



Results Announcement for Third Quarter of Fiscal Year Ending March 31, 2020

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.

January 29, 2020

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1. Business Results for the Third Quarter of the Fiscal Year Ending March 31, 2020

2. Company Plan for the Fiscal Year Ending March 31, 2020

3. Company Information

1. Business Results for the Third Quarter of the Fiscal Year Ending March 31, 2020

Summary

Overview of Business Results for the Third Quarter of the Fiscal Year Ending March 31, 2020

Revenues increased to 114.6% compared with the previous fiscal year
Operating income increased to 130.3% 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)	Q3 FY03/2019 (Previous Q3)	Q3 FY03/2020 (Current Q3)	(Year-on-year)
Revenues	2,278	2,610	114.6%
Operating income	576	751	130.3%
(Margin)	25.3%	28.8%	-
Ordinary income	575	754	131.1%
(Margin)	25.3%	28.9%	-
Net income	378	503	133.0%
(Margin)	16.6%	19.3%	-

Revenues by Quarter

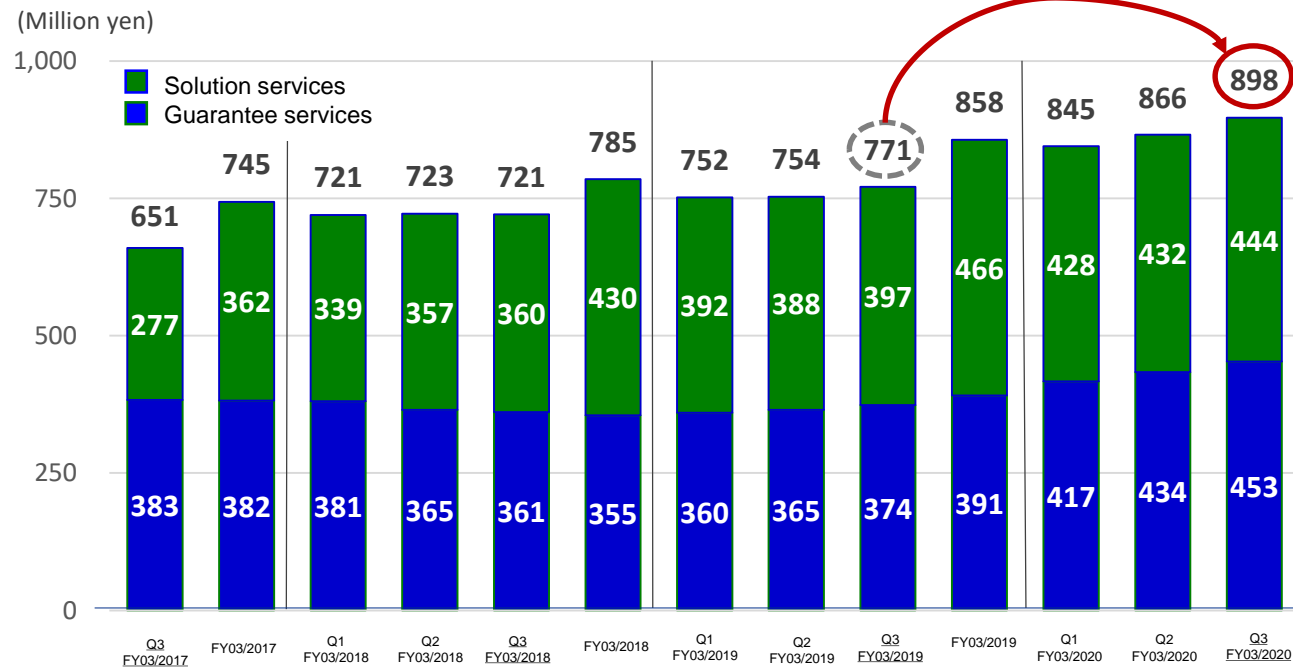
Revenues increased in both guarantee services and solution services

- Solution services

Stable performance centered on solid C&O services
 112% (+47 million yen) compared with the year-earlier period

- Guarantee services

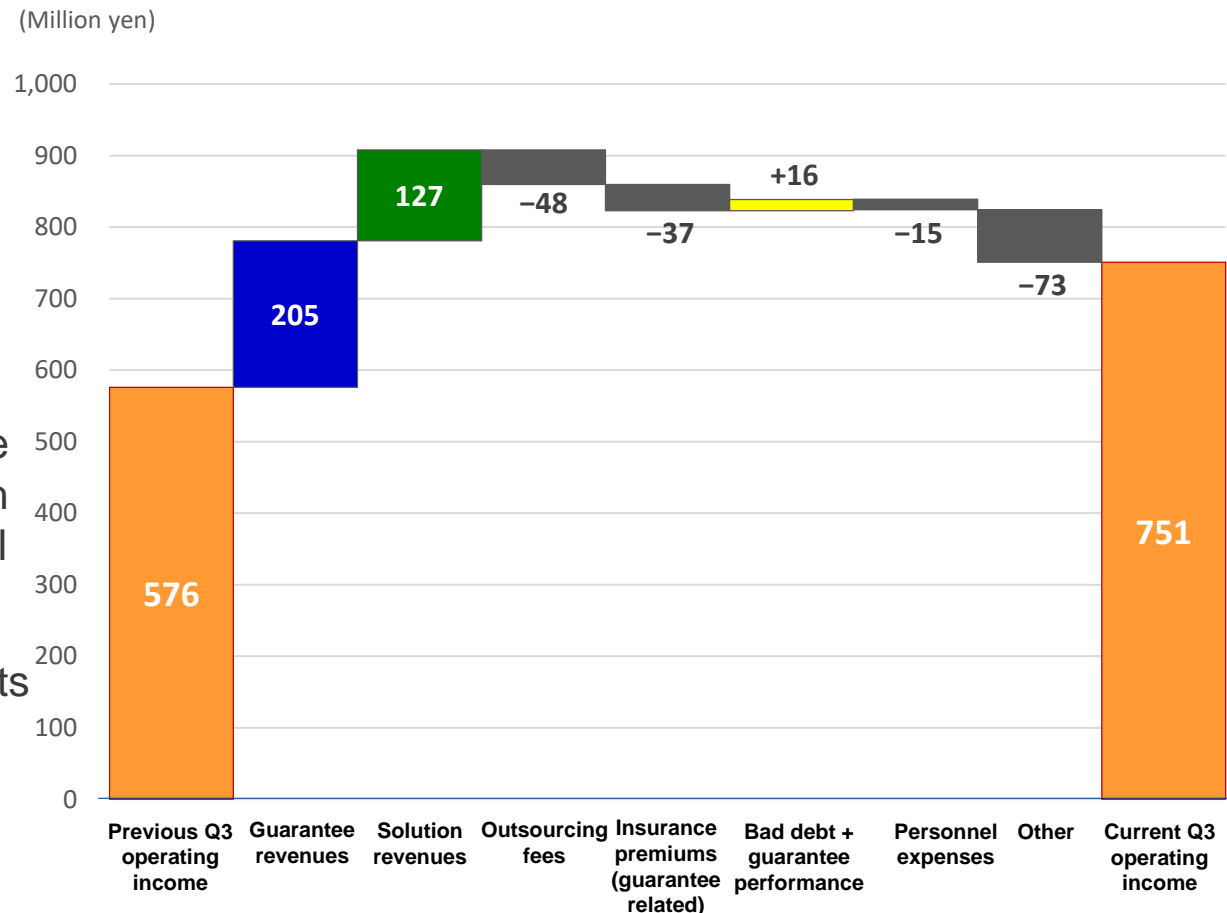
New contracts in property rent guarantees performed well, and medical care expense guarantees grew
 121% (+79 million yen) compared with the year-earlier period



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

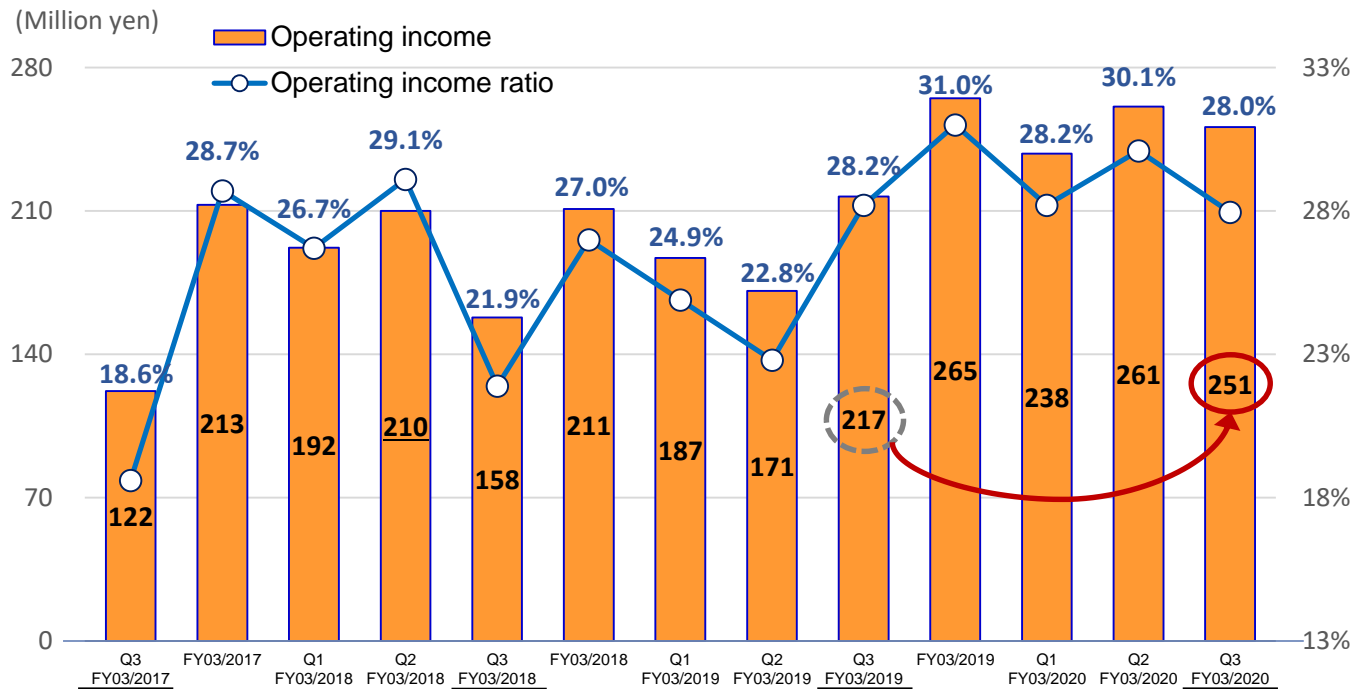
Higher revenues and ongoing business improvement led to higher operating income

- 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
- There were few legal settlements in bad debt + guarantee performance provisioning



Operating Income and Operating Income Ratio by Quarter

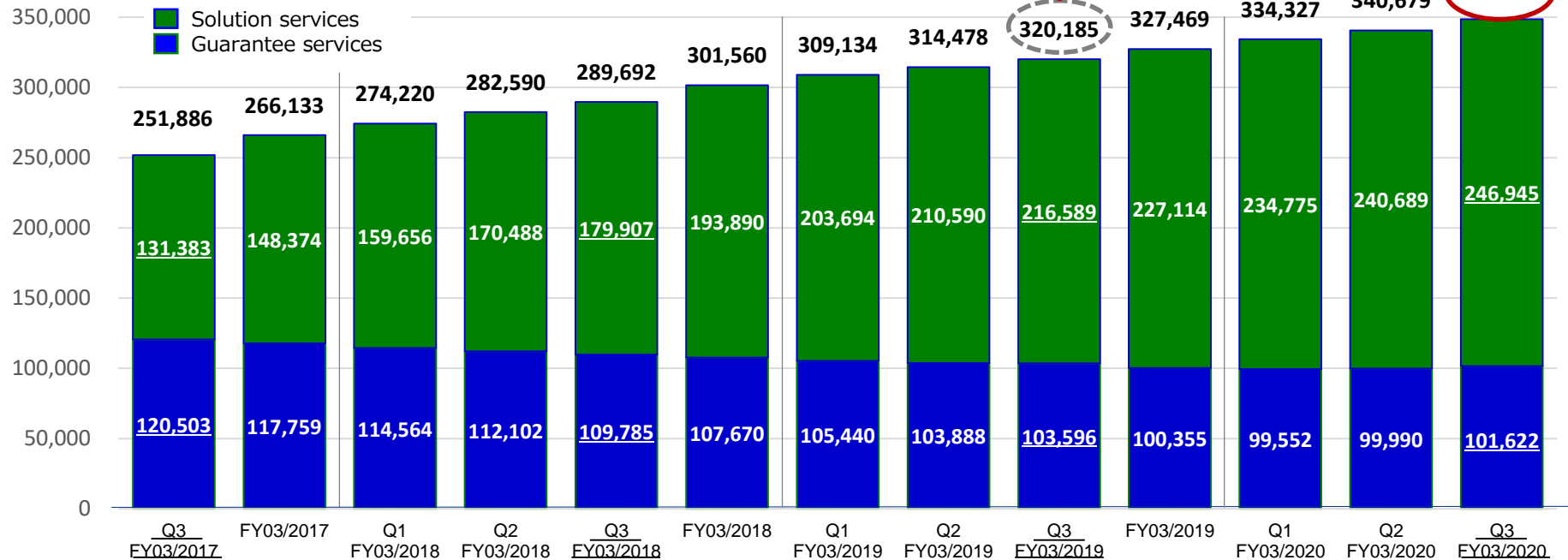
In addition to growth in revenues, bad debt + guarantee performance provisioning contributed on the expense side with costs being kept at a certain level to bring about a significant increase in income



Number of Contracts by Quarter

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

(Number of contracts)



* Some of the expired guarantees exceeding 10 years had not been reflected, and these were reflected

Medical Care & Eldercare Guarantee Sales by Quarter

Market penetration is progressing and revenues are increasing

- Growth of medical care expense guarantee service paid for by hospitals is progressing

[Cooperative agreements with medical facilities]

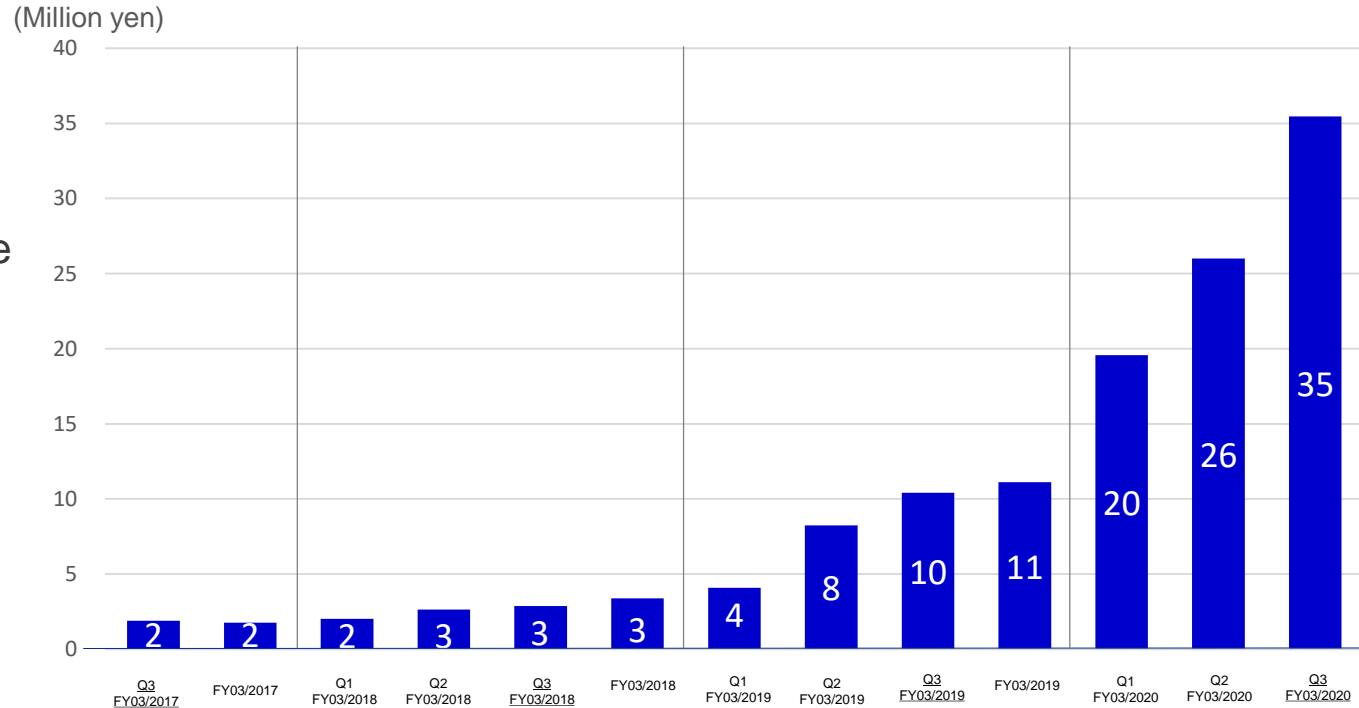
119 medical facilities (115% compared with the previous fiscal year)

27,513 hospital beds (117% compared with the previous fiscal year)

[Cooperative agreements with eldercare facilities]

168 eldercare service providers (106% compared with the previous fiscal year)

(As of December 31, 2019)



Other Financial Data (Balance Sheet)

(Million yen)	Q3 FY03/2019 (Previous Q3)	Q3 FY03/2020 (Current Q3)	Change in amount
Current assets	3,339	3,707	368
Cash and deposits	2,685	2,765	80
Accounts receivable - trade	150	177	26
Advances paid	760	999	238
Other	218	244	25
Allowance for doubtful accounts	(475)	(478)	(3)
Non-current assets	267	592	324
Property, plant, and equipment	61	57	(3)
Intangible assets	32	101	68
Investments and other assets	173	433	259
Current liabilities	872	1,045	173
(Unearned revenues)	588	673	85
(Guarantee performance provisioning)	65	71	6
Non-current liabilities	54	49	(4)
Net assets	2,680	3,205	524
Total assets	3,607	4,300	692

2. Company Plan for the Fiscal Year Ending March 31, 2020

Summary

Overview and Progress of Plan for the Entire Fiscal Year Ending March 31, 2020

The third quarter is also progressing well, but there are no changes to the annual results forecast

(Million yen)	FY03/2019 (Actual)	FY03/2020 (Plan)	(Year-on-year)	Q3 FY03/2020 (Actual)	FY progress
Revenues	3,136	3,550	113.2%	2,610	73.5%
Operating income	842	1,015	120.5%	751	74.0%
(Margin)	26.9%	28.6%	-	28.8%	-
Ordinary income	840	1,015	120.8%	754	74.3%
(Margin)	26.8%	28.6%	-	28.9%	-
Net income	564	680	120.6%	503	74.0%
(Margin)	18.0%	19.2%	-	19.3%	-

Revenues by Year and Plan

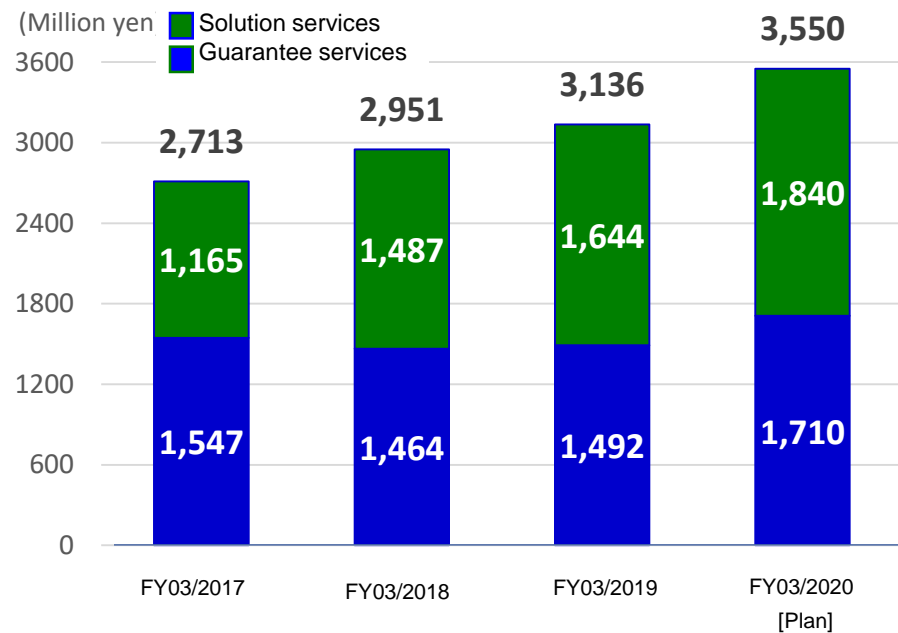
Maintain the strong performance of the first nine months achieving revenue forecasts

- Solution services

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

- Guarantee services

Steadily grow property rent guarantees while further growing medical care expense guarantees



Operating Income and Operating Income Ratio by Year and Plan

Continue to grow income in the second half while conducting up-front investment such as human resource and system investment

- Main investments

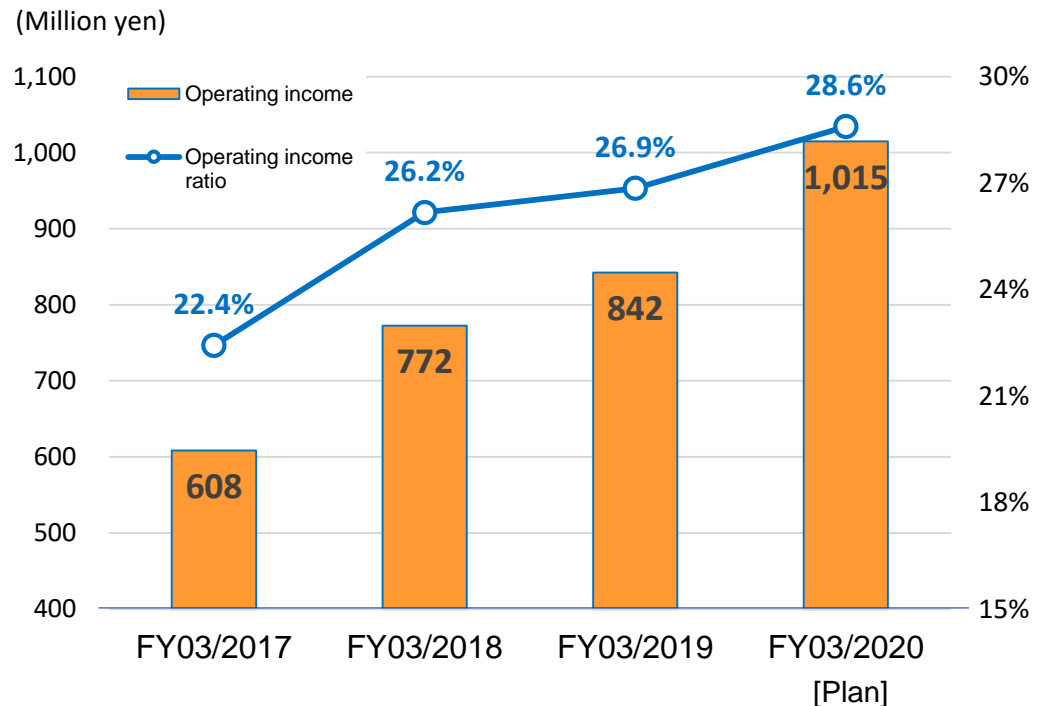
Invest in the strengthening of operational personnel linked to sales force reinforcement and increased revenues
Rebuilding of core systems, etc.

- Insurance, bad debt / guarantee performance

As medical care & eldercare expense guarantees grow, insurance premiums (guarantee related costs) will increase
The bad debt + guarantee performance forecast remains unchanged

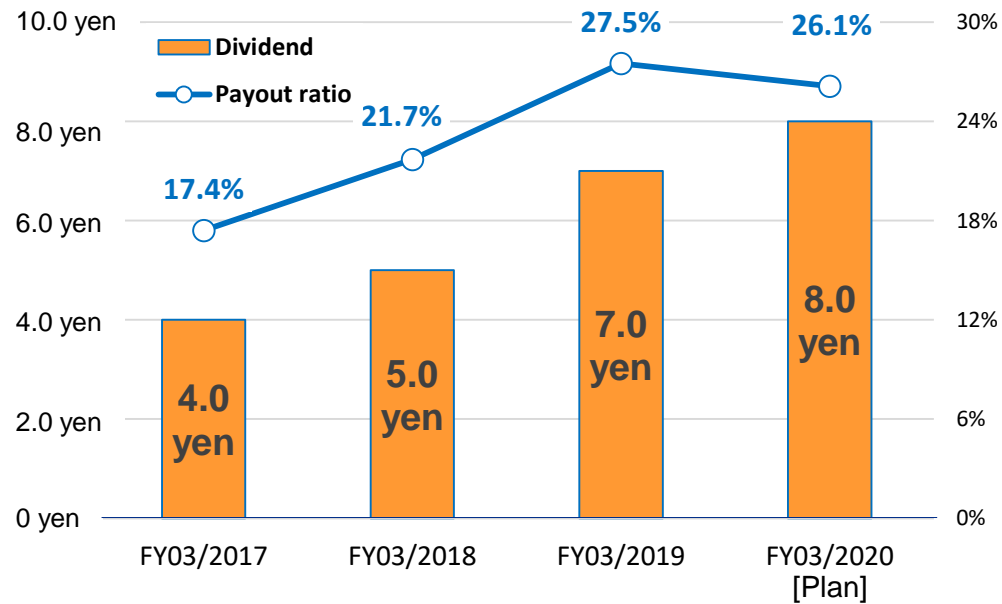
- Promotion of child rearing expense guarantee business

Make business investments assuming BtoC Web and direct marketing



Dividends by Year and Plan

Dividend of 8.0 yen planned this fiscal year based on shareholder return policy



Topics

Medical care expense guarantees

Uncollected medical care expense guarantee system (type borne by hospitals)

- Joint development with major property insurance companies
- All hospitalized patients are covered because the contract is with the hospital

⇒ Revenues continued to increase following the second quarter

CS Set R (automatically applied)

- Joint development with linen supply company
- Product applying coverage to rental sets of daily necessities used when hospitalized

- Rainbow- (borne by hospitalized patient)

- Japan's first medical care expense guarantees product
- Direct contract with hospitalized patient

Continue to focus on creation of markets and expansion of sales network

Child rearing expense guarantees

Expansion of support for child rearing expenses by local governments

Akashi-shi, Hyogo (partnering)
Subsidy for initial guarantee fee

Osaka-shi, Osaka and Konan-shi, Shiga
Subsidy for initial guarantee fee and notary deed, etc.

Local governments other than those above are also considering efforts

Entrust's first BtoC

Listing advertising
Attraction of existing customers

Landing page
Creation of reception system
Heightened recognition by potential customers

Owned media
Enhancement of customer loyalty

3. Company Information

Company Profile

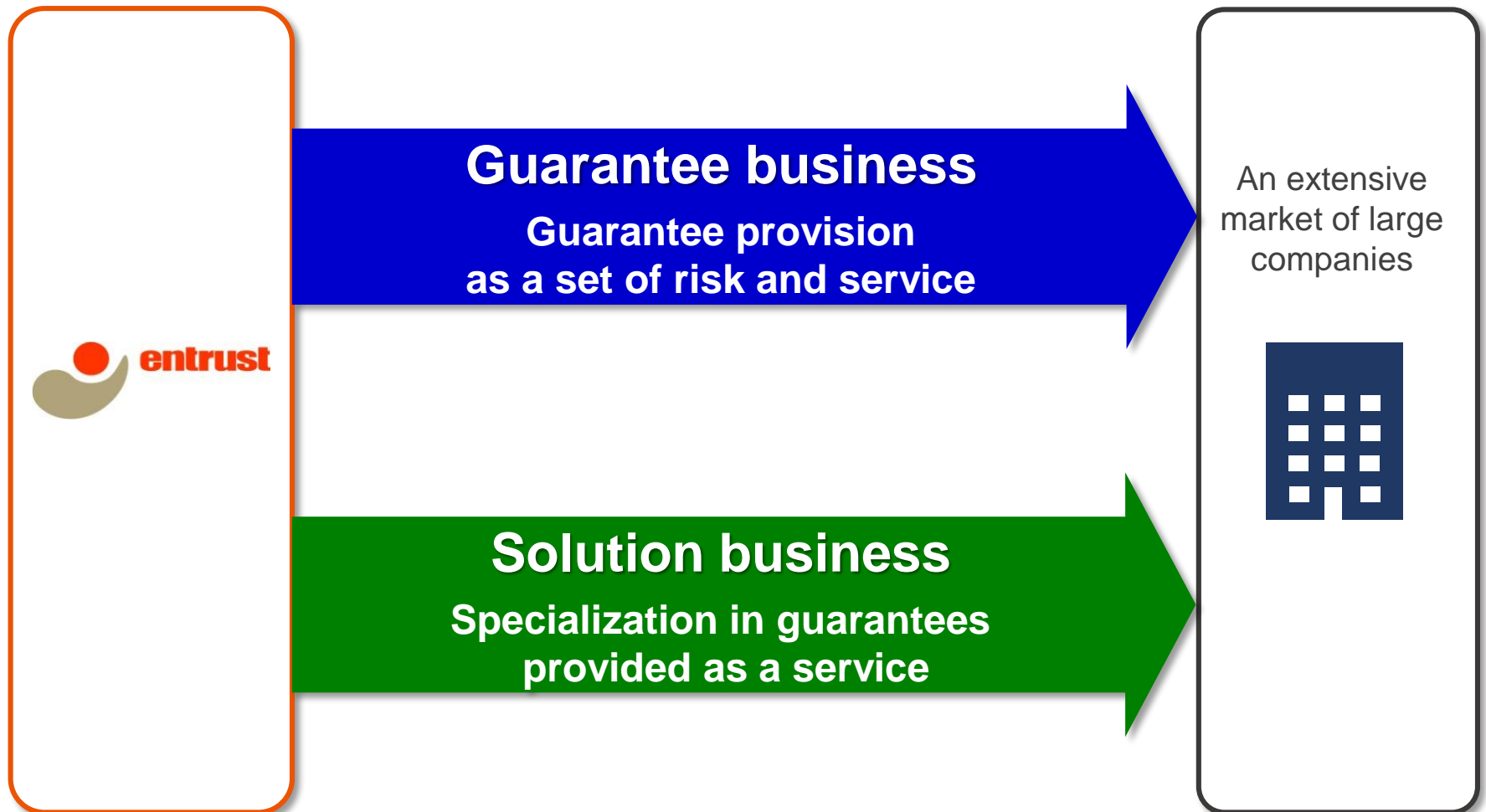
(As of December 31, 2019)



- Company name : Entrust Inc.
- Date of establishment : March 2006
- Capital : 1,037 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 : 101
- Business lines : Comprehensive guarantee services



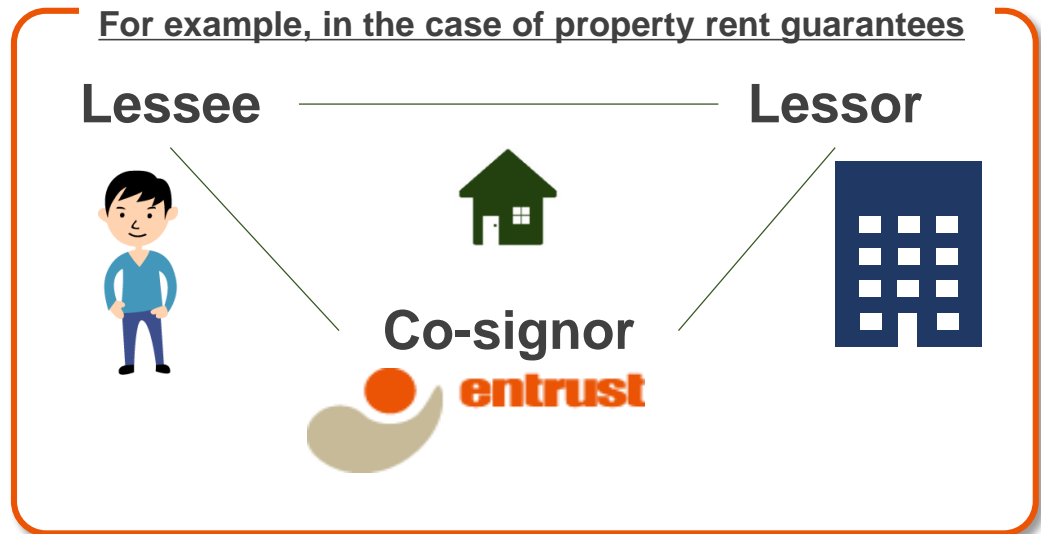
Two business lines for meeting market needs and providing customized services



Guarantee business

Assume debt delinquency risk and provide various services pertaining to guarantees

A system in which "Entrust assumes the position of co-signor" required in a variety of contracts



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

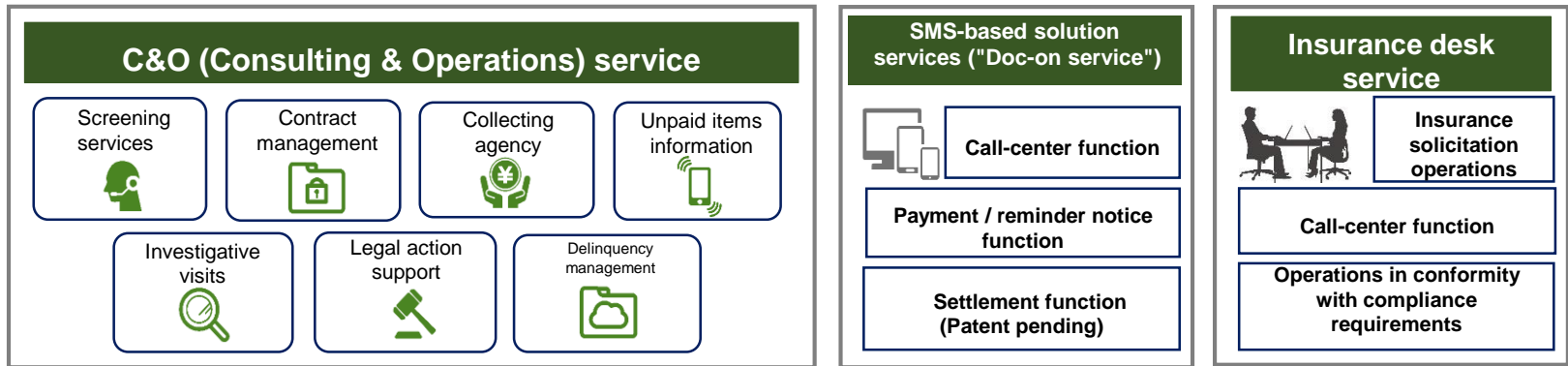
Specialized business support services for efficiently meeting customers' needs

Solution business

Guarantee business

Accumulated skills and know-how

Application to specialized services



Design to match unique needs of customers

Presentation of flexible solutions



Resolution of unique individual problems

Entrust provides 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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