



Fiscal Year Ended March 31, 2020 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. Fiscal Year Ended March 31, 2020 - Business Results**
- 2. Company Plan for the Fiscal Year Ending March 31, 2021**
- 3. Company Information**

1. Fiscal Year Ended March 31, 2020 - Business Results

Summary Overview of Business Results for the Fiscal Year Ended March 31, 2020

Revenues increased by **115.6%** compared with the previous fiscal year

Operating income increased **121.3%** compared with the previous fiscal year

- Higher revenues and higher operating income because revenues increased due to strong performance in the guarantee business, while the increase in expenses was limited to a certain level.

(Million yen)	FY03/2019 (Previous fiscal year)	FY03/2020 (Current fiscal year)	(Year-on-year)
Revenues	3,136	3,626	115.6%
Operating income	842	1,021	121.3%
(Margin)	26.9%	28.2%	-
Ordinary income	840	1,026	122.1%
(Margin)	26.8%	28.3%	-
Net income	564	687	121.9%
(Margin)	18.0%	19.0%	-

Revenues by Quarter

Revenues increased in both guarantee services and solution services

118% (+158 million yen) compared with the year-earlier period

Guarantee business

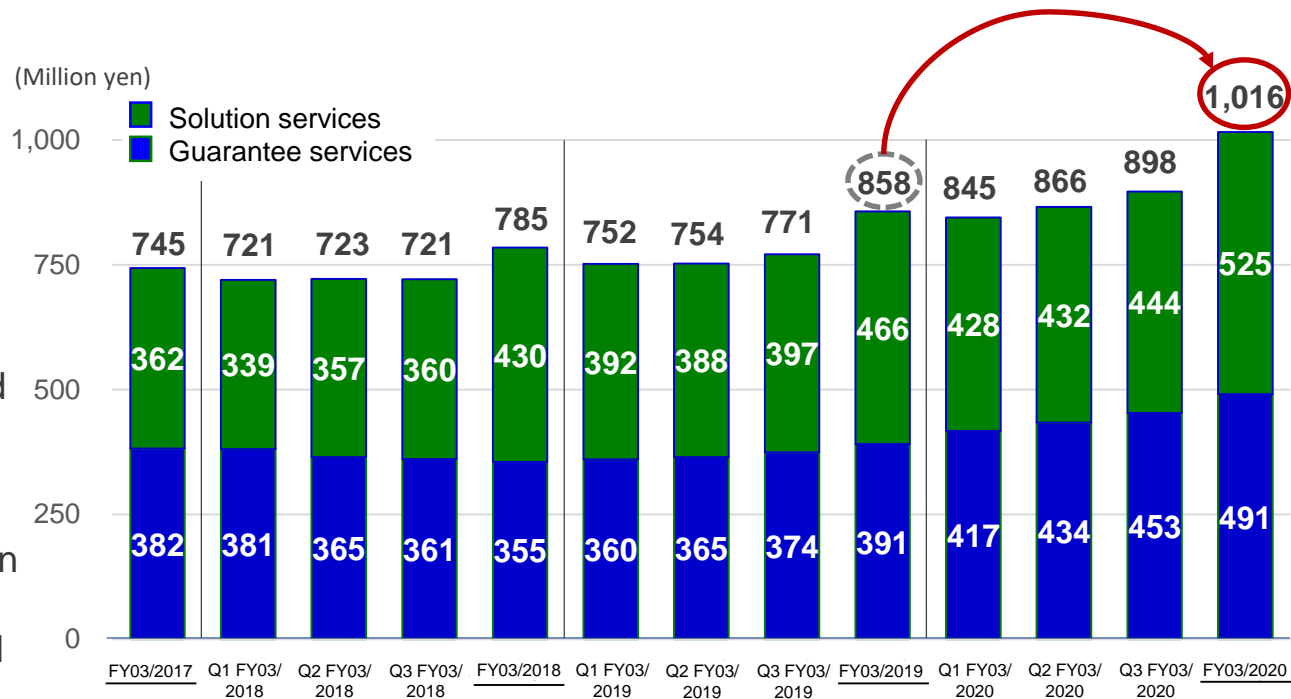
New contracts in the property rent guarantees performed well, and medical care expense guarantees grew.

125.3% (+99 million yen) compared with the year-earlier period

Solution business

The stable performance centered on mainstay C&O services

112.7% (+59 million yen) compared with the year-earlier period

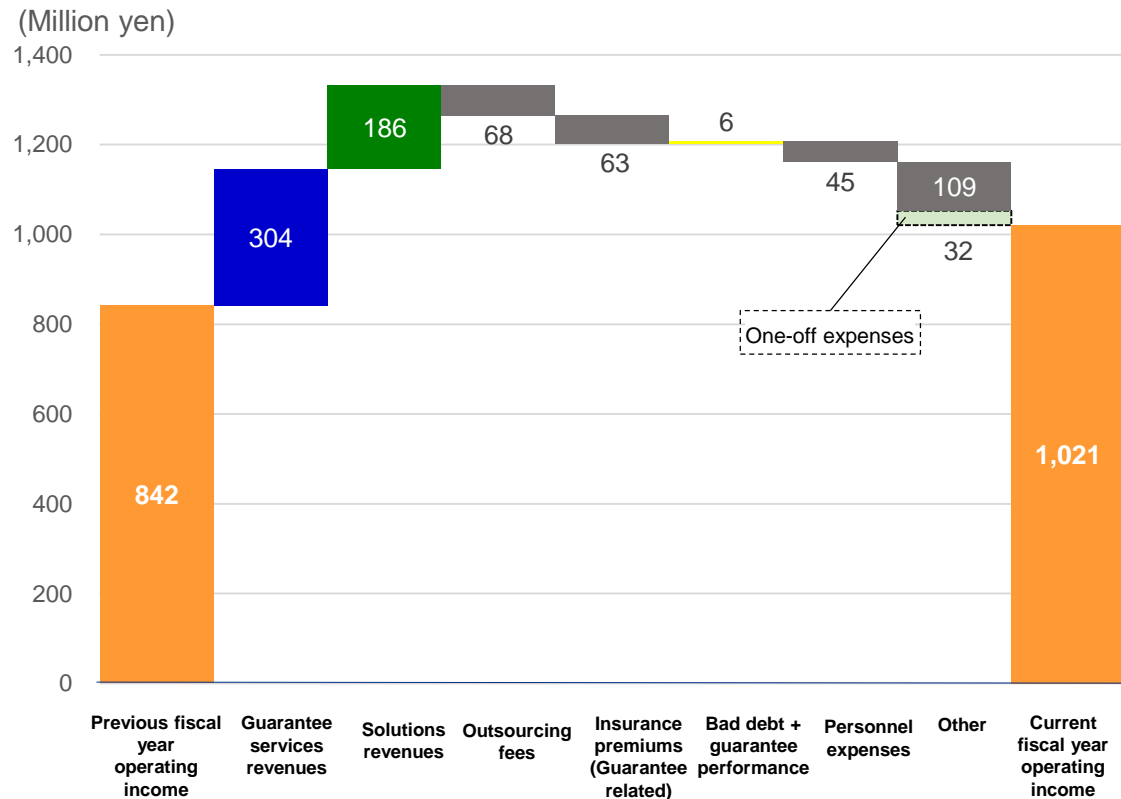


Analysis of Change in Operating Income (Year-on-Year)

Higher revenues and ongoing business improvement led to higher operating income Strategic spending also continued

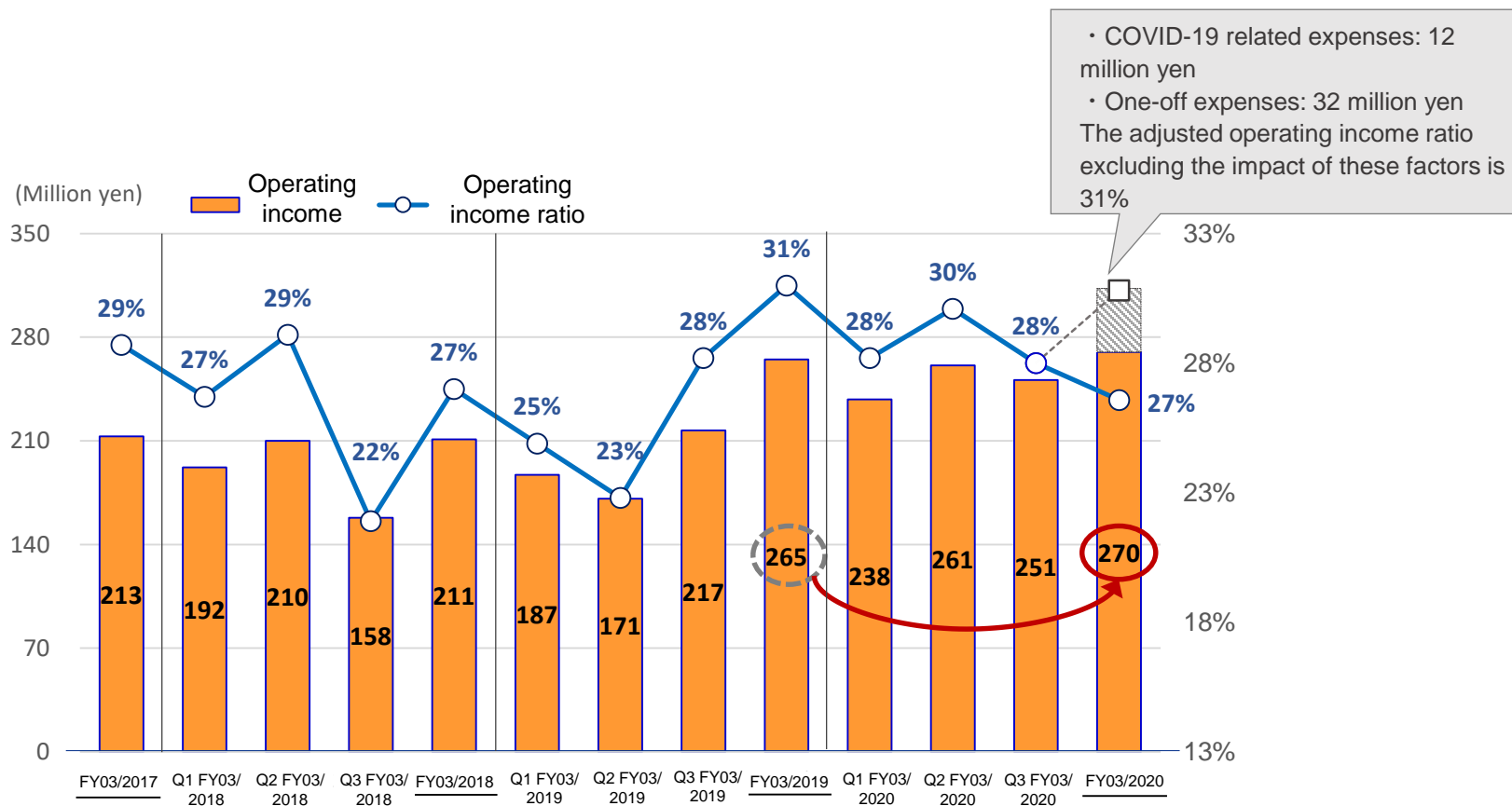
- Outsourcing fees grew in connection with increased revenues from property rent guarantees
- Insurance premiums (guarantee related costs) also increased with increased revenues from medical care & eldercare guarantees
- "Other" includes advertising and publicity expenses (child-rearing expense guarantees), hiring expenses, Windows update support

Of these expenses, one-off expenses and upfront investment in the 4Q was 32 million yen (including expenses for the improvement of our internal structure in response to the COVID-19 and advertising and publicity expenses for child rearing expense guarantees)



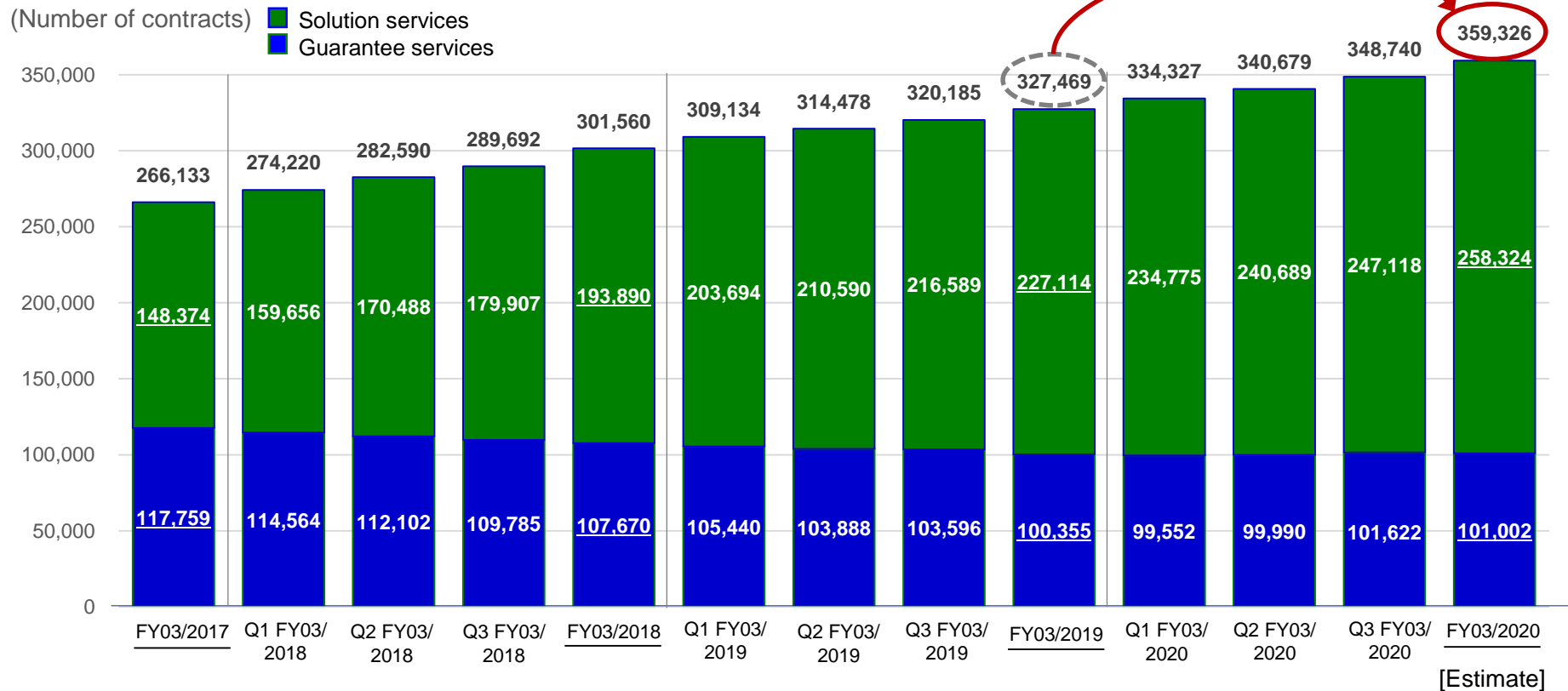
Operating Income and Operating Income Ratio by Quarter

Sales grew steadily, and an operating income ratio of 27% was secured in the 4Q, taking into account one-off expenses



Number of Contracts by Quarter

The number of contracts has grown steadily since the Company was founded (property rent guarantees)



Medical Care & Eldercare Guarantee Sales by Quarter

Market penetration is advancing and sales are rising

Growth being driven by Smahosu Co-signer Agent System*

Partner data

Smahosu Co-signer Agent System

17 medical facilities

6,637 hospital beds

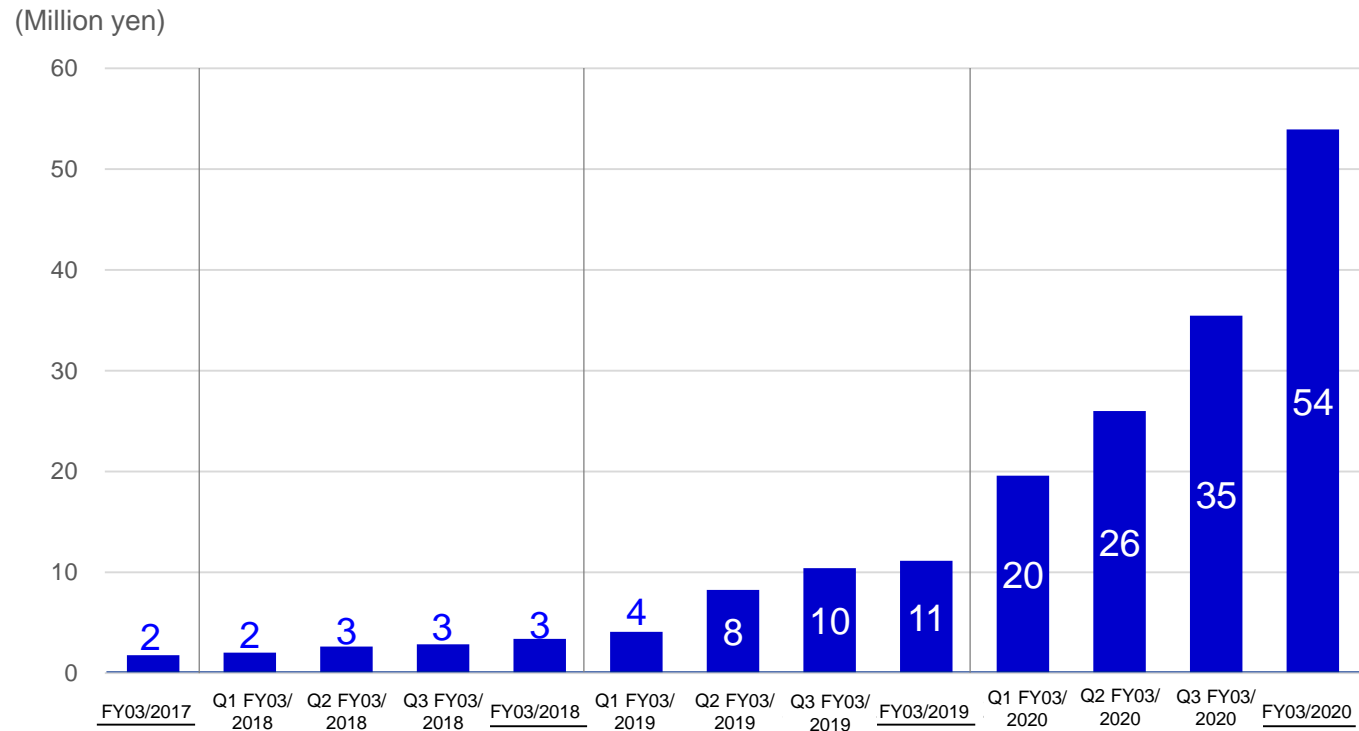
Hospitalization with medical care expense guarantee set and another plan

109 medical facilities

23,556 hospital beds

Eldercare expense guarantees

173 eldercare service providers



*Smahosu Co-signer Agent System is a medical expense guarantee product with the guarantee fee paid covered by the hospital.

Other Financial Data (Balance Sheet)

Although there was an increase in advance paid within expectations due to expanded sales of advance payment-type products, cash and deposits have been accumulated and a solid financial position that is debt free has been maintained through thorough cash management

(Million yen)	FY03/2019 (Previous fiscal year)	FY03/2020 (Current fiscal year)	Change in amount
Current assets	3,650	4,100	449
Cash and deposits	2,899	3,017	117
Accounts receivable - trade	202	241	39
Advances paid	766	1,059	293
Other	222	246	23
Allowance for doubtful accounts	-440	-464	-24
Non-current assets	388	626	238
Property, plant, and equipment	69	57	-11
Intangible assets	61	138	76
Investments and other assets	256	430	173
Current liabilities	1,103	1,303	199
(Unearned revenues)	645	716	70
(Guarantee performance provisioning)	75	85	9
Non-current liabilities	59	47	-12
Net assets	2,874	3,376	501
Total assets	4,038	4,726	688

Medical care expense guarantees

**Sales exceeded
100 million yen**

Smahosu Co-signer Agent System

- Inquiries and orders increased due to the revision of the Civil Code
- The number of hospitals the System has been introduced at increased to **17**

Hospitalization with medical care expense guarantee set

- Product renewal
- Strengthening coordination with partner hospitals

Child rearing expense guarantees

**Growing interest from
local governments**

Increase in municipalities that have introduced child rearing support services

*System for partial support for subsidy for initial guarantee fee

- Akashi-shi, Hyogo (partnering)
- Chiryu-shi, Aichi (partnering from April 2020)
- Sendai-shi, Miyagi • Funabashi-shi, Chiba
- Toshima-ku, Tokyo • Yokosuka-shi, Kanagawa
- Konan-shi, Shiga • Osaka-shi, Osaka
- Kobe-shi, Hyogo, etc.

Listed on our website

Entrust's first BtoC

Getting ready to release the service site and owned media

2. Company Plan for the Fiscal Year Ending March 31, 2021

Impact of the COVID-19

As of the end of March

Although the impact of the FY03/2020 was expected to be minor, we had increased reserves to cope with the risk of increased bad debts against the declaration of a state of emergency just in case.



Assumptions for the plan for this fiscal year

Sales

Expect to see a slowdown in sales activities due to voluntary restraint on travel and a decrease in the number of moves

Bad debt risk

Expect to see an increase in bad debts + guarantee performance provisioning due to an increase in delinquencies and the impact on collections

Internal structure

Expect impact from work dispersion through telecommuting and staggered working hours



Future possibilities

Although the impact on the plan for this fiscal year has been taken into account to the greatest extent possible, there is a possibility of the impact on the economy and society becoming prolonged, and this could have an impact on business performance.

Summary Plan for the Entire Fiscal Year Ending March 31, 2021

The sales growth trend for the fiscal year ended March 31, 2020 will continue

Profit margins are expected to decline, taking into account the replacement of core systems and the impact of the COVID-19.

(Million yen)	FY03/2020 (Actual)	FY03/2021 (Plan)	(Year-on-year)	H1 plan
Revenues	3,626	4,250	117.2%	2,030
Operating income	1,021	1,100	107.6%	502
(Margin)	28.2%	25.9%	-	24.7%
Ordinary income	1,026	1,103	107.5%	503
(Margin)	28.3%	26.0%	-	24.8%
Net income	687	740	107.6%	336
(Margin)	19.0%	17.4%	-	16.6%

Comparison with sales in the Medium-term Management Plan

As we enter the third year of the Medium-term Management Plan, although progress has been delayed by about one year, good progress has been made for all measures and the basic policy has not been changed

Guarantee business

Although the performance was better than expected for medical care business, eldercare and child-rearing business will be a challenge

Medical care expense guarantees: Further market share expansion

Eldercare expense guarantees: Met the needs of the revised Civil Code

Child-rearing expense guarantees: Continued investments and Establishment of BtoC market channel

Solution business

Although there was growth in C&O services and insurance desk services, growth failed to meet expectations

C&O services: Continued a solid buildup

Insurance desk services: Increase in the number of small-amount short-term insurance policies

(Million yen)	FY03/2019 Results	FY03/2020 Results	FY03/2021 Plan	Medium-term Management Plan	Difference
Revenues	3,136	3,626	4,250	5,000	-750
(Progress)	63%	73%	85%	-	-
Operating income	842	1,022	1,100	1,250	-150
(Progress)	67%	82%	88%	-	-
Operating income ratio	26.9%	28.2%	25.9%	25.0%	-

Revenues by Year and Plan

Maintain the sales growth trend for the fiscal year ended March 31, 2020 and continue to achieve sales targets in the fiscal year ending March 31, 2021

Solution business

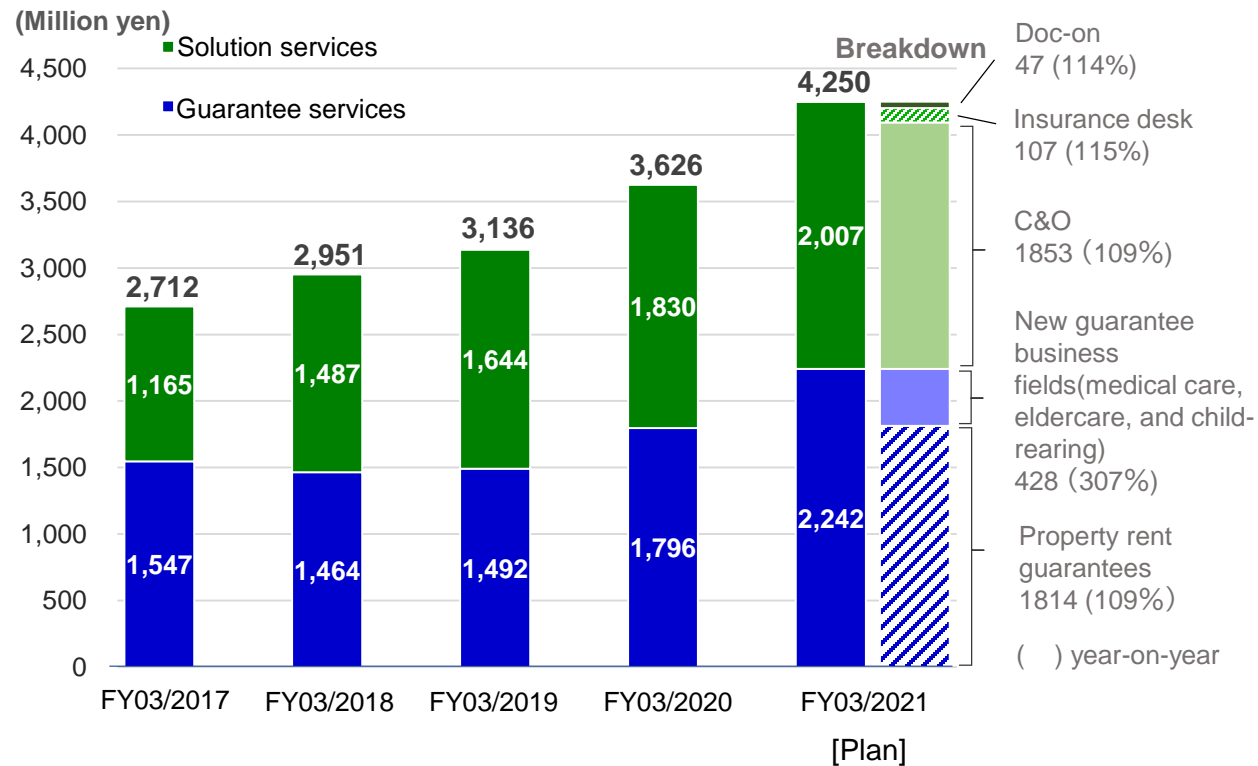
Achieve growth centered on C&O business such as schemes requiring no co-signers and tenant application management operations

Increase in the number of small-amount short-term insurance policies in insurance desk services

Guarantee business

Medical care and eldercare business expected to increase substantially on the back of revisions to the Civil Code

Child rearing expense is an investment phase to create a new market following medical care



Operating Income and Operating Income Ratio by Year and Plan

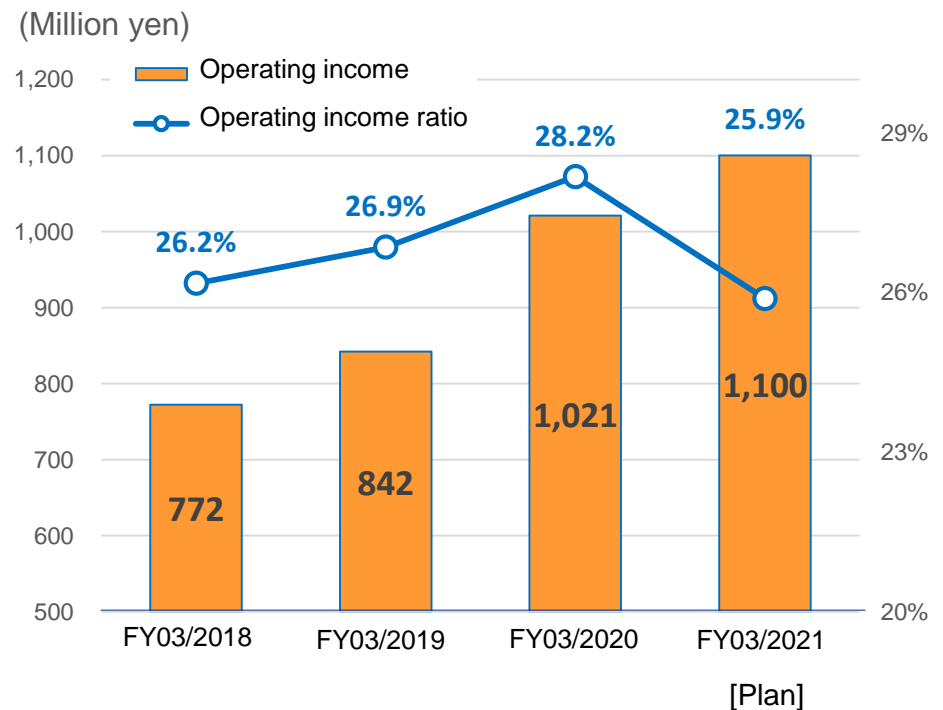
Continue to grow income while conducting up-front investment such as system investment, while taking into consideration the impact of the COVID-19

● Impact of expenses from up-front investment

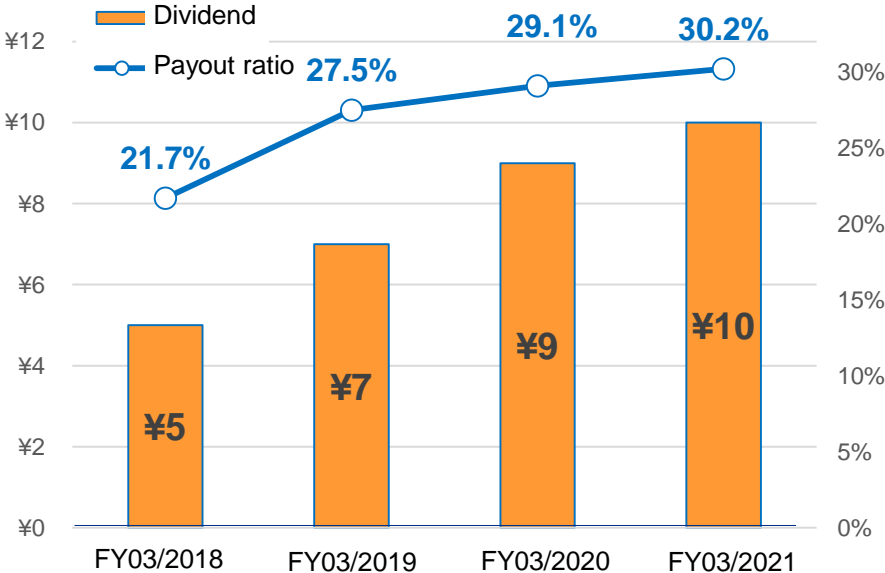
- Costs from the introduction of new core systems -55 million
- Migration costs due to the system replacement -18 million
- Up-front investment in child-rearing expense guarantees -18 million

● The expected impact from the COVID-19

- Expected impact of profit from factors including a decrease in the number of moves, a slowdown in sales activities, and an increase in risk of bad debt -47 million



Dividend of 10.0 yen planned this fiscal year based on shareholder return policy*



*Achieve a dividend payout ratio of 30% or more

3. Company Information

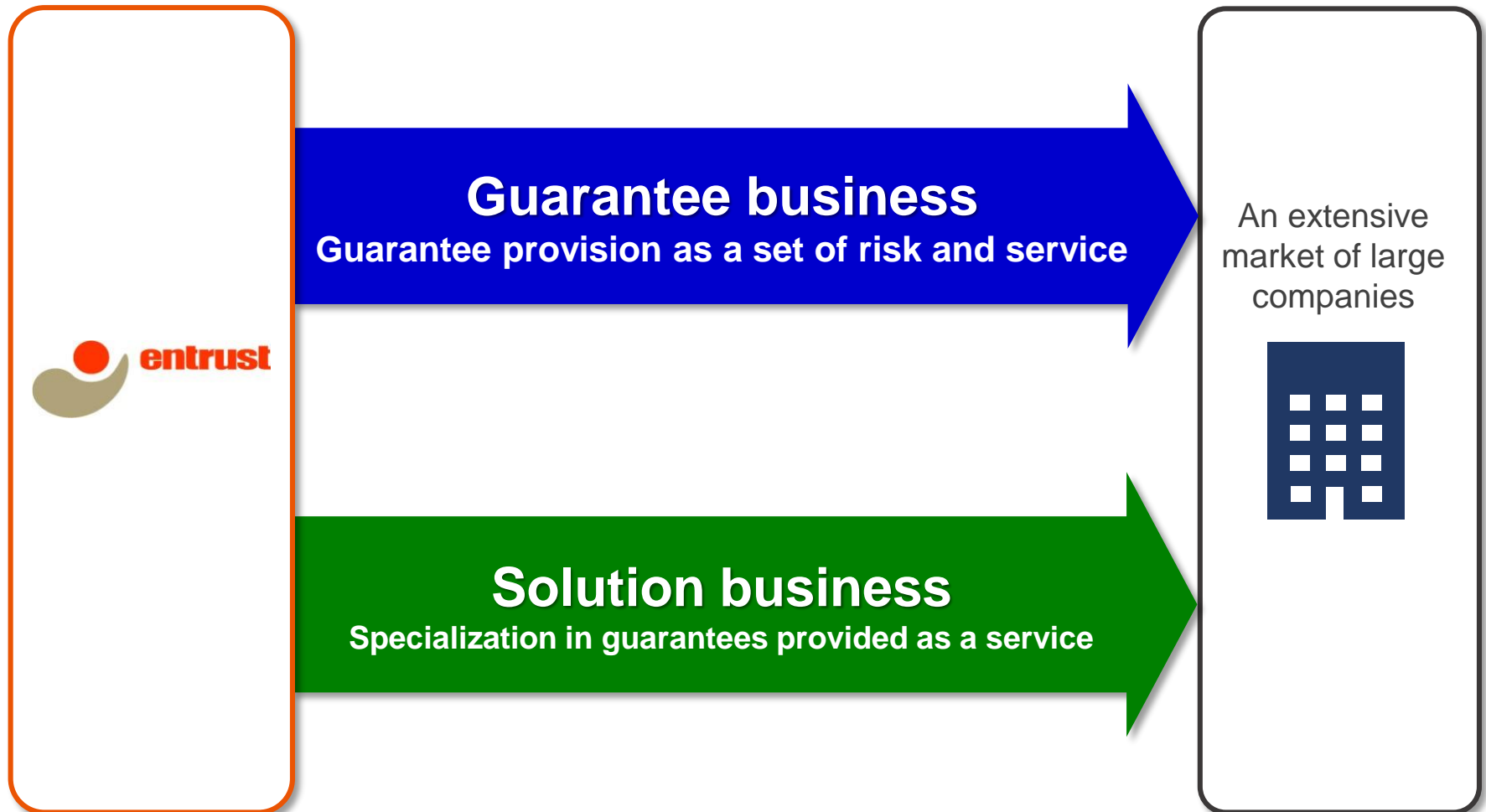
Company Profile (As of March 31, 2020)



- Company name : Entrust Inc.
- Date of establishment : March 2006
- Capital : 1,040 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, Nagoya, Osaka, Fukuoka, Yokohama Solution Center
- Number of employees : 104
- Business lines : Guarantee business, Solution business



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-signer" required in a variety of contracts

For example, in the case of property rent guarantees



Lessee



Lessor



Co-signer



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

Solution business

Guarantee business

Accumulated skills and know-how

Application to specialized services

C&O (Consulting & Operations) service

Screening services 	Contract management 	Collecting agency 	Unpaid items information
Investigative visits 	Legal action support 	Delinquency management 	

SMS-based solution services ("Doc-on service")

Call-center function
Payment / reminder notice function
Settlement function (Patent registered)

Insurance desk service

Insurance solicitation operations
Call-center function
Operations in conformity with compliance requirements

Design to match the unique needs of customers

Presentation of flexible solutions



Resolution of unique individual problems

Entrust Inc. provides a 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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