

Translation

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Summary of Consolidated Financial Results for the Year Ended January 31, 2022 (Based on Japanese GAAP)

March 10, 2022

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 of ordinary general meeting of shareholders: April 27, 2022
 Scheduled date to file Securities Report: April 28, 2022
 Scheduled date to commence dividend payments: April 28, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended January 31, 2022 (from February 1, 2021 to January 31, 2022)

(1) Consolidated operating results

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	%
Year ended January 31, 2022	10,340	1.1	1,037	0.5	1,145	5.1	647	6.0
Year ended January 31, 2021	10,226	8.4	1,031	(32.3)	1,090	(30.9)	611	(34.1)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended January 31, 2022	64.90	61.63	9.4	8.7	10.0
Year ended January 31, 2021	60.36	56.86	9.1	8.4	10.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of January 31, 2022	12,906	6,983	54.1	694.66
As of January 31, 2021	13,416	6,811	50.8	671.82

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended January 31, 2022	728	(1,009)	(480)	2,416
Year ended January 31, 2021	1,077	(445)	(444)	3,177

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended January 31, 2021	—	0.00	—	30.00	30.00	304	49.7	4.5
Year ended January 31, 2022	—	0.00	—	30.00	30.00	301	46.2	4.4
Year ending January 31, 2023 (Forecast)	—	0.00	—	30.00	30.00		65.7	

3. Forecast of consolidated financial results for the year ending January 31, 2023 (from February 1, 2022 to January 31, 2023)

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
Six months ending July 31, 2022	5,075	(3.9)	129	(75.7)	163	(72.1)	65	(81.4)	6.56
Full year	10,394	0.5	737	(28.9)	805	(29.7)	459	(29.1)	45.67

4. Notes

(1) Changes in significant subsidiaries during the year ended January 31, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of January 31, 2022	11,202,700 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 January 31, 2022	1,152,746 shares	As of January 31, 2021	947,446 shares
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Average number of shares during the period

Year ended January 31, 2022	9,976,708 shares	Year ended January 31, 2021	10,123,407 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2021	As of January 31, 2022
Assets		
Current assets		
Cash and deposits	3,177,530	2,416,174
Accounts receivable - trade	1,261,254	1,275,383
Right to reimbursement	3,927,971	3,909,847
Accounts receivable - other	778,862	676,420
Other	177,209	156,469
Allowance for doubtful accounts	(2,495,385)	(2,825,813)
Total current assets	6,827,443	5,608,483
Non-current assets		
Property, plant and equipment		
Buildings and structures	88,980	89,527
Accumulated depreciation	(60,556)	(64,653)
Buildings and structures, net	28,423	24,874
Leased assets	12,372	6,930
Accumulated depreciation	(7,339)	(3,465)
Leased assets, net	5,032	3,465
Other	114,417	140,908
Accumulated depreciation	(87,319)	(101,849)
Other, net	27,098	39,059
Total property, plant and equipment	60,554	67,398
Intangible assets		
Goodwill	3,317,412	3,179,643
Software	120,918	136,771
Software in progress	409,018	725,111
Other	6,335	5,441
Total intangible assets	3,853,685	4,046,966
Investments and other assets		
Investment securities	97,929	584,167
Long-term loans receivable	1,272	240
Deferred tax assets	2,381,882	2,408,009
Other	194,032	191,627
Total investments and other assets	2,675,116	3,184,044
Total non-current assets	6,589,356	7,298,409
Total assets	13,416,799	12,906,892

(Thousands of yen)

	As of January 31, 2021	As of January 31, 2022
Liabilities		
Current liabilities		
Current portion of long-term borrowings	–	12,000
Lease obligations	1,720	1,524
Income taxes payable	466,439	85,877
Advances received	4,751,644	4,466,657
Deposits received	728,639	722,962
Provision for bonuses	126,605	130,095
Provision for loss on guarantees	135,396	122,708
Other	390,812	334,027
Total current liabilities	6,601,257	5,875,851
Non-current liabilities		
Long-term borrowings	–	45,000
Lease obligations	3,811	2,286
Total non-current liabilities	3,811	47,286
Total liabilities	6,605,069	5,923,138
Net assets		
Shareholders' equity		
Share capital	1,567,053	1,582,142
Capital surplus	1,567,053	1,582,142
Retained earnings	4,857,376	5,200,798
Treasury shares	(1,150,415)	(1,350,347)
Total shareholders' equity	6,841,068	7,014,736
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(32,017)	(33,483)
Total accumulated other comprehensive income	(32,017)	(33,483)
Share acquisition rights	2,679	2,500
Total net assets	6,811,730	6,983,753
Total liabilities and net assets	13,416,799	12,906,892

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended January 31, 2021	Fiscal year ended January 31, 2022
Net sales	10,226,855	10,340,983
Cost of sales	4,146,679	4,333,864
Gross profit	6,080,175	6,007,119
Selling, general and administrative expenses	5,048,505	4,970,008
Operating profit	1,031,670	1,037,111
Non-operating income		
Interest income	94	152
Dividend income	805	7,230
Recoveries of written off receivables	47,007	69,385
Subsidy income	7,817	3,300
Other	19,141	36,263
Total non-operating income	74,866	116,331
Non-operating expenses		
Interest expenses	–	120
Commission expenses	2,679	2,999
Special survey costs	13,792	4,512
Total non-operating expenses	16,471	7,633
Ordinary profit	1,090,065	1,145,809
Extraordinary income		
Gain on sale of investment securities	50,040	–
Other	243	–
Total extraordinary income	50,283	–
Extraordinary losses		
Loss on valuation of investment securities	34,600	–
Loss on valuation of advance payments	53,004	–
Impairment losses	–	31,312
Total extraordinary losses	87,604	31,312
Profit before income taxes	1,052,744	1,114,497
Income taxes - current	786,051	458,500
Income taxes - deferred	(344,374)	8,517
Total income taxes	441,677	467,017
Profit	611,066	647,479
Profit attributable to owners of parent	611,066	647,479

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended January 31, 2021	Fiscal year ended January 31, 2022
Profit	611,066	647,479
Other comprehensive income		
Valuation difference on available-for-sale securities	(17,928)	(1,465)
Total other comprehensive income	(17,928)	(1,465)
Comprehensive income	593,138	646,013
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	593,138	646,013

Consolidated statements of changes in equity

Fiscal year ended January 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,561,280	1,561,280	4,534,669	(1,035,242)	6,621,988
Changes during period					
Issuance of new shares - exercise of share acquisition rights	5,772	5,772			11,545
Dividends of surplus			(285,660)		(285,660)
Profit attributable to owners of parent			611,066		611,066
Purchase of treasury shares				(164,096)	(164,096)
Disposal of treasury shares			(2,700)	48,924	46,224
Net changes in items other than shareholders' equity					
Total changes during period	5,772	5,772	322,706	(115,172)	219,079
Balance at end of period	1,567,053	1,567,053	4,857,376	(1,150,415)	6,841,068

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	(14,089)	(14,089)	2,268	6,610,167
Changes during period				
Issuance of new shares - exercise of share acquisition rights				11,545
Dividends of surplus				(285,660)
Profit attributable to owners of parent				611,066
Purchase of treasury shares				(164,096)
Disposal of treasury shares				46,224
Net changes in items other than shareholders' equity	(17,928)	(17,928)	411	(17,516)
Total changes during period	(17,928)	(17,928)	411	201,562
Balance at end of period	(32,017)	(32,017)	2,679	6,811,730

Fiscal year ended January 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,567,053	1,567,053	4,857,376	(1,150,415)	6,841,068
Changes during period					
Issuance of new shares - exercise of share acquisition rights	15,089	15,089			30,178
Dividends of surplus			(304,057)		(304,057)
Profit attributable to owners of parent			647,479		647,479
Purchase of treasury shares				(199,932)	(199,932)
Net changes in items other than shareholders' equity					
Total changes during period	15,089	15,089	343,421	(199,932)	173,667
Balance at end of period	1,582,142	1,582,142	5,200,798	(1,350,347)	7,014,736

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	(32,017)	(32,017)	2,679	6,811,730
Changes during period				
Issuance of new shares - exercise of share acquisition rights				30,178
Dividends of surplus				(304,057)
Profit attributable to owners of parent				647,479
Purchase of treasury shares				(199,932)
Net changes in items other than shareholders' equity	(1,465)	(1,465)	(178)	(1,644)
Total changes during period	(1,465)	(1,465)	(178)	172,023
Balance at end of period	(33,483)	(33,483)	2,500	6,983,753

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2021	Fiscal year ended January 31, 2022
Cash flows from operating activities		
Profit before income taxes	1,052,744	1,114,497
Depreciation	73,470	70,309
Impairment losses	–	31,312
Amortization of goodwill	261,900	268,434
Increase (decrease) in provision for bonuses	(2,291)	3,490
Increase (decrease) in provision for loss on guarantees	20,705	(12,687)
Increase (decrease) in allowance for doubtful accounts	668,575	330,428
Loss (gain) on valuation of investment securities	34,600	–
Loss (gain) on sale of investment securities	(50,040)	–
Loss on valuation of advance payments	53,004	–
Interest and dividend income	(899)	(7,382)
Interest expenses	–	120
Decrease (increase) in trade receivables	31,819	(14,129)
Decrease (increase) in right to reimbursement	(810,234)	18,124
Decrease (increase) in accounts receivable - other	68,115	107,552
Increase (decrease) in advances received	325,868	(284,987)
Other, net	157,756	(40,821)
Subtotal	1,885,095	1,584,260
Interest and dividends received	770	6,192
Interest paid	–	(156)
Income taxes paid	(808,702)	(861,532)
Net cash provided by (used in) operating activities	1,077,163	728,763
Cash flows from investing activities		
Purchase of property, plant and equipment	(32,008)	(28,339)
Purchase of intangible assets	(446,203)	(423,708)
Purchase of investment securities	(29,997)	(487,704)
Proceeds from sale of investment securities	75,060	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(69,114)
Other, net	(11,950)	(862)
Net cash provided by (used in) investing activities	(445,099)	(1,009,728)
Cash flows from financing activities		
Repayments of long-term borrowings	–	(3,000)
Repayments of lease obligations	(4,824)	(1,720)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	11,534	30,000
Purchase of treasury shares	(164,817)	(200,432)
Dividends paid	(285,711)	(302,738)
Other, net	(662)	(2,499)
Net cash provided by (used in) financing activities	(444,481)	(480,392)
Net increase (decrease) in cash and cash equivalents	187,582	(761,356)
Cash and cash equivalents at beginning of period	2,989,948	3,177,530
Cash and cash equivalents at end of period	3,177,530	2,416,174