



Business Results for the First Quarter of the Fiscal Year Ending March 31, 2019

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.

July 25, 2018

Copyright © Entrust Inc. All Rights Reserved.

- 1. Company Information**
- 2. Business Results for the First Quarter of the Fiscal Year Ending March 31, 2019**
- 3. Topics**

1. Company Information

Company Profile (as of June 30, 2018)



- Company name : Entrust Inc.
- Date of establishment : March 2006
- Capital : 1,032 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 : 97
- Business lines : Comprehensive guarantee services



Two business lines for meeting market needs and providing customized services



Specialized business support services for efficiently meeting customers' needs

Solution business

Guarantee business

Accumulated skills and know-how

Application to specialized services

C&O (Consulting & Operations) service

Screening services



Contract management



Collecting agency



Unpaid items information



Investigative visits



Legal action support



Delinquency management



SMS-based solution services ("Doc-on service")



Call-center function

Payment / reminder notice function

Settlement function
(Patent pending)

Insurance desk service



Insurance solicitation operations

Call-center function

Operations in conformity with compliance requirements

Design to match unique needs of customers

Presentation of flexible solutions



Resolution of unique individual problems

2. Business Results for the First Quarter of the Fiscal Year Ending March 31, 2019

Fiscal Year Ending March 31, 2019, First Quarter - Business Results Highlights



Revenues

752 million yen (**104.4%** compared with the year-earlier period)

Gross margin

380 million yen (**105.2%** compared with the year-earlier period)

Operating income

187 million yen (**97.4%** compared with the year-earlier period)

Start of increased revenues!

Revenues
compared with the
year-earlier period

4.4%



[Key factors]

- **Revenues** increased thanks to contributions from steady performance of guarantee-provider services at solution business and the insurance desk service and the tenant application operations run at the Yokohama Solution Center established last fiscal year due to the expansion of operations
- **Operating income** decreased due to an increase in personnel expenses, etc. resulting from an increase in personnel as an up-front investment for the expansion of operations in Q1 despite an increase in gross margin resulting from increased revenues

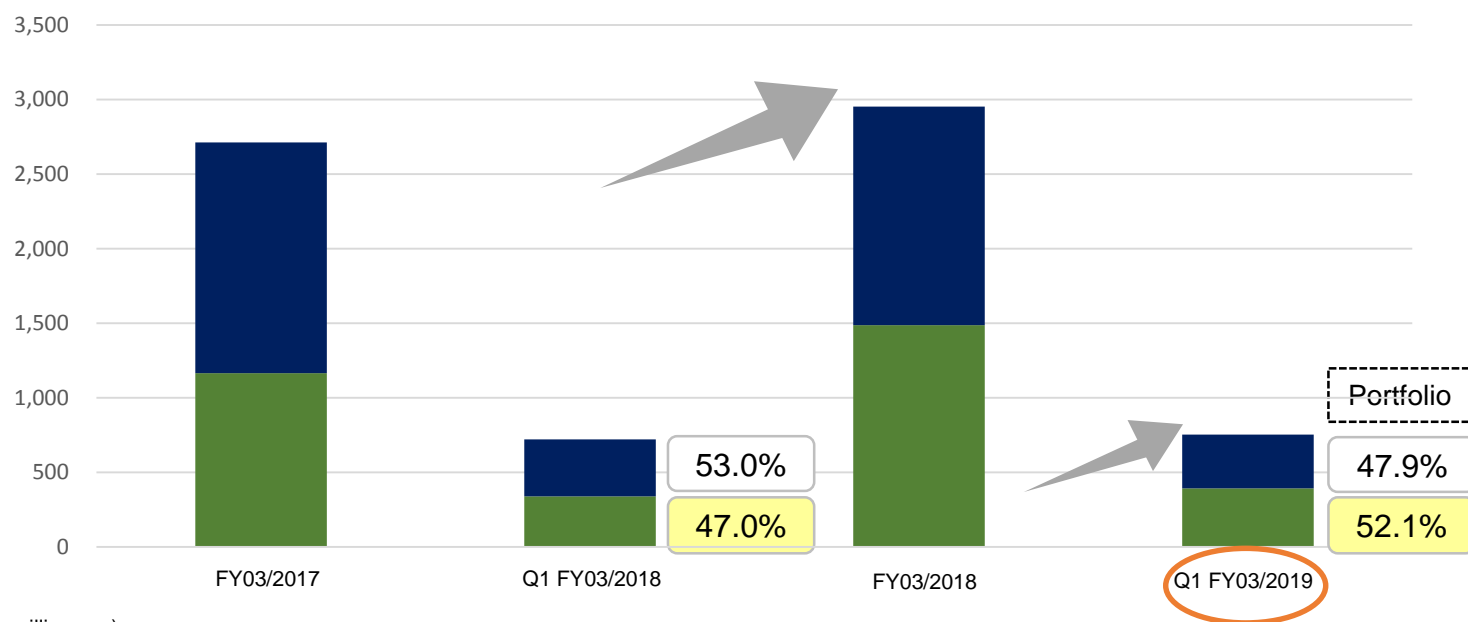
Fiscal Year Ending March 31, 2019, First Quarter - Results by Business

Services for major customers are switching from guarantees to solutions, and total revenues are steady. New solutions are also a new factor leading to growth

<Revenue breakdown by business>

■ Solution services

■ Guarantee services



(Unit: million yen)

| Revenues | FY03/2017 | Q1 FY03/2018 | FY03/2018 | Q1 FY03/2019 | Q1 compared with the year-earlier period (%) |
|--------------------|-----------|--------------|-----------|--------------|--|
| Guarantee services | 1,547 | 381 | 1,464 | 360 | 94.5% |
| Solution services | 1,165 | 339 | 1,487 | 392 | 115.6% |
| Total | 2,713 | 721 | 2,951 | 752 | 104.4% |

Fiscal Year Ending March 31, 2019, First Quarter - Property Rent Guarantees

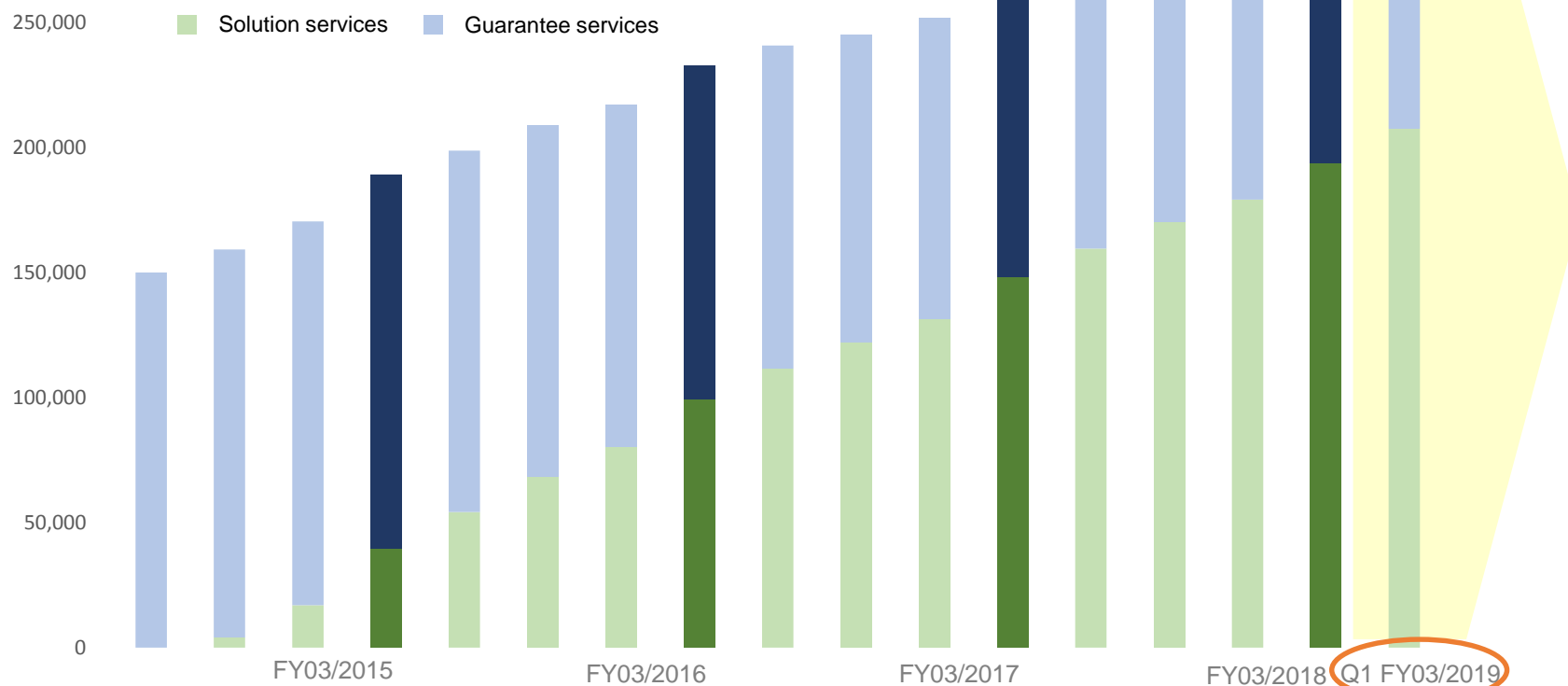


The number of contracts has grown steadily since the Company was founded

Average annual growth rate
(Q1 FY03/2015 - Q1 FY03/2019) **20.3 %**

(Unit: Contract)

| Number of contracts | Q1 FY03/2018 | Q1 FY03/2019 * Estimate | Compared with the year-earlier period (%) |
|---------------------|--------------|----------------------------|---|
| Guarantee services | 114,641 | 106,465 | 92.9% |
| Solution services | 159,656 | 207,648 | 130.1% |
| Total | 274,297 | 314,113 | 114.5% |



Fiscal Year Ending March 31, 2019, First Quarter - Medical Care Expense Guarantees / Eldercare Expense Guarantees



New guarantee business fields - Production base steadily increased in markets for medical care expense guarantees and eldercare expense guarantees

Medical institutions

[Cooperative agreements]

97 medical facilities

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

20,976 hospital beds

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

Eldercare facilities

[Cooperative agreements]

150 eldercare service providers

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

(as of June 30, 2018)

3. Topics

Formulation of Medium-term Management Plan

"Zero to One" Medium-term Management Plan (FY03/2019-FY03/2021) announced on May 11, 2018

We will go back to our founding spirit and always face the challenge of going from "Zero to One"

Acquisition of patent for "property rent guarantee screening model"

Maximization of earnings in the screening model for "appropriately understanding risks and executing appropriate guarantees"
Acquiring patents is an important management strategy for protecting the operational know-how of a company
Second instance following the debt management program

Guarantee business Medical care expense guarantees

Started with revenues exceeding the previous year

Expansion of recipients of medical care expense guarantee service paid for by hospitals

Solution business Insurance desk / New C&O

Insurance desk service introduced in 6th company

In addition to tenant application operations run at the Yokohama Solution Center that are a factor in new growth of the C&O service, screening services are also provided

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