



Fiscal Year Ended March 31, 2018 Results Briefing Information Materials

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. Company Profile**
- 2. Fiscal Year Ended March 31,
2018 - Business Results**
- 3. Fiscal Year Ending March 31,
2019 - Business Results
Projections**
- 4. Topics**

1. Company Profile

Company Profile

(As of March 31, 2018)



- Company name : Entrust Inc.
- Date of establishment : March 2006
- Capital : 1,030 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, Toyama, Nagoya, Osaka, Okayama, Fukuoka
Yokohama Solution Center
- Number of employees : 92
- Business lines : Comprehensive guarantee services



2. Fiscal Year Ended March 31, 2018

- Business Results

Business Results Highlights

- FY03/2018
- **High growth potential**: Sales revenues up 9%, operating income up 27% compared with the previous fiscal year
 - **High profitability**: Ordinary income ratio exceeds 25% (marking a historical high)
 - **Growth factors**: Contributions from the solution business
 - ⇒ Existing C&O (Consulting & Operations)
 - ⇒ New tenant application screening operations
 - ⇒ Insurance desk service
 - **New growth** and sustained high profitability combined with steady business development
 - ⇒ Senior residence property rent guarantees and commercial property rent guarantees
 - ⇒ Medical care expense guarantees and eldercare expense guarantees
 - ⇒ Child rearing expense guarantees

Fiscal Year Ended March 31, 2018 - Business Results

Achieved highest operating income on record and high level of growth by further improving the solution business and enhancing operational efficiency

(Unit: million yen)

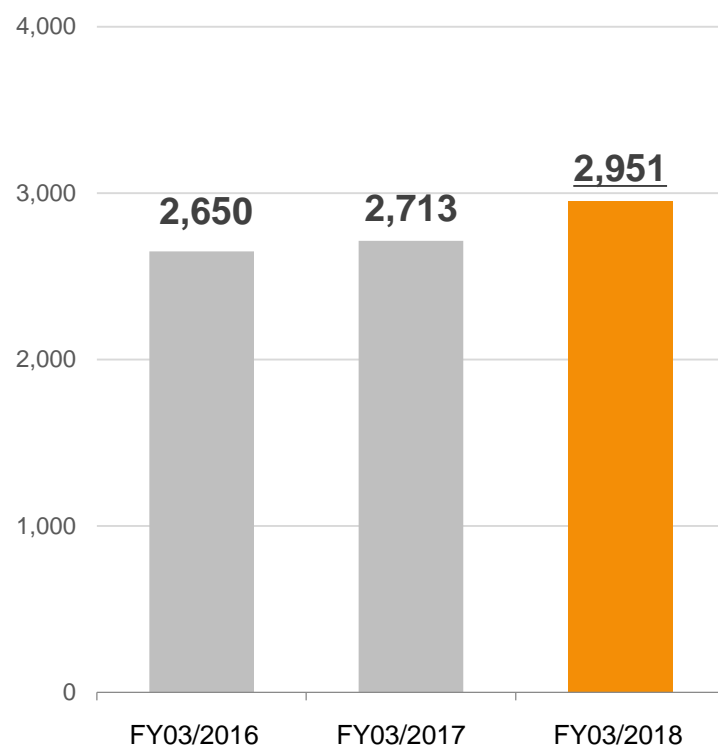
	FY03/2017		FY03/2018		Year-on-year	Contributing factors
	Actual	As percent of revenues	Actual	As percent of revenues	Rate of change	
Revenues	2,713	--	2,951	--	8.8%	Mainly due to the expansion of the solution business (+27.6% compared with the previous fiscal year)
Cost of revenues	1,432	52.8%	1,501	50.9%	4.8%	Despite higher personnel expenses owing to business growth, lower cost of sales achieved by checks on other expenses
Gross margin	1,280	47.2%	1,450	49.1%	13.3%	
SG&A expenses	671	24.8%	677	23.0%	0.9%	Despite higher revenues, SG&A expenses kept in check almost at the year-earlier amount
Operating income	608	22.4%	772	26.2%	27.0%	Enhanced operating income ratio thanks to level-checks on cost increases linked to rising revenues
Ordinary income	598	22.0%	752	25.5%	25.8%	Expenses charged for stock listing change to the first section of the Tokyo Stock Exchange during the fiscal year
Current net income before income taxes	598	22.0%	752	25.5%	25.7%	
Current net income attributable to shareholders of the parent company	409	15.1%	508	17.2%	24.3%	

Fiscal Year Ended March 31, 2018 - Fluctuation in Revenues and Operating Income (Ratio)

Consolidated operating income ratio topping 20% in the third consecutive fiscal year, marking a new historical high. Establishing stable high-earnings business base

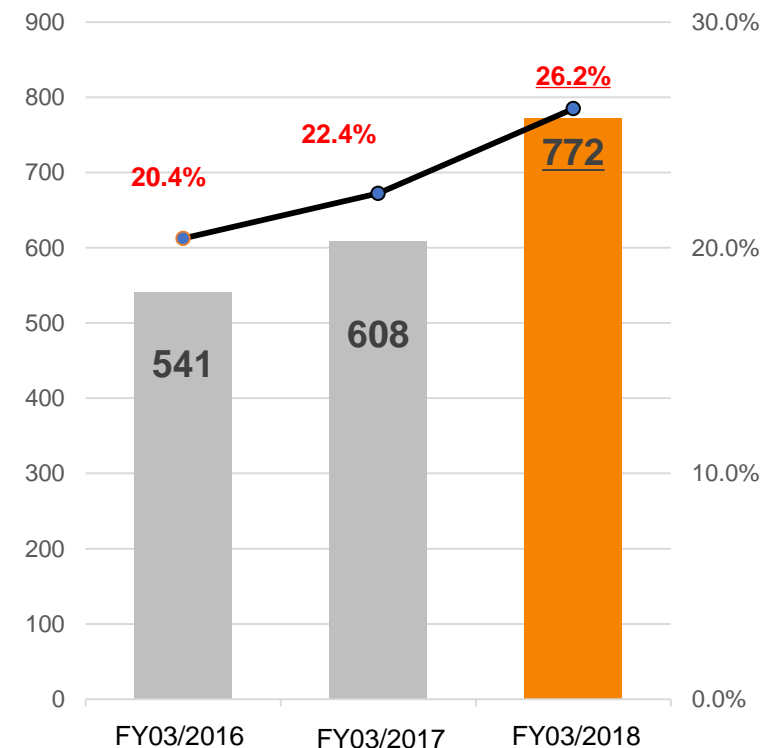
Revenues

(Unit: million yen)



Operating income and operating income ratio

(Unit: million yen)



Fiscal Year Ended March 31, 2018 - Balance Sheet

Solid, debt-free business operations

Note the high ratio of cash and deposits to total assets

(Unit: million yen)

	FY03/2017	FY03/2018	Change in amount		FY03/2017	FY03/2018	Change in amount
Current assets	2,957	3,266	309	Current liabilities	1,037	994	(43)
Cash and deposits	2,259	2,613	353	Accounts payable - trade	1	1	0
Accounts receivable - trade	167	181	14	Income taxes payable	200	152	(47)
Advances paid	694	683	(10)	Unearned revenues	606	595	(10)
Other	262	228	(34)	Guarantee performance provisioning	82	63	(18)
Allowance for doubtful accounts	(426)	(439)	(12)	Other	147	180	33
Non-current assets	210	239	28	Non-current liabilities	71	69	(2)
Property, plant, and equipment	48	66	18	Asset retirement obligations	33	38	5
Intangible assets	42	38	(3)	Other	38	30	(7)
Investments and other assets	120	134	13	Total net assets	2,058	2,442	384
Total assets	3,168	3,506	338	Total liabilities and net assets	3,168	3,506	338

Fiscal Year Ended March 31, 2018 - Cash Flows

Third consecutive term of rising free cash flow
Net cash used in financing activities mostly due to dividend payments to shareholders

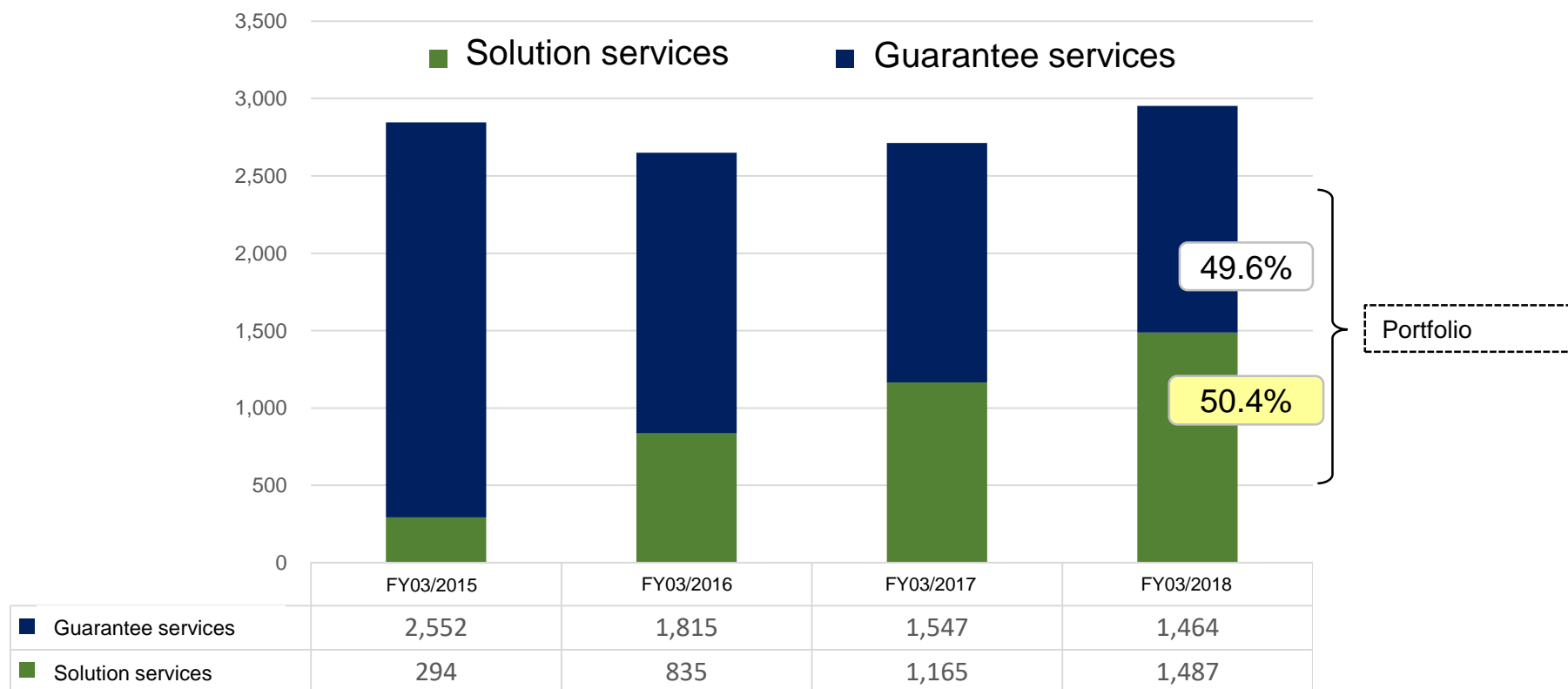
(Unit: million yen)

	FY03/2017	FY03/2018	Change in amount
Cash flows from operating activities	343	532	189
Cash flows from investing activities	(30)	(54)	(23)
Cash flows from used in financing activities	1,265	(124)	(1,389)
Net increase (decrease) in cash and cash equivalents	1,577	353	(1,224)
Balance of cash and cash equivalents at the start of the period	681	2,259	1,577
Balance of cash and cash equivalents at the end of the period	2,259	2,613	353

Fiscal Year Ended March 31, 2018 - Sales Performance Breakdown by Service

Services provided to large-scale customers shifting from guarantees to solution offerings, posting steady growth. Building foundations for stable growth with order receipts for new projects

<Revenue breakdown by service> Steady transition from guarantee services to solution services following Daiwa Living's adoption of a system requiring no co-signors



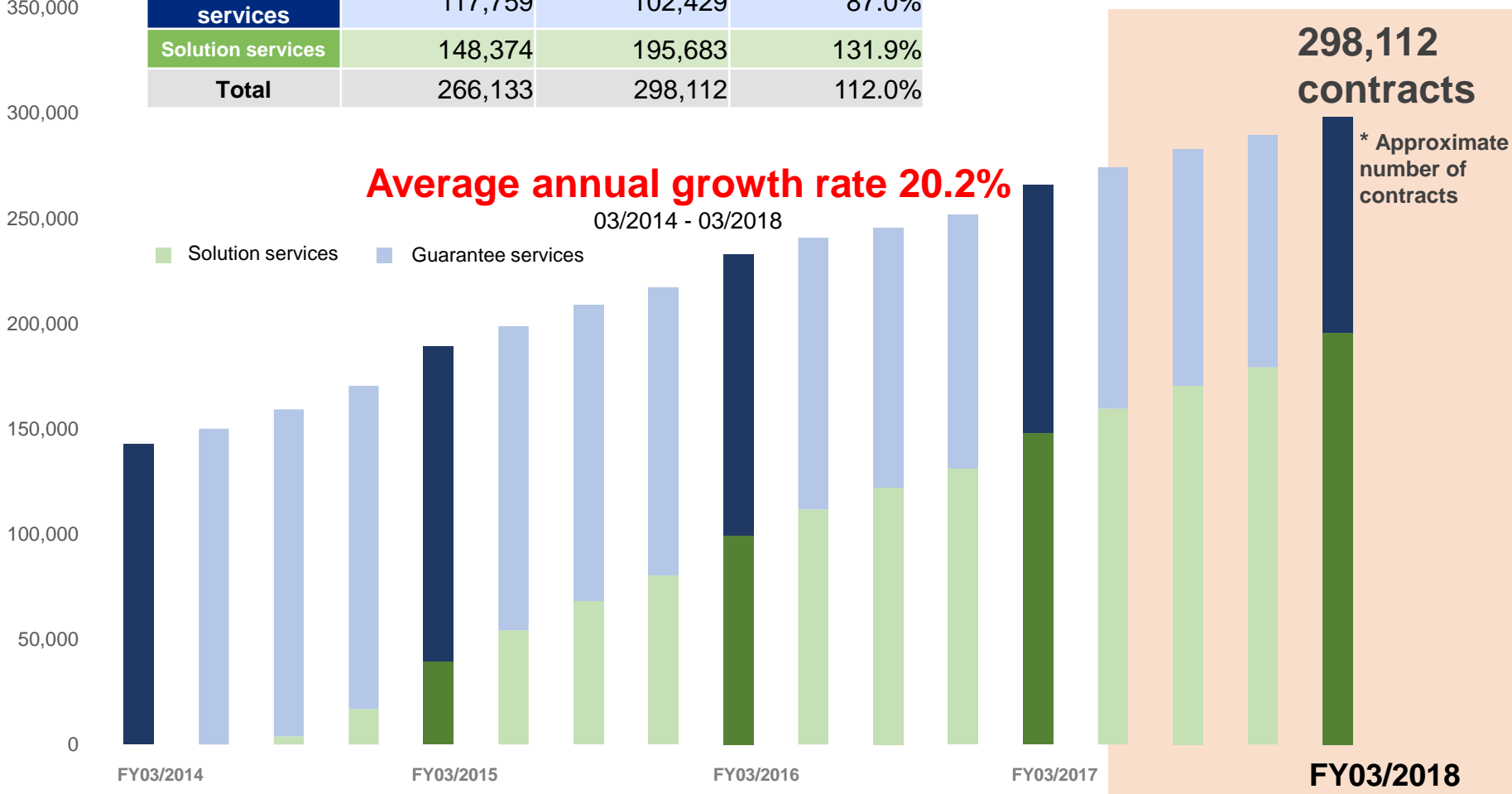
(Unit: million yen)

Fiscal Year Ended March 31, 2018 - Fluctuation in the Number of Contracts Held by the Property Rent Guarantee Business

Steady growth from the start

(Number of contracts)	End of FY03/2017	End of FY03/2018	Year-on-year (%)
Guarantee services	117,759	102,429	87.0%
Solution services	148,374	195,683	131.9%
Total	266,133	298,112	112.0%

(Unit: Contract)



Fiscal Year Ended March 31, 2018 - Business Collaboration Results with Medical Institutions and Eldercare Facilities

**Growth areas - Steadily expanding production base in the
markets for medical care expense guarantees and eldercare
expense guarantees**

Medical institutions

[Cooperative agreements]

94 medical facilities

(**162%** compared with the
previous fiscal year)

20,577 hospital beds

(**148%** compared with the previous
fiscal year)

Eldercare facilities

[Cooperative agreements]

142
eldercare service providers

(**121%** compared with the
previous fiscal year)

(As of March 31, 2018)

3. Fiscal Year Ending March 31, 2019 - Business Results Projections

Business Results Projections - Highlights

FY03/2019 Revenue growth rate 17% (Projection)

⇒ Contributions from

- Existing C&O (Consulting & Operations)
- New tenant application screening operations and insurance desk service
- New guarantee business fields in medical care expense guarantees and eldercare expense guarantees

- High income growth sustained with ordinary income growth rate of 23% (Projection)

- Ordinary income ratio to rise above 27% on growing revenues (Projection)

- Sustained enhancement of shareholder returns, with payout ratio of 25% (Projection)

Fiscal Year Ending March 31, 2019 - Business Results Projections

Attaining high revenue on sales growth topping the previous year and income ratios at sustained high levels

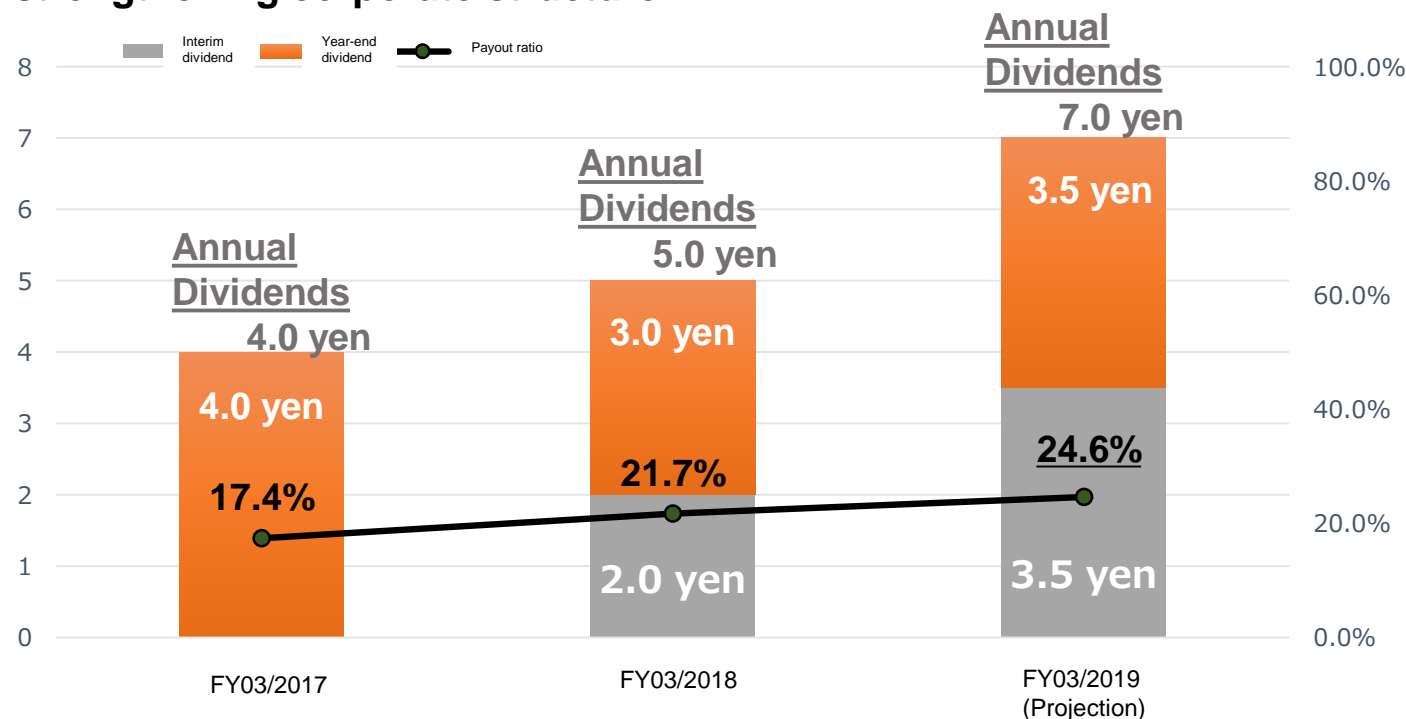
(Unit: million yen)

	FY03/2018 (Actual)	FY03/2019 (Projection)	Year-on-year (Rate of change)
Revenues	2,951	3,440	16.5%
Operating income	772	925	19.7%
Ordinary income	752	925	23.0%
Current net income	508	630	23.8%

Fiscal Year Ending March 31, 2019 - Dividend Projections

Dividend policy

The fundamental policy of Entrust is to continue to provide stable dividends linked to performance, while ensuring that necessary internal reserves are available for strengthening future business growth and strengthening corporate structure.



* The FY03/2017 dividend per share of common stock comprises an ordinary dividend of 3.0 yen and a commemorative dividend of 1.0 yen (commemorating the Company's stock listing on the TSE Mothers market).

* Regarding the FY03/2018 dividend, concurrently with the upward revision of the business results projections for the full term, the year-end dividend was revised up from 2.0 yen to 3.0 yen per share of common stock.

4. Topics

Fiscal Year Ended March 31, 2018 - Topics

Increased sales of senior residence property rent guarantee products

Initiated sales of property rent guarantee products with automatic resident safety monitoring service in August 2017 to Daiwa Living Co., Ltd. and in January 2018 to Panasonic Homes Real Estate Co., Ltd.

Cooperative agreement with Elan Corporation in the field of medical expense guarantees

In February 2018, co-developed "CS Set R," marking the industry's first rental system with medical care expense guarantee for utensils required at hospitalization.

Expansion of the solution business (Newly established the Yokohama Solution Center)

Established the Yokohama Solution Center to accommodate the rapid growth of the solution business.

Mainly engaged in tenant application operations and insurance desk service operations.

Start of full operations in December 2017.

Start of child rearing expense guarantee business

Start of sales of new child rearing expense guarantee products in February 2018.

Expanding business areas as a comprehensive guarantee service company with the industry's first child rearing expense guarantee product.

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.

Contact for inquiries: Entrust Inc. IR
Email: info@entrust-inc.jp