



# Fiscal Year Ended March 31, 2021 Results Briefing Information Materials

**Entrust Inc.**

**Securities Code: 7191**



# Summary

## Performance

- **Revenues increased significantly to 115.9% compared with the year-earlier period at 4,203 million yen, and gross margin to 112.2% compared with the year-earlier period at 2,126 million yen**
- **Selling, general and administrative expenses increased to 111.8% compared with the year-earlier period and operating income to 112.5% compared with the year-earlier period at 1,149 million yen**
- **While the medical care & eldercare area was affected by the coronavirus, net sales increased significantly to 279.9% compared with the year-earlier period**
- **The annual dividend was 11 yen, up 2 yen from the previous fiscal year**

## Plan for the fiscal year ending March 31, 2022

- **Revenues 5,000 million yen, Operating income 1,270 million yen**
- **It is assumed that the coronavirus will mainly have an impact in the first half of the fiscal year and that there will be a moderate recovery after that**
- **The Company plans to increase dividends by 1 yen to 12 yen**

- 1. Fiscal Year Ended March 31, 2021 –  
Business Results**
- 2. Company Plan for the Fiscal Year  
Ending March 31, 2022**
- 3. Company Information**

# **1. Fiscal Year Ended March 31, 2021 – Business Results**

# Overview of Performance

## Both revenues and operating income increased

**Revenues increased to 115.9% compared with the previous fiscal year**  
**Operating income increased to 112.5% compared with the previous fiscal year**

- Although there was some delay in the development of new customers due to the impact of the coronavirus pandemic, sales increased significantly due to growth in property rent guarantees and medical care expense guarantees
- Income increased due to the absorption of expenses related to the replacement of new core business systems and the increase in the cost of bad debt for trial products in child rearing expense guarantees

(Million yen)	FY03/2020 (Previous fiscal year)	FY03/2021 (Current fiscal year)	(Year-on-year)
Revenues	3,626	<b>4,203</b>	115.9%
Operating income	1,021	<b>1,149</b>	112.5%
(Margin)	28.2%	<b>27.4%</b>	-
Ordinary income	1,026	<b>1,153</b>	112.4%
(Margin)	28.3%	<b>27.4%</b>	-
Net income	687	<b>760</b>	110.7%
(Margin)	19.0%	<b>18.1%</b>	-

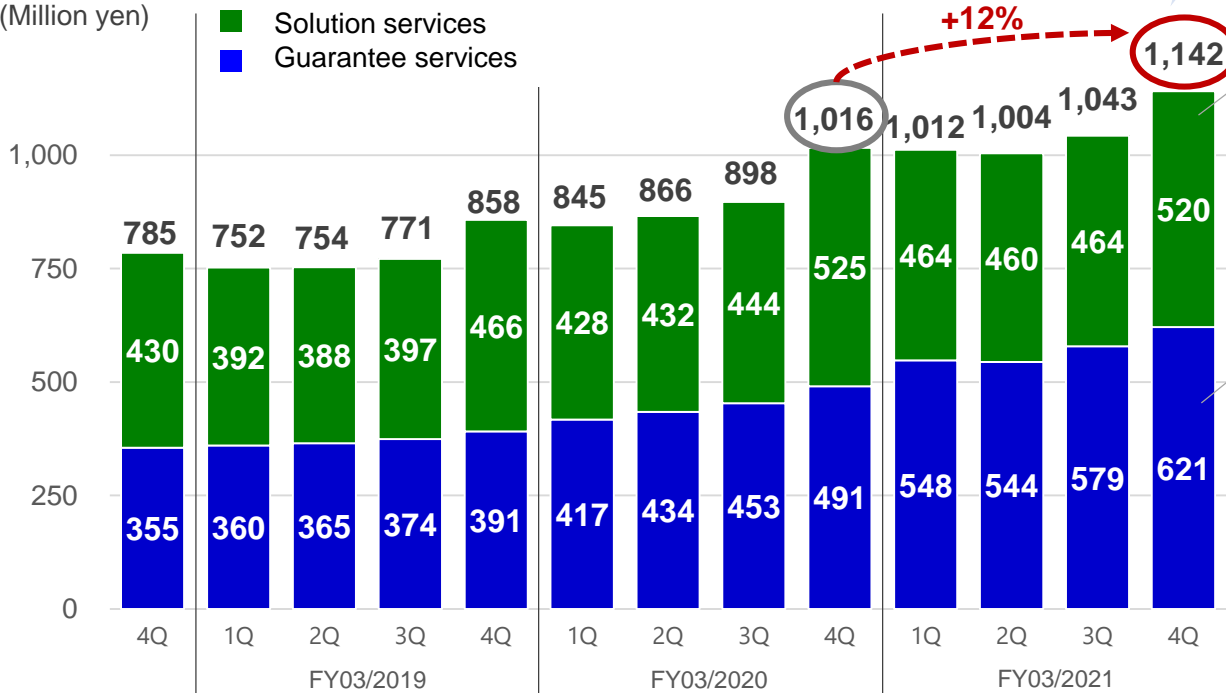
# Revenues by Quarter

## Sales in the guarantee business grew significantly

They increased to 112% compared with the year-earlier period

(+126 million yen)

Due to being recorded in installments, unearned revenues that are sources of revenue from the next fiscal year were 946 million yen (132.1% compared with the year-earlier period)



### Solution business

Some contracts shifted from the C&O service to the guarantee business 99.1% compared with the year-earlier period (-4 million yen)

### Guarantee business

The guarantee business grew due to continued growth in property rent guarantees resulting from an increase in new contracts and stock revenue 126.6% compared with the year-earlier period (+130 million yen)

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

**Even during the coronavirus pandemic, there was almost no impact on delinquency and collection performance, and indirect costs were contained to a certain degree**

**Outsourcing fees**

Grew in connection with increased revenues from property rent guarantees

**Insurance premiums (guarantee related costs)**

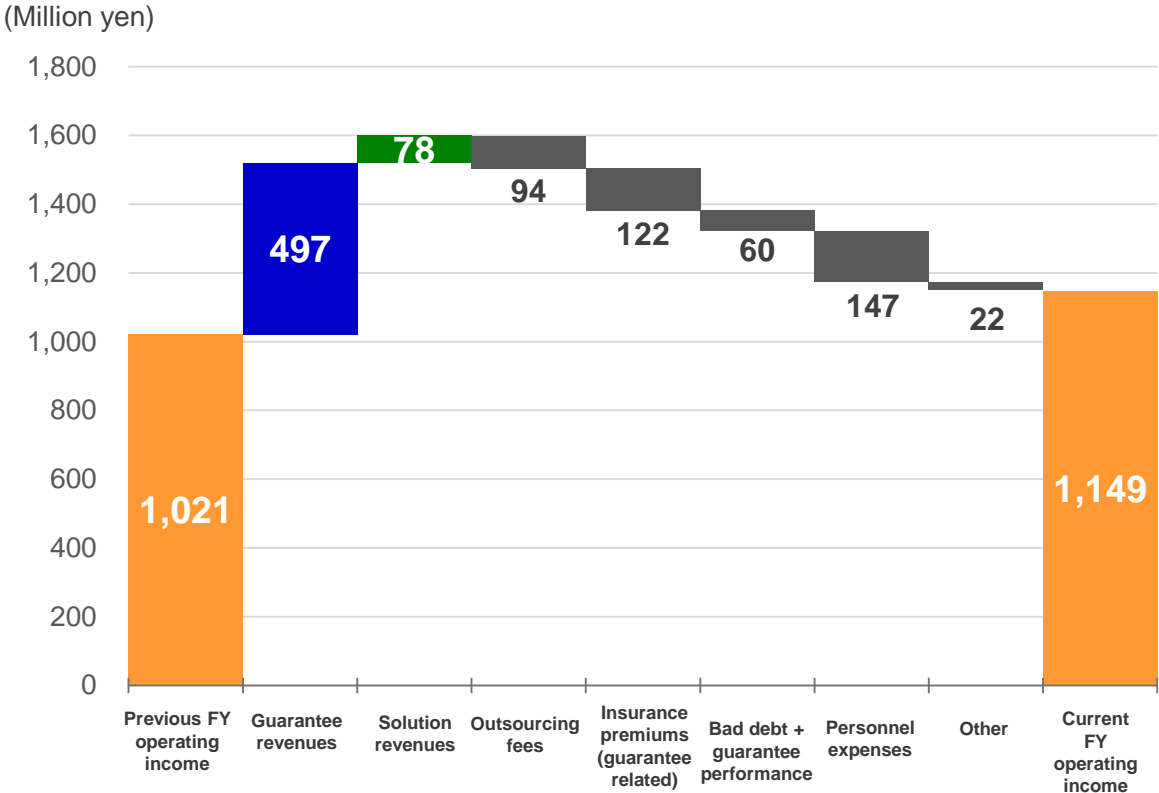
Increased along with increased revenues from medical care expense guarantees

**Bad debt + guarantee performance**

Increased due to the occurrence of delinquency in trial products for child rearing expense guarantees

**Personnel expenses**

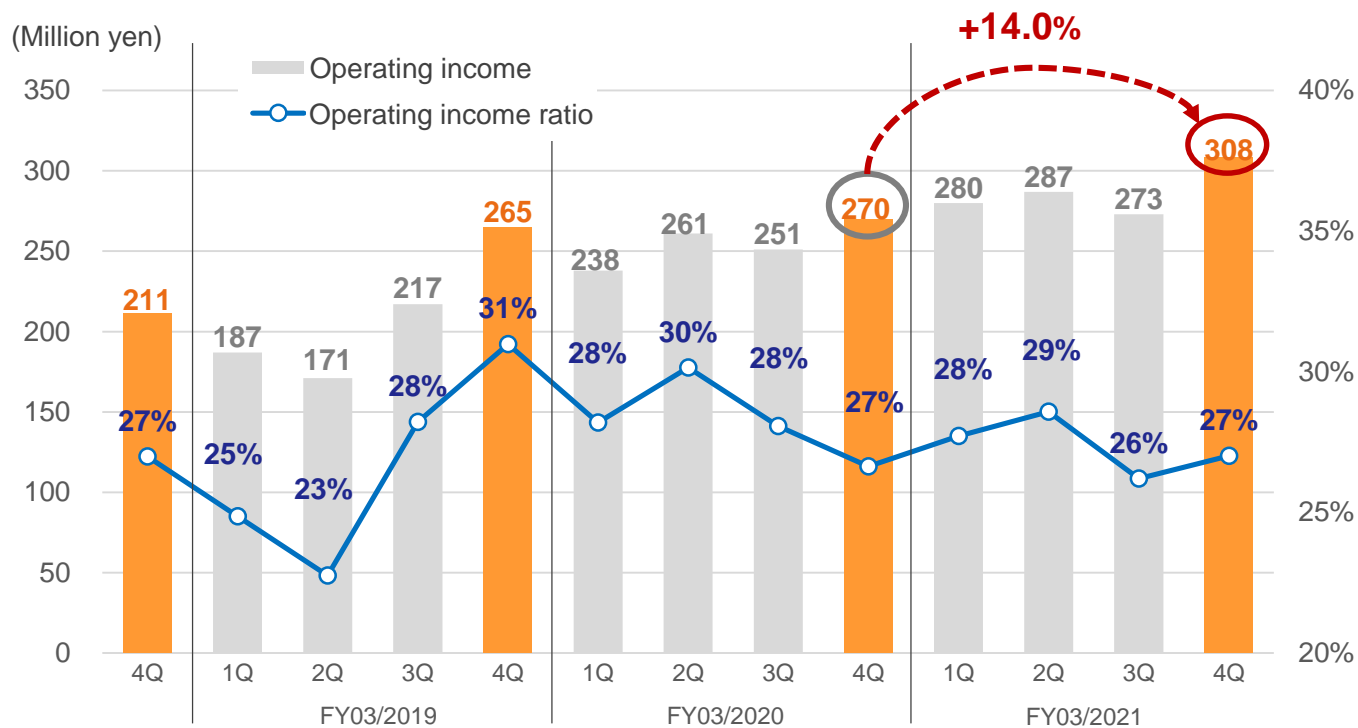
Those associated with sales and the replacement with new core business systems increased



# Operating Income and Operating Income Ratio by Quarter



Operating income has been steady  
(operating income ratio: 27.0%)

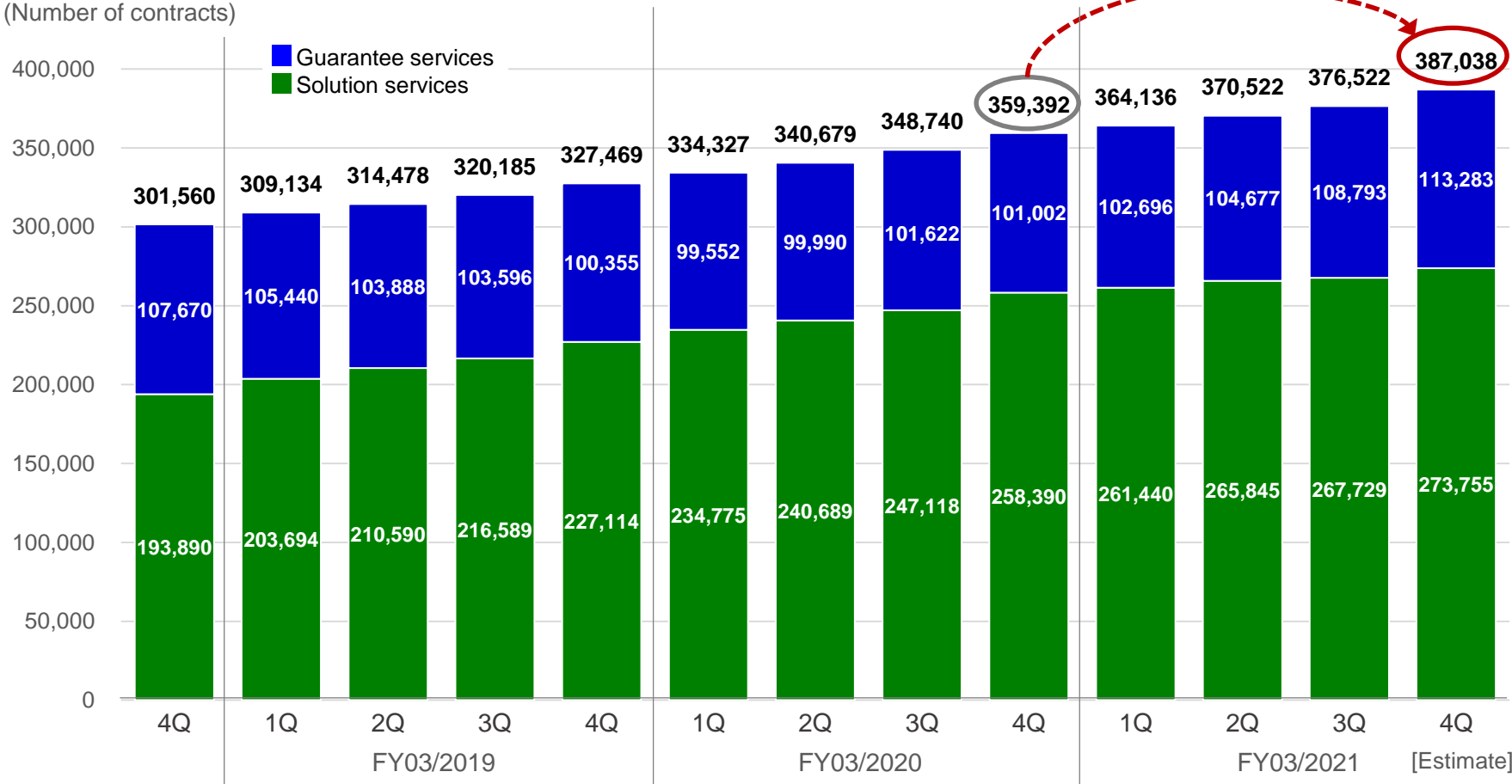


Bad debt expenses were posted for trial products for child rearing expense guarantees (24 million yen)



# Number of Contracts in Property Rent Area by Quarter

The number of contracts has grown steadily, continuing to increase since the Company was founded



# Medical Care & Eldercare Expense Guarantee Sales by Quarter



Although the coronavirus pandemic had a certain impact, market penetration progressed and opportunities for increasing sales increased

## Partner data

### Co-signer Agent System Smahosu

**56** medical facilities (+39 compared with the end of the previous fiscal year)

**15,522** hospital beds

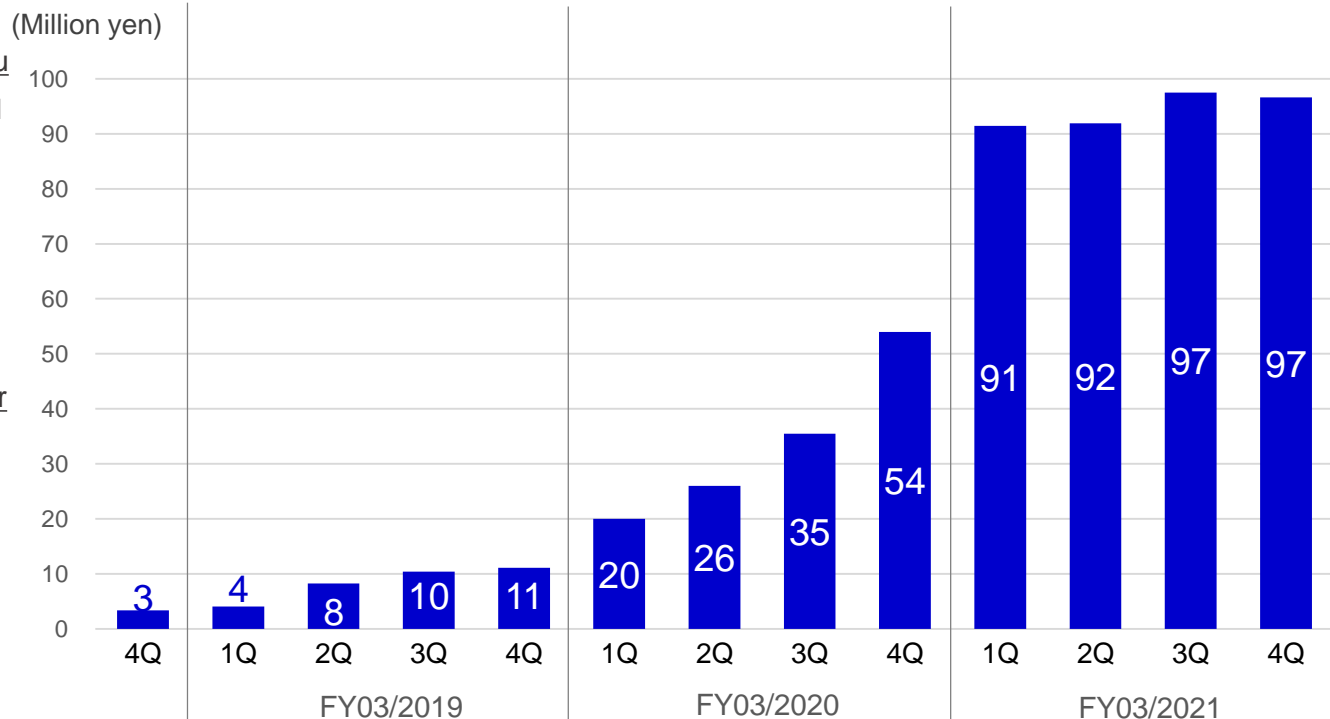
### Hospitalization set with medical care expense guarantee and other products

**158** medical facilities (+49 compared with the end of the previous fiscal year)

**33,099** hospital beds

### Eldercare expense guarantees

**199** eldercare service providers (+26 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)	FY03/2020 (Previous fiscal year)	FY03/2021 (Current fiscal year)	Change in amount
Current assets	4,100	<b>4,677</b>	577
Cash and deposits	3,017	<b>3,075</b>	58
Accounts receivable - trade	241	<b>252</b>	10
Advances paid	1,059	<b>1,537</b>	477
Other	246	<b>340</b>	94
Allowance for doubtful accounts	-464	<b>-527</b>	-62
Non-current assets	626	<b>866</b>	240
Property, plant, and equipment	57	<b>51</b>	-6
Intangible assets	138	<b>239</b>	101
Investments and other assets	430	<b>575</b>	145
Current liabilities	1,303	<b>1,551</b>	247
(Unearned revenues)	716	<b>946</b>	230
(Guarantee performance provisioning)	85	<b>102</b>	16
Non-current liabilities	47	<b>59</b>	12
Net assets	3,376	<b>3,933</b>	557
Total assets	4,726	<b>5,544</b>	818

Increased in connection with expanded sales of advance payment-type products in the property rent area

Collection activities continued to be handled stably, and the increase was only minor

Unearned revenues increased as new contracts in property rent guarantees increased

## **2. Company Plan for the Fiscal Year Ending March 31, 2022**

# Summary Plan for the Entire Fiscal Year Ended March 31, 2022



**Achieve growth that exceeds the sales growth trend for the fiscal year ended March 31, 2021**

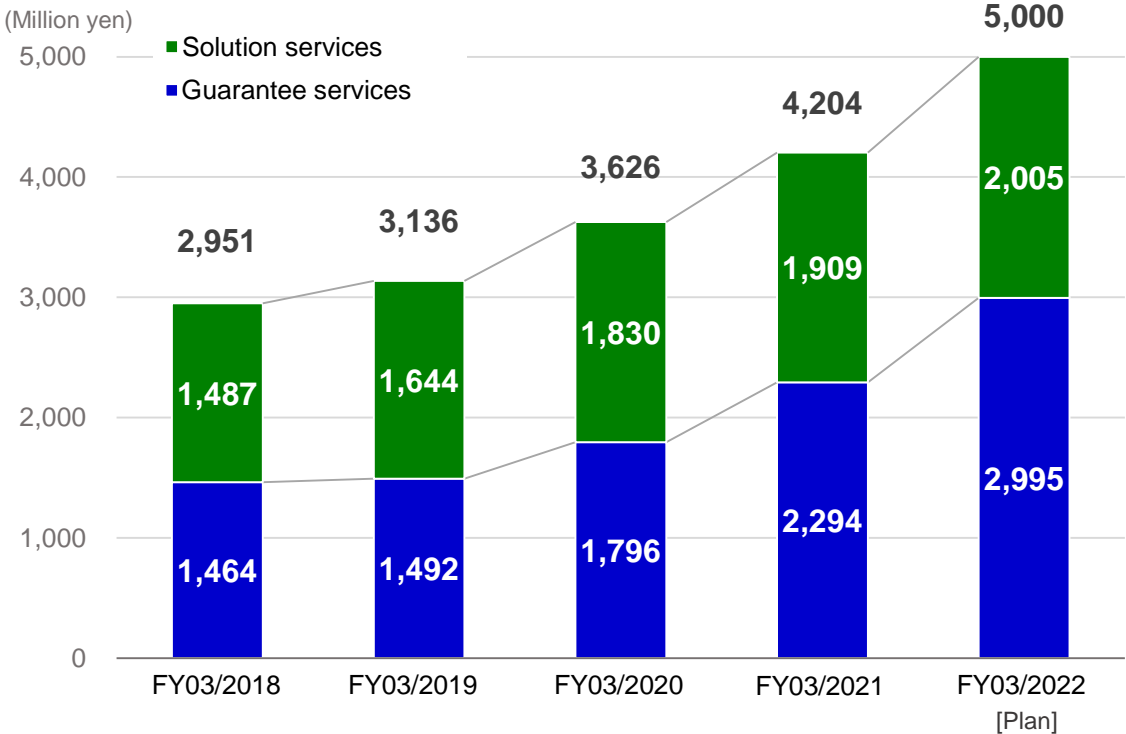
**Ensure a certain level of operating income while actively investing in long-term growth**

**It is assumed that the impact of the coronavirus will mainly be in the first half and that a moderate recovery will occur after that**

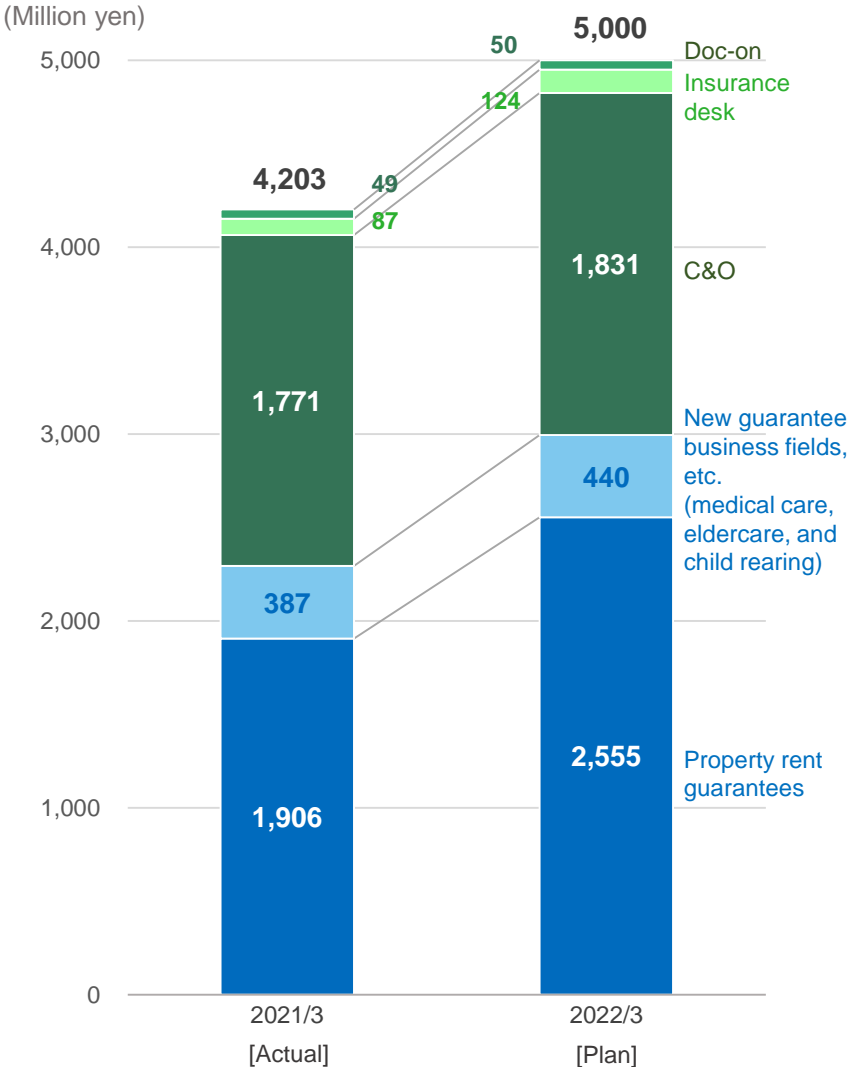
(Million yen)	FY03/2021 (Actual)	FY03/2022 (Plan)	(Year-on-year)	H1 plan
Revenues	4,203	<b>5,000</b>	118.9%	<b>2,340</b>
Operating income	1,149	<b>1,270</b>	110.4%	<b>590</b>
(Margin)	27.4%	<b>25.4%</b>	-	<b>25.2%</b>
Ordinary income	1,153	<b>1,275</b>	110.5%	<b>592</b>
(Margin)	27.4%	<b>25.5%</b>	-	<b>25.3%</b>
Net income	760	<b>835</b>	109.8%	<b>390</b>
(Margin)	18.1%	<b>16.7%</b>	-	<b>16.7%</b>

# Revenues by Year and Plan

**Steadily achieve sales targets in the first year of the Medium-term Management Plan**



# Annual Targets for Revenues (Details)



## Solution business

### Doc-on service

Continue to expand sales

### Insurance desk services

Accelerate growth centered on small-amount short-term insurance policies

### C&O service

Continue growth centered on schemes requiring no co-signers

## Guarantee business

### Property rent guarantees

Expecting significant growth targeting major management companies

### Medical care expense guarantees

Expect slower development of new customers caused by the coronavirus, and a decrease in guarantee fees due to the normalization of delinquency of existing contracts. Continue efforts aimed at increasing sales such as participation in seminars for hospitals, etc.

### Eldercare expense guarantees

Continue efforts aimed at increasing sales with an eye to the coronavirus subsiding

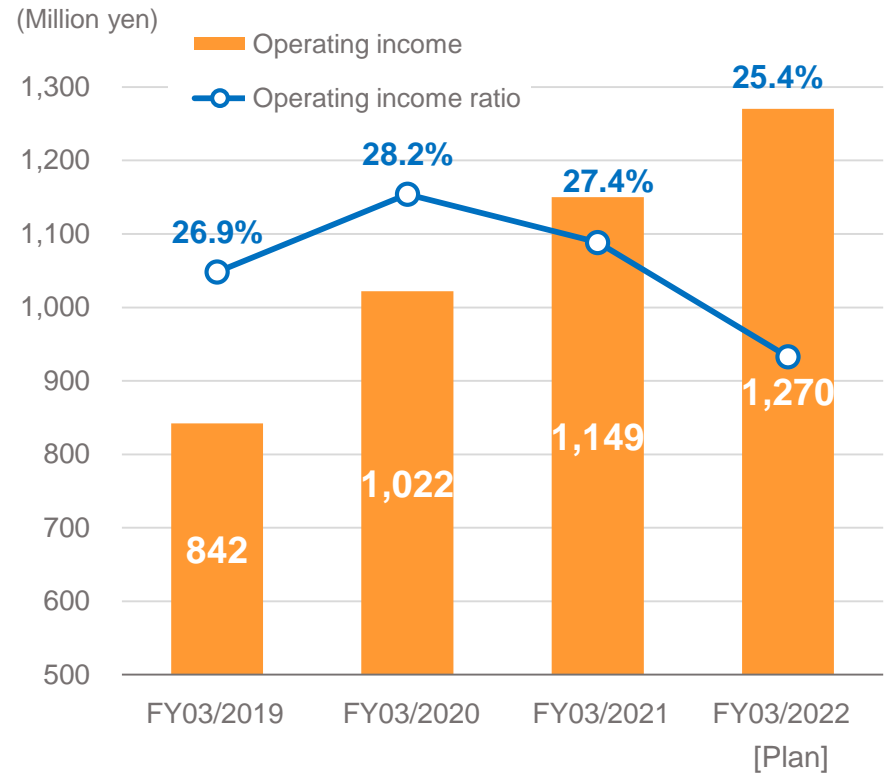
### Child rearing expense guarantees

Steadily execute investment and establish a business base for improving the content of products

**Continue stable growth of income while conducting up-front investment such as system investment, taking into consideration the impact of the coronavirus**

## Impact of expenses from up-front investment

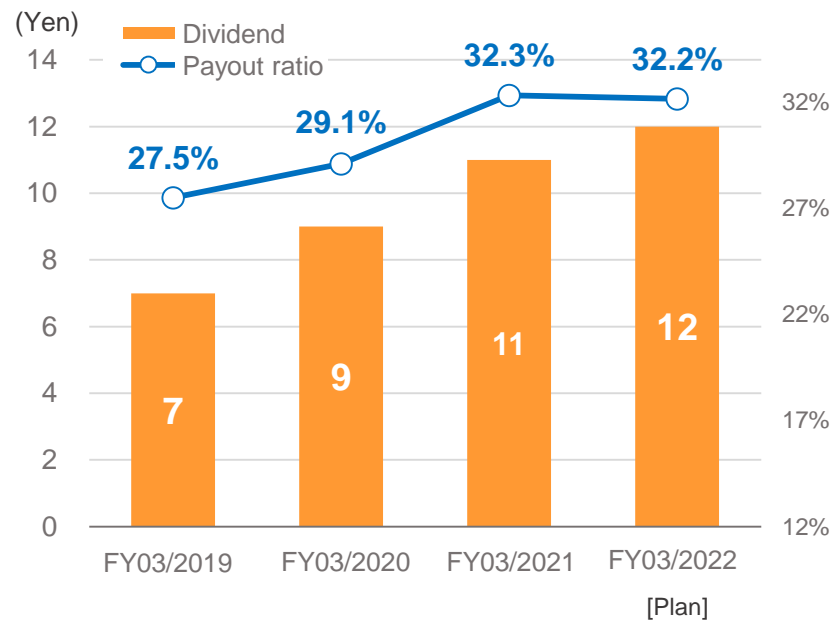
- New core systems (depreciation) -39 million yen
- Call center expansion -54 million yen
- Up-front investment such as advertising for child rearing expense guarantees (increase) -19 million yen





## Dividend planned to increase by 1 yen to 12 yen based on shareholder return policy

\*Dividend payout ratio of 30% to 40%



## 3. Company Information

## Company Profile (As of March 31, 2021)



- 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



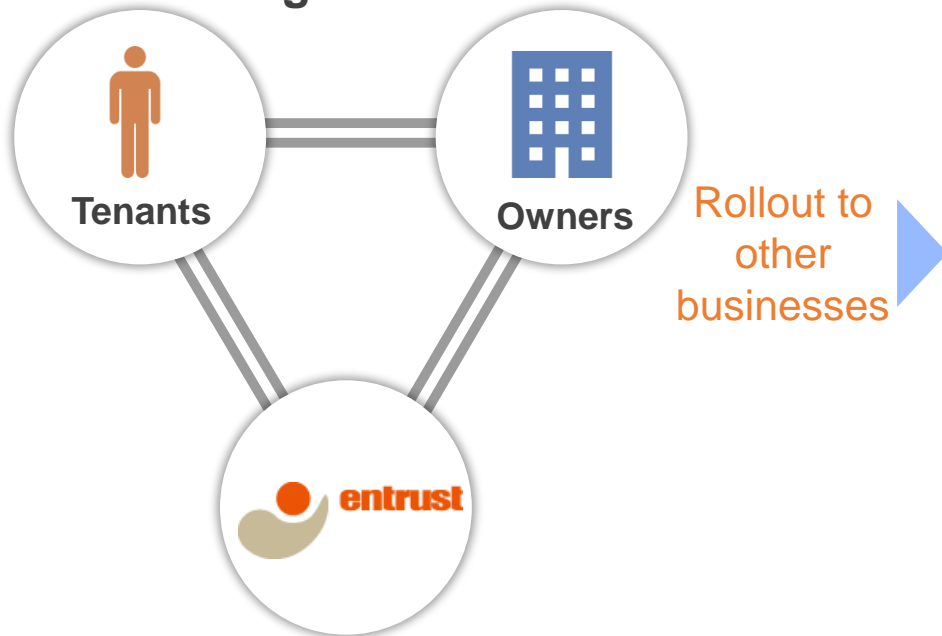
## Solution business

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

This block features two icons: a person with a stethoscope attending to a patient in a hospital bed, and a blue building with a white cross on top, representing a medical facility. Below the icons is a horizontal blue line, and the text "Medical care" is positioned below the line.



Eldercare

This block features two icons: a person in a wheelchair being assisted by another person, and a blue building icon. Below the icons is a horizontal blue line, and the text "Eldercare" is positioned below the line.














Child rearing expense

This block features two icons: a woman and a child, and a blue person icon. Below the icons is a horizontal blue line, and the text "Child rearing expense" is positioned below the line.

# 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.

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