



Results Briefing Information Materials for Second Quarter of Fiscal Year Ending March 31, 2021

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. Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2021**
- 2. Company Plan for the Fiscal Year Ending March 31, 2021**
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1. Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2021

Summary Overview of Business Results for the Second Quarter of the Fiscal Year Ending March 31, 2021

Sales increased to 117.8% compared with the previous fiscal year

Operating income increased to 113.6% compared with the previous fiscal year

Although there was some delay in the development of new customers due to the impact of the spread of the coronavirus, sales and income increased due to steady growth in property rent guarantees and medical care expense guarantees



Full-year business result projection revised upward

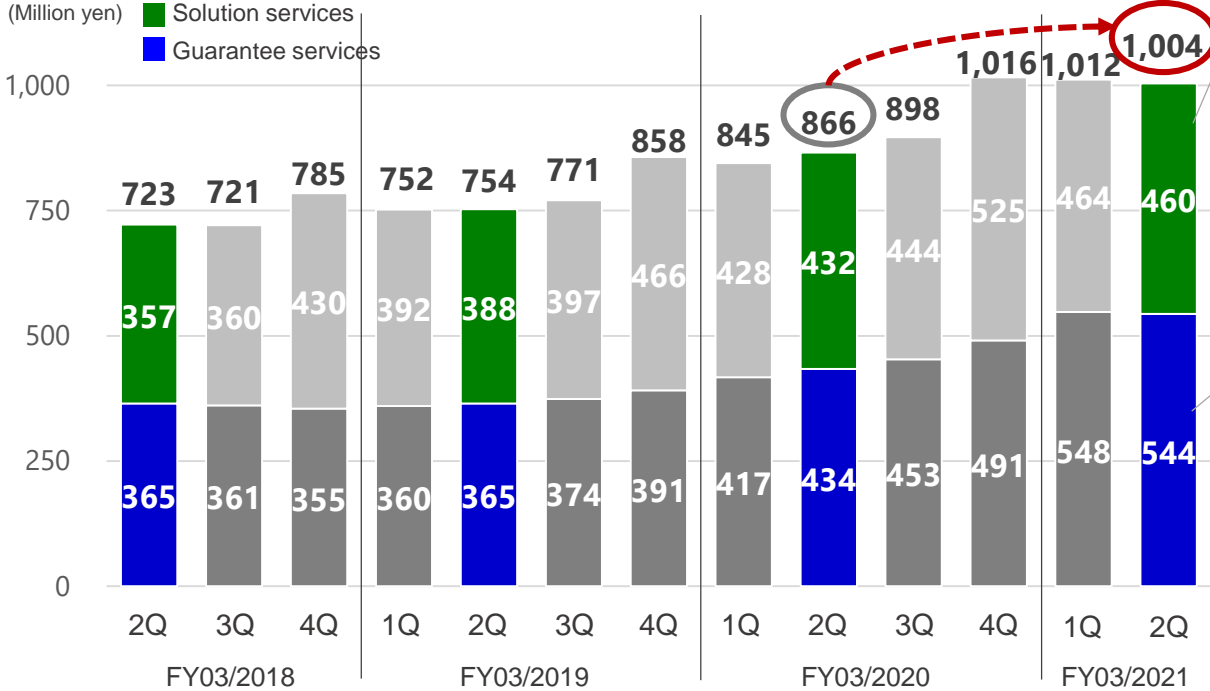
(Million yen)	Q2 FY03/2020 (Previous fiscal year)	Q2 FY03/2021 (Current fiscal year)	(Year-on-year)
Revenues	1,712	2,017	117.8%
Operating income	499	567	113.6%
(Margin)	29.2%	28.1%	-
Ordinary income	502	569	113.3%
(Margin)	29.3%	28.2%	-
Net income	335	386	114.9%
(Margin)	19.6%	19.1%	-

Revenues by Quarter

Revenues increased in both guarantee business and solution business

116% (+138 million yen) compared with the year-earlier period

Although coronavirus had an impact, sales recovered from July
 Sources of revenue from the second half of the fiscal year have also accumulated due to being recorded in installments
 Unearned revenues were 778 million yen (up 15.4% compared with the year-earlier period)



Solution business

Although there were delays in the development of new customers, the business continued to grow due to growth from existing customers
 106.4% (+27 million yen) compared with the year-earlier period

Guarantee business

The guarantee business grew due to continued growth in medical care expense guarantees and property rent guarantees
 125.4% (+110 million yen) compared with the year-earlier period

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

Income trended upwards due to being able to curb increases in expenses overall
Strategic spending continued

Outsourcing fees

Grew in connection with increased revenues from property rent guarantees

Insurance premiums (guarantee related costs)

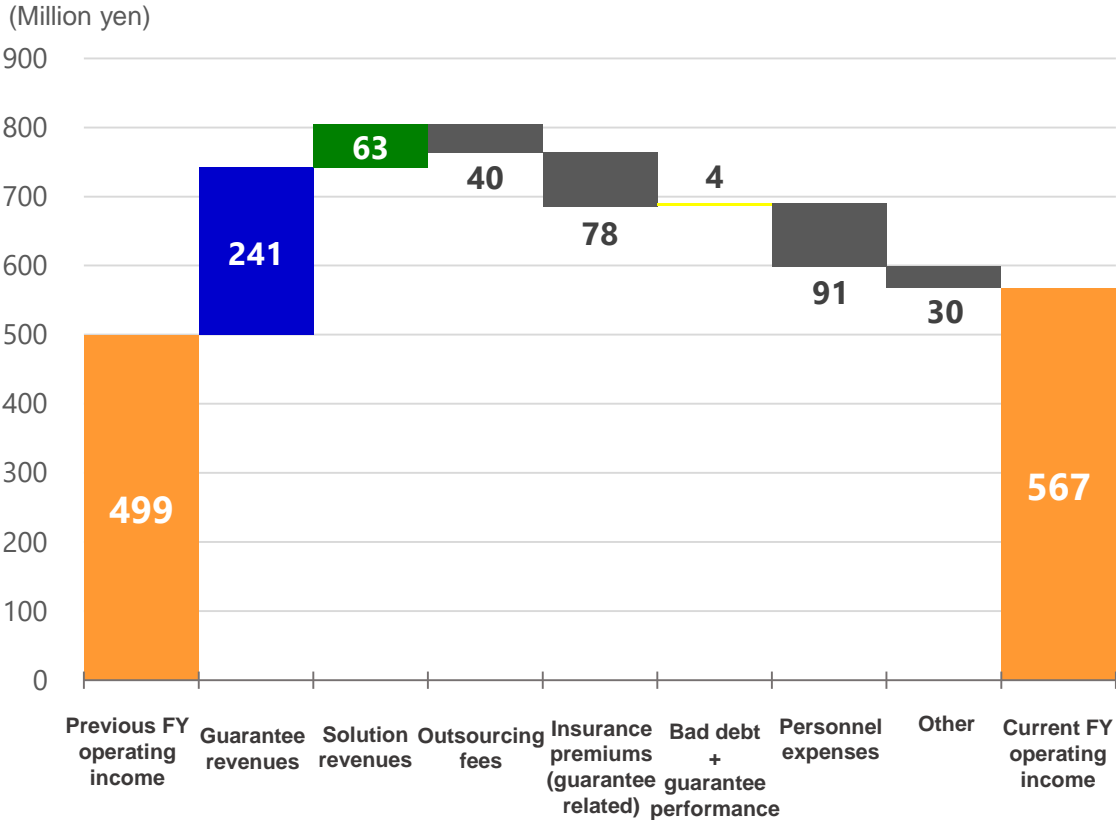
Increased along with increased revenues from medical care expense guarantees

Bad debt + guarantee performance

The impact of the coronavirus was minor. Delinquency rates and collection rates have been within expectations, and bad debt expenses have been contained

Personnel expenses

Personnel associated with sales, debt recovery and the replacement of core systems increased

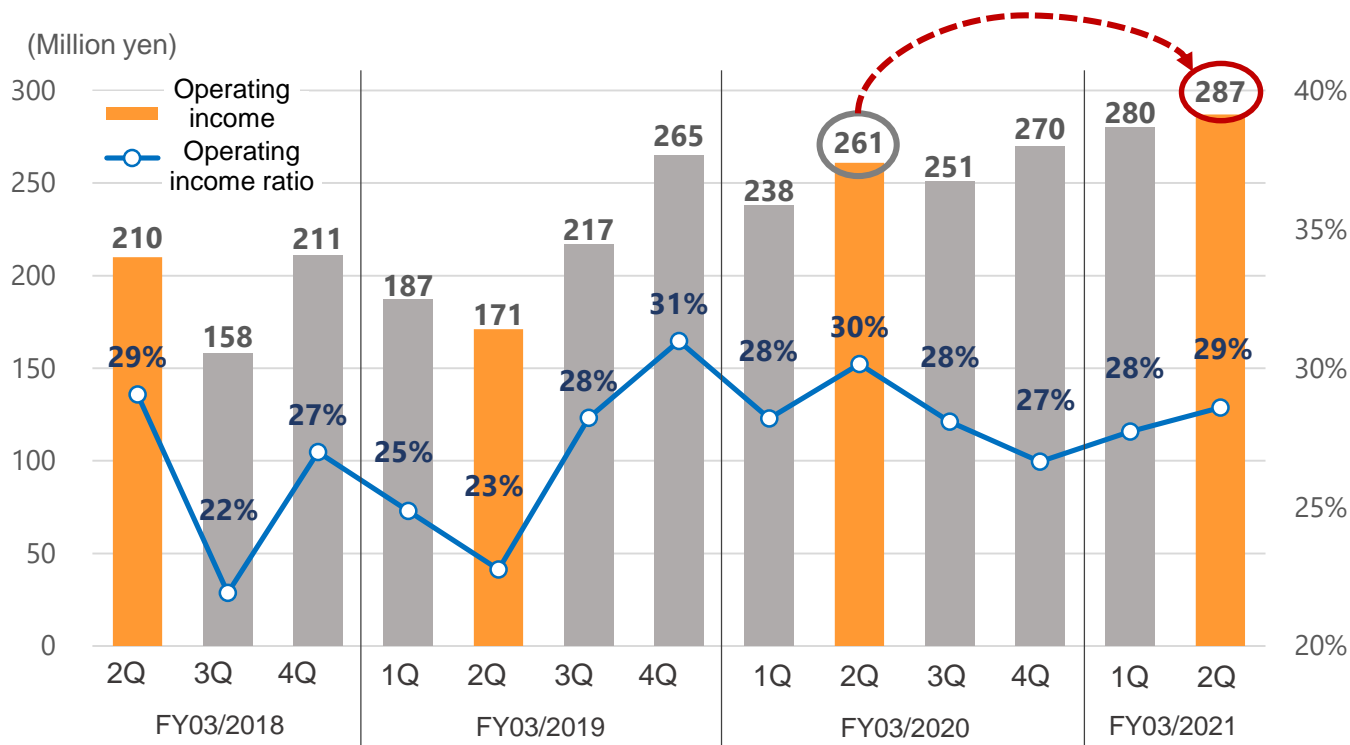


Operating Income and Operating Income Ratio by Quarter



Operating income has been steady (operating income ratio: 28.6%)

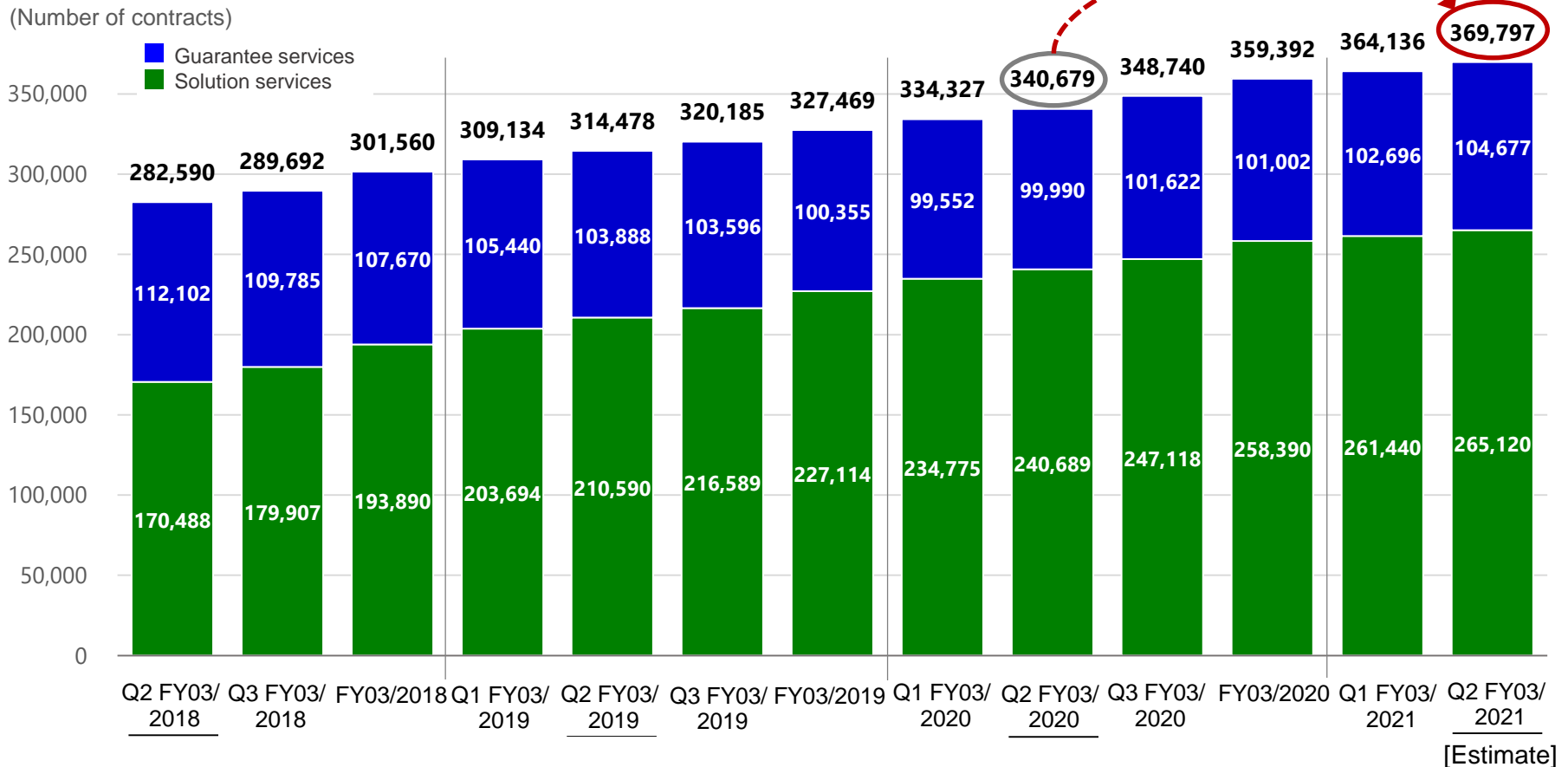
- Bad debt expenses were stable
- Costs were contained by flexibly responding to the coronavirus



Number of Contracts by Quarter



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



Medical Care & Eldercare Expense Guarantee Sales by Quarter



Opportunities to increase sales expanded as market penetration progressed

The sprint from the start paid off with **Smahosu**, which steadily progressed according to plan

Hospitalization set began to grow due to the realization of a partnership with a new linen supplier

Web sales will accumulate in the second half of the year in response to restrictions on access to medical care and eldercare facilities due to the coronavirus

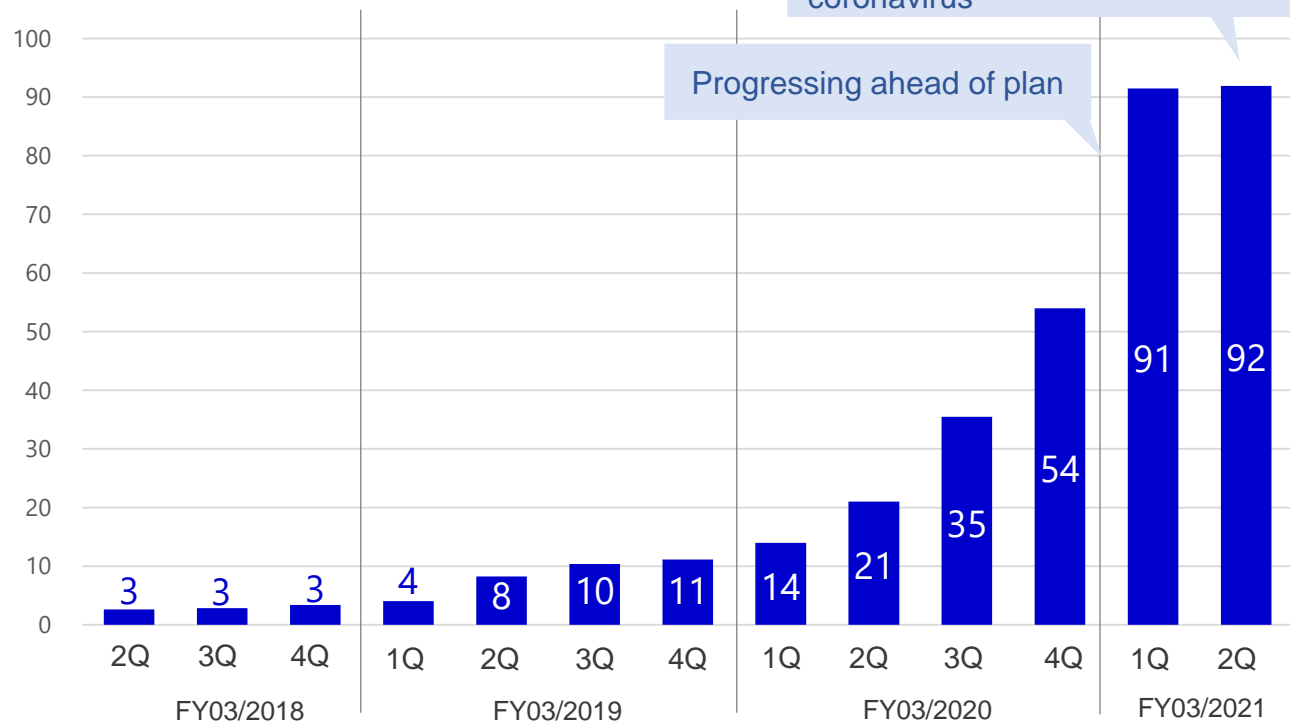
(Million yen)

Partner data

Co-signer Agent System Smahosu *
51 medical facilities (+34 compared with the end of the previous fiscal year)
15,158 hospital beds

Hospitalization set with medical care expense guarantee and other products
123 medical facilities (+14 compared with the end of the previous fiscal year)
24,919 hospital beds

Eldercare expense guarantees
188 eldercare service providers (+15 compared with the end of the previous fiscal year)



* Smahosu is a medical care expense guarantee product with the guarantee fee paid covered by the hospital.

Other Financial Data (Balance Sheet)

(Million yen)	Q2 FY03/2020 (Previous fiscal year)	Q2 FY03/2021 (Current fiscal year)	Change in amount
Current assets	3,683	4,143	460
Cash and deposits	2,812	2,917	105
Accounts receivable - trade	174	205	31
Advances paid	910	1,227	316
Other	245	275	30
Allowance for doubtful accounts	(459)	(482)	(22)
Non-current assets	604	836	231
Property, plant, and equipment	60	57	(2)
Intangible assets	95	226	130
Investments and other assets	449	552	103
Current liabilities	1,106	1,261	154
(Unearned revenues)	674	778	103
(Guarantee performance provisioning)	76	73	(3)
Non-current liabilities	53	51	(1)
Net assets	3,128	3,667	539
Total assets	4,288	4,980	691

Advances paid increased in connection with expanded sales of advance payment-type products

There was only a slight increase due to stable collection activities

New contracts in property rent guarantees progressed well, and unearned revenues increased

Report on Activities in Child Rearing Expense Guarantees

◆ SiN Web media for single parents released



**Release
July 2020**

**More than 90% of
articles
supervised by
experts**

**Monthly page views
More than
100,000**
(Readers: approx. 90,000)
* As of October

◆ Measures implemented

- Listing
- Banner advertising



* Banner advertising

**Social media
coordination**
(LINE, Facebook, etc.)

**Branding
through
Sapopiyo**



◆ Local government related

Expansion of local governments providing support for child rearing expenses
* Such as local governments subsidizing part of the initial guarantee fee
In partnership: Akashi-shi, Hyogo and Chiryu-shi, Aichi

**Number of
municipalities that have
introduced support for
child rearing expenses**
**Increased to 16 local
governments**

**Inquiries about
introduction**
**More than 40 local
governments**

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

Although performance was strong in the first half of the year, the plan for the second half of the year has been retained to ascertain the impact of the coronavirus

- Initial forecast of sales remains the same
- Operating income forecast revised upward by +66 million yen

(Million yen)	FY03/2020 Results	FY03/2021 Initial plan	FY03/2021 Revised plan	Year-on-year	Q2 FY03/2021 Results	FY progress
Revenues	3,626	4,250	4,250	117.2%	2,017	47.5%
Operating income	1,021	1,100	1,166	114.1%	567	48.7%
(Margin)	28.2%	25.9%	27.4%	-	28.1%	-
Ordinary income	1,026	1,103	1,170	114.0%	569	48.7%
(Margin)	28.3%	26.0%	27.5%	-	28.2%	-
Net income	687	740	790	114.9%	386	48.9%
(Margin)	19.0%	17.4%	18.6%	-	19.1%	-

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

The breakdown has been revised to reflect trends in the first half of the year

Solution business

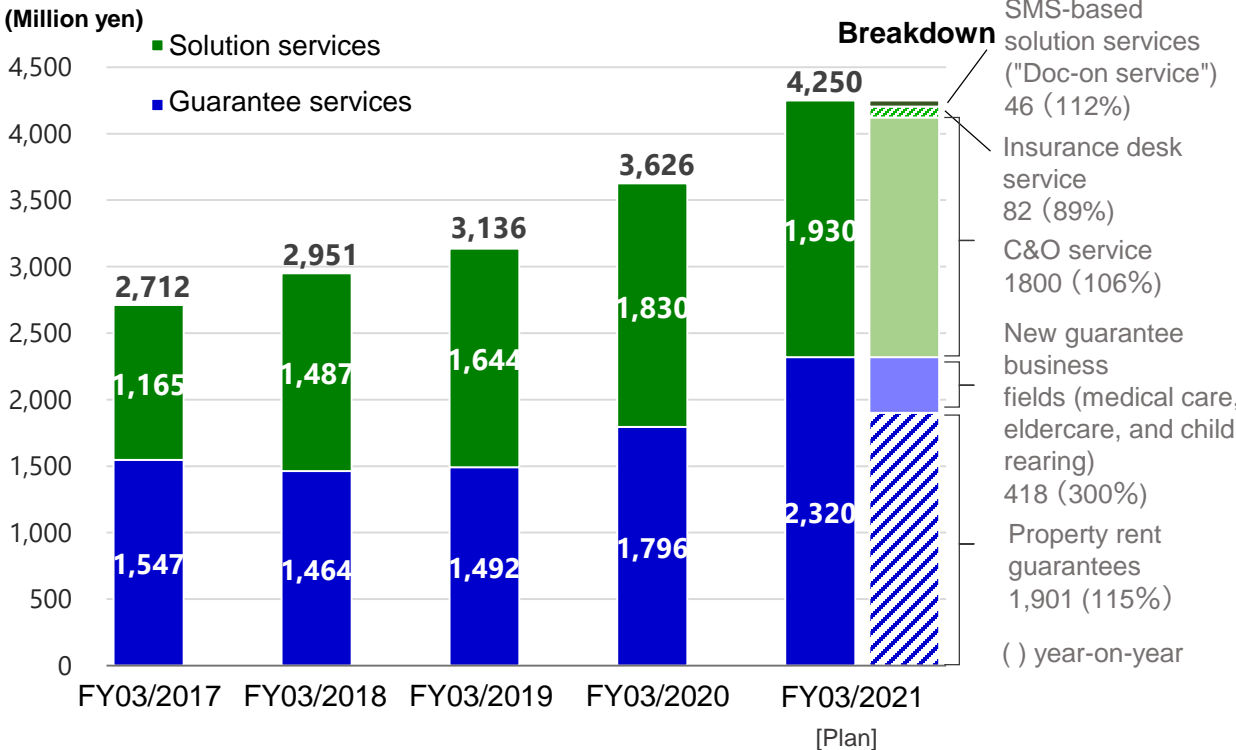
Achieve growth centered on C&O services such as schemes requiring no co-signers and tenant application management operations

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

Guarantee business

Aim for substantial increase in medical care and eldercare business on the back of revisions to the Civil Code

Aim to create a new market following medical care business by conducting steady investments in child rearing expense guarantees business

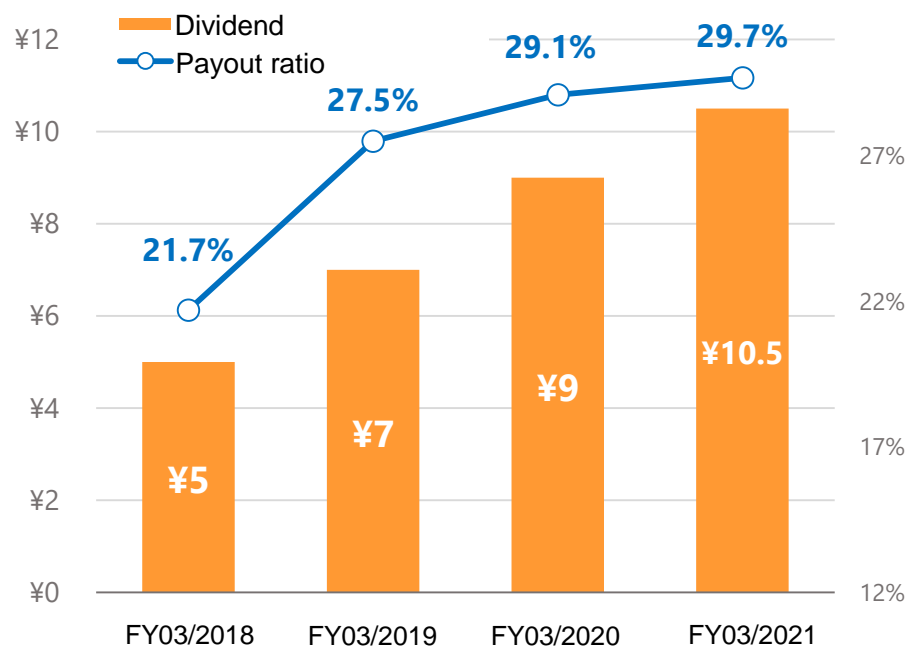


Dividends by Year and Plan



The dividend for the first half of the year was increased from 5 yen to 5.5 yen based on the strong performance in the first half of the year

The year-end dividend remains at 5 yen



* We aim to achieve a dividend payout ratio of 30% or more

3. Company Information

Company Profile (As of September 30, 2020)



- Company name : Entrust Inc.
- Date of establishment : March 2006
- Capital : 1,044 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, and Yokohama Solution Center
- Number of employees : 196 (including part-time workers)
- Business lines : guarantee business and solution business



Meeting various needs with tailor-made services



Guarantee business
Guarantee provision as a set of risk and service

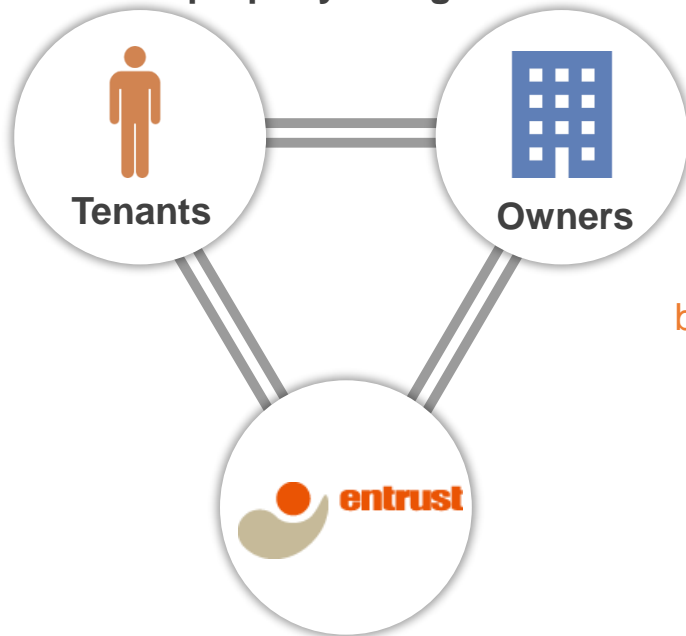
Solution business
Specialization in guarantees provided as a service



Guarantee business

Assume debt delinquency risk and provide various services pertaining to guarantees

For example, in the case of property rent guarantees



Rollout to other businesses

Medical care



Eldercare














Child rearing expense



Solution business

Providing a unique business support service based on know-how cultivated in the field of property rent guarantees

Screening services 	Contract management 	Collecting agency 	
Delinquency management 	Sending SMS 	Investigative visits 	Legal action support 
Promoting insurance enrollment 	Unpaid items information 	Call center 	Settlement function 

Solve unique customer needs with professional services

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

Entrust Inc.



The statements concerning business results projections stated in these materials are based on judgments derived from information available at that time, and 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 deterioration in the business environment or economic conditions, trends surrounding laws, regulations, and related rules, and unfavorable rulings in litigation.

If you have any comments or questions regarding these materials or any other IR-related matters, please contact us at the contact point for inquiries below.

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