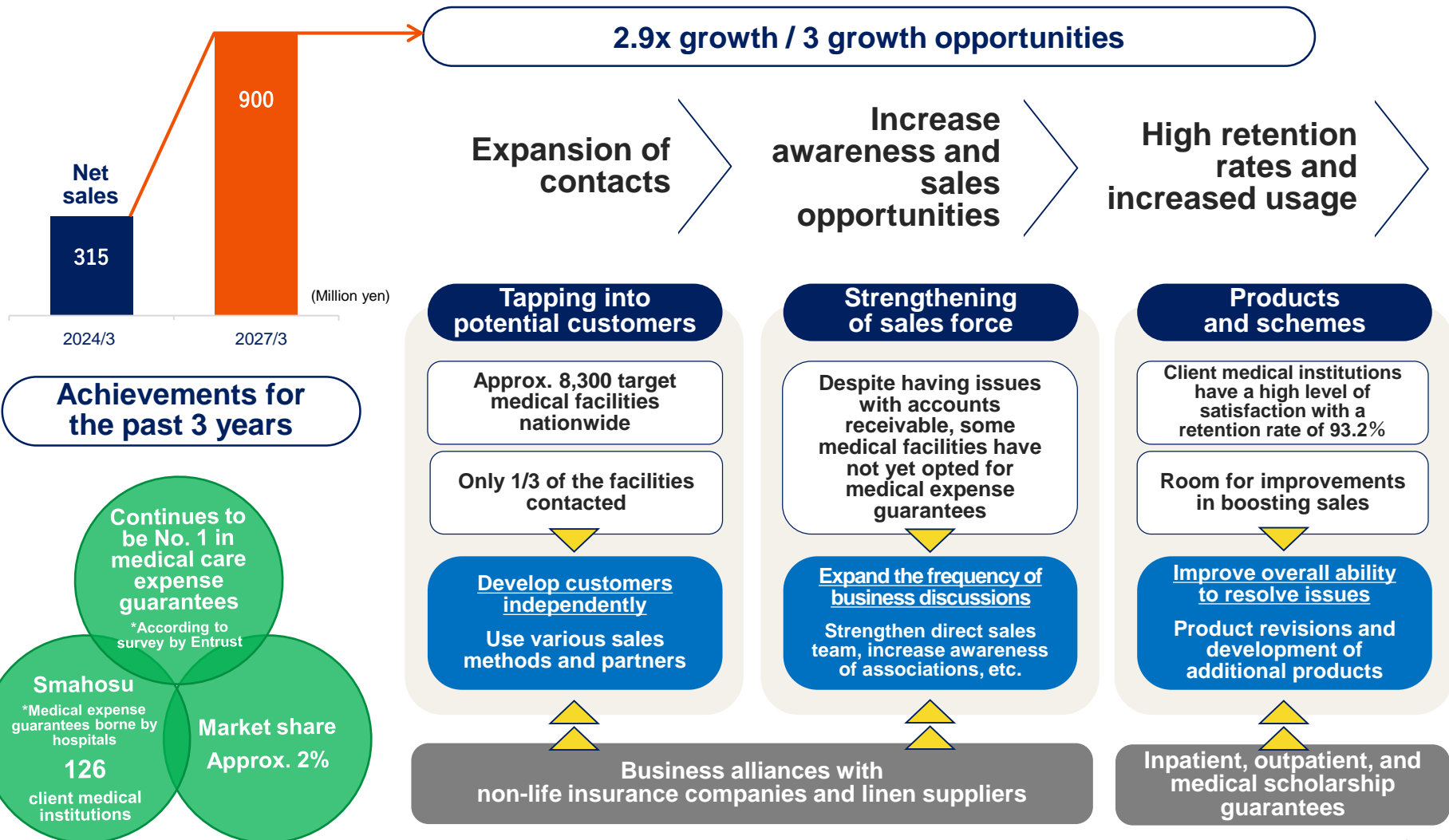
3: Growth Strategies — Rental Real Estate

- In rental real estate, leverage the growth of premium clients to further strengthen and expand revenues



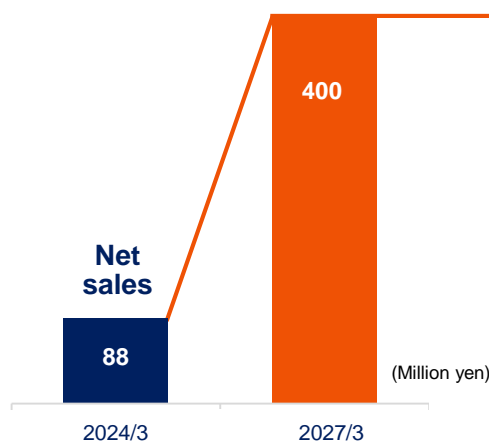
3: Growth Strategies — Medical Care

- Medical care expense guarantees are an untapped “blue ocean” market for guarantees. With more customers choosing the guarantee system, the market is on the verge of growth, and we will rapidly transition to the growth stage.

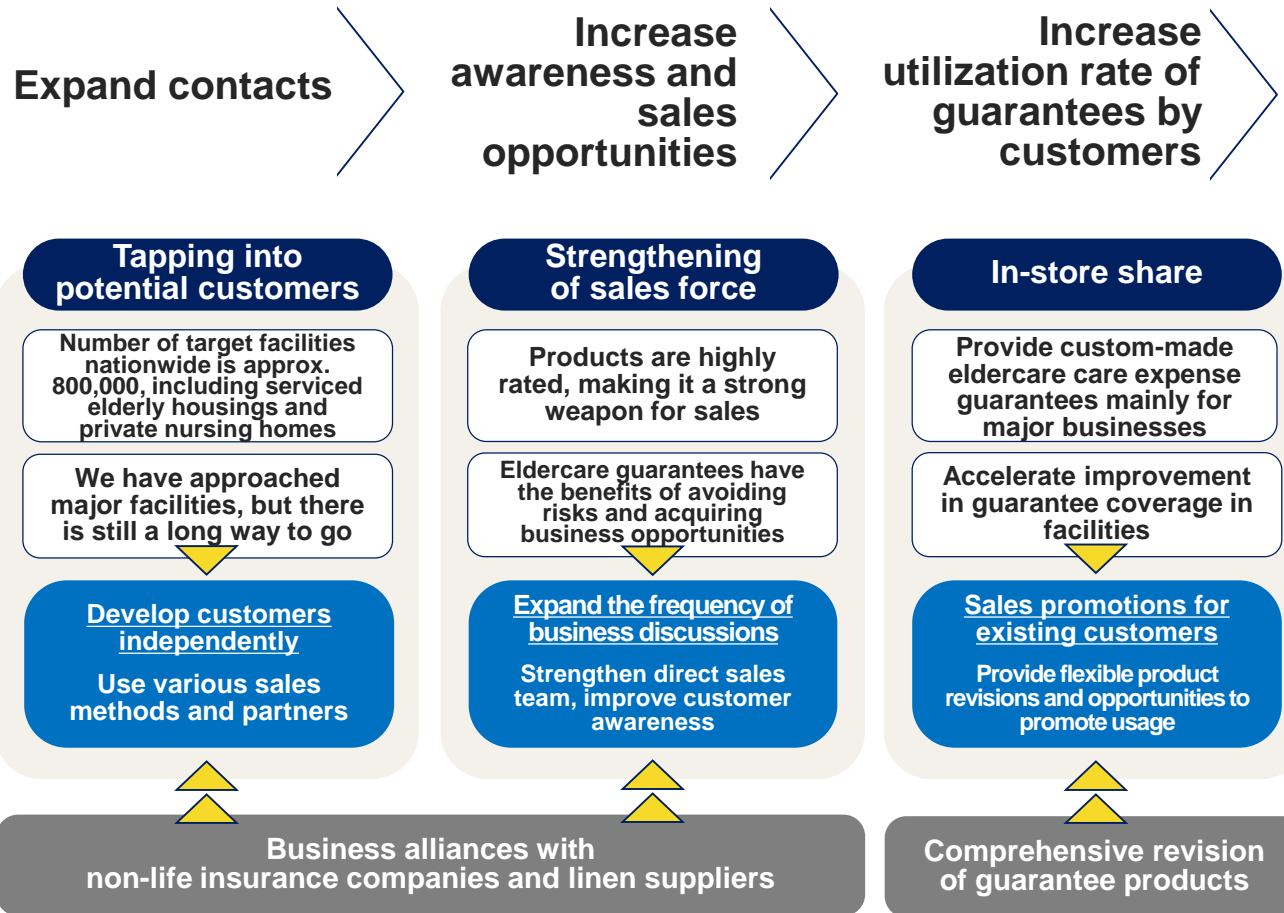


3: Growth Strategies — Eldercare

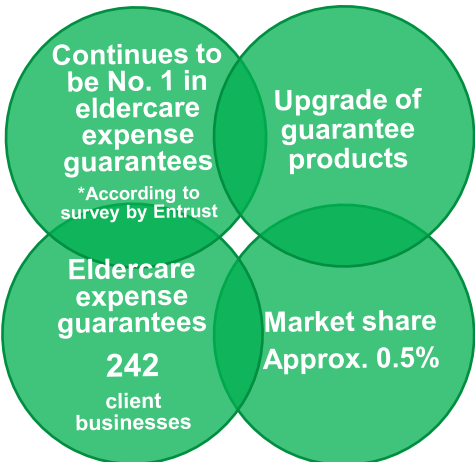
- Eldercare expense guarantees avoid risks of non-performance by contract and reduce the hurdles of security deposits, contributing to the expansion of opportunities for contracts. We will lift the business to growth stage.



4.5x growth / 3 growth opportunities



Achievements for the past 3 years



3: Growth Strategies — New Businesses

- Continue to take on challenges that capture changes in social conditions. Develop new products and businesses to take a step ahead in accordance with the growth stage of the business and the issues of the customers

	2021 and earlier	Progress in past 3 years (2021 to 2023)	Next 3 years (2024 to 2026)
Rental real estate	<p>Property rent guarantees (2006)</p> <p>Credit card alliance (2010)</p> <p>Provision of guarantee solutions (2014)</p>	<p>Monthly renewal cards, direct debit payment guarantees (2021)</p> <p>Commercial guarantees, non-life insurance alliance (2023)</p> <p>Regional bank model of rent guarantee system (2022)</p>	<p>Upgrade of commercial guarantees</p> <p>Flexible response to customer needs</p>
Eldercare	<p>Eldercare expense guarantees Sun (2014)</p>	<p>Eldercare expense guarantees Safety (2021)</p> <p>Eldercare expense guarantees Peace of Mind Pack (2022)</p>	<p>Flexible response to customer needs</p>
Medical care	<p>Medical care expense guarantees Rainbow (2015)</p> <p>Medical care expense guarantee hospitalization set (2015)</p> <p>Medical care expense guarantees Smahosu (2019)</p>	<p>Medical care expense guarantees Smahosu NEXT (2021)</p> <p>Medical scholarship guarantee (2022)</p> <p>Medical care expense guarantees Smahosu+ (2021)</p>	<p>Development of products to resolve customers' issues</p>
New businesses	<p>Child rearing expense guarantees (2018)</p>	<p>Housing loan guarantee (2022)</p> <p>Bifukyo borrower agency service for foreign residents (2024)</p>	<p>Upgrade of child rearing expenses guarantees</p>

3: Growth strategy — Investments (Organic Strengthening and Stretch M&A)

- Strengthen internal business seeds and room for improvement, promote collaboration with third parties, and incorporate technology, human resources, and business opportunities.

	Progress in past 3 years (2021 to 2023)		Next 3 years (2024 to 2026)
Organic strengthening investment	Strengthening of DX	Complete renewal of mission-critical systems	Continue to invest in DX to strengthen business processes and functions
		Upgrade of review models	
	Improved responsiveness	Construction of Hamamatsu Solution Center	Upfront investment in medical care and eldercare expense guarantees for growth
Organic strengthening investment	Strengthened collaboration	Investment in ZEN small-amount short-term insurance	Investment to promote joint development and strengthened collaboration with client companies and business partners
		Investment in PLT small-amount short-term insurance	
Stretch M&A and venture investments	Venture	Gazzella Capital Investment in No. 2 Fund	Challenge investments to acquire know-how in new businesses and synergy areas and develop businesses
		Investment in Prime Strategy Co., Ltd.	
	M&A	Transfer of shares in Premier Life (property rent guarantees business)	M&A of companies to strengthen existing businesses and for business expansion

4

Financial and Non-Financial Goals

4: Goals in the Financial Area

- Based on a solid financial base, we will focus on three areas of growth investments, shareholder returns, and management efficiency, to realize balanced investments and financial strategies

1. Growth investments

Investment stance: Select an investment type according to the stage of business growth and execute

Estimated investment amount: 1,400 to 2,300 million yen

Investment types

Strategic investment

Discover new business opportunities and conduct trials

- **Seek new business creation and conduct trials**
 - Promote prototype business with client companies
 - Take on the challenge of internal proposals
 - Venture partnerships, capital alliances, etc.

100 to 200
million yen

Upfront investment

Preparation and upfront investment for developing pillars of growth

- **Mainly in medical care and eldercare areas:**
 - Tap into potential clients
 - Improve customer awareness, etc.
 - Improve sales frequency
 - Strengthen sales promotions
 - Capital alliances, M&A, etc. for business synergies

300 to 500
million yen

Realization investment

Invest in enhancing competitiveness to strengthen the pillars of growth and revenue

- **Mainly in rental real estate:**
 - Develop new guarantee products
 - Promote DX (improved productivity)
 - Demonstration experiment of AI
 - M&A, etc. in similar and related businesses

1,000 to 1,600
million yen

4: Targets for Shareholder Returns

- Based on a solid financial base, we will focus on three areas of growth investments, shareholder returns, and management efficiency, to realize balanced investments and financial strategies

2. Shareholder returns

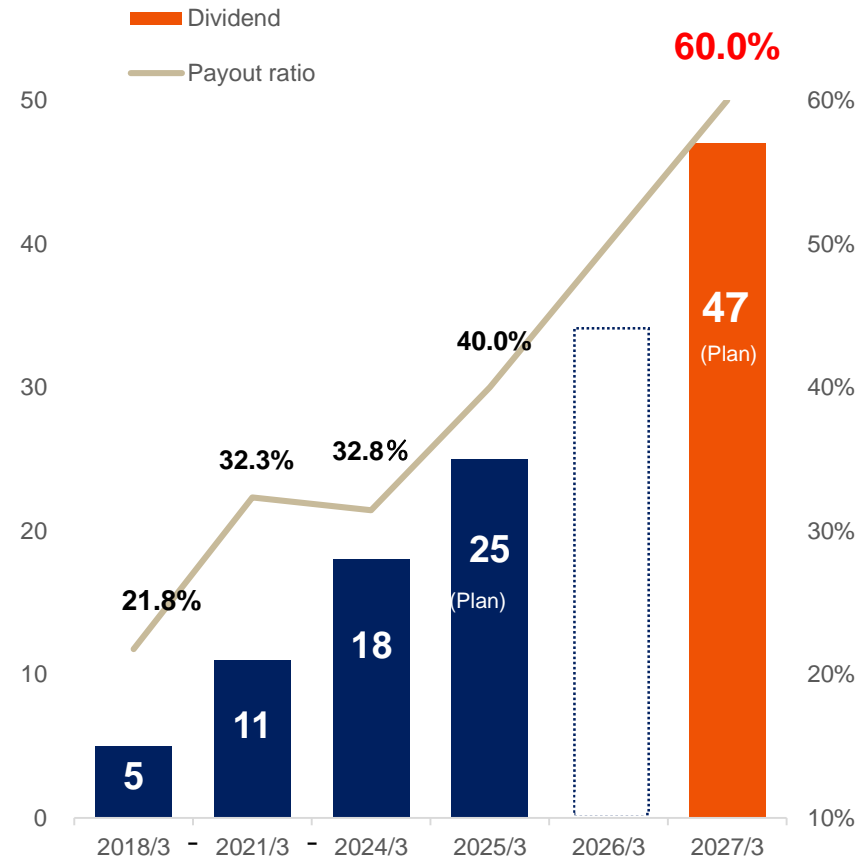
Payout ratio: 40 to 60%

Realize 60% in the final year (2027/3)

3. Operational efficiency

ROE: Aim for more than 20%

Actively promote IR activities with view to exceeding the cost of capital



4: Goals in the Non-Financial Area

■ Promote ESG management in parallel with enhancing financial management

E Environment

Support and promote initiatives toward reducing CO2 emissions based on the TCFD recommendations

- Hybrid vehicle ratio (company-owned)
-> 100%

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES



S Society

Promote the resolution of social issues through realization of the guarantee business

- Property rent guarantees / for elderly persons
- Eldercare expense guarantees
- Medical care expense guarantees
- Child rearing expense guarantees



G Governance

Promote the continued strengthening of corporate governance

- Ratio of outside directors
-> 50% or more
- Number of female directors
-> 2
- Ratio of female managers
-> 15%
- Ratio of male employees taking childcare leave / Average number of days taken
-> 100% / 7 days

Precautions regarding the handling of this document

The performance forecast figures given in this document are based on decisions and forecasts derived from information available at the time of writing. However, these are based on many assumptions and beliefs obtained from information that involves risks and uncertainties.

Please be aware that actual performance and results may differ materially from those projected, depending on a variety of factors.

Factors that have the potential to affect actual business results include but are not limited to a deterioration in the business environment or economic conditions, trends surrounding laws, regulations, and related rules, and unfavorable rulings in litigation.

Contact for inquiries: Entrust Inc. IR

Email: ent-ir@entrust-inc.jp