



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

1. Company Information

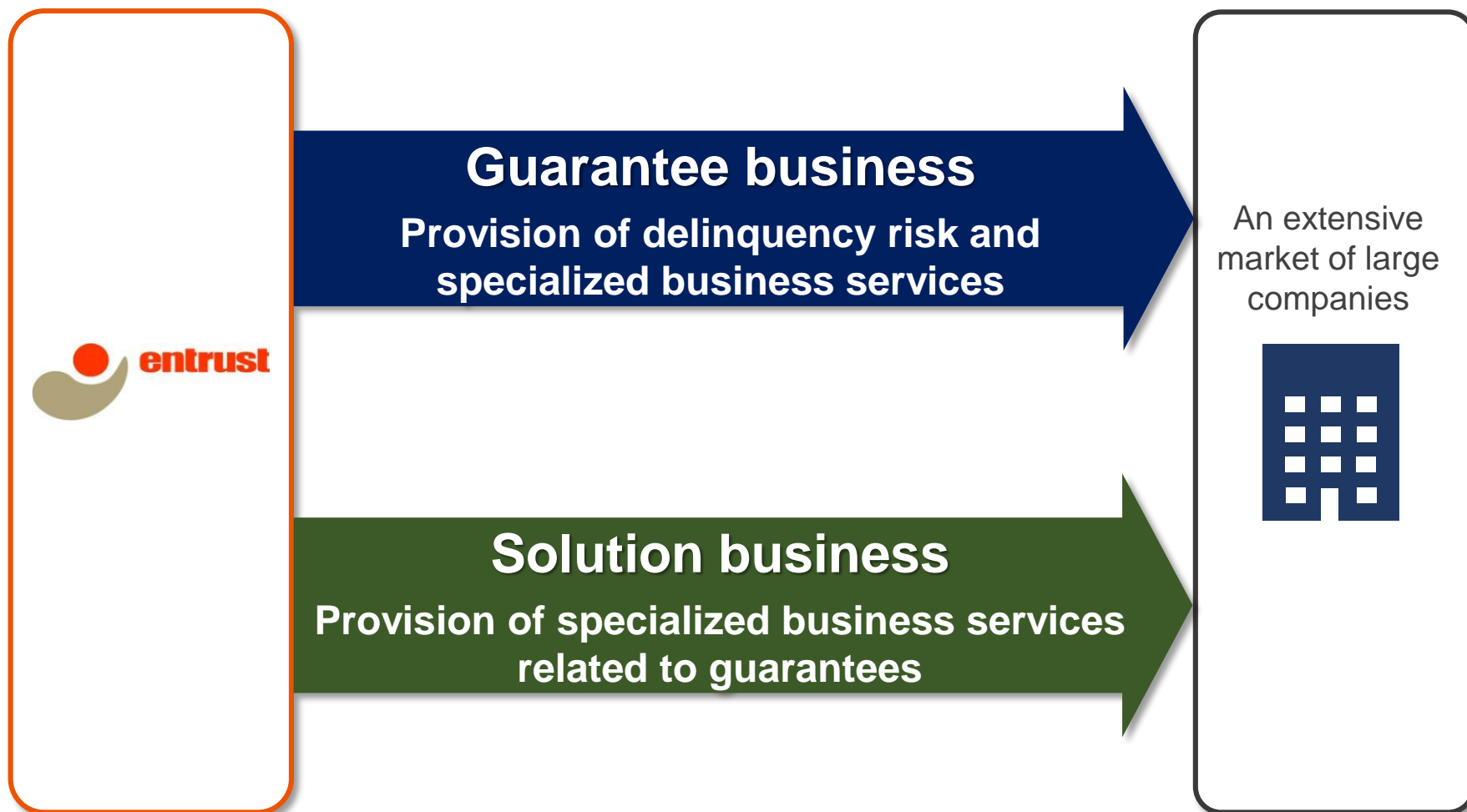
Company Profile (as of December 31, 2018)



- Company name : Entrust Inc.
- Established : March 2006
- Capital : 1,032 million yen
- Listings : TSE 1st Section
[Securities Code 7191]
- Fiscal year : 12 months to March
- Representative director : Yutaka Kuwabara
- Head office location : 1-4 Kojimachi, Chiyoda-ku, Tokyo
- Major branch offices : Sendai, Akita, Toyama, Nagoya, Osaka, Fukuoka
Yokohama Solution Center
- Number of employees : 94
- Business lines : Comprehensive guarantee services



Two business lines for meeting market needs and providing customized services



Provision of delinquency risk and specialized business services

Guarantee business

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



For example, in the case of property rent guarantees

Lessee



Lessor



Co-signor
entrust



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

Provision of specialized business services related to guarantees

Solution business

Guarantee business

Accumulated skills and know-how

Application to specialized business services

1. C&O (Consulting & Operations) service

Screening services



Contract management



Collecting agency



Unpaid items information



Investigative visits



Legal action support



Delinquency management



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



Call-center function

Payment / reminder notice function

Credit card settlement function

3. 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

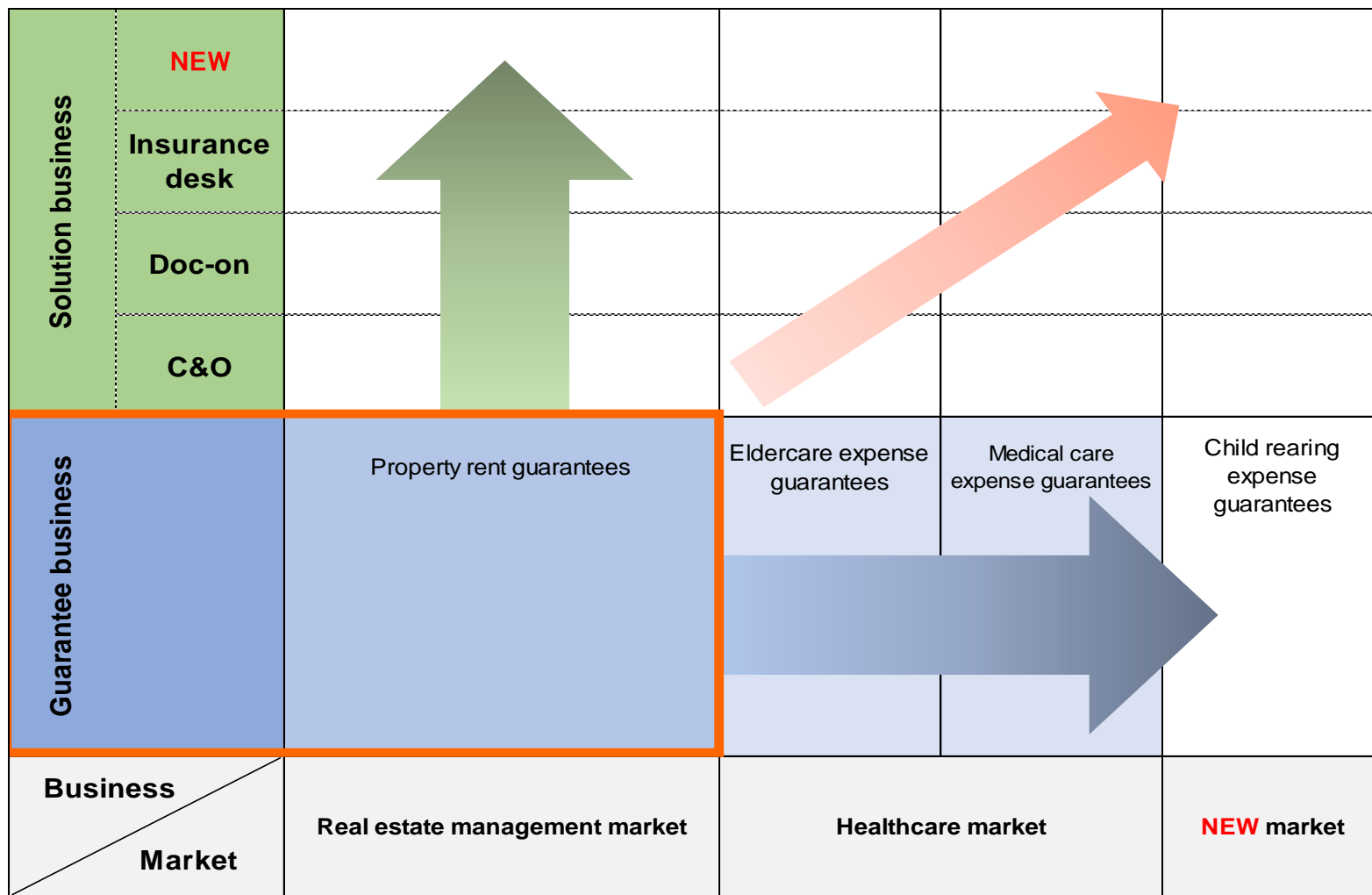


Resolution of unique individual problems

Business Strategy



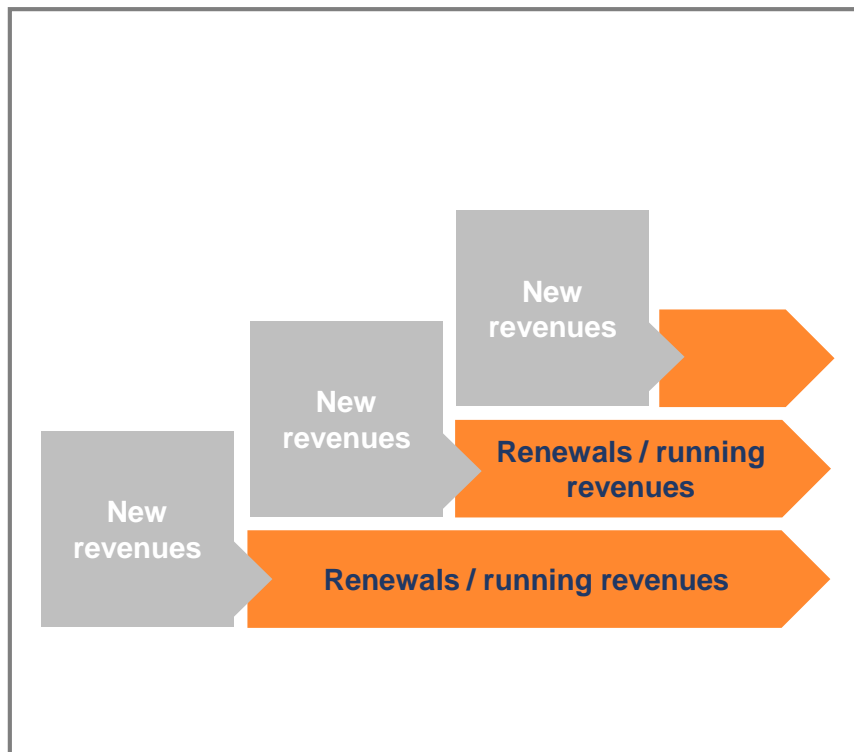
As a comprehensive guarantee service company, we will create new markets and provide guarantee products and solution services to meet all needs



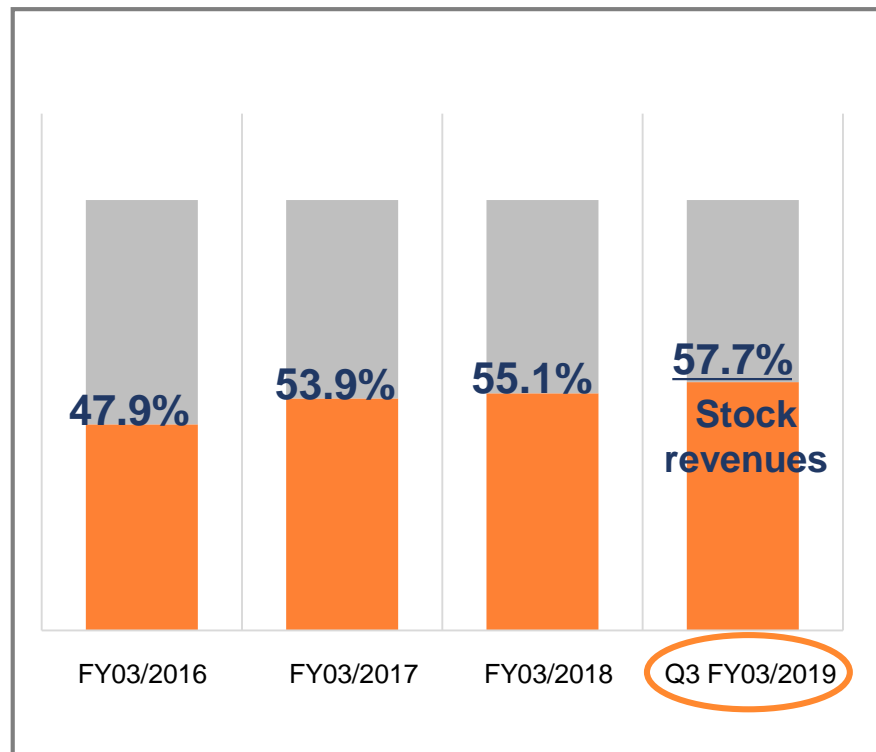
Income Structure



Stock-type business



Level of stock-type revenue component



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

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



Revenues

2,278 million yen (**105.2%** compared with the year-earlier period)

Higher revenues and higher operating income

Operating income

576 million yen (**102.9%** compared with the year-earlier period)

Net income for the quarter

378 million yen (**107.1%** compared with the year-earlier period)

Key factors

- There are signs of a turnaround in the revenue for the guarantee business (down 0.7% compared with the year-earlier period). In addition to the main area of property rent guarantees, medical care and eldercare expense guarantees grew around threefold compared to the previous year. Furthermore, growth of revenue was driven by the solution business (up 11.4% compared with the year-earlier period). The Insurance desk service and tenant application screening operations conducted in Yokohama Solution Center contributed to growth
- Appropriate suppression of expenses due to increased efficiency of operations contributed to increased operating income

Fiscal Year Ending March 31, 2019, Third Quarter
- Performance Progress



Third quarter **Targets achieved**

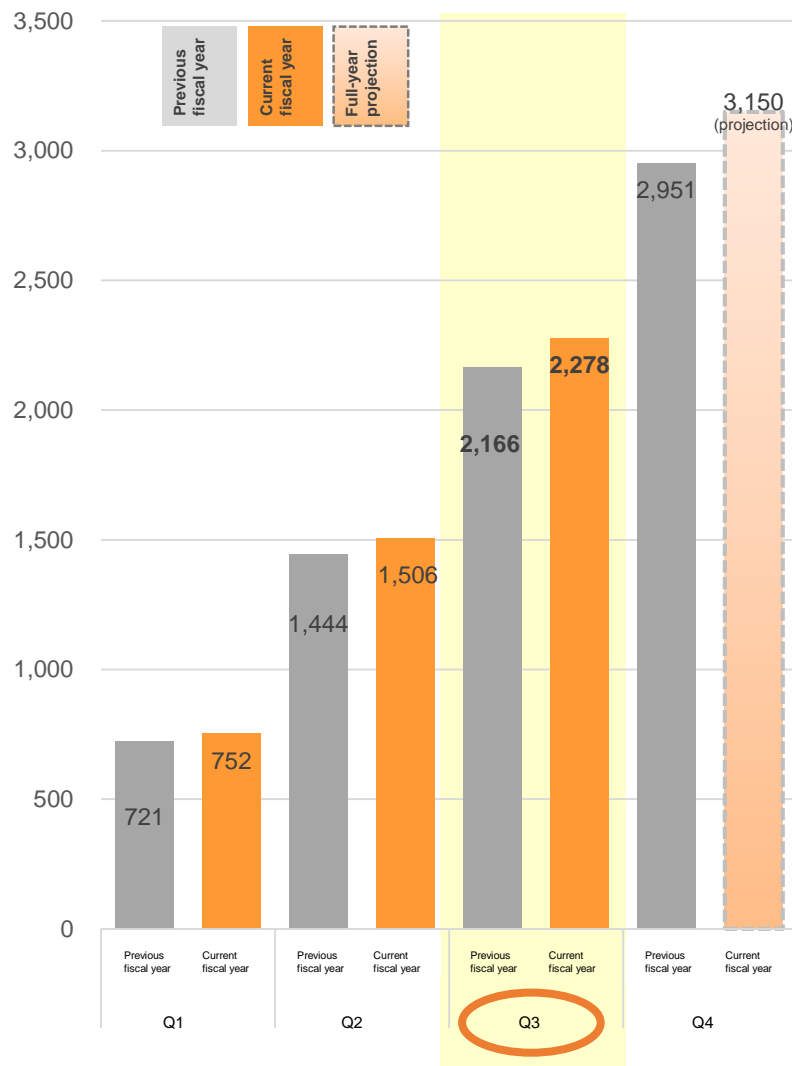
Moving smoothly toward achievement of full-year targets (projection)

(Unit: million yen)	Q3 FY03/2018	Q3 FY03/2019	Compared with the year-earlier period	Q3 plan	Attainment ratio	Full-year (projection)	Progress
Revenues	2,166	2,278	105.2%	2,274	100.2%	3,150	72.3%
Operating income	560	576	102.9%	543	106.1%	810	71.2%
Operating income ratio	25.9%	25.3%	-0.6P	23.9%	+1.4P	25.7%	--
Net income for the quarter	353	378	107.1%	352	107.3%	545	69.5%

Fiscal Year Ending March 31, 2019, Third Quarter - Quarterly Fluctuations

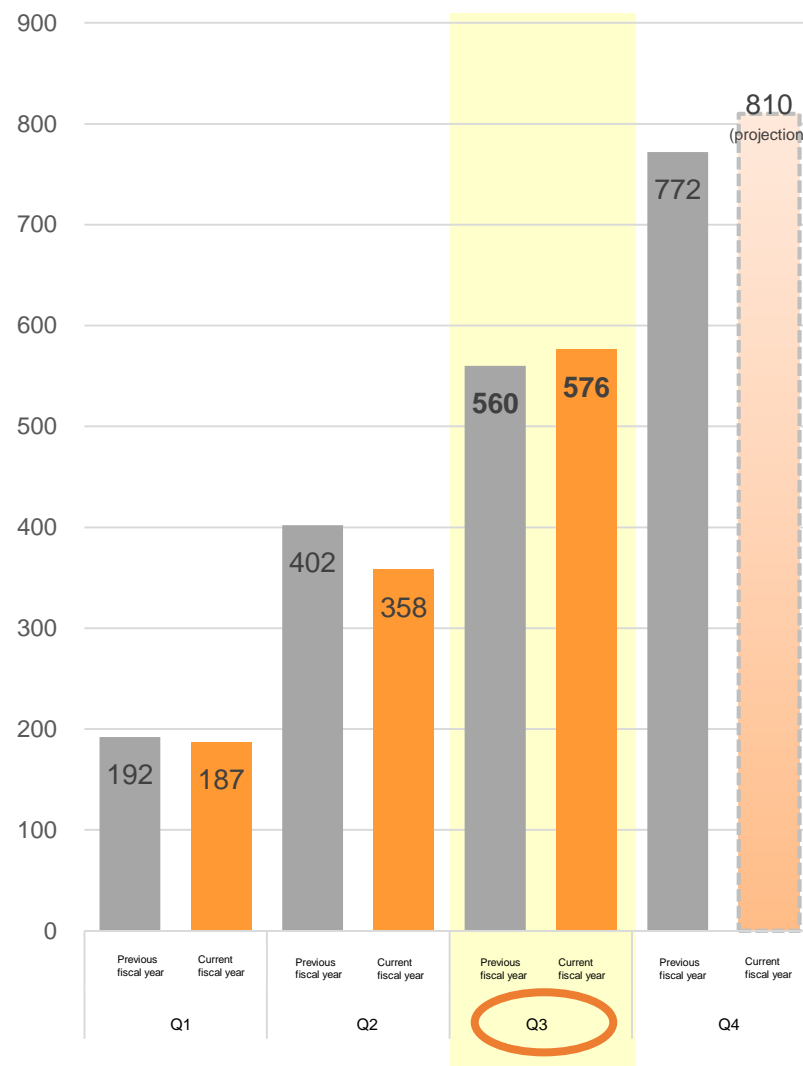
Revenues (compared with the year-earlier period)

(Unit: million yen)



Operating income (compared with the year-earlier period)

(Unit: million yen)



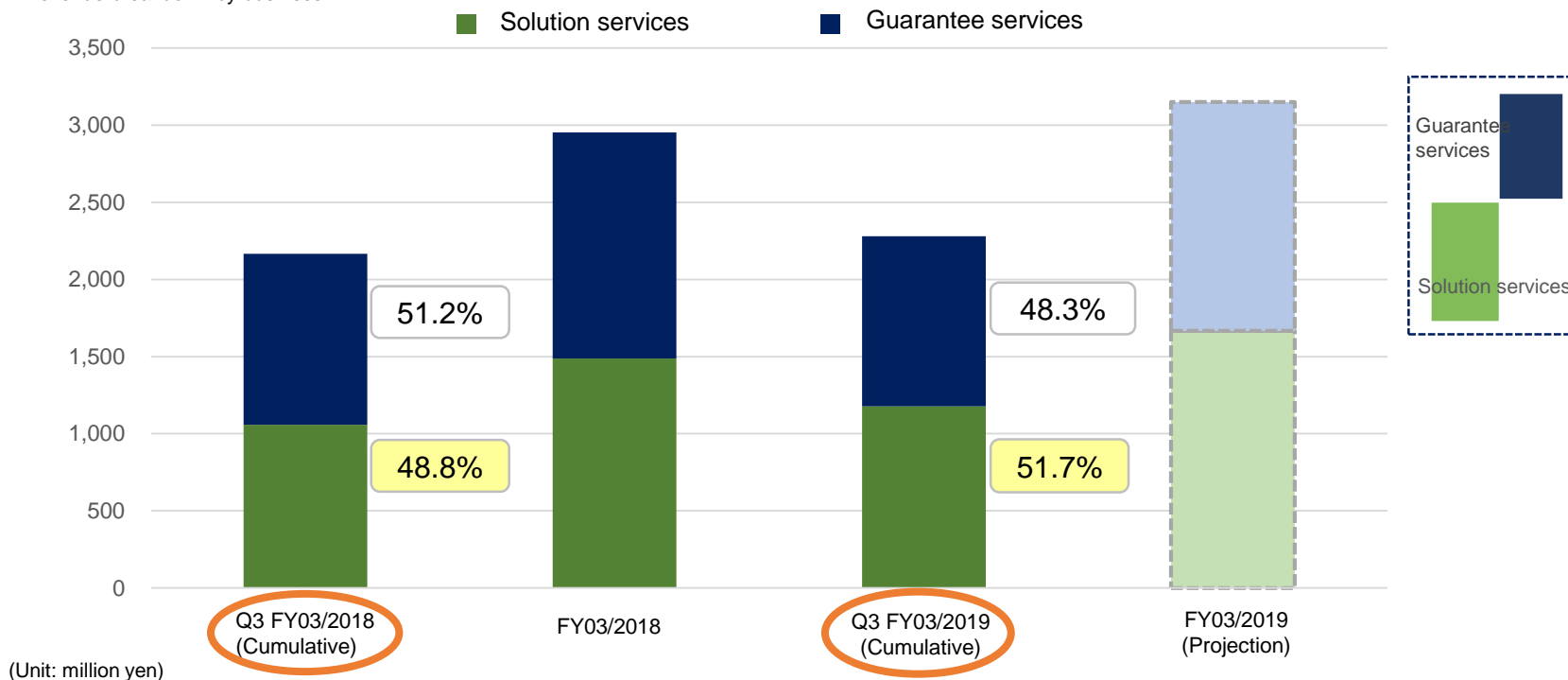
Fiscal Year Ending March 31, 2019, Third Quarter

- Results by Business

Services provided to large-scale customers are shifting from guarantees to solution offerings, and revenues are steadily increasing.

New solutions are also a new growth factor

<Revenue breakdown by business>



Revenues	Q3 FY03/2018	FY03/2018	Q3 FY03/2019	FY03/2019 (Projection)	Q3 compared with the year-earlier period
Guarantee services	1,108	1,464	1,100	1,483	99.3%
Solution services	1,057	1,487	1,178	1,666	111.4%
Total	2,166	2,951	2,278	3,150	105.2%

Fiscal Year Ending March 31, 2019, Third Quarter

- Property Rent Guarantees

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

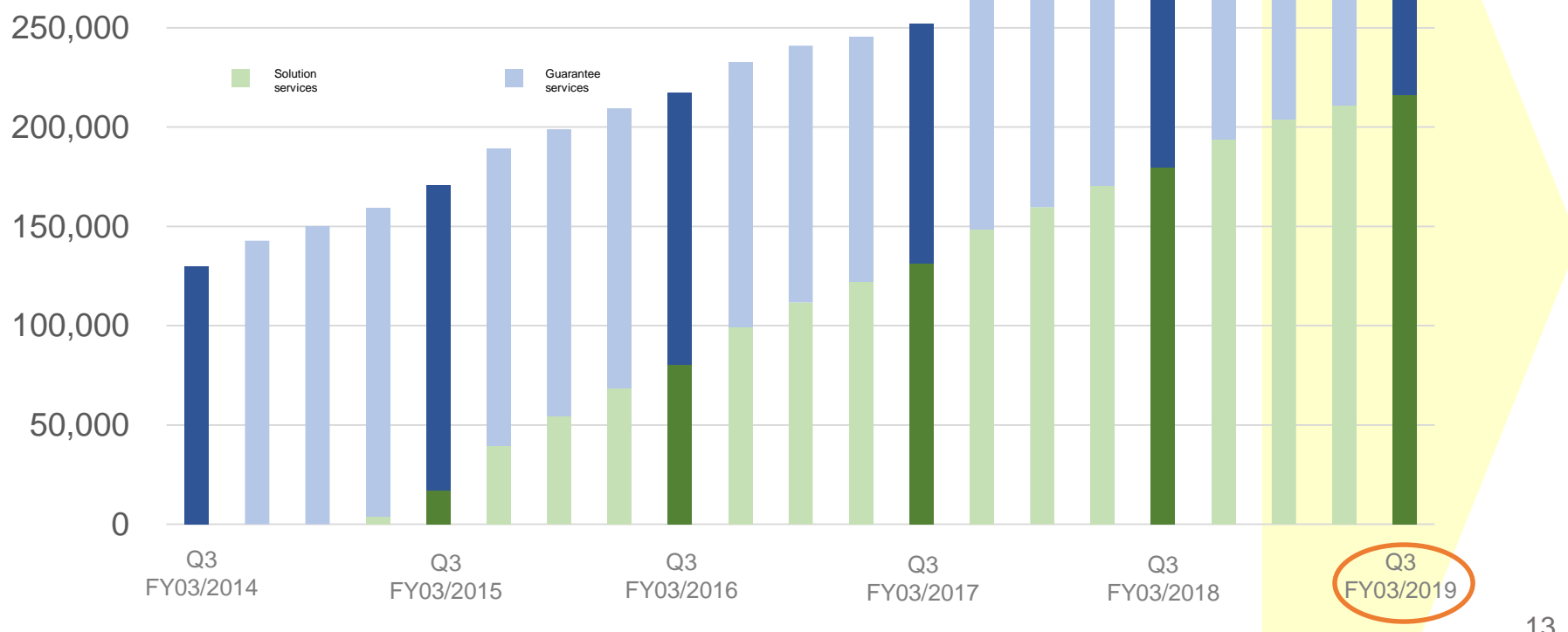
Average annual
growth rate
(Q3 FY03/2014 - Q3 FY03/2019)

19.8%

<Number of contracts related to property rent guarantees>

(Unit: Contract)

Number of contracts	Q3 FY03/2018	Q3 FY03/2019 (Estimate)	Compared with the year-earlier period (%)
Guarantee services	110,469	105,659	95.6%
Solution services	179,907	216,018	120.1%
Total	290,376	321,677	110.8%



Fiscal Year Ending March 31, 2019, Third Quarter - Achievements in the Introduction of Medical Care and Eldercare Expense Guarantees



New guarantee business fields - Clients increased for medical care expense guarantees and eldercare expense guarantees

Medical facilities

[Institutions where services are provided]

103 medical facilities

[**114%** compared with the year-earlier period]

Eldercare facilities

[Institutions where services are provided]

159 eldercare service providers

[**114%** compared with the year-earlier period]

23,360 hospital beds

[**119%** compared with the year-earlier period]

(as of December 31, 2018)

3. Topics

Child rearing expense guarantees

- Spreading to local governments nationwide -

Continuation of information linking with local governments since start of service in February 2018

Japan's first "advance payment of education expenses pilot business" started in November 2018

Increase of inquiries from local governments nationwide

Patent acquisition rush

- Intellectual property preservation and differentiation strategy -

Acquisition of "Rakure*" patent in December 2018

* Rakure is the credit card settlement function within the "Doc-on service"

This marks the acquisition of a total of three patents following "debt management program" (Q4 FY03/2018) and "property rent guarantee screening model" (Q1 FY03/2019)

Medical care expense guarantees

- New approach to sales operations-

Focus on expansion of medical care expense guarantee service paid for by hospitals in collaboration with major non-life insurance companies

Contribution to a significant increase in revenues

Expansion of operating base aimed at further increase in sales

Insurance desk

- Solution business growth factors -

Introduction of insurance desk service

**Two companies this fiscal year (total of seven)
Progressed steadily as a growth factor for the solution business since service began in September 2016**

MISSION

Entrust provides social infrastructure through its guarantee schemes, contributing to the invigoration of services and distribution.

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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