



Fiscal Year Ending March 31, 2022

Third Quarter Results Briefing Information Materials

Entrust Inc.
Securities Code: 7191



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

1. Fiscal Year Ending March 31, 2022 – Third Quarter Business Results

Revenues progressed as planned

Operating income increased by absorbing bad debt costs and costs related to the opening of new centers.

Revenues increased to 117.3%
Operating income increased to 102.4%

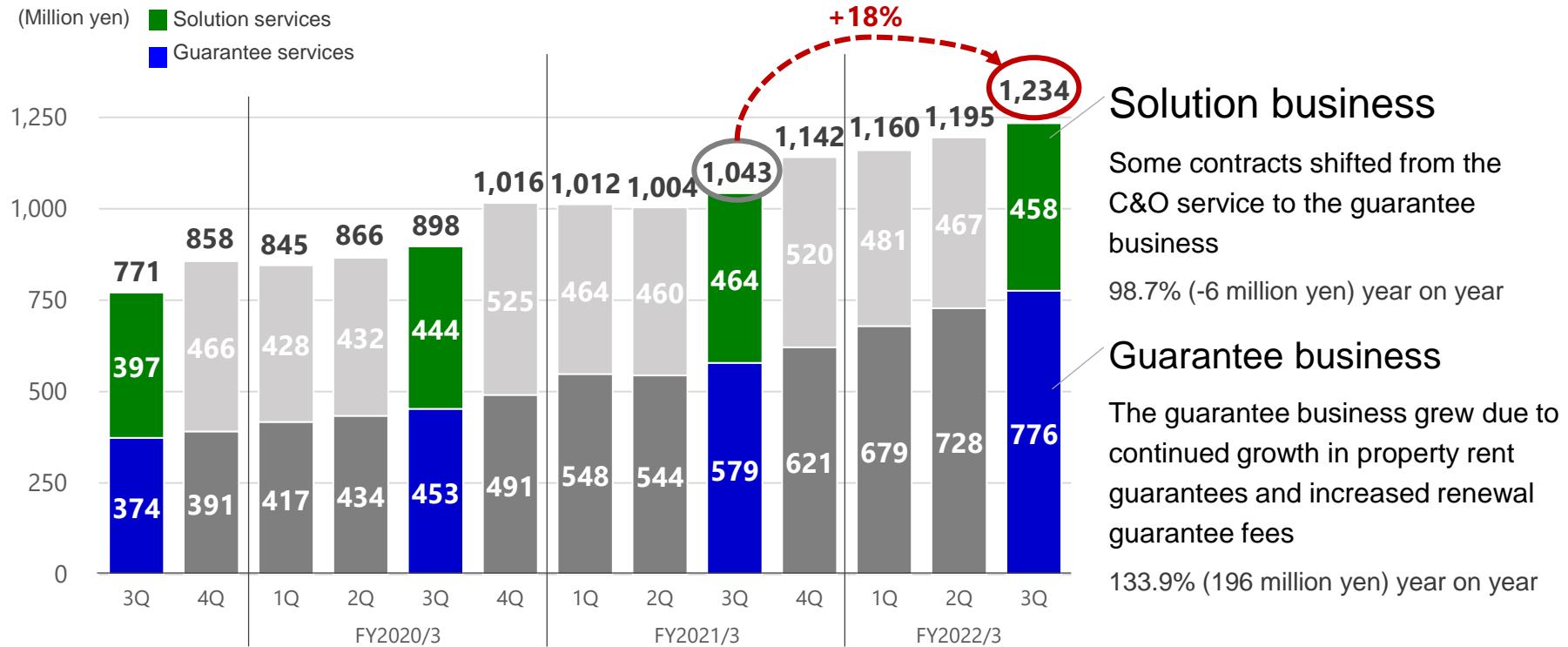
- Sales increased significantly from the previous fiscal year as a result of growth in property rent guarantees (139.2% year-on-year)
- Bad debt costs increased due to an increase in advances paid as a result of growth in property rent guarantees
- Margins declined temporarily due to one-time expenses related to the opening of the Tokyo Head Office Ichibancho ANNEX and Hamamatsu Solution Center.

(Million yen)	2020/12 Actual	2021/12 Actual	Year-on-year
Revenues	3,061	3,590	117.3%
Operating income	841	861	102.4%
(Margin)	27.5%	24.0%	-
Ordinary income	844	864	102.4%
(Margin)	27.6%	24.1%	-
Net income	558	542	97.2%
(Margin)	18.2%	15.1%	-

Revenues by Quarter

Sales in the guarantee business maintained substantial growth

Year on Year 118% (+190 million yen)



Analysis of Change in Operating Income

Spending on core systems and opening of centers in preparation for growth in property rent guarantees and business growth, and following up with continuous business improvement in the next fiscal year and beyond

Outsourcing fees

Grew in connection with increased revenues from property rent guarantees

(Million yen)

Insurance premiums (guarantee related costs)

Decreased due to an adjustment of guarantee fees in medical care expense guarantees

1,400

1,200

1,000

800

600

400

200

0

Bad debt + guarantee performance

Increased due to an increase in subrogation payments and delinquencies of some high value properties

1,400

1,200

1,000

800

600

400

200

0

Personnel expenses

Increased in line with increase in personnel

1,400

1,200

1,000

800

600

400

200

0

Other

Increased due to new core systems, costs related to collections, costs related to opening centers, etc.

1,400

1,200

1,000

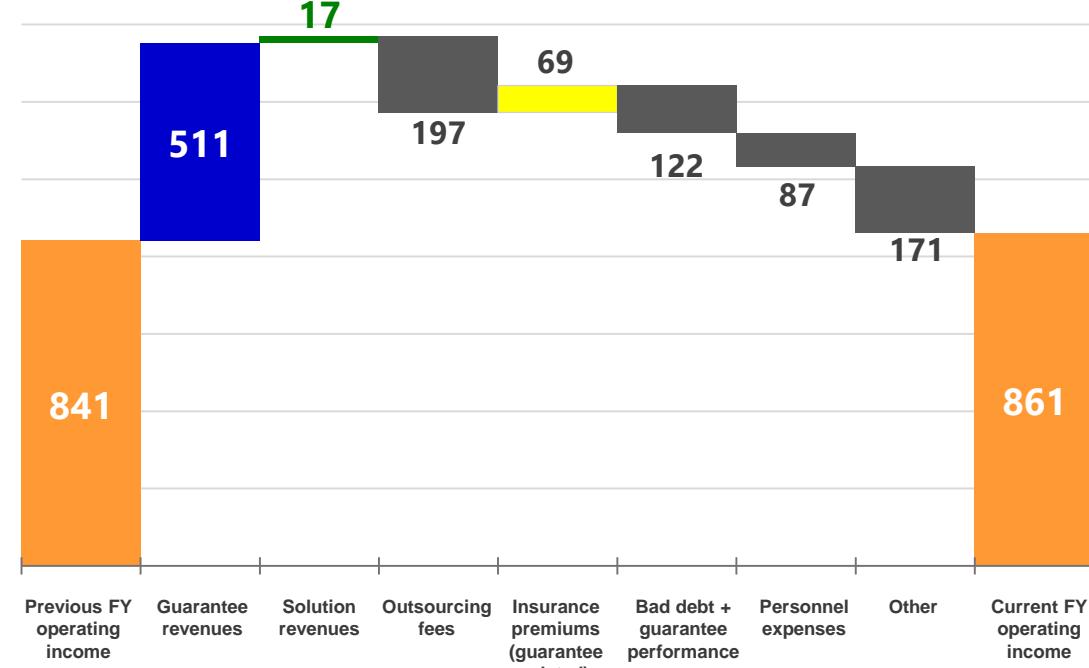
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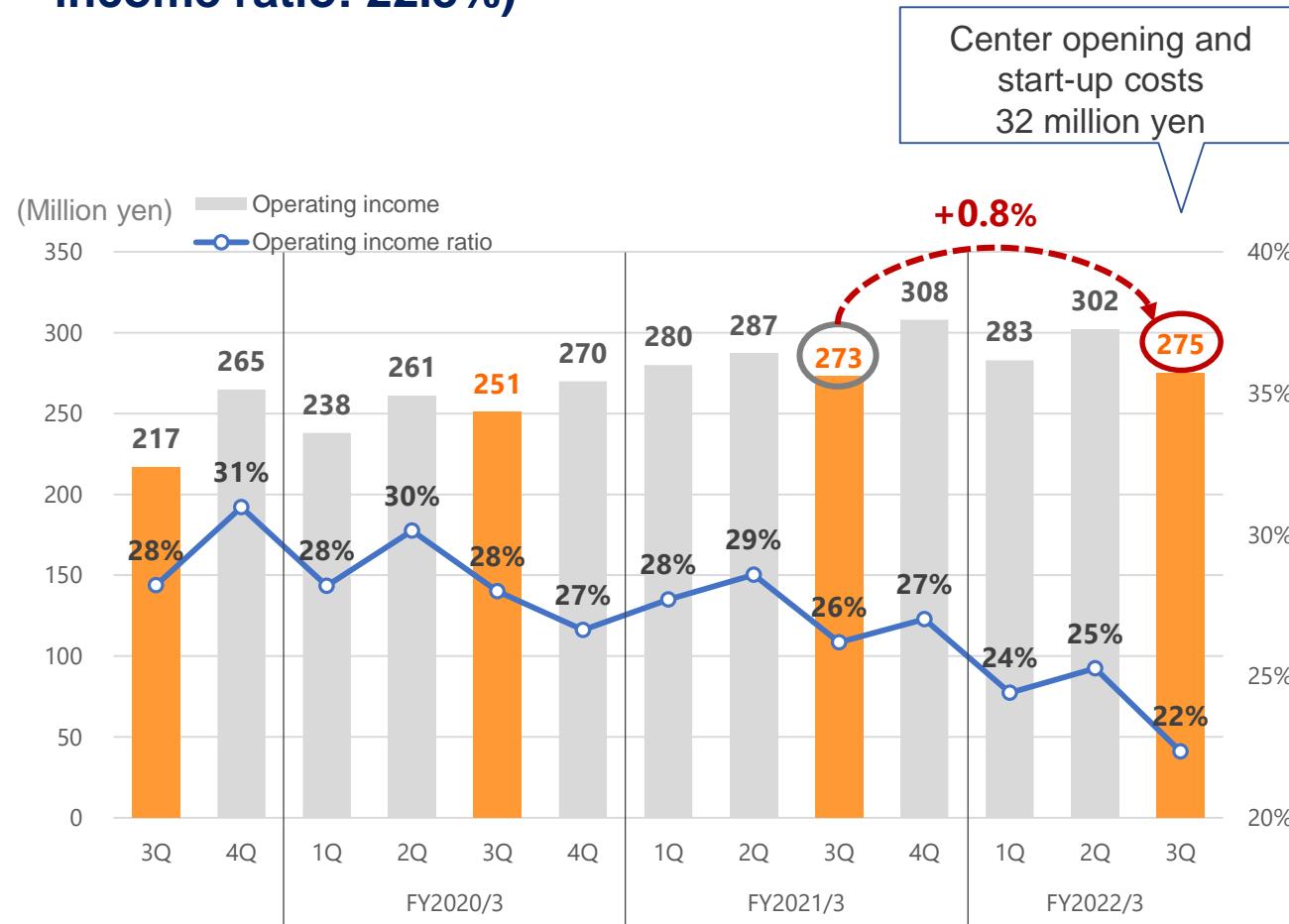
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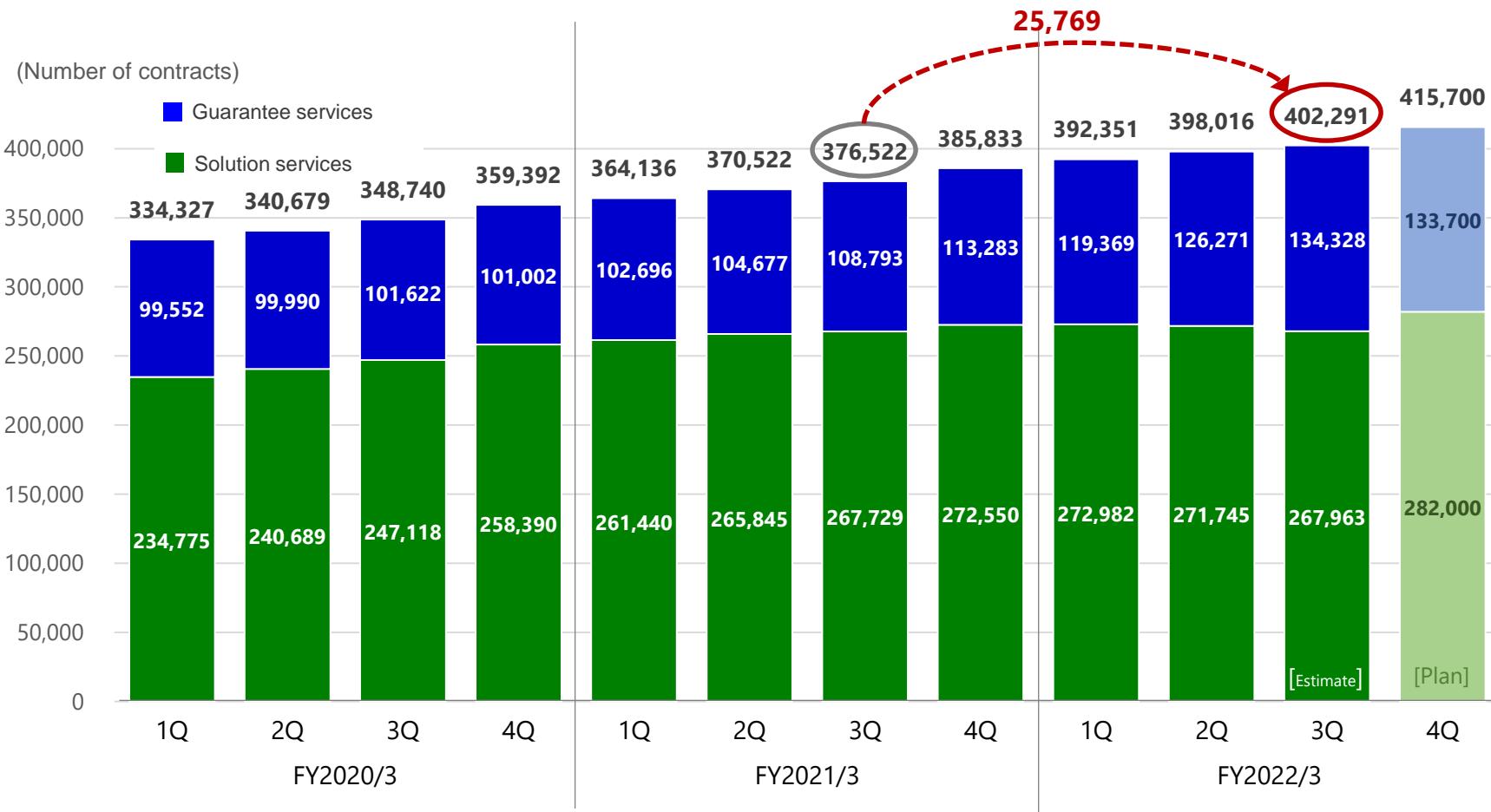
Operating Income and Operating Income Ratio by Quarter

Absorbed costs related to the opening of the center, and operating income increased steadily (operating income ratio: 22.3%)



Number of Contracts in Property Rent Area by Quarter

**The number of contracts has grown steadily, continuing to increase since the Company was founded,
Steady progress against plan**



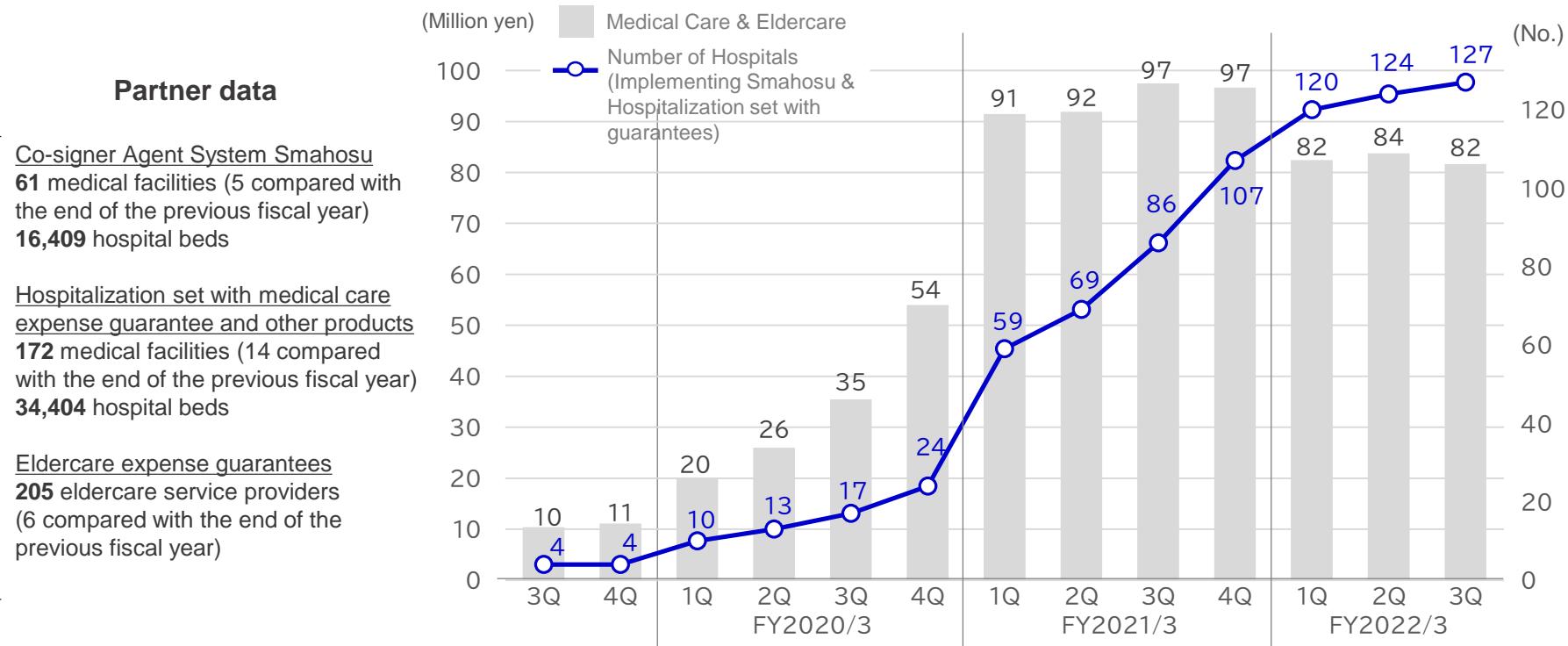
Medical Care & Eldercare Expense Guarantee Sales by Quarter



Despite the impact of the coronavirus, sales activities are intensifying

The number of affiliated medical facilities continues to increase

Revenue is on a temporary downward trend reflecting a decline in the unit price per hospital guarantee due to a decrease in medical accounts receivable



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

Other Financial Data (Balance Sheet)

(Million yen)	2020/12 (Previous fiscal year)	2021/12 (Current fiscal year)	Change in amount
Current assets	4,198	4,895	696
Cash and deposits	2,824	3,014	189
Accounts receivable and contract assets	203	201	-1
Advances paid	1,389	1,925	536
Other	302	412	109
Allowance for doubtful accounts	-522	-658	-136
Non-current assets	839	953	113
Property, plant, and equipment	54	90	35
Intangible assets	239	259	19
Investments and other assets	545	603	58
Current liabilities	1,264	1,534	270
(Contract liabilities)	834	1,085	250
(Guarantee performance provisioning)	82	111	29
Non-current liabilities	54	95	41
Net assets	3,720	4,218	498
Total assets	5,038	5,848	810

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

Contact liabilities increased as new
* Sources of earnings from the next fiscal year
contracts in property rent guarantees
increased (30% increase)

⇒ Growth rate is stable due to
increase in sales of monthly renewal
guarantee type

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

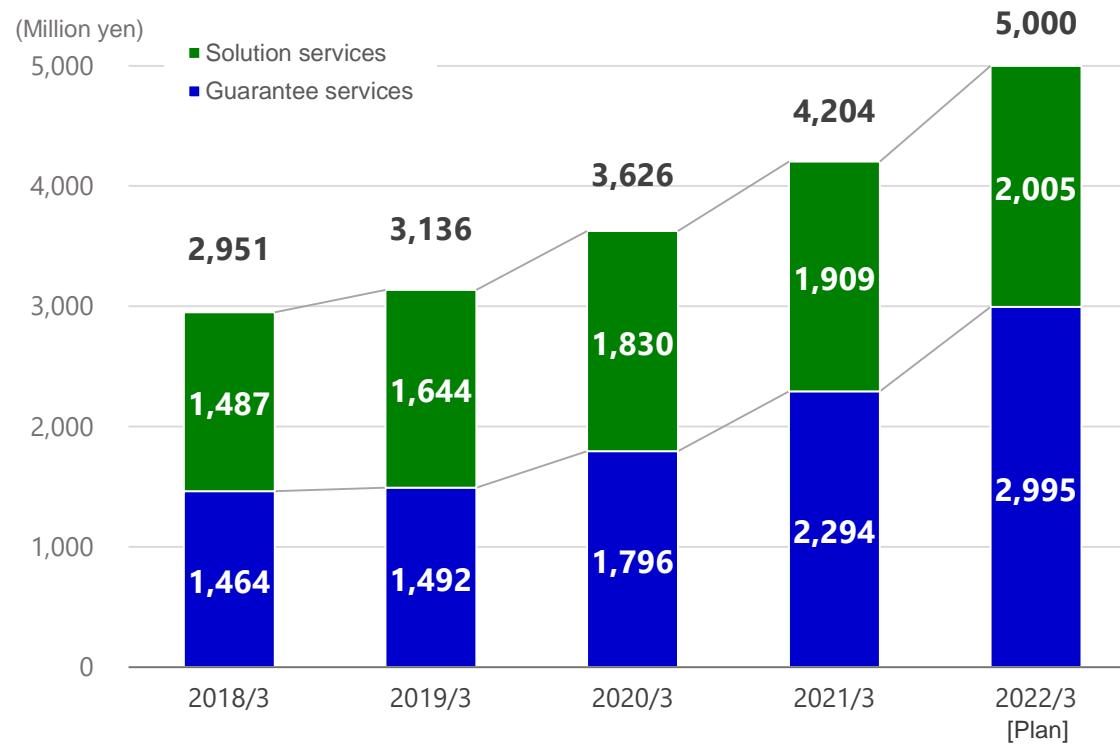
Achieve growth that exceeds the sales growth trend for the fiscal year ended March 31, 2021

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	5,000	118.9%	2,340
Operating income	1,149	1,270	110.4%	590
(Margin)	27.4%	25.4%	-	25.2%
Ordinary income	1,153	1,275	110.5%	592
(Margin)	27.4%	25.5%	-	25.3%
Net income	760	835	109.8%	390
(Margin)	18.1%	16.7%	-	16.7%

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 a decrease in guarantee fees due to the adjustment of arrears in existing contracts

Intensified new business development due to the trend of the coronavirus subsiding

Engage in full-scale efforts to expand sales, including participation in seminars for hospitals

Eldercare expense guarantees

Increase efforts to expand sales as the coronavirus subsides

Child rearing expense guarantees

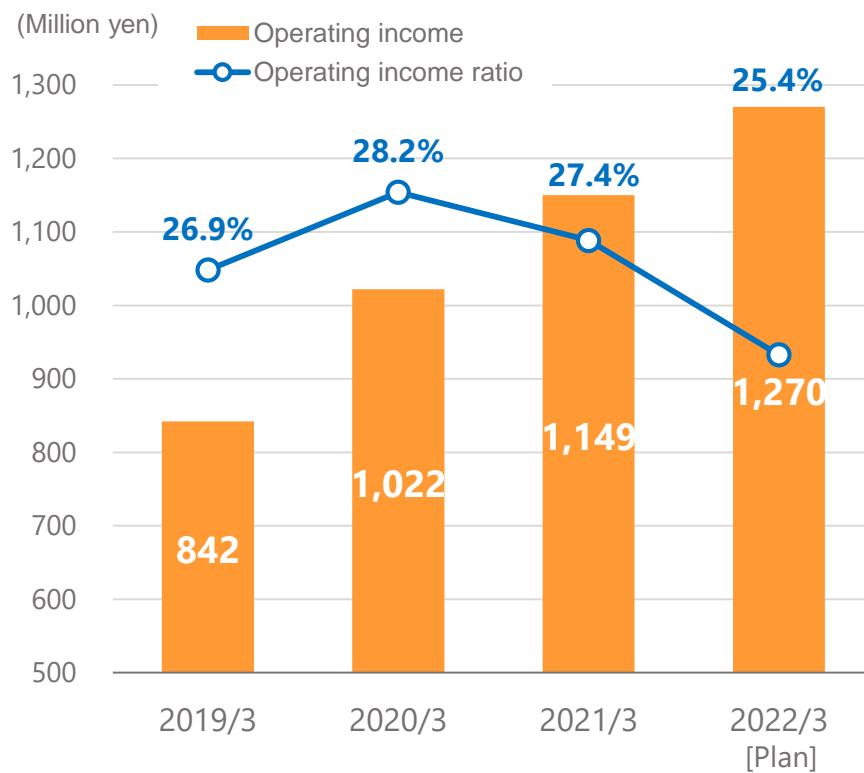
Steadily execute investment and establish a business base for improving the content of products

Operating Income and Operating Income Ratio by Year and Plan

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



Dividends by Year and Plan

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 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, Tokyo Head Office ANNEX, Yokohama Solution Center, Hamamatsu Solution Center
- Number of employees : 231 (including part-time workers)
- Business lines : guarantee business and solution business



Developing the guarantee business to take on risks and the solution business to meet needs



Guarantee business

Guarantee service + risk

Property
rent
guarantees



Medical care
expense
guarantees



Eldercare
expense
guarantees



BtoB

Property management
companies
Medical institutions
Eldercare service
facilities, etc.

Child rearing
expense
guarantees



BtoC

Individual
customers

Solution business

Provide professional services

C&O
service



Insurance
desk
services



Doc-on
service

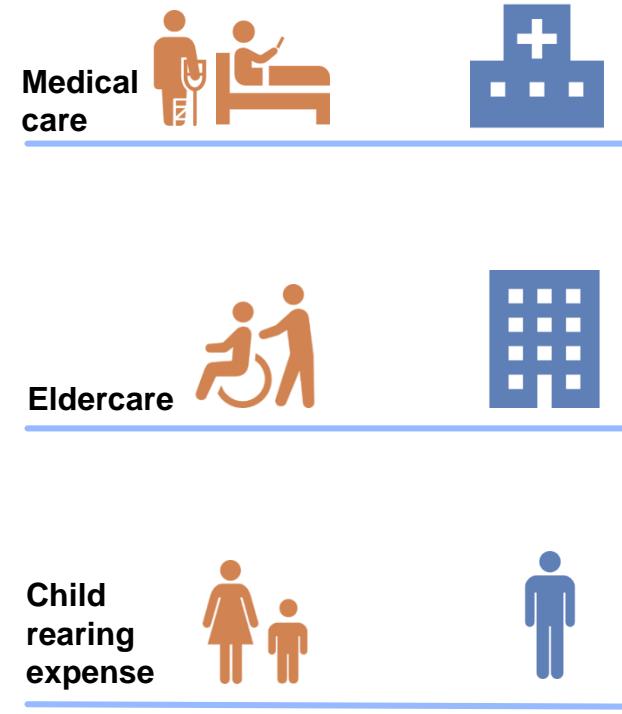
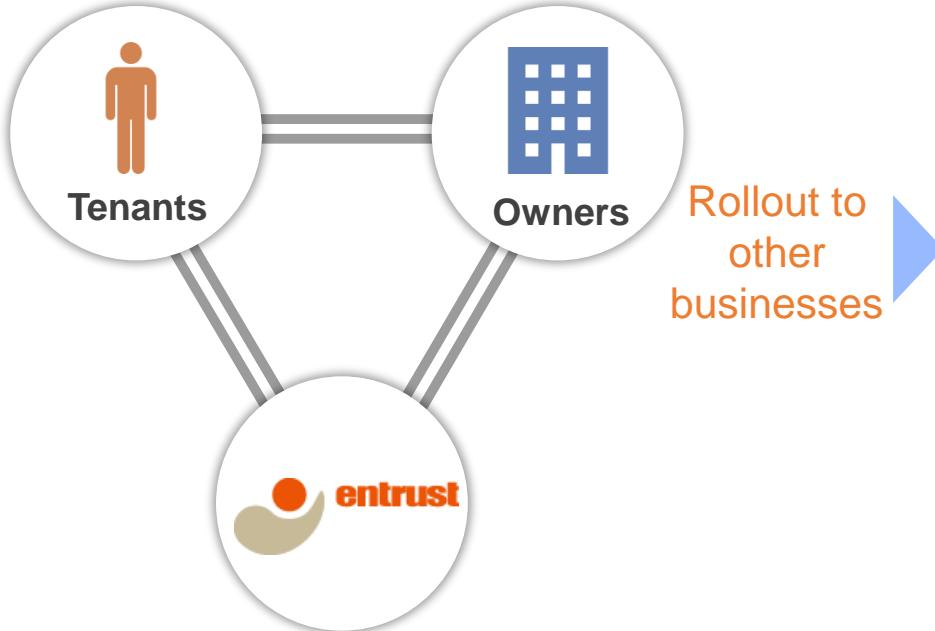


Property management
companies
Insurance companies
Credit companies, etc.

Guarantee business

Assume debt delinquency risk and provide various services pertaining to guarantees

For example,
in the case of property
rent guarantees



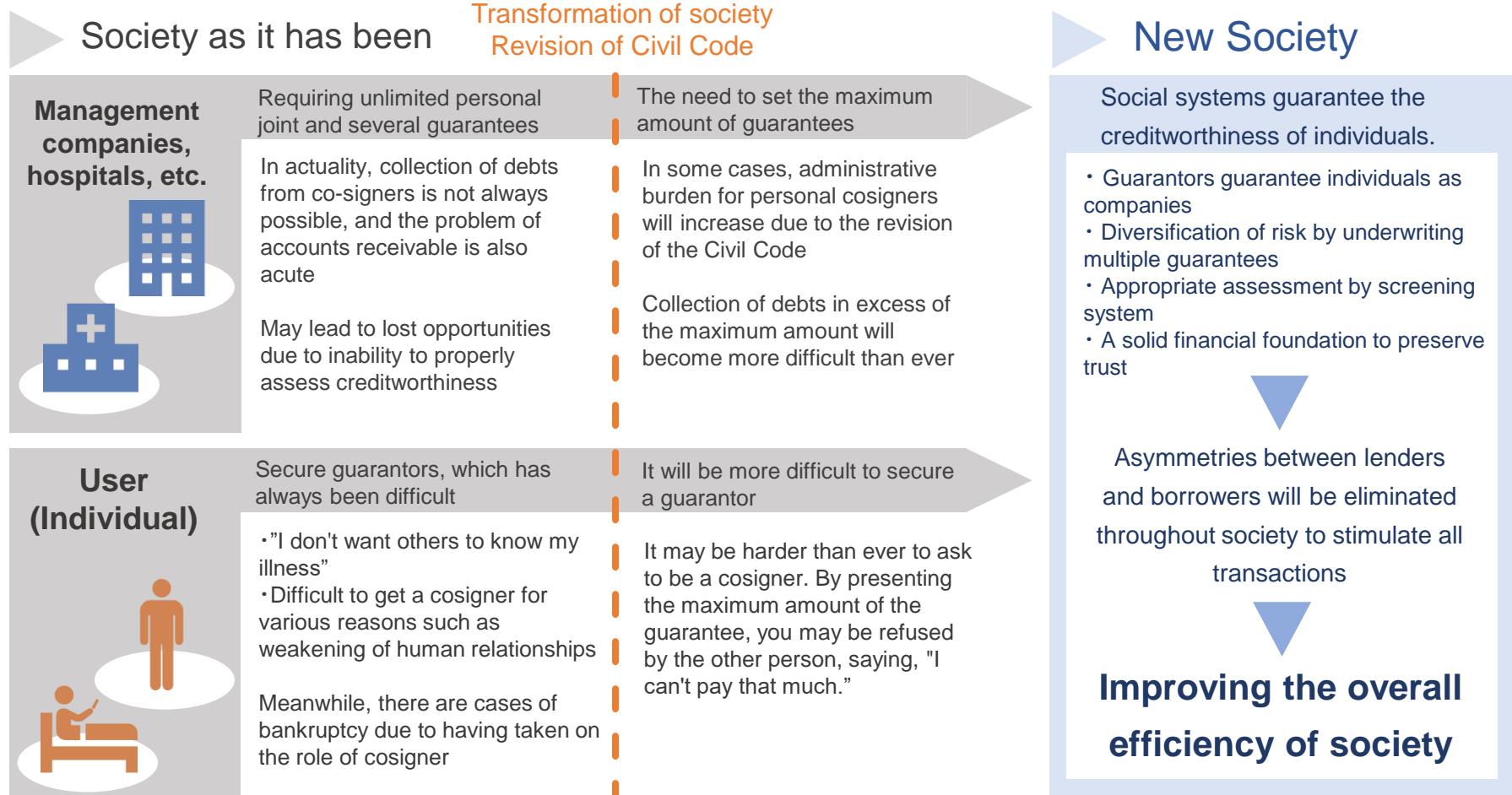
Solution business

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

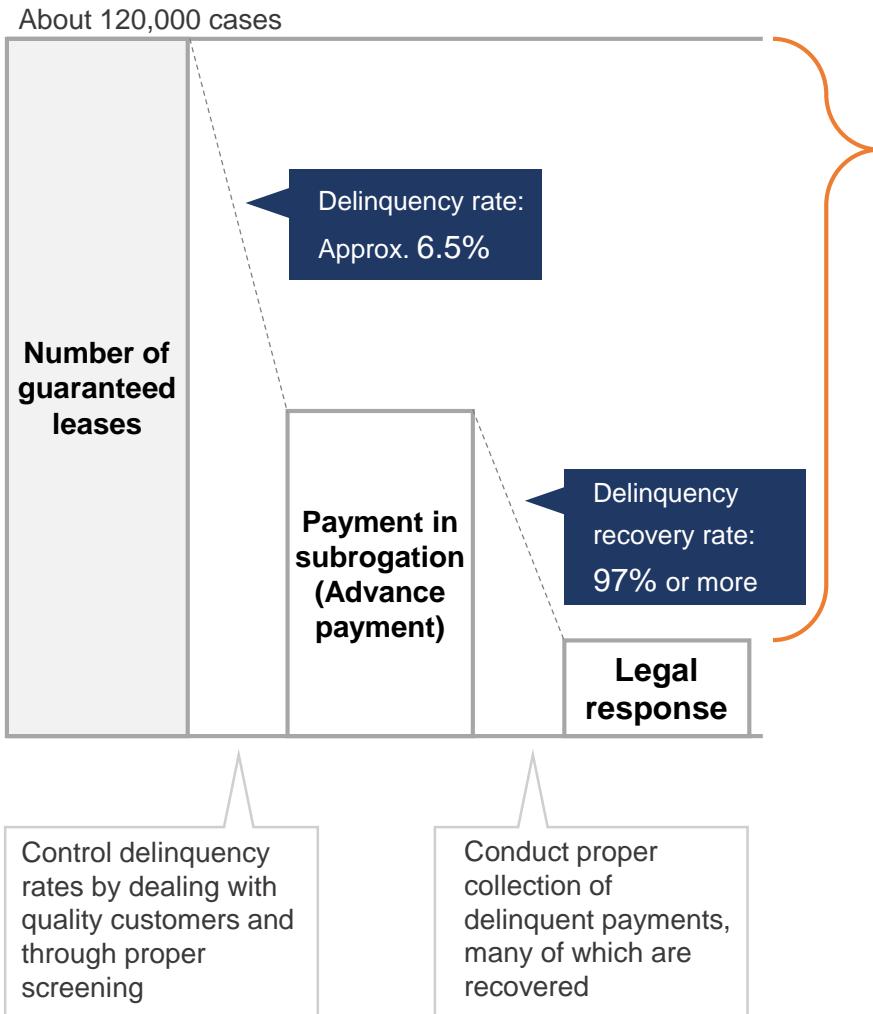


**Solve unique customer needs
with professional services**

Toward a society in which guarantors guarantee the credit of individuals as companies, something previously supported by the local ties or relatives



Profit structure for guarantees



This gap is the source of profit

Three key factors that generate profits



- Precise management through accurate risk assessment
- Improved economics (high profit margins) by selecting quality lenders/borrowers rather than reckless expansion
- Create a cycle of customer base expansion

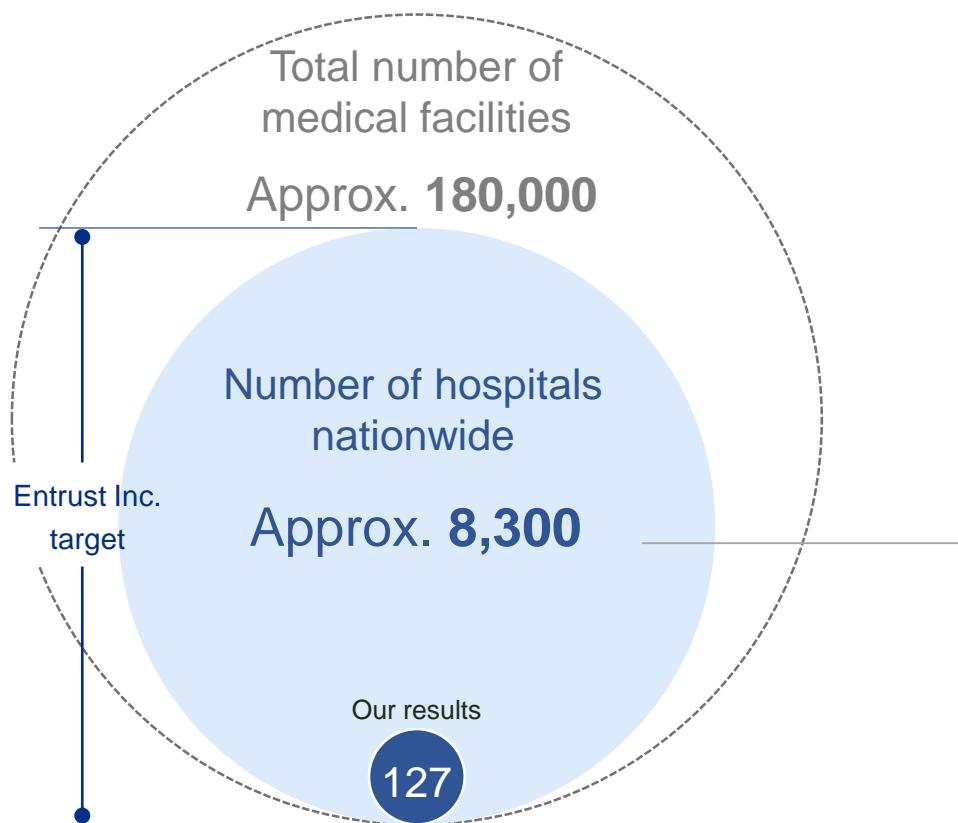


- Compliance-driven collection (Certified by the strict screening for the listing)
- Steadily carry out legitimate legal procedures
- Efficient recovery schemes by professional staff and IT/infrastructure to support them



- Build up screening and collection know-how (expertise)
- Free client (property management companies, hospitals, etc.) staff from tasks they are not familiar with
- Resolve needs by proposing solutions

Accelerate implementations in hospitals in cooperation with a major non-life insurance company



Average account receivable per hospital

Approx. 4.5 million yen

*In-house research

External factors for expanding demand

Revision of Civil Code

Increase in the number of foreign visitors to Japan

Increase in out-of-pocket medical costs

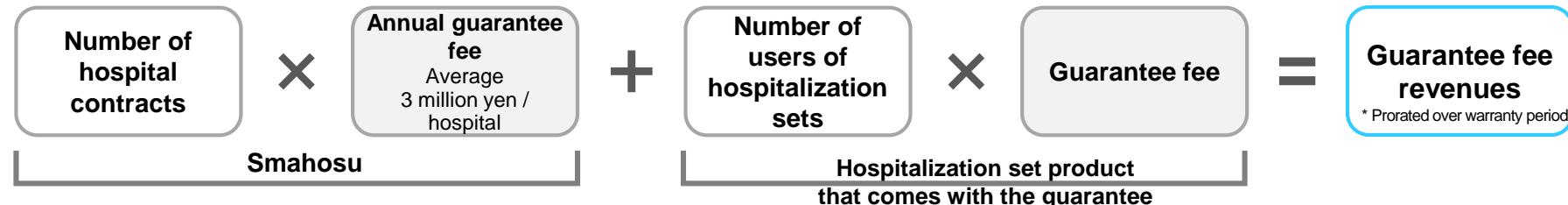
Key KPIs and financial structure of the guarantee business

Key KPIs

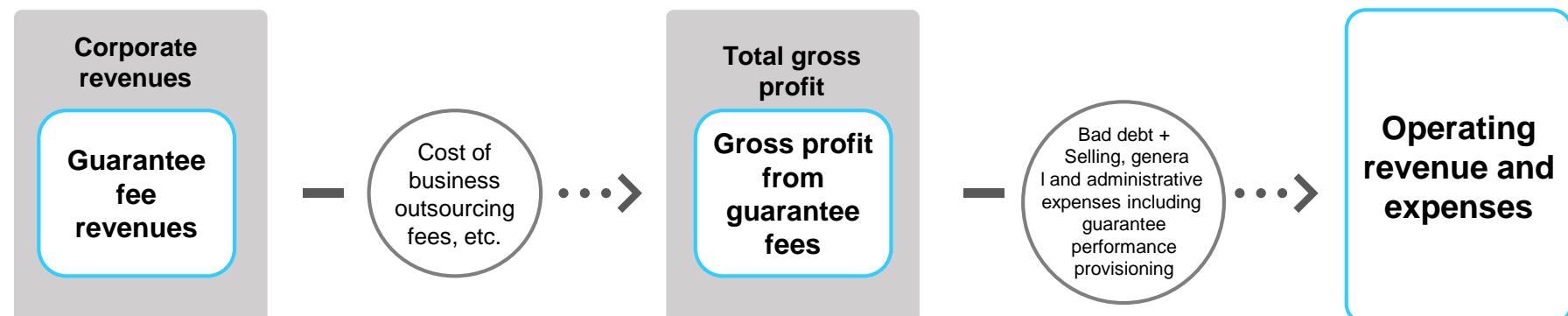
Guarantee rent, elderly care, and child rearing expenses



Medical care expense guarantees



Financial structure



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 a 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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