



Results Announcement for First Quarter of Fiscal Year Ending March 31, 2020

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.

July 25, 2018

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1. Business Results for the First Quarter of the Fiscal Year Ending March 31, 2020

2. Company Plan for the Fiscal Year Ending March 31, 2020

3. Company Information

1. Business Results for the First Quarter of the Fiscal Year Ending March 31, 2020

Summary

Overview of Business Results for the First Quarter of the Fiscal Year Ending
March 31, 2020



Revenues increased to
112.3% compared with the
previous fiscal year
Operating income increased
to 127.4% compared with the
previous fiscal year

(Million yen)	Q1 FY03/2019 (Previous Q1)	Q1 FY03/2020 (Current Q1)	(Year-on-year)
Revenues	752	845	112.3%
Operating income	187	238	127.4%
(Margin)	24.9%	28.2%	-
Ordinary income	187	238	127.6%
(Margin)	24.9%	28.2%	-
Net income	120	153	127.5%
(Margin)	16.0%	18.1%	-

Revenues by Quarter

Revenues increased in both guarantee services and solution services

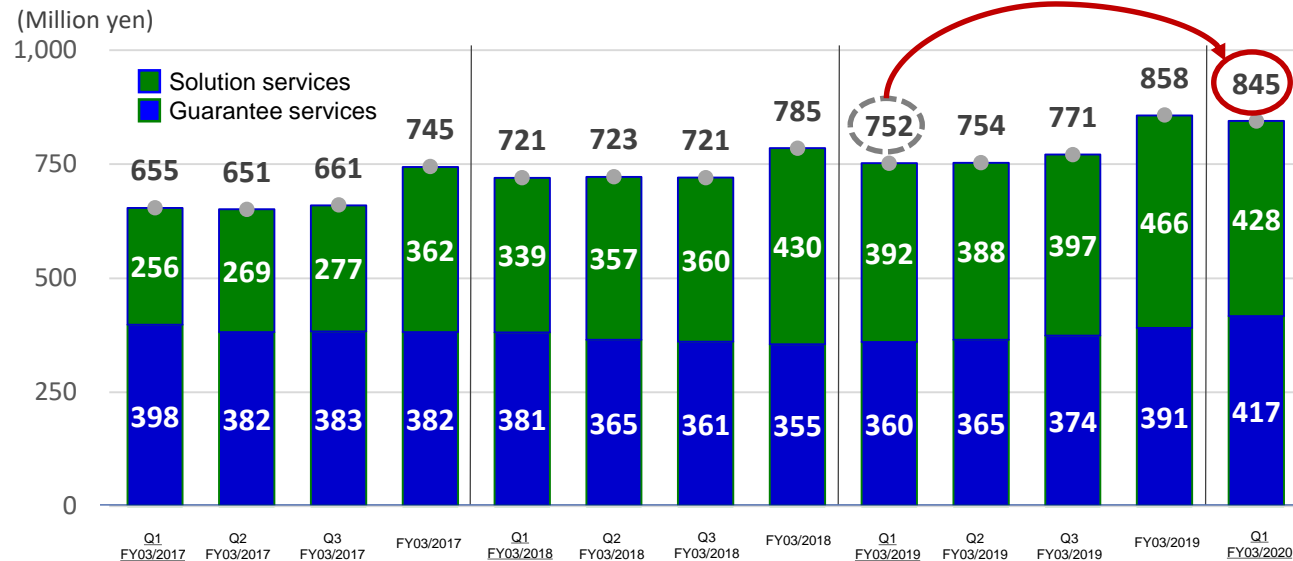
- Solution services

Scheme requiring no co-signors and screening support service grew

- Guarantee services

Property rent guarantees progressed steadily

Medical care & eldercare guarantees grew 480% year-on-year



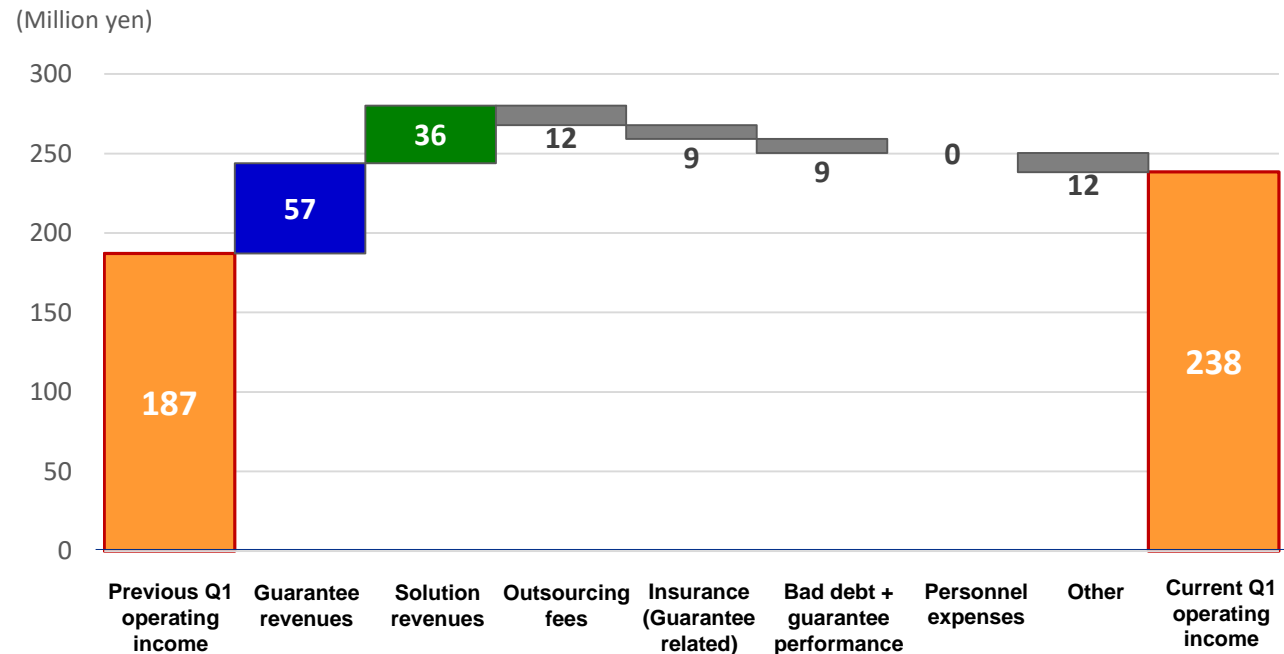
Analysis of Change in Operating Income (Year-on-Year)

Higher revenues led to higher operating income

- Outsourcing fees also grew in connection with increased revenues from property rent guarantees

- Insurance (guarantee related) also increased in connection with increased revenues from medical care & eldercare guarantees

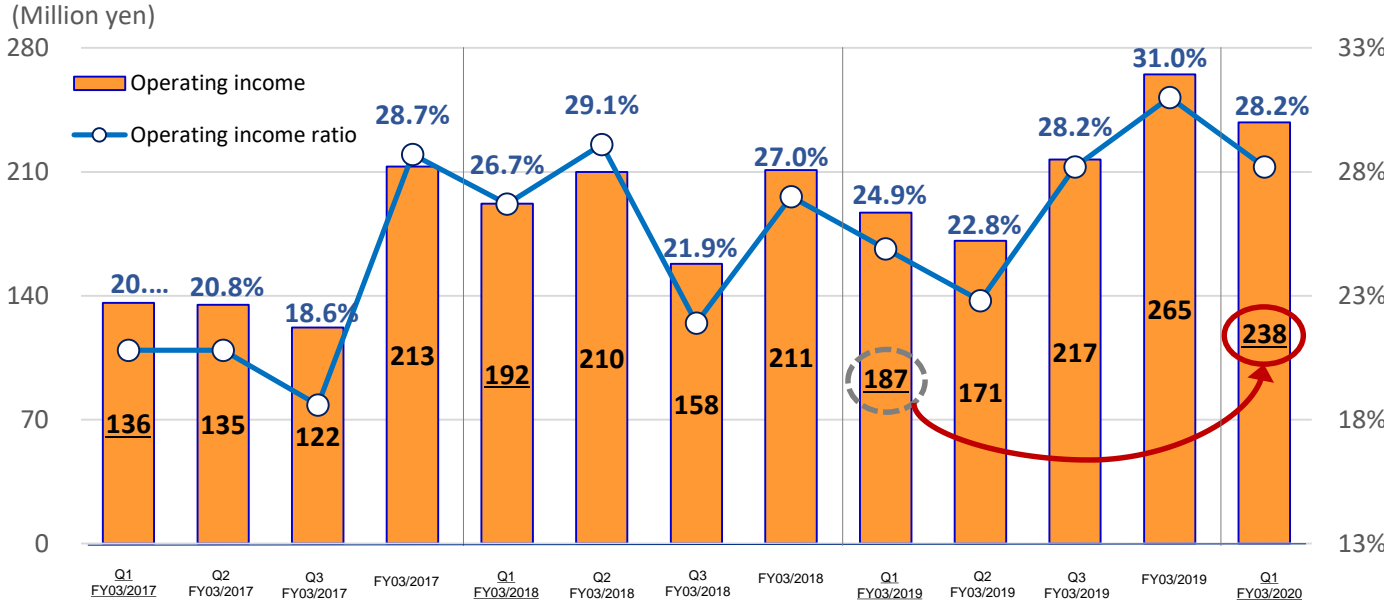
- Personnel expenses remained stable due to increased efficiency of operations



Operating Income and Operating Income Ratio by Quarter



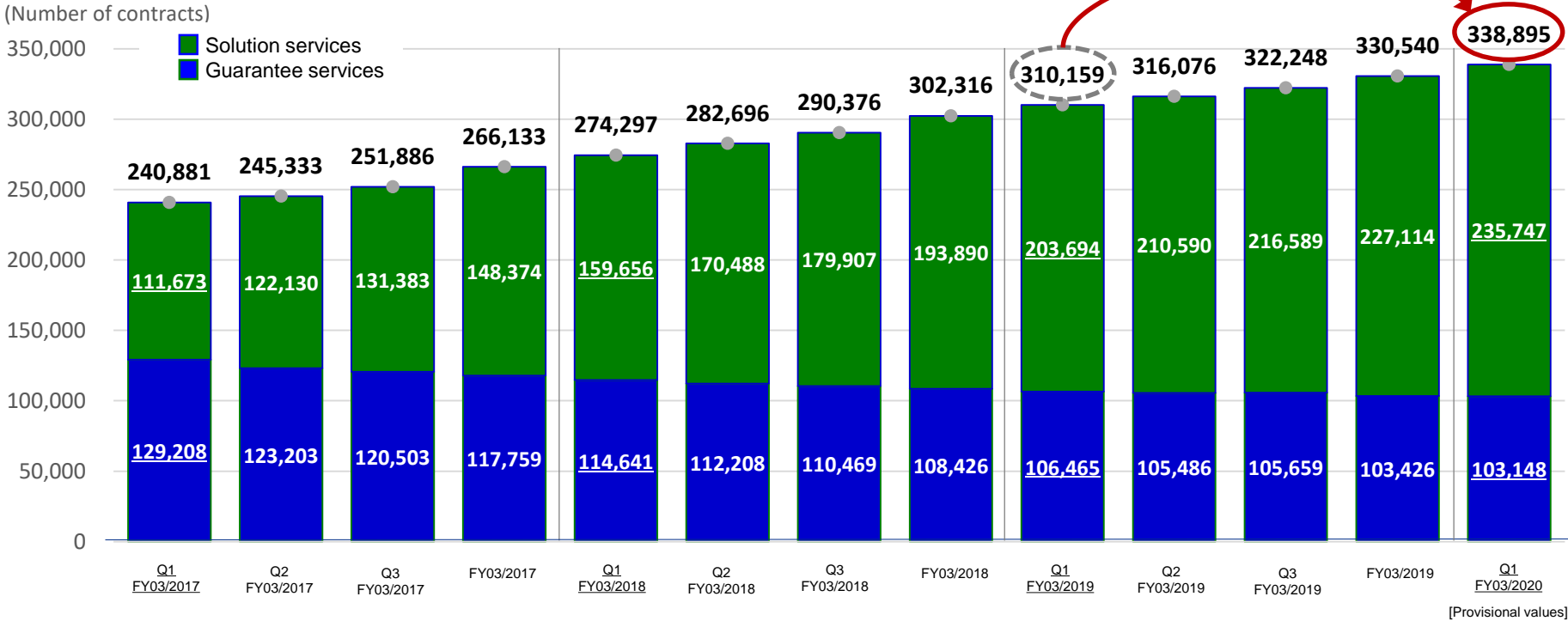
In addition to increased revenues, stable expenses led to a significant increase in income year-on-year



Number of Contracts by Quarter



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



State of Medical Care / Eldercare Guarantees

Market penetration is progressing and revenues are increasing

[Cooperative agreements with medical facilities]

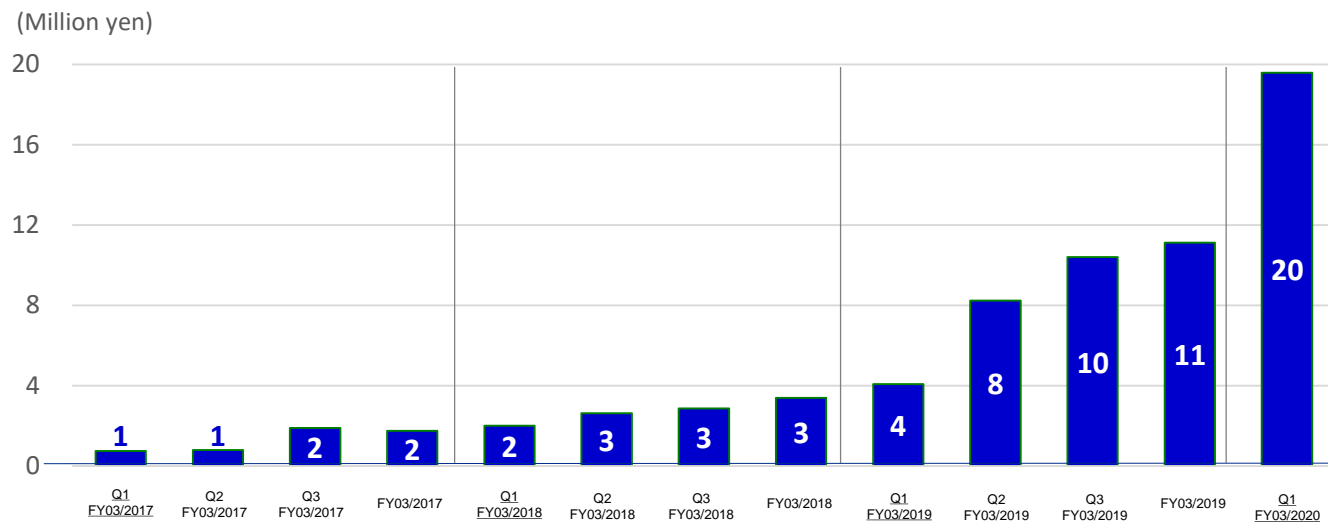
110 medical facilities (113% compared with the previous fiscal year)

25,593 hospital beds (122% compared with the previous fiscal year)

[Cooperative agreements with eldercare facilities]

163 eldercare service providers (109% compared with the previous fiscal year)

(As of June 30, 2019)



Other Financial Data (Balance Sheet)

(Million yen)	Q1 FY03/2019 (Previous Q1)	Q1 FY03/2020 (Current Q1)	Change in amount
Current assets	3,025	3,659	634
Cash and deposits	2,576	2,862	286
Accounts receivable - trade	159	166	7
Advances paid	714	856	142
Other	224	242	18
Allowance for doubtful accounts	(469)	(467)	2
Non-current assets	244	363	119
Property, plant, and equipment	66	62	(4)
Intangible assets	37	68	31
Investments and other assets	139	232	93
Current liabilities	891	1,025	134
(Unearned revenues)	619	681	62
(Guarantee performance provisioning)	54	78	24
Non-current liabilities	58	58	0
Net assets	2,499	2,939	440
Total assets	3,449	4,023	574

2. Company Plan for the Fiscal Year Ending March 31, 2020

Summary

Overview and Progress of Plan for the Entire Fiscal Year Ending March 31, 2020

Steady progress was made in Q1 No changes to annual plan

- Revenues planned to increase to 112% compared with the previous fiscal year
- Aiming to increase income to 110% compared with the previous fiscal year

(Million yen)	FY03/2019 (Actual)	FY03/2020 (Plan)	(Year-on-year)	Q1 FY03/2020 (Actual)	FY progress	H1 progress
Revenues	3,136	3,500	111.6%	845	24.1%	50.7%
Operating income	842	925	109.8%	238	25.7%	58.0%
(Margin)	26.9%	26.4%	-	28.2%	-	-
Ordinary income	840	925	110.1%	238	25.7%	58.4%
(Margin)	26.8%	26.4%	-	28.2%	-	-
Net income	564	615	109.0%	153	24.9%	57.1%
(Margin)	18.0%	17.6%	-	18.1%	-	-

Revenues by Year and Plan

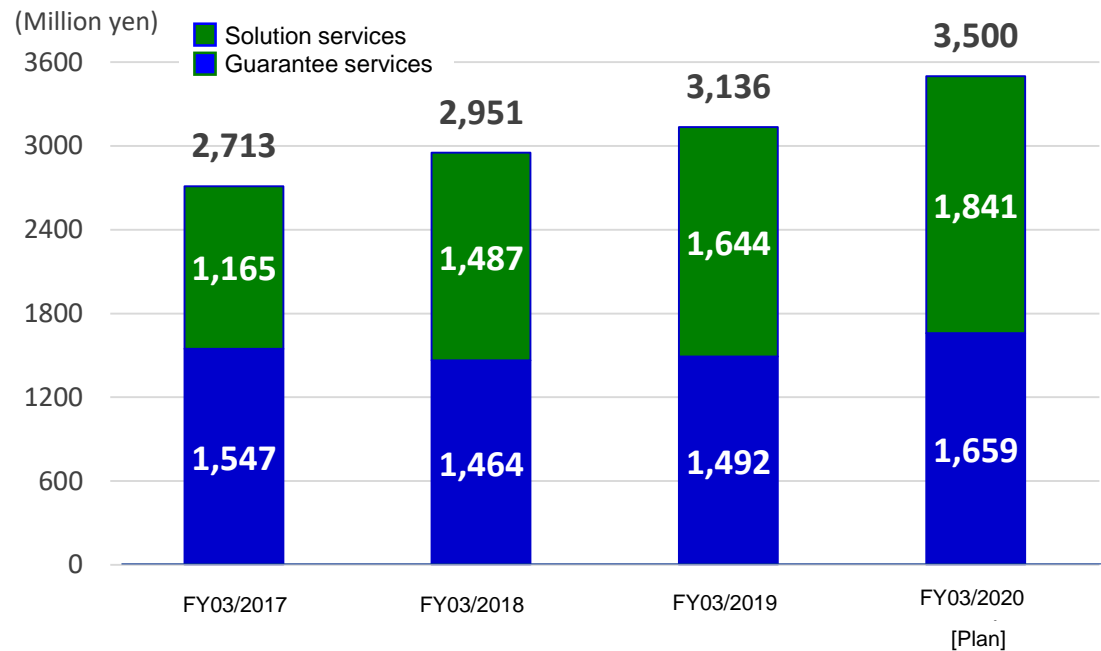
Guarantee services driving increased revenues

- Solution services

Grow C&O business such as insurance desk, tenant application management operations and scheme requiring no co-signors

- Guarantee services

Steadily grow property rent guarantees
Grow medical care & eldercare guarantees



Operating Income and Operating Income Ratio by Year and Plan

Income continued to grow despite system investment and up-front investment in human resources, etc.

- Main investments

Rebuilding of core systems

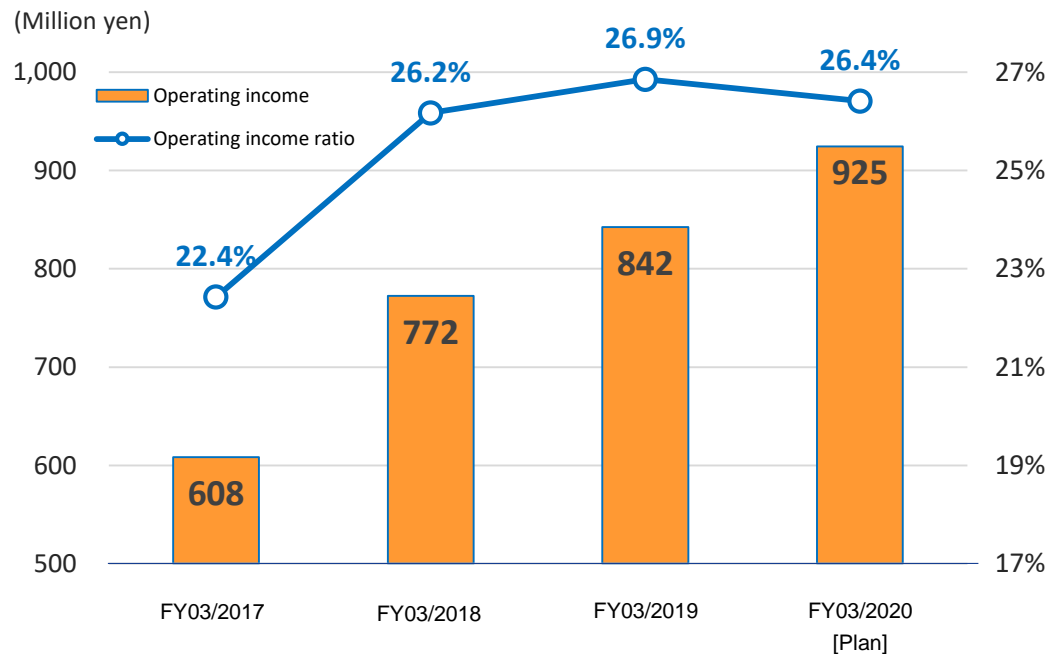
Human resource investment to strengthen sales, etc.

- Insurance, bad debt / guarantee performance

As medical care / eldercare expense guarantees grow, insurance (guarantee related) increases and bad debt / guarantee performance accumulate

- Promotion of child rearing expense guarantee business

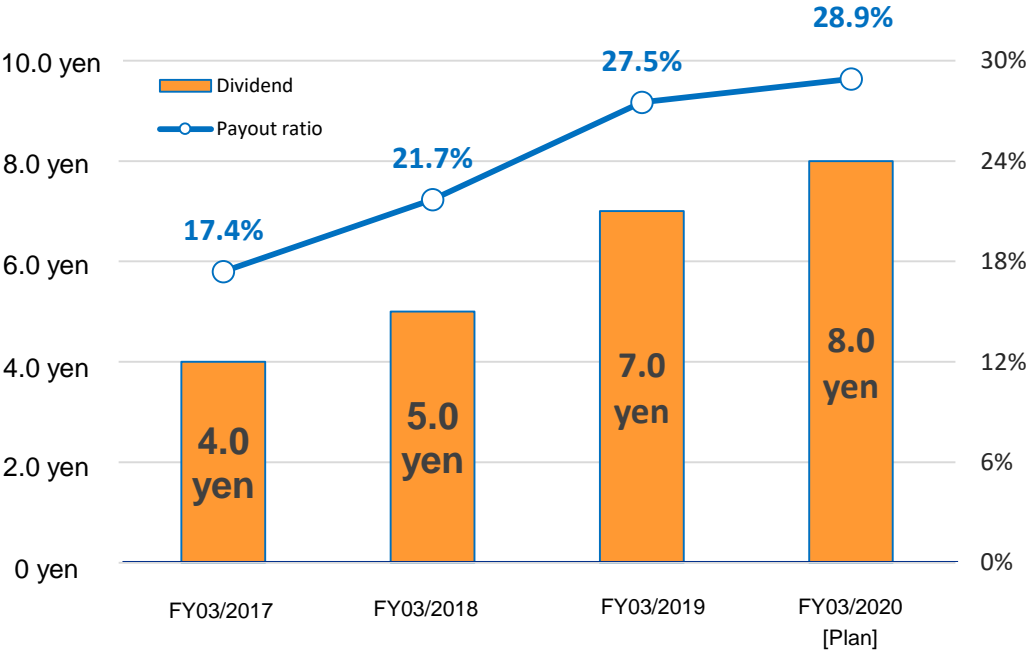
Make business investments assuming Web and direct marketing



Dividends by Year and Plan



Dividend of 8.0 yen planned this fiscal year based on shareholder return policy



3. Company Information

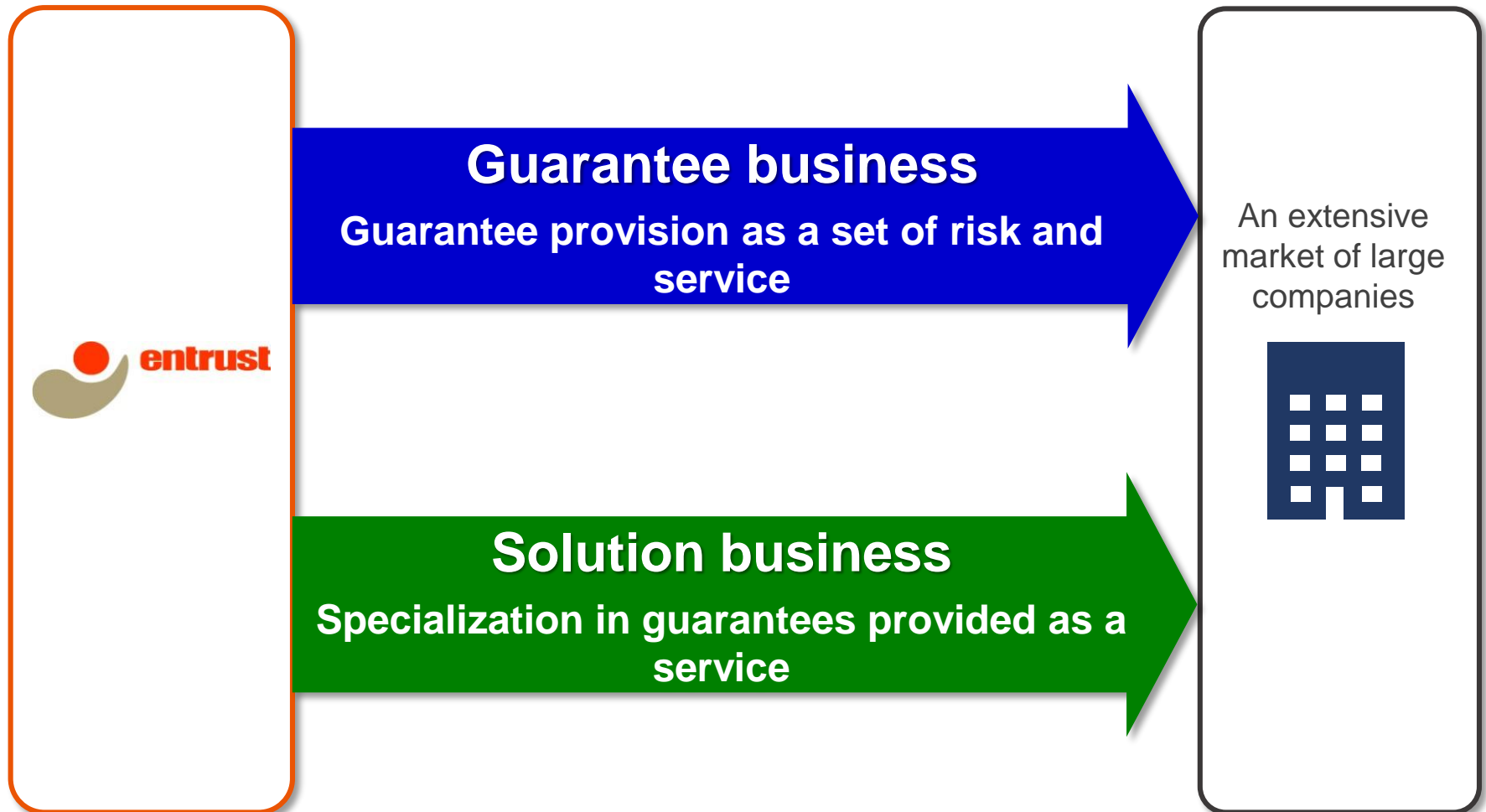
Company Profile (As of June 30, 2019)



- Company name : Entrust Inc.
- Date of establishment : March 2006
- Capital : 1,034 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, Imizu, Nagoya, Osaka, Fukuoka
Yokohama Solution Center
- Number of employees : 98
- Business lines : Comprehensive guarantee services



Two business lines for meeting market needs and providing customized services



Guarantee business

Assume debt delinquency risk and provide various services pertaining to guarantees

A system in which "Entrust assumes the position of co-signor" required in a variety of contracts



For example, in the case of property rent guarantees

Lessee



Lessor



Co-signor



This provides the benefit of increasing the closing rate of lease contracts requiring co-signors, and needs for institutional co-signors are increasing year by year

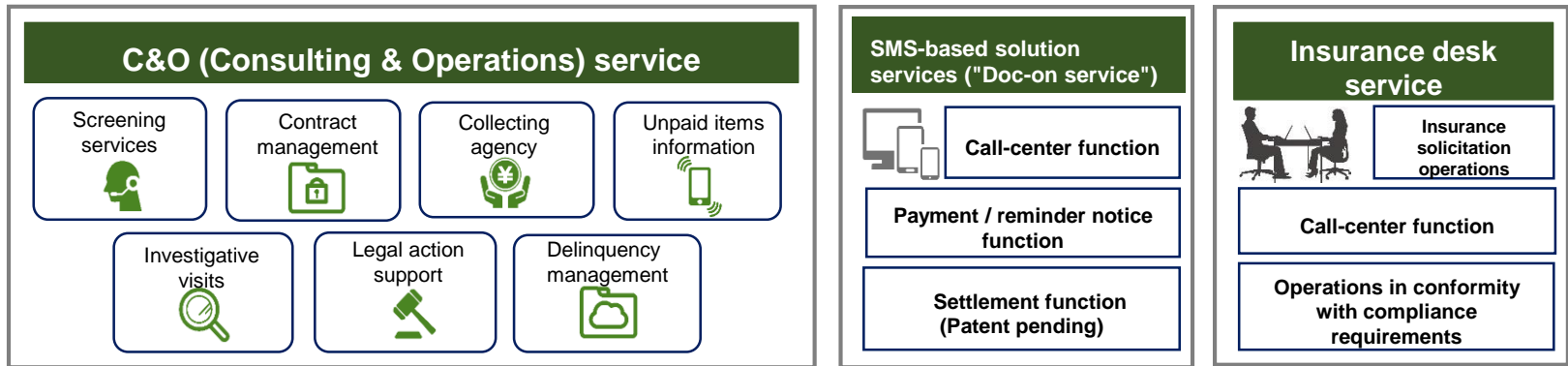
Specialized business support services for efficiently meeting customers' needs

Solution business

Guarantee business

Accumulated skills and know-how

Application to specialized services



Design to match unique needs of customers

Presentation of flexible solutions



Resolution of unique individual problems

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

Entrust Inc.



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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