



Results Briefing Information Materials for Third 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.

Summary of the Fiscal Year Ending March 31, 2021

Business Results for the Third Quarter

- Revenues increased by **17.3%** compared with the year-earlier period to **3,061 million yen**, and gross margin income increased significantly by **12.5%** from the year-earlier period to **1,539 million yen**
- SG&A expenses increased by 13.2%, and **operating income ended up increasing by 12.0% to 841 million yen**
- Although the medical care and eldercare field was affected by the coronavirus pandemic, **revenues increased significantly by 247.2%**

Initiatives in the Third Quarter

- The number of page views of owned media on child rearing expense performed well (more than 140,000 page views per month in the six months since the release)
- The medical care expense guarantee product released as a part of support for medical institutions was newly adopted by two hospitals

Full-year Business Result Projection

- Progressing within the scope of the business result projection announced on October 19, 2020
- Coronavirus countermeasures and impact
 - Health and safety were put first, and remote work was implemented, ensuring the execution of business was not affected
 - Although existing contracts have not been significantly affected at present, we are proceeding according to plan while assuming a variety of risks
- The year-end dividend remains at 5 yen as planned at the start of the fiscal year

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

1. Business Results for the Third Quarter of the Fiscal Year Ending March 31, 2021

Overview of Business Results



Both revenues and operating income increased

Revenues increased to 117.3%
Operating income increased to 112.0%

Although there was some delay in the development of new customers due to the impact of the coronavirus pandemic, revenues and income increased due to steady growth in property rent guarantees.

(Million yen)	Q3 FY03/2020 (Previous fiscal year)	Q3 FY03/2021 (Current fiscal year)	(Year-on-year)
Revenues	2,610	3,061	117.3%
Operating income	751	841	112.0%
(Margin)	28.8%	27.5%	-
Ordinary income	754	844	111.8%
(Margin)	28.9%	27.6%	-
Net income	503	558	111.0%
(Margin)	19.3%	18.2%	-

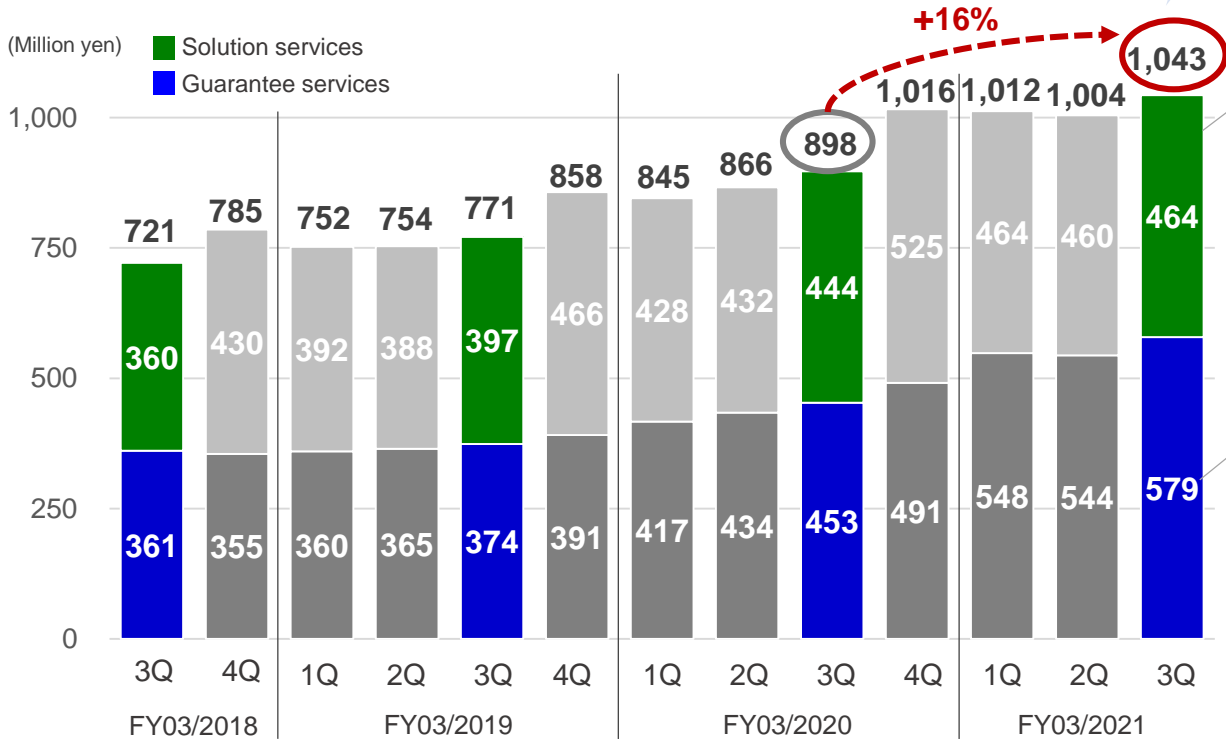
Revenues by Quarter

Revenues grew steadily in both guarantee business and solution business

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

Although the coronavirus pandemic had an impact, revenues recovered from July

Unearned revenues that are sources of revenue from the next fiscal year due to being recorded in installments were 834 million yen (up 24.0% 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
104.5% (+20 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
127.7% (+125 million yen) compared with the year-earlier period

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

The performance of delinquencies and collections were hardly affected by the coronavirus pandemic, and indirect costs were kept within a certain level.

Outsourcing fees

Grew in connection with increased revenues from property rent guarantees

Insurance premiums (guarantee related costs)

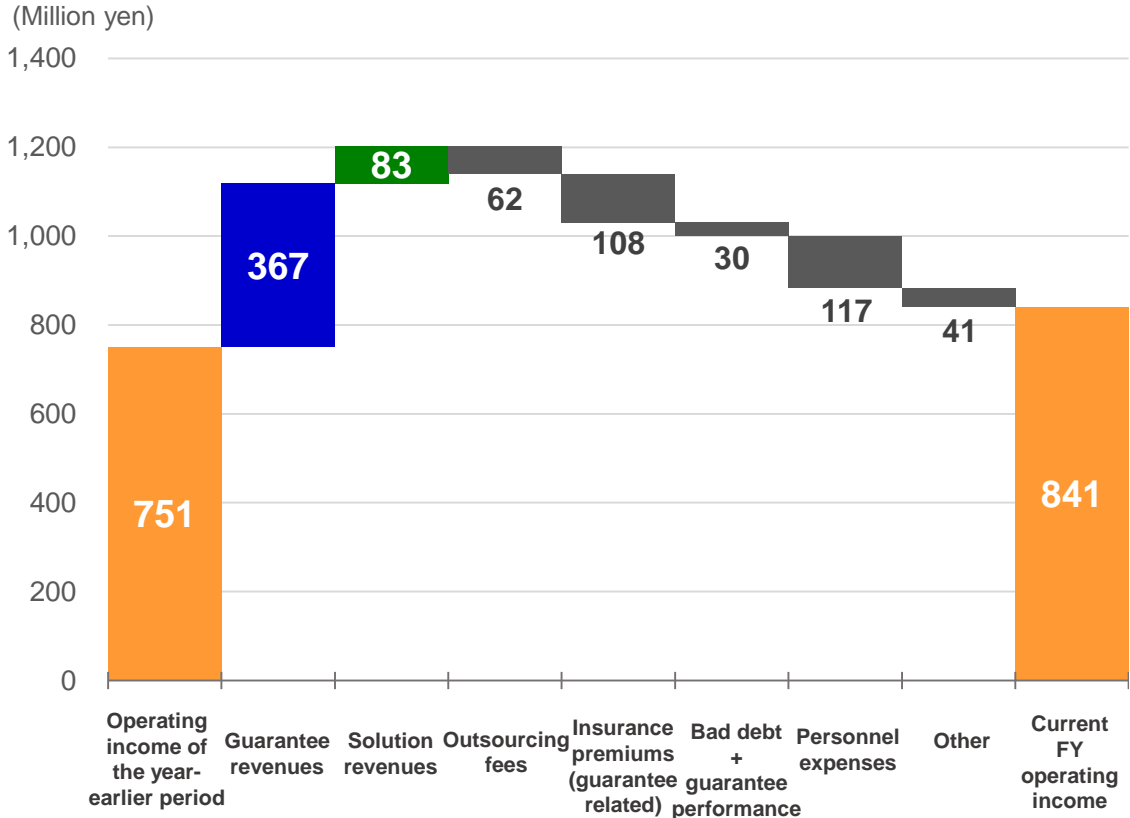
Increased along with increased revenues from medical care expense guarantees

Bad debt + guarantee performance

The impact of the coronavirus pandemic was minor
Increased due to delinquencies in certain high-value cases

Personnel expenses

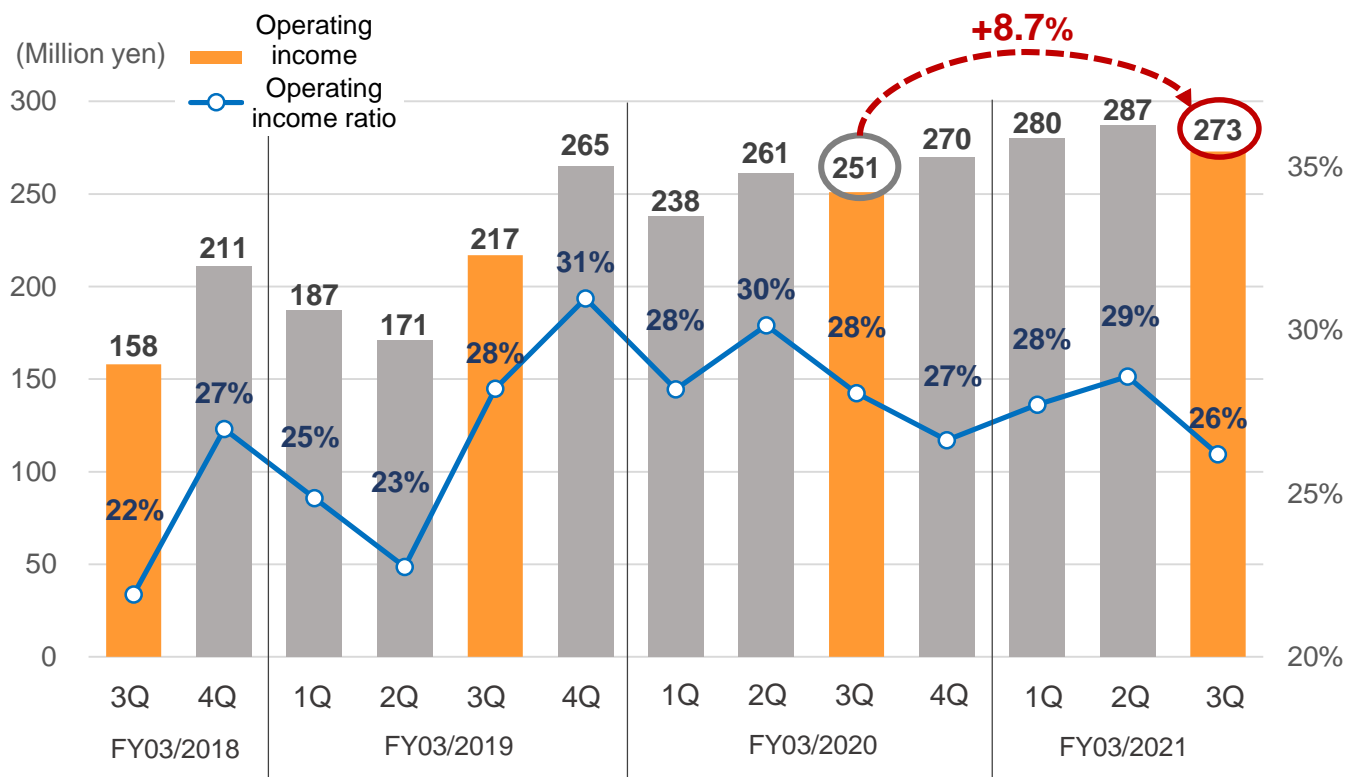
Personnel associated with sales, debt recovery and the replacement of core systems increased



Operating Income and Operating Income Ratio by Quarter

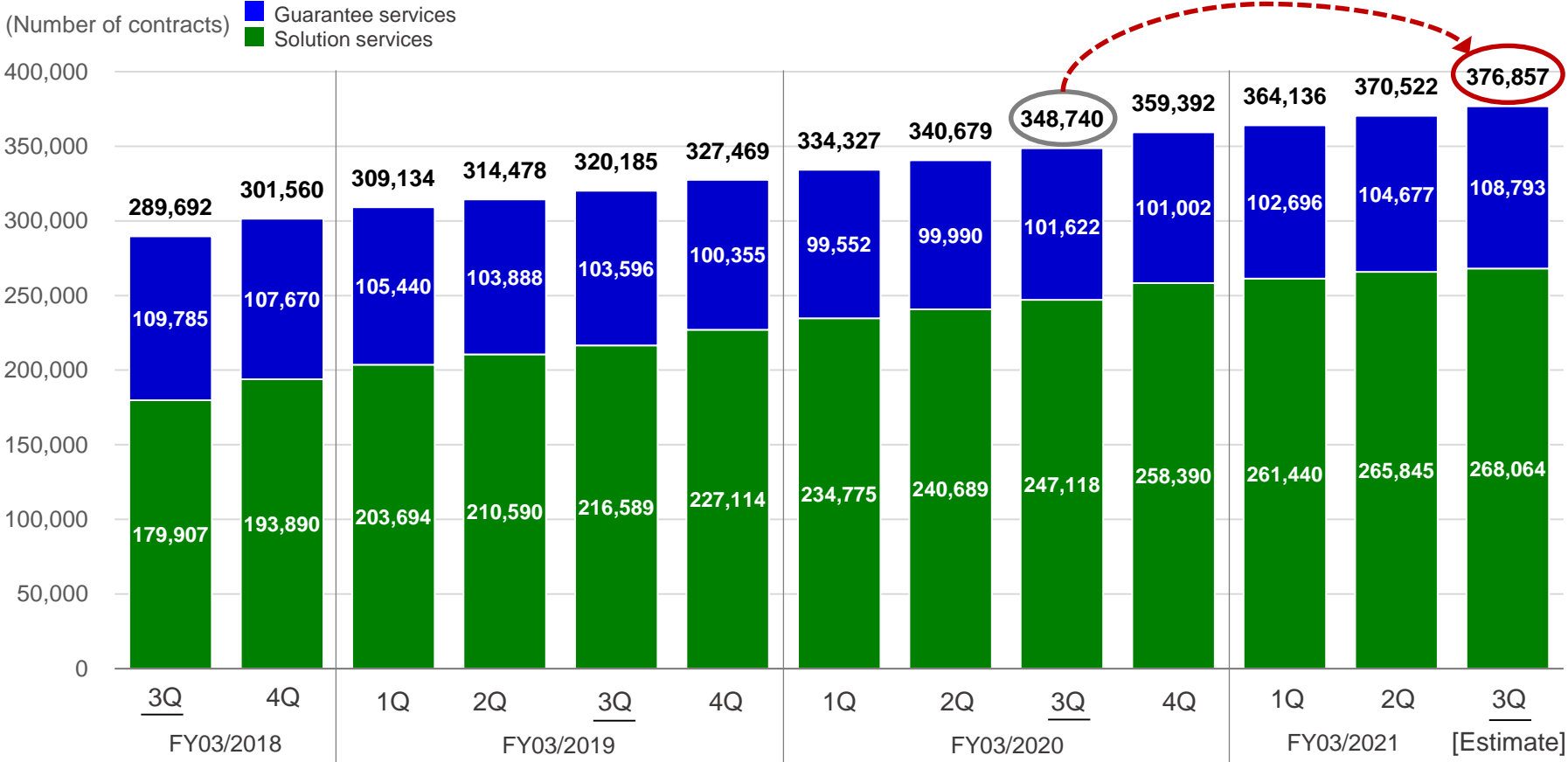


**Operating income has been steady
(operating income ratio: 26.2%)**

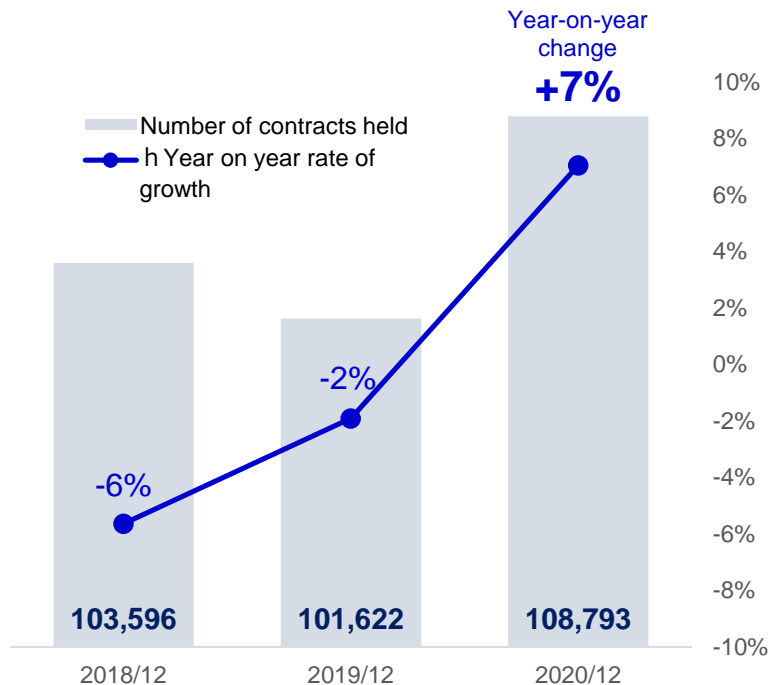


Rent - Number of Contracts Held by Quarter

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



The rate of growth of the number of contracts held has increased



New revenues (initial guarantee fees)

Previous fiscal year

Current fiscal year

626 million yen ⇒ **758** million yen (+21%)

Property rent guarantees

Revenues: initial guarantee fees and renewed guarantee fees

Revenues for the following month onward are added to unearned revenues because they are recorded in installments over the guarantee period

Unearned revenues for the current fiscal year: 834 million yen (up 24% from the previous year)

Although the coronavirus pandemic had some impact, opportunities to increase sales has expanded as market penetration progresses

Partner data

Co-signer Agent System

Smahosu

53 medical facilities

(+36 compared with the end of the previous fiscal year)

15,501 hospital beds

Hospitalization set with medical care expense guarantee and other products

137 medical facilities

(+28 compared with the end of the previous fiscal year)

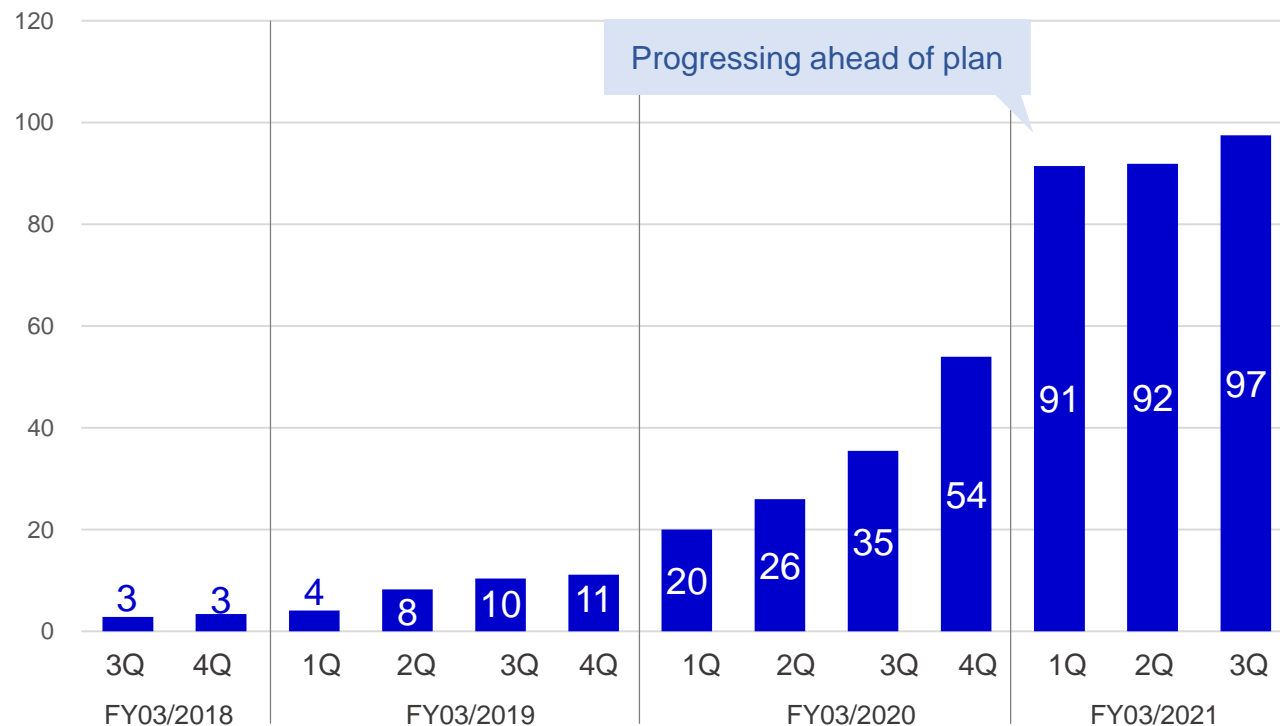
26,390 hospital beds

Eldercare expense guarantees

188 eldercare service providers

(+20 compared with the end of the previous fiscal year)

(Million yen)



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

Other Financial Data (Balance Sheet)

(Million yen)	Q3 FY03/2020 (Previous fiscal year)	Q3 FY03/2021 (Current fiscal year)	Change in amount
Current assets	3,707	4,198	490
Cash and deposits	2,765	2,824	58
Accounts receivable - trade	177	203	26
Advances paid	999	1,389	390
Other	244	302	58
Allowance for doubtful accounts	(478)	(522)	(43)
Non-current assets	592	839	247
Property, plant, and equipment	57	54	(2)
Intangible assets	101	239	138
Investments and other assets	433	545	111
Current liabilities	1,045	1,264	218
(Unearned revenues)	673	834	161
(Guarantee performance provisioning)	71	82	10
Non-current liabilities	49	54	4
Net assets	3,205	3,720	514
Total assets	4,300	5,038	737

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

Collection activities remain stable, and allowance for doubtful accounts were limited to a minor increase

Unearned revenues increased as new contracts in property rent guarantees increased

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

Projections for the full year remain unchanged

(Million yen)	FY03/2020 Results	FY03/2021 Plan	Year-on-year	Q3 FY03/2021 Results	FY progress
Revenues	3,626	4,250	117.2%	3,061	72.0%
Operating income	1,021	1,166	114.2%	841	72.1%
(Margin)	28.2%	27.4%	-	27.5%	-
Ordinary income	1,026	1,170	114.0%	844	72.1%
(Margin)	28.3%	27.5%	-	27.6%	-
Net income	687	790	115.0%	558	70.6%
(Margin)	19.0%	18.6%	-	18.2%	-

Revenues by Year and Plan



Although the coronavirus pandemic has had some impact on new development, we will be able to achieve revenue targets for the year ending March 31, 2021

Solution business

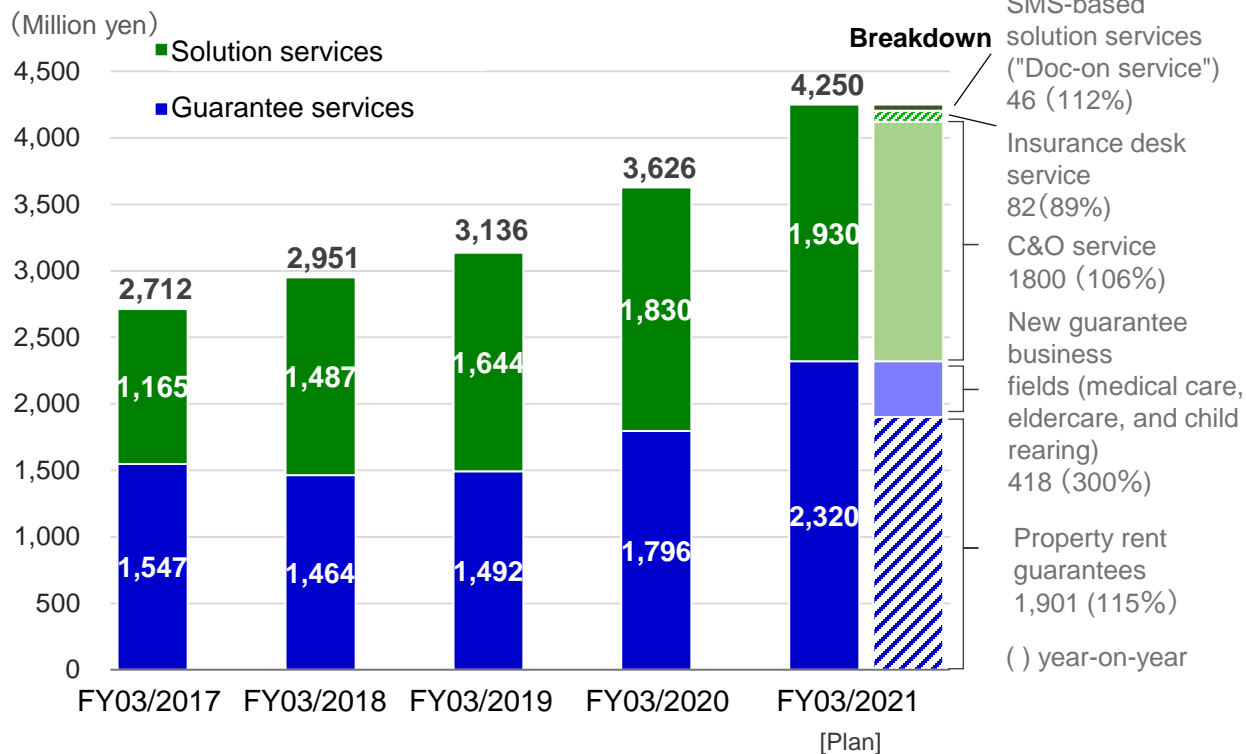
Achieve growth centered on C&O services such as schemes requiring no co-signers and tenant application management operations

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

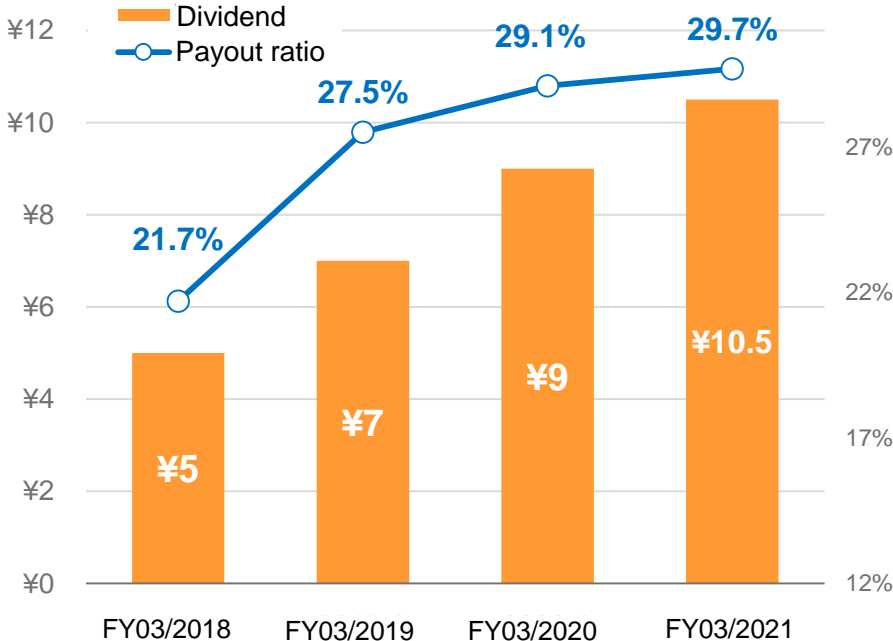
Aim to create a new market following medical care business by conducting steady investments in child rearing expense guarantees business



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 at this time



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

3. Company Information

Company Profile (As of December 31, 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, Yokohama Solution Center
- Number of employees : 207 (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

An extensive market



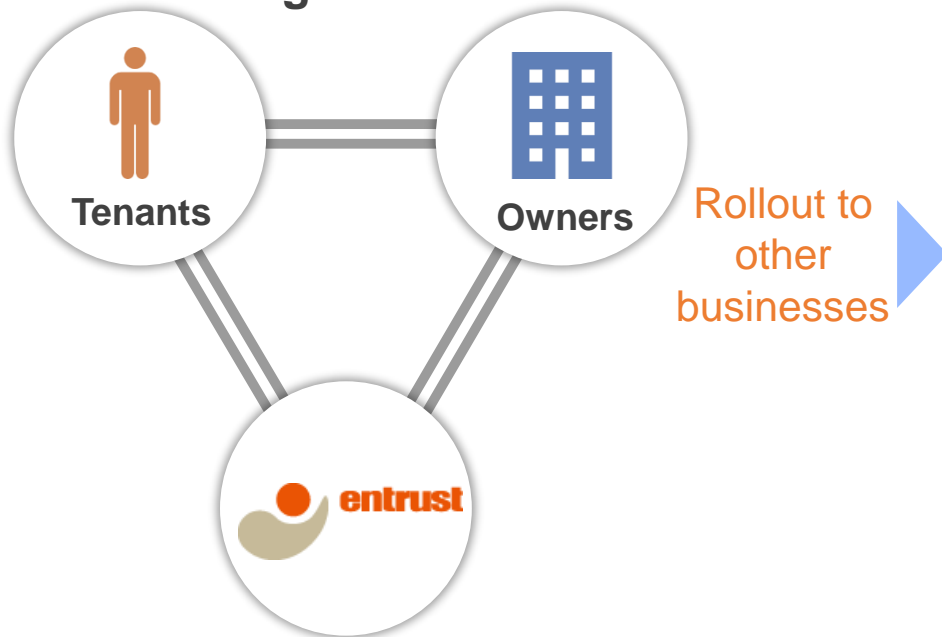
Solution business

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



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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