

Translation

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Summary of Consolidated Financial Results for the Six Months Ended July 31, 2022 (Based on Japanese GAAP)

September 8, 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 to file Quarterly Securities Report: September 8, 2022
 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, 2022 (from February 1, 2022 to July 31, 2022)

(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, 2022	5,101	(3.5)	325	(38.8)	388	(33.7)	99	(71.8)
Six months ended July 31, 2021	5,283	5.2	532	44.3	586	47.3	354	53.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended July 31, 2022	10.01		9.59	
Six months ended July 31, 2021	35.41		33.58	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2022	13,322	6,664	50.0
As of January 31, 2022	12,906	6,983	54.1

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, 2022	–	0.00	–	30.00	30.00
Year ending January 31, 2023	–	0.00			
Year ending January 31, 2023 (Forecast)			–	30.00	30.00

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
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 six months ended July 31, 2022
 (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: Yes
- 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, 2022	11,204,100 shares	As of January 31, 2022	11,202,700 shares
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Number of treasury shares at the end of the period

As of July 31, 2022	1,268,546 shares	As of January 31, 2022	1,152,746 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, 2022	9,964,103 shares	Six months ended July 31, 2021	10,001,695 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2022	As of July 31, 2022
Assets		
Current assets		
Cash and deposits	2,416,174	2,980,064
Accounts receivable - trade	1,275,383	1,257,048
Right to reimbursement	3,909,847	3,868,779
Accounts receivable - other	676,420	767,928
Other	156,469	162,791
Allowance for doubtful accounts	(2,825,813)	(2,826,923)
Total current assets	5,608,483	6,209,687
Non-current assets		
Property, plant and equipment	67,398	57,000
Intangible assets		
Goodwill	3,179,643	2,924,561
Other	867,323	937,868
Total intangible assets	4,046,966	3,862,429
Investments and other assets		
Deferred tax assets	2,408,009	2,446,847
Other	776,034	746,322
Total investments and other assets	3,184,044	3,193,170
Total non-current assets	7,298,409	7,112,600
Total assets	12,906,892	13,322,287
Liabilities		
Current liabilities		
Current portion of long-term borrowings	12,000	13,000
Income taxes payable	85,877	242,503
Advances received	4,466,657	–
Contract liabilities	–	4,850,038
Provision for bonuses	130,095	153,180
Provision for loss on guarantees	122,708	125,561
Other	1,058,514	1,232,978
Total current liabilities	5,875,851	6,617,261
Non-current liabilities		
Long-term borrowings	45,000	39,000
Other	2,286	1,524
Total non-current liabilities	47,286	40,524
Total liabilities	5,923,138	6,657,786
Net assets		
Shareholders' equity		
Share capital	1,582,142	1,583,128
Capital surplus	1,582,142	1,583,128
Retained earnings	5,200,798	4,995,963
Treasury shares	(1,350,347)	(1,439,203)
Total shareholders' equity	7,014,736	6,723,017
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(33,483)	(61,015)
Total accumulated other comprehensive income	(33,483)	(61,015)
Share acquisition rights	2,500	2,499
Total net assets	6,983,753	6,664,501
Total liabilities and net assets	12,906,892	13,322,287

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, 2021	Six months ended July 31, 2022
Net sales	5,283,807	5,101,282
Cost of sales	2,244,934	2,215,714
Gross profit	3,038,873	2,885,568
Selling, general and administrative expenses	2,506,417	2,559,772
Operating profit	532,455	325,795
Non-operating income		
Interest income	21	31
Dividend income	3,426	3,835
Recoveries of written off receivables	40,230	52,846
Subsidy income	3,300	4,033
Insurance claim income	10,000	–
Other	3,492	4,079
Total non-operating income	60,470	64,826
Non-operating expenses		
Interest expenses	–	224
Commission expenses	1,739	1,489
Special survey costs	4,512	–
Total non-operating expenses	6,252	1,714
Ordinary profit	586,673	388,907
Extraordinary losses		
Impairment losses	–	112,018
Total extraordinary losses	–	112,018
Profit before income taxes	586,673	276,888
Income taxes - current	397,311	216,024
Income taxes - deferred	(164,759)	(38,838)
Total income taxes	232,551	177,186
Profit	354,121	99,701
Profit attributable to owners of parent	354,121	99,701

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2021	Six months ended July 31, 2022
Profit	354,121	99,701
Other comprehensive income		
Valuation difference on available-for-sale securities	41,480	(27,532)
Total other comprehensive income	41,480	(27,532)
Comprehensive income	395,601	72,169
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	395,601	72,169

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2021	Six months ended July 31, 2022
Cash flows from operating activities		
Profit before income taxes	586,673	276,888
Depreciation	32,464	35,123
Impairment losses	–	112,018
Amortization of goodwill	130,950	144,017
Increase (decrease) in provision for bonuses	3,490	23,085
Increase (decrease) in provision for loss on guarantees	2,458	2,853
Increase (decrease) in allowance for doubtful accounts	226,256	1,109
Interest and dividend income	(3,447)	(3,867)
Interest expenses	–	224
Decrease (increase) in trade receivables	(40,837)	18,335
Decrease (increase) in right to reimbursement	(49,610)	41,068
Increase (decrease) in accounts payable - other	(21,787)	50,893
Decrease (increase) in accounts receivable - other	(327,462)	(91,507)
Increase (decrease) in advances received	109,902	–
Increase (decrease) in contract liabilities	–	383,381
Increase (decrease) in deposits received	4,440	124,860
Other, net	15,640	8,810
Subtotal	669,129	1,127,296
Interest and dividends received	2,919	3,276
Interest paid	–	(189)
Income taxes paid	(433,955)	(64,453)
Net cash provided by (used in) operating activities	238,093	1,065,930
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,854)	(503)
Purchase of intangible assets	(191,077)	(95,644)
Purchase of investment securities	(314,385)	–
Payments for security deposit	(6)	(320)
Income of deposit and guarantee money paid	785	120
Other, net	516	552
Net cash provided by (used in) investing activities	(508,022)	(95,795)
Cash flows from financing activities		
Repayments of long-term borrowings	–	(5,000)
Repayments of lease obligations	(958)	(762)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	1,969
Purchase of treasury shares	(200,432)	(100,218)
Dividends paid	(302,409)	(300,981)
Other, net	(1,239)	(1,253)
Net cash provided by (used in) financing activities	(505,040)	(406,245)
Net increase (decrease) in cash and cash equivalents	(774,968)	563,889
Cash and cash equivalents at beginning of period	3,177,530	2,416,174
Cash and cash equivalents at end of period	2,402,561	2,980,064