

Translation

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Summary of Consolidated Financial Results for the Six Months Ended July 31, 2021 (Based on Japanese GAAP)

September 7, 2021

Company name: Casa Inc.
 Stock exchange listing: Tokyo
 Stock code: 7196 URL <https://www.casa-inc.co.jp>
 Representative: President Seigo Miyaji
 Inquiries: Director, Administration Department Yusuke Takasugi TEL 03-5339-1143
 Scheduled date to file Quarterly Securities Report: September 7, 2021
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended July 31, 2021 (from February 1, 2021 to July 31, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended July 31, 2021	5,283	5.2	532	44.3	586	47.3	354	53.1
Six months ended July 31, 2020	5,021	8.2	368	(48.1)	398	(45.7)	231	(50.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2021	35.41		33.58	
Six months ended July 31, 2020	22.87		21.55	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2021	13,373	6,703	50.1
As of January 31, 2021	13,416	6,811	50.8

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended January 31, 2021	–	0.00	–	30.00	30.00
Year ending January 31, 2022	–	0.00			
Year ending January 31, 2022 (Forecast)			–	30.00	30.00

3. Forecast of consolidated financial results for the year ending January 31, 2022 (from February 1, 2021 to January 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	10,323	0.9	832	(19.3)	850	(22.0)	489	(19.9)	48.32

4. Notes

- (1) Changes in significant subsidiaries during the six months ended July 31, 2021
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: No
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2021	11,082,700 shares	As of January 31, 2021	11,082,700 shares
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Number of treasury shares at the end of the period

As of July 31, 2021	1,152,746 shares	As of January 31, 2021	947,446 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended July 31, 2021	10,001,695 shares	Six months ended July 31, 2020	10,112,607 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2021	As of July 31, 2021
Assets		
Current assets		
Cash and deposits	3,177,530	2,402,561
Accounts receivable - trade	1,261,254	1,302,091
Right to reimbursement	3,927,971	3,977,582
Accounts receivable - other	778,862	1,106,325
Other	177,209	154,551
Allowance for doubtful accounts	(2,495,385)	(2,721,642)
Total current assets	6,827,443	6,221,470
Non-current assets		
Property, plant and equipment	60,554	54,346
Intangible assets		
Goodwill	3,317,412	3,186,461
Other	536,272	718,735
Total intangible assets	3,853,685	3,905,197
Investments and other assets		
Deferred tax assets	2,381,882	2,533,712
Other	293,233	658,702
Total investments and other assets	2,675,116	3,192,414
Total non-current assets	6,589,356	7,151,958
Total assets	13,416,799	13,373,429
Liabilities		
Current liabilities		
Income taxes payable	466,439	426,658
Advances received	4,751,644	4,861,546
Provision for bonuses	126,605	130,095
Provision for loss on guarantees	135,396	137,854
Other	1,121,173	1,110,884
Total current liabilities	6,601,257	6,667,038
Non-current liabilities		
Other	3,811	3,049
Total non-current liabilities	3,811	3,049
Total liabilities	6,605,069	6,670,087
Net assets		
Shareholders' equity		
Share capital	1,567,053	1,567,053
Capital surplus	1,567,053	1,567,053
Retained earnings	4,857,376	4,907,440
Treasury shares	(1,150,415)	(1,350,347)
Total shareholders' equity	6,841,068	6,691,199
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(32,017)	9,462
Total accumulated other comprehensive income	(32,017)	9,462
Share acquisition rights	2,679	2,679
Total net assets	6,811,730	6,703,341
Total liabilities and net assets	13,416,799	13,373,429

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2020	Six months ended July 31, 2021
Net sales	5,021,999	5,283,807
Cost of sales	2,130,157	2,244,934
Gross profit	2,891,841	3,038,873
Selling, general and administrative expenses	2,522,939	2,506,417
Operating profit	368,901	532,455
Non-operating income		
Interest income	19	21
Dividend income	402	3,426
Recoveries of written off receivables	22,720	40,230
Subsidy income	4,984	3,300
Insurance claim income	–	10,000
Other	2,773	3,492
Total non-operating income	30,901	60,470
Non-operating expenses		
Commission expenses	1,418	1,739
Special survey costs	–	4,512
Total non-operating expenses	1,418	6,252
Ordinary profit	398,384	586,673
Extraordinary income		
Gain on reversal of share acquisition rights	243	–
Total extraordinary income	243	–
Profit before income taxes	398,627	586,673
Income taxes - current	490,035	397,311
Income taxes - deferred	(322,653)	(164,759)
Total income taxes	167,382	232,551
Profit	231,245	354,121
Profit attributable to owners of parent	231,245	354,121

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2020	Six months ended July 31, 2021
Profit	231,245	354,121
Other comprehensive income		
Valuation difference on available-for-sale securities	(28,842)	41,480
Total other comprehensive income	(28,842)	41,480
Comprehensive income	202,402	395,601
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	202,402	395,601

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2020	Six months ended July 31, 2021
Cash flows from operating activities		
Profit before income taxes	398,627	586,673
Depreciation	35,215	32,464
Amortization of goodwill	130,950	130,950
Increase (decrease) in provision for bonuses	(2,291)	3,490
Increase (decrease) in provision for loss on guarantees	5,678	2,458
Increase (decrease) in allowance for doubtful accounts	424,045	226,256
Interest and dividend income	(422)	(3,447)
Decrease (increase) in trade receivables	(42,777)	(40,837)
Decrease (increase) in right to reimbursement	(529,489)	(49,610)
Increase (decrease) in accounts payable - other	43,585	(21,787)
Decrease (increase) in accounts receivable - other	171,197	(327,462)
Increase (decrease) in advances received	473,441	109,902
Increase (decrease) in deposits received	93,608	4,440
Other, net	(102,736)	15,640
Subtotal	1,098,632	669,129
Interest and dividends received	357	2,919
Income taxes paid	(456,734)	(433,955)
Net cash provided by (used in) operating activities	642,255	238,093
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,844)	(3,854)
Purchase of intangible assets	(184,649)	(191,077)
Purchase of investment securities	–	(314,385)
Payments for security deposit	(3,242)	(6)
Income of deposit and guarantee money paid	802	785
Other, net	516	516
Net cash provided by (used in) investing activities	(198,417)	(508,022)
Cash flows from financing activities		
Repayments of lease obligations	(2,770)	(958)
Purchase of treasury shares	(164,817)	(200,432)
Dividends paid	(285,582)	(302,409)
Other, net	(698)	(1,239)
Net cash provided by (used in) financing activities	(453,868)	(505,040)
Net increase (decrease) in cash and cash equivalents	(10,031)	(774,968)
Cash and cash equivalents at beginning of period	2,989,948	3,177,530
Cash and cash equivalents at end of period	2,979,917	2,402,561