



Fiscal Year Ended March 31, 2019 Results Briefing Information Materials

Entrust Inc.

Securities Code: 7191



The opinions and projections stated in these information materials reflect the judgments of the Company at the time these materials were prepared. No guarantee is provided for the accuracy of the information herein stated. Users are reminded that due to changes in various factors, actual business results can materially differ from business results projections.

- 1. Company Information**
- 2. Fiscal Year Ended March 31, 2019 - Business Results**
- 3. Fiscal Year Ending March 31, 2020 - Business Results Projections**

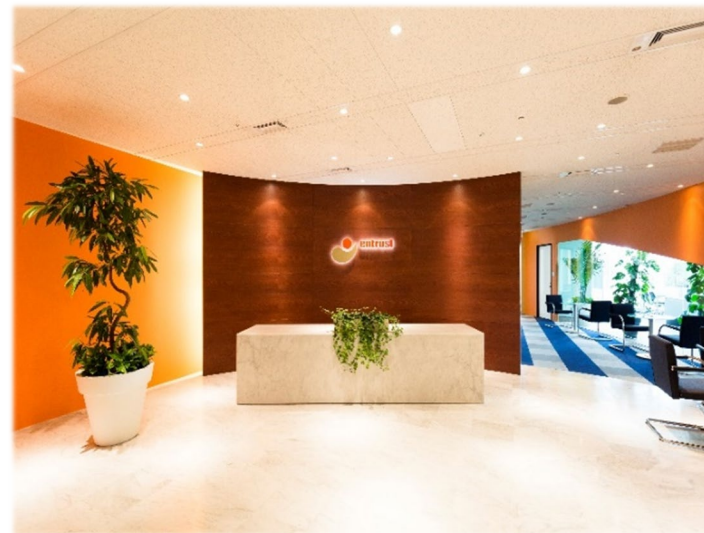
1. Company Information

Company Profile

(As of March 31, 2019)



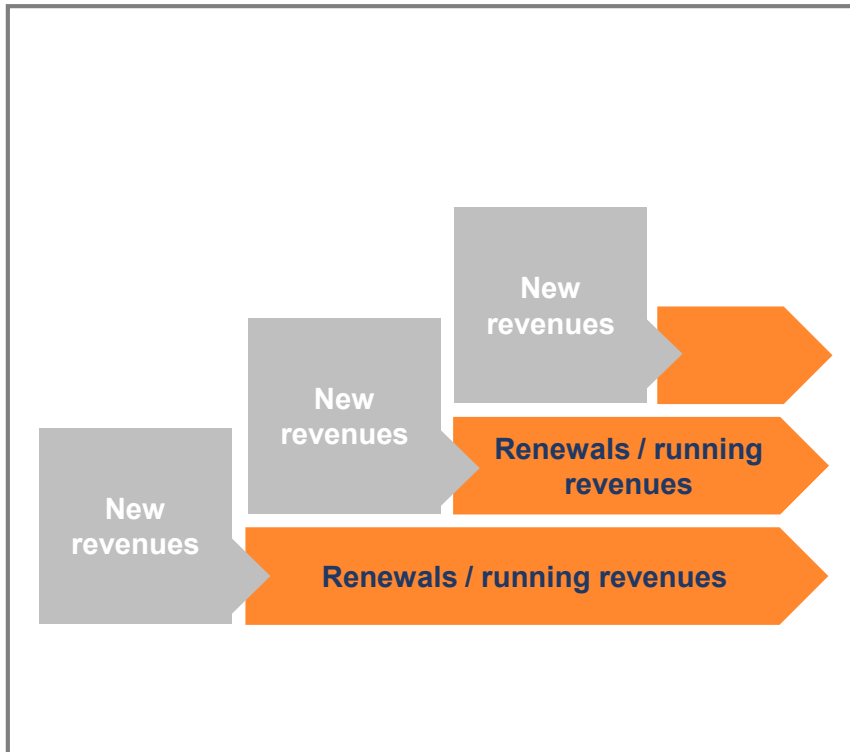
- Company name : Entrust Inc.
- Established : March 2006
- Capital : 1,034 million yen
- Listings : TSE 1st Section
[Securities Code 7191]
- Fiscal year : 12 months to March
- Representative director : Yutaka Kuwabara
- Head office location : 1-4 Kojimachi, Chiyoda-ku, Tokyo
- Major branch offices : Sendai, Akita, Toyama, Nagoya, Osaka, Fukuoka
Yokohama Solution Center
- Number of employees : 96
- Business lines : Comprehensive guarantee services



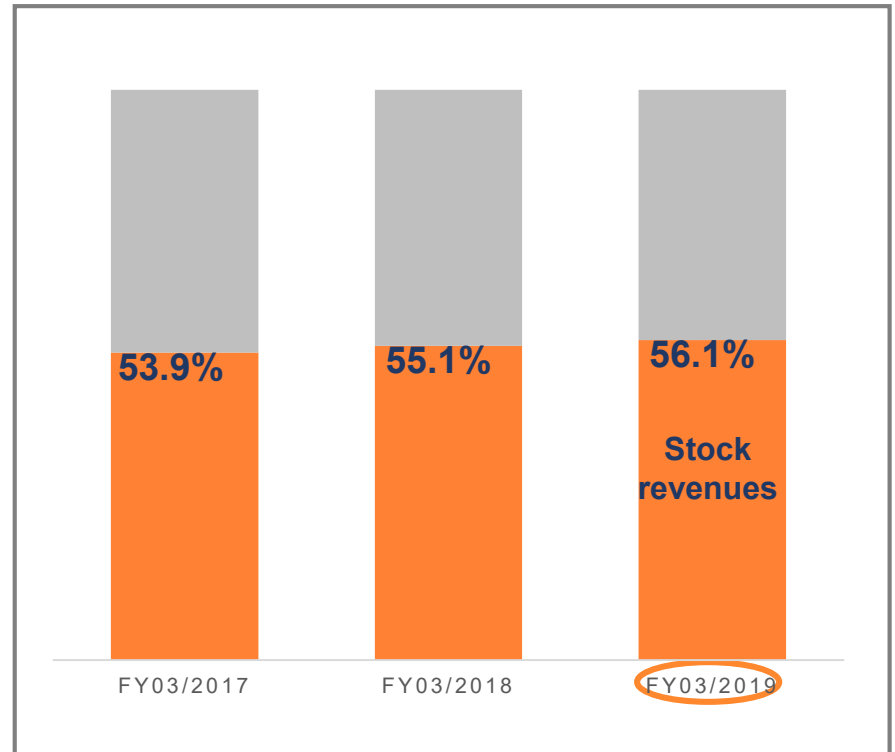
Income Structure



Stock-type business



Level of stock-type revenue component



2. Fiscal Year Ended March 31, 2019 - Business Results

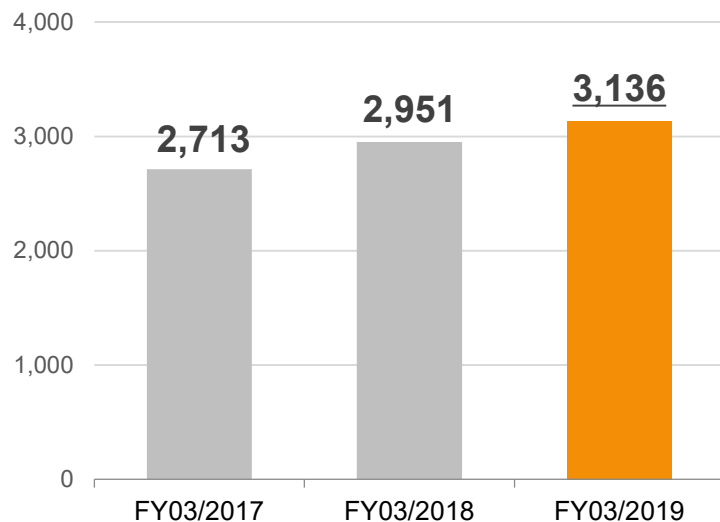
Fiscal Year Ended March 31, 2019 - Business Results Highlights



- **Revenues and earnings up** Revenues **up 6.3%**, operating income **up 9.0%** compared with the previous fiscal year
- **High profitability** Operating income ratio exceeds **26.9%** (marking a historical high)
- **Steady growth** Driven by new guarantee business fields and solution business
 - ⇒ Medical care expense guarantees grew more than 500% year-on-year
 - ⇒ C&O service and insurance desk service grew for three successive fiscal years

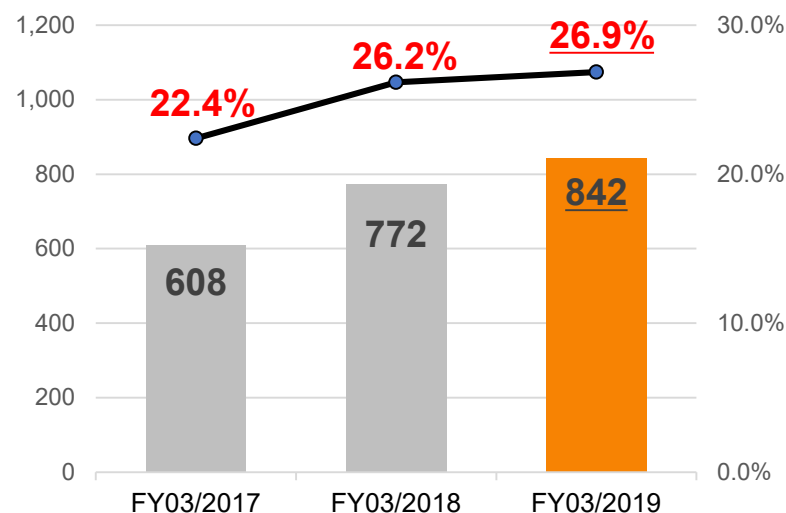
Revenues

(Unit: million yen)



Operating income and operating income ratio

(Unit: million yen)



Fiscal Year Ended March 31, 2019 - Business Results



**Realization of highest level of sales and operating income on record
Further improved both the guarantee and the solution business and
enhancing operational efficiency**

(Unit: million yen; %)

	FY03/2018		FY03/2019		Year-on-year	
	Results	As percent of revenues	Results	As percent of revenues	Change in amount	Rate of change
Revenues	2,951	-	3,136	-	185	6.3%
Cost of revenues	1,501	50.9%	1,542	49.2%	40	2.7%
Gross margin	1,450	49.1%	1,594	50.8%	144	10.0%
SG&A expenses	677	23.0%	752	24.0%	74	11.0%
Operating income	772	26.2%	842	26.9%	69	9.0%
Ordinary income	752	25.5%	840	26.8%	87	11.7%
Current net income before income taxes	752	25.5%	840	26.8%	88	11.7%
Current net income	508	17.2%	564	18.0%	55	10.9%

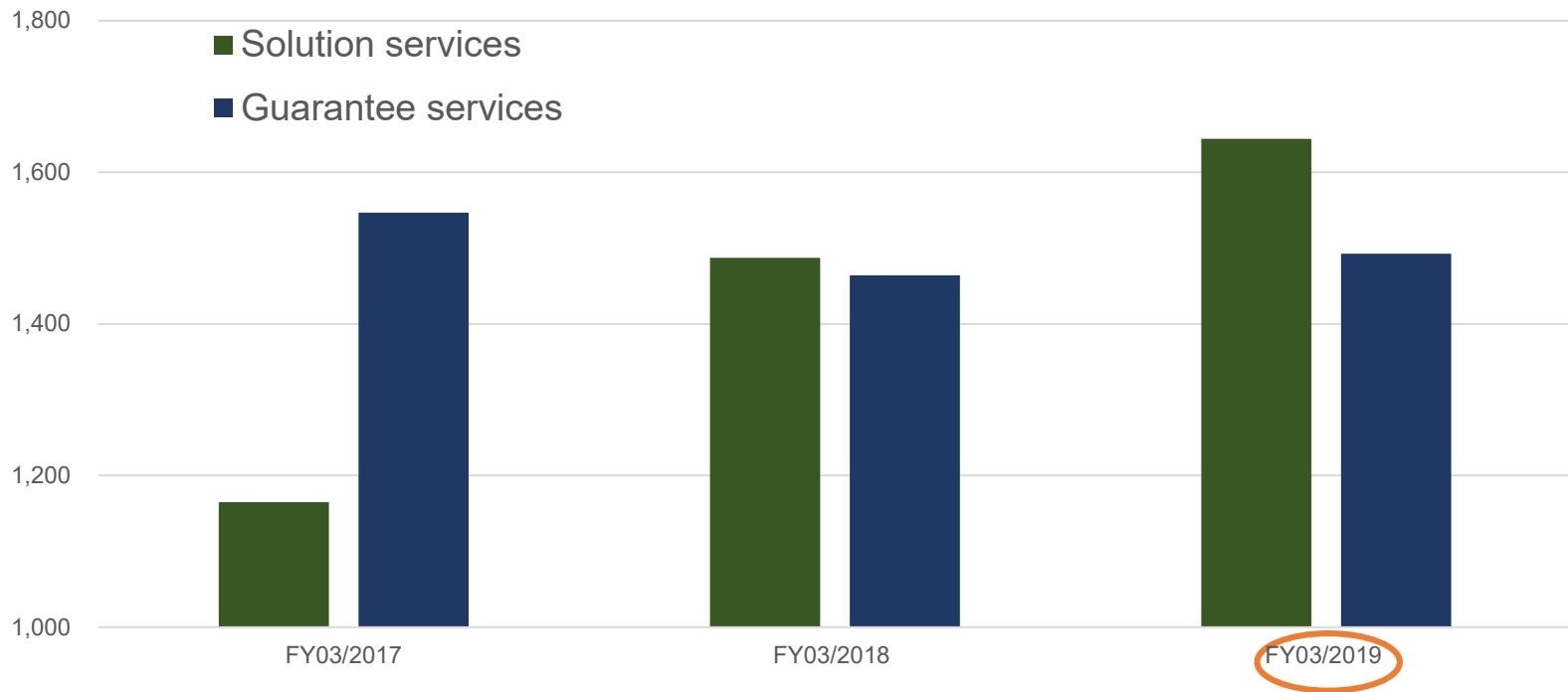
Fiscal Year Ended March 31, 2019 - Results by Business



Services provided to large-scale customers are shifting from guarantees to solution offerings, and total revenues are steadily increasing. This fiscal year, the guarantee business increased year-on-year.

<Revenue breakdown by business>

(Unit: million yen)



(Unit: million yen; %)

Revenues	FY03/2017	FY03/2018	FY03/2019	Year-on-year
Guarantee services	1,547	1,464	1,492	101.9%
Solution services	1,165	1,487	1,644	110.5%
Total	2,713	2,951	3,136	106.3%

Fiscal Year Ended March 31, 2019 - Property Rent Guarantees

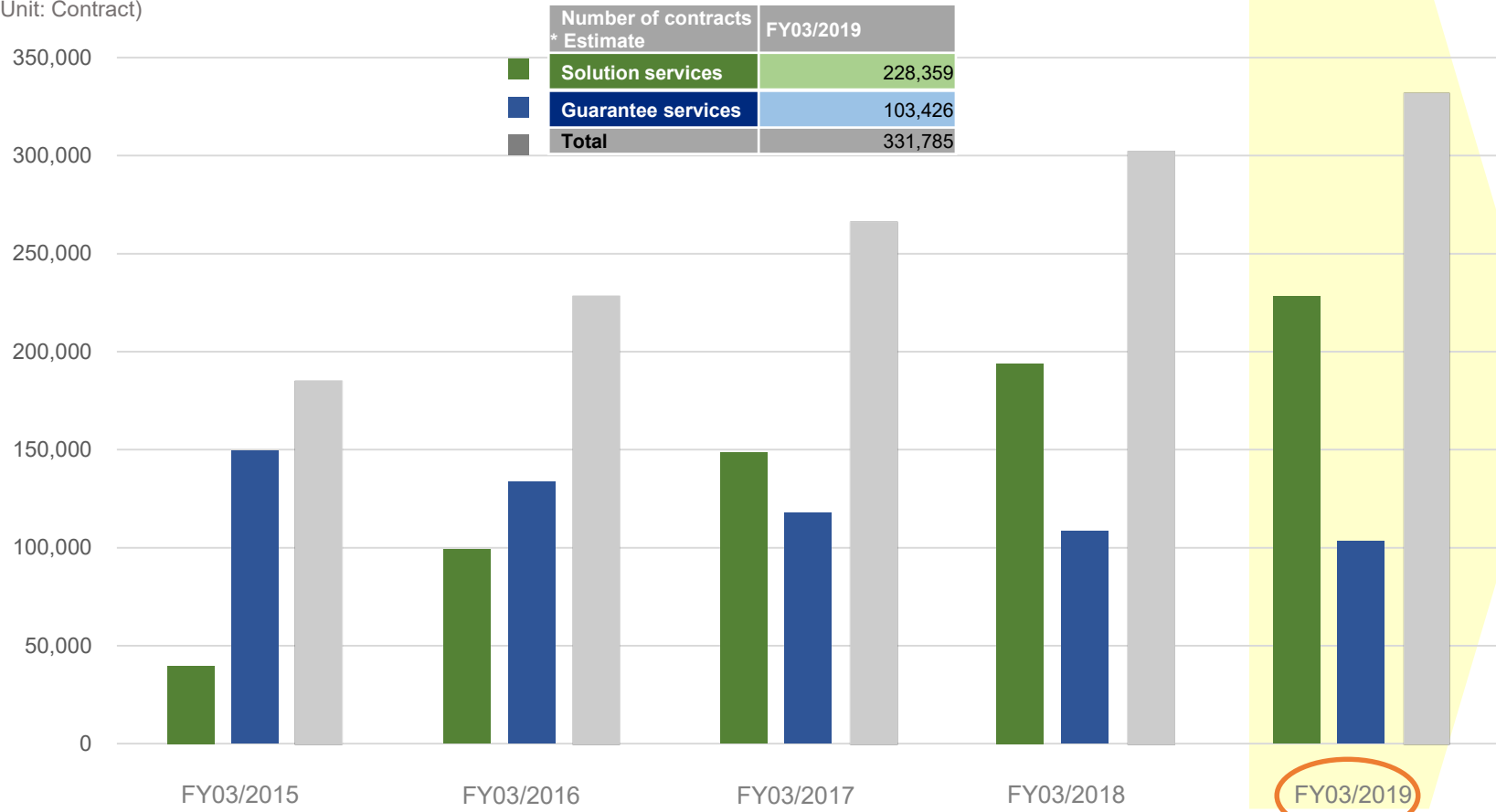


The number of contracts has grown steadily since the Company was founded

Average annual growth rate
(FY03/2015 - FY03/2019) **15.7%**

<Number of contracts related to property rent guarantees>

(Unit: Contract)



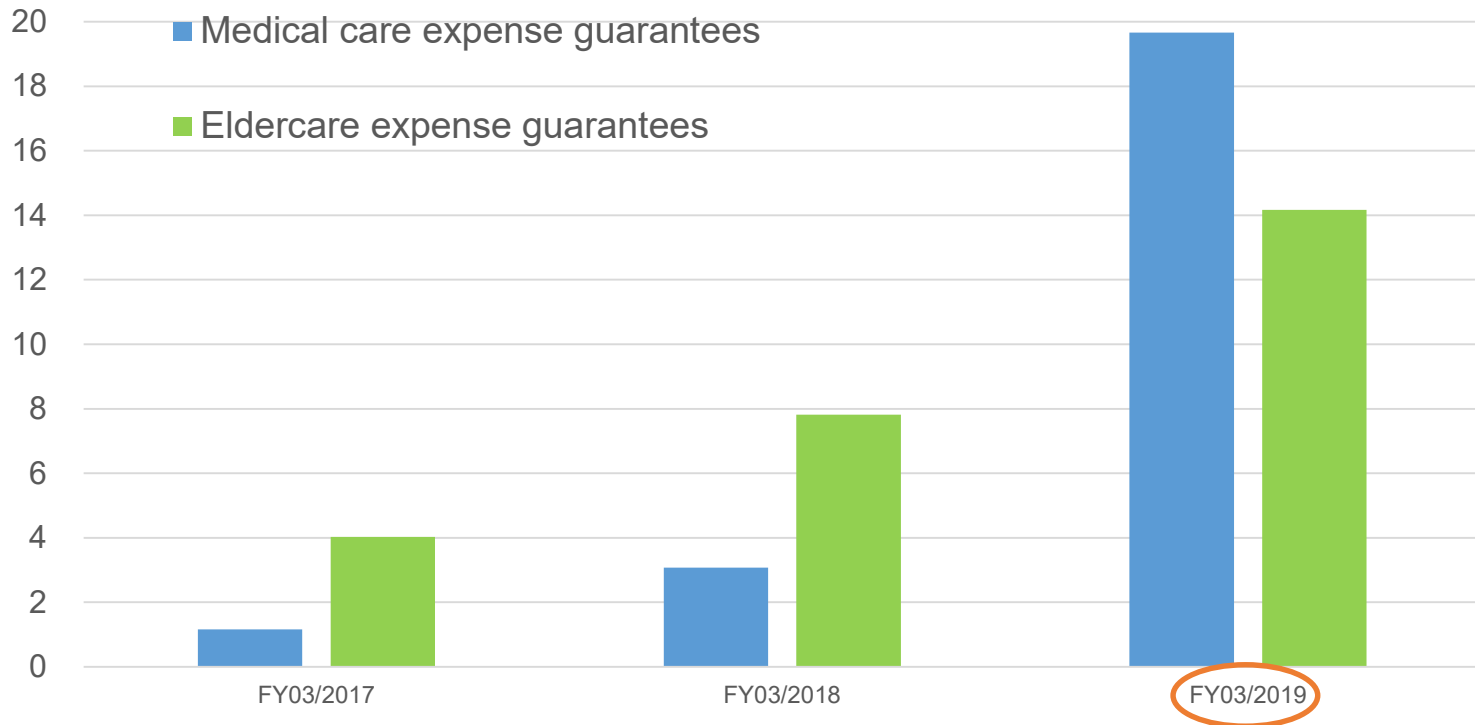
Fiscal Year Ended March 31, 2019 - New Guarantee Business Fields in Medical Care Expense Guarantees and Eldercare Expense Guarantees



The growth of new markets (medical / eldercare) made a positive contribution to the guarantee business

<Revenue breakdown by guarantee business product>

(Unit: million yen)



Medical facilities	[Institutions where services are provided]	Eldercare facilities	[Institutions where services are provided]
105	medical facilities	23,673	hospital beds
[112% compared with the previous fiscal year]		[115% compared with the previous fiscal year]	
		162	eldercare service providers
		[114% compared with the previous fiscal year]	

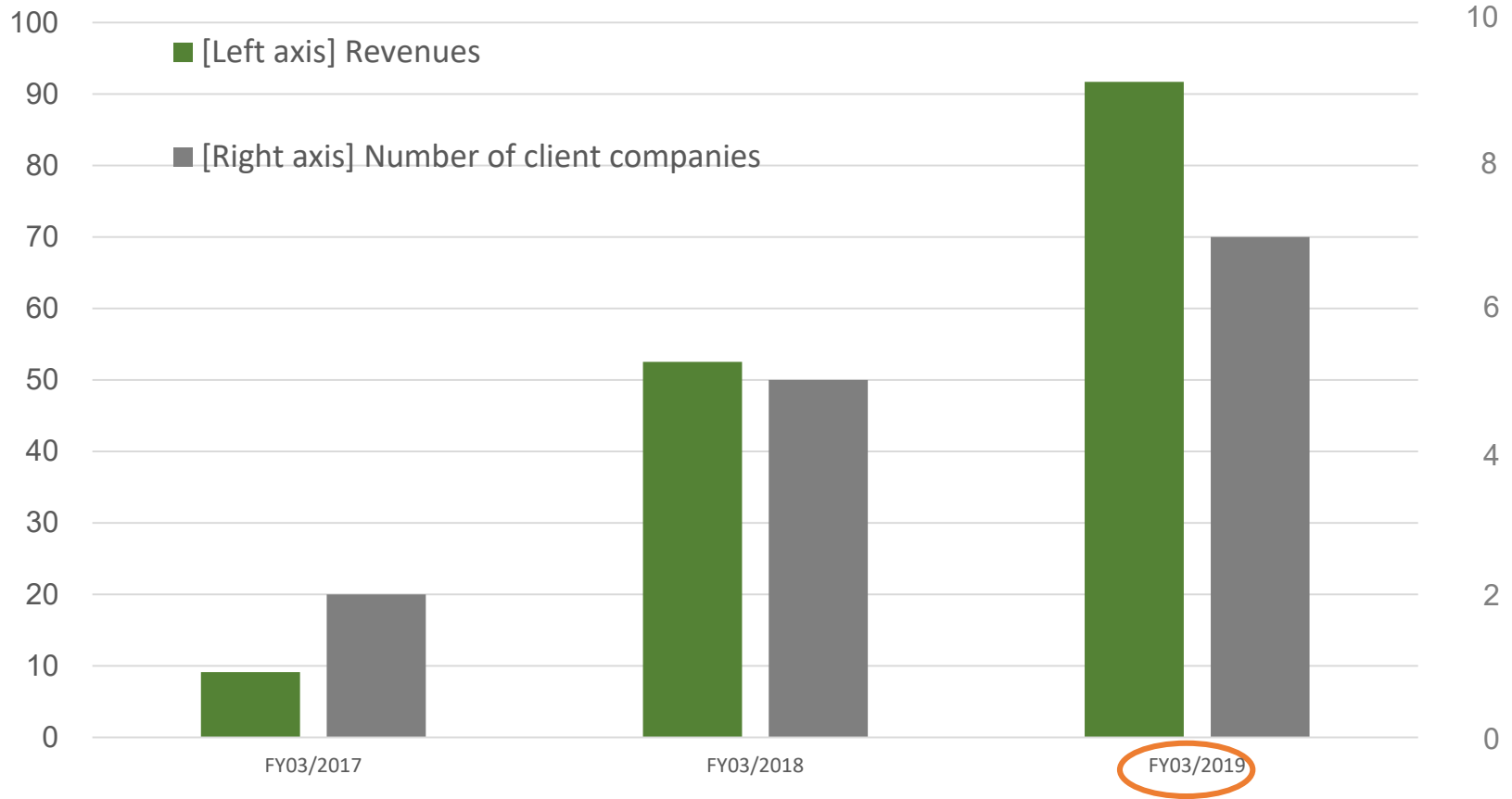
(As of March 31, 2019)

Insurance desk service supported double-digit growth in the solution business
Effect of investment materialized, resulting in steady growth

<Insurance desk service>

(Unit: million yen)

(Unit: companies)

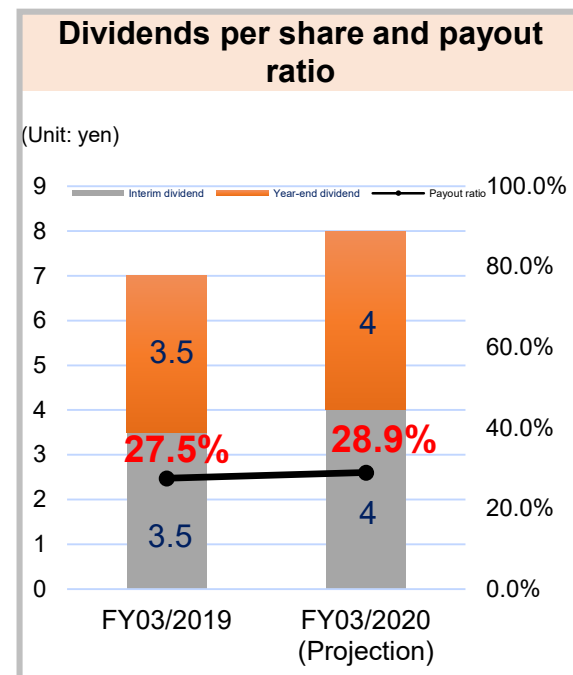
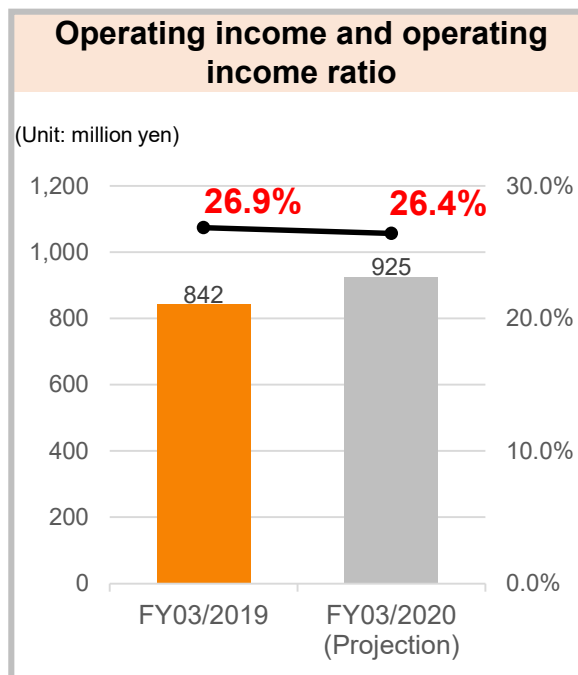
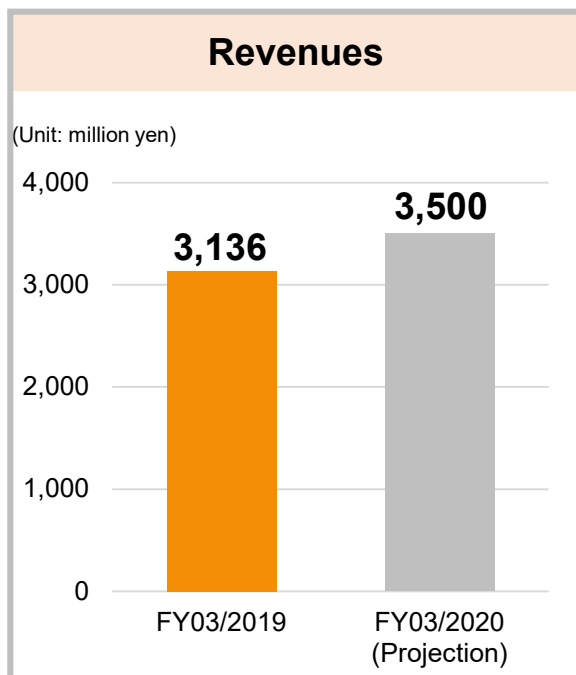


3. Fiscal Year Ending March 31, 2020 - Business Results Projections

Fiscal Year Ending March 31, 2020 - Highlights of Business Results Projections



- ☐ **Revenues and earnings up** Further growth with revenues **up 11.6%**, operating income **up 9.8%**
- ☐ **High profitability** Operating income ratio maintained at high level of above 25%
- ☐ **Growth expectations** Medical care expense guarantees and insurance desk on growth track
- ☐ **Increased dividends** Stable dividends linked to results



Fiscal Year Ending March 31, 2020 - Business Results Projections



Continued increases in revenue and income through high revenue on sales growth topping the previous year and profitability at sustained high levels

(Unit: million yen)

	FY03/2019		FY03/2020		Year-on-year	
	Results	As percent of revenues	Projection	As percent of revenues	Change in amount	Rate of change
Revenues	3,136	-	3,500	-	363	11.6%
Cost of revenues	1,542	49.2%	1,733	49.5%	190	12.4%
Gross margin	1,594	50.8%	1,767	50.5%	172	10.8%
SG&A expenses	752	24.0%	842	24.1%	90	12.1%
Operating income	842	26.9%	925	26.4%	82	9.8%
Ordinary income	840	26.8%	925	26.4%	84	10.1%
Current net income before income taxes	840	26.8%	925	26.4%	84	10.1%
Current net income	564	18.0%	615	17.6%	50	9.0%

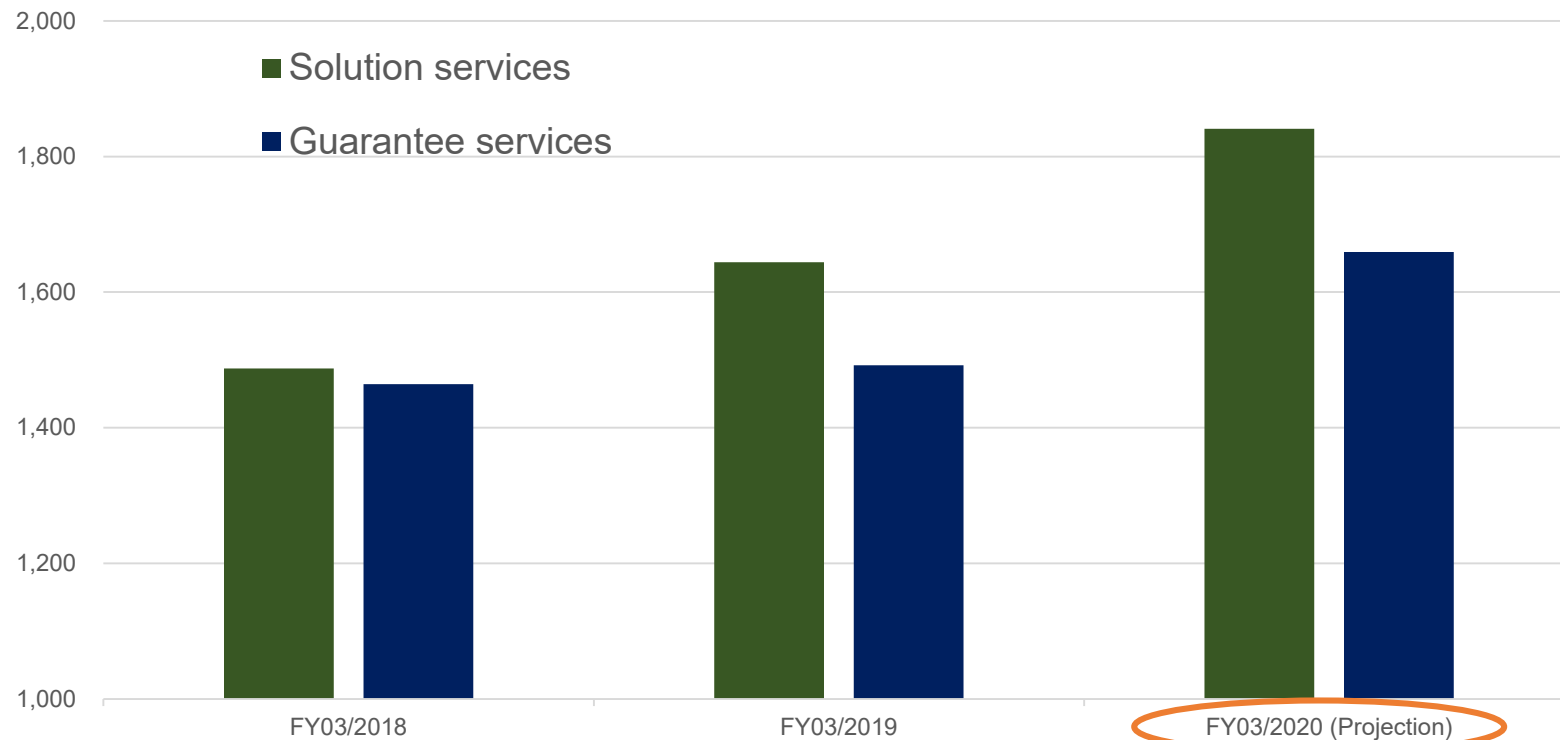
Fiscal Year Ending March 31, 2020 - Business Results Projections by Business (1)



Double-digit growth in both guarantee business and solution business

<Revenue breakdown by business>

(Unit: million yen)



(Unit: million yen; %)

Revenues	FY03/2018	FY03/2019	FY03/2020 (Projection)	Year-on-year
Guarantee services	1,464	1,492	1,659	111.2%
Solution services	1,487	1,644	1,841	112.0%
Total	2,951	3,136	3,500	111.6%

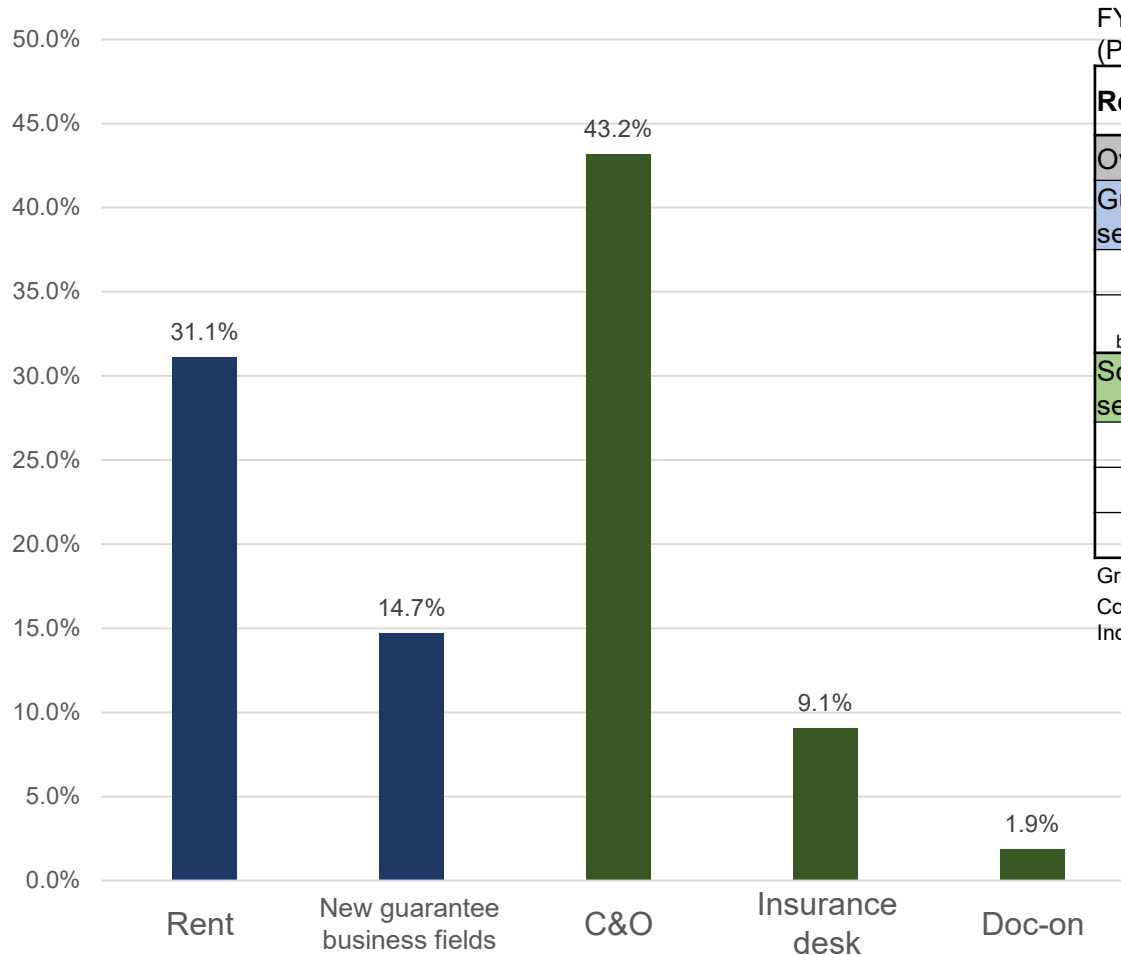
Fiscal Year Ending March 31, 2020 - Business Results

Projections by Business (2)



Double-digit growth factors: Mainly driven by property rent guarantees and C&O, all services will contribute to growth

<Breakdown of growth (by service)>



FY03/2020
(Projection)

Revenues	Growth rate	Contribution rate
Overall	11.6%	100.0%
Guarantee services	11.2%	45.8%
Rent	7.8%	31.1%
New guarantee business fields	157.4%	14.7%
Solution services	12.0%	54.2%
C&O	10.4%	43.2%
Insurance desk	36.0%	9.1%
Doc-on	17.0%	1.9%

Growth rate: Year-on-year change

Contribution rate: Increase in revenue of each service / Increase in overall revenue *100

MISSION

Entrust provides social infrastructure through its guarantee schemes, contributing to the invigoration of services and distribution.

The numerical business results projections stated in these materials are based on judgments and expectations derived from the information available at the time. The materials have been prepared based on numerous assumptions and perceptions obtained from information that includes risks and uncertainties. Users of these materials are reminded that owing to a diversity of factors actual business results can materially differ from business results projections. Factors that have the potential to affect actual business results include, without limitation, deterioration in the business environment or economic conditions, trends surrounding laws, regulations, and related rules, and unfavorable rulings in litigation.

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