



Casa

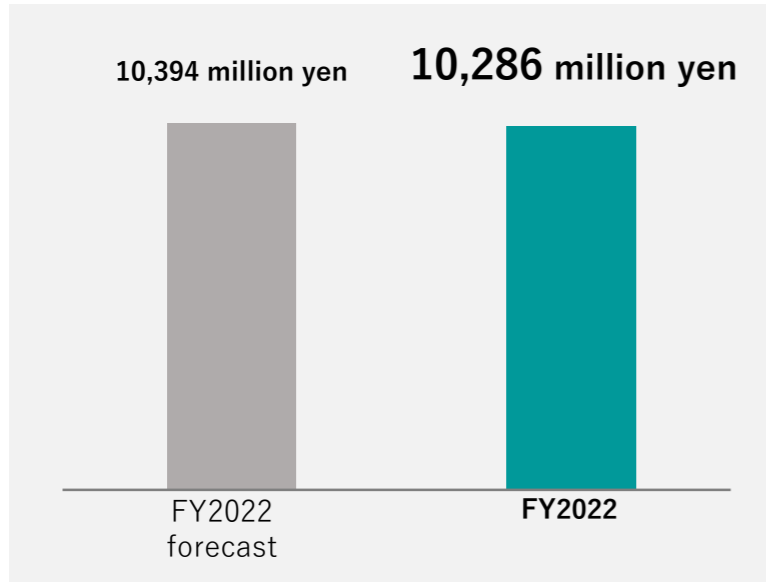
Casa Co., Ltd.

**Fiscal Year Ending January 2023  
Financial Results Briefing  
Materials**

Securities Code: 7196

### Net sales

10,286 million yen



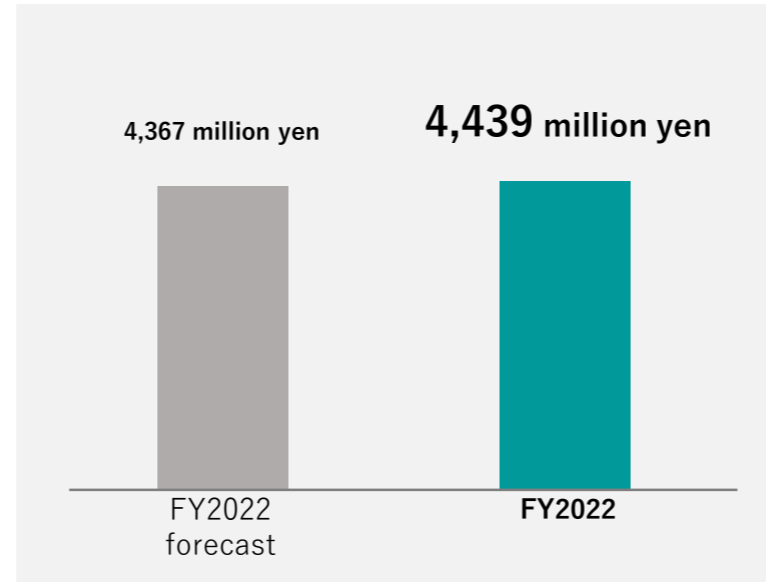
Percent of forecast **99.0%**

Progressed as planned due to steady increase in new contracts

- Initial guarantee fees: 95% of forecast
- Continuous guarantee fees: 103% of forecast

### Cost of sales

4,439 million yen



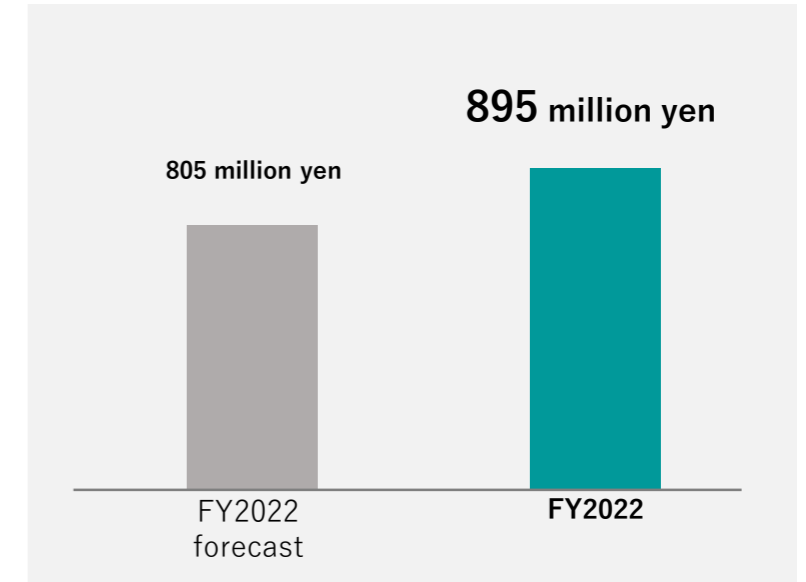
Percent of forecast **101.6%**

Referral fees exceeded the forecast in proportion to the increase in new contracts

- Referral fees: 106% of forecast

### Ordinary profit

895 million yen



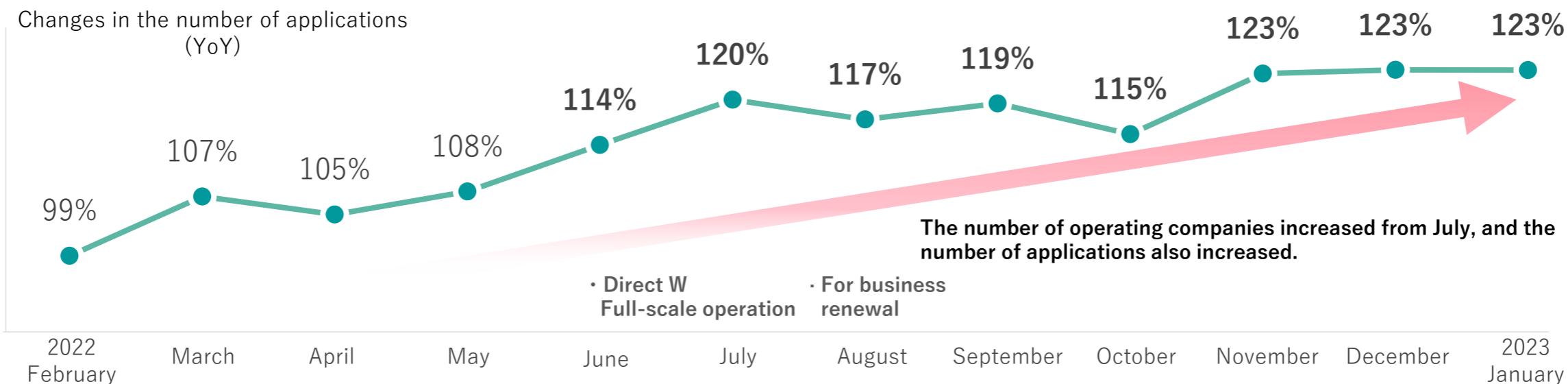
Percent of forecast **111.1%**

Exceeded forecast due to cost reduction

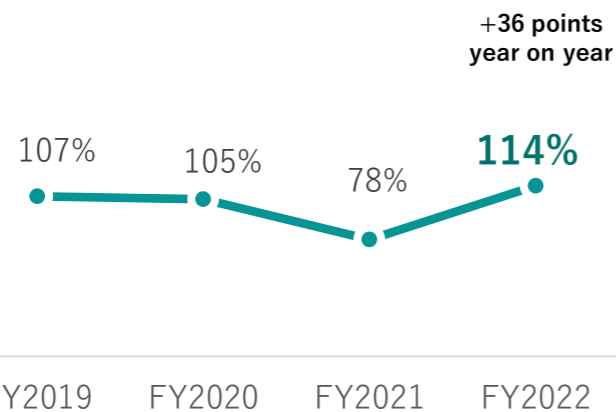
- Decrease in provision of allowance for doubtful accounts: 98% of forecast
- Increase in bad debt recovery: 169.6% of forecast

## Current number of applications increased more than 120% year-on-year

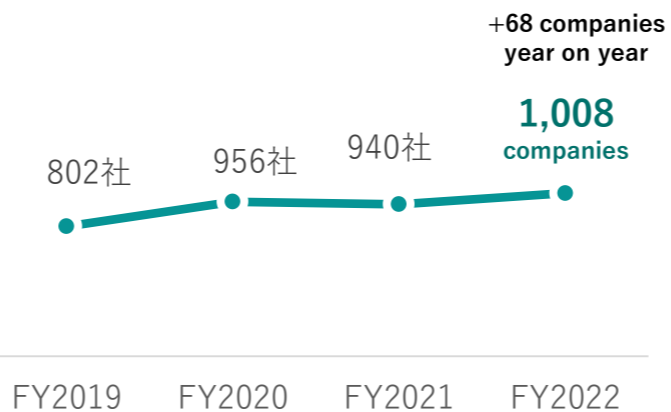
Changes in the number of applications (YoY)



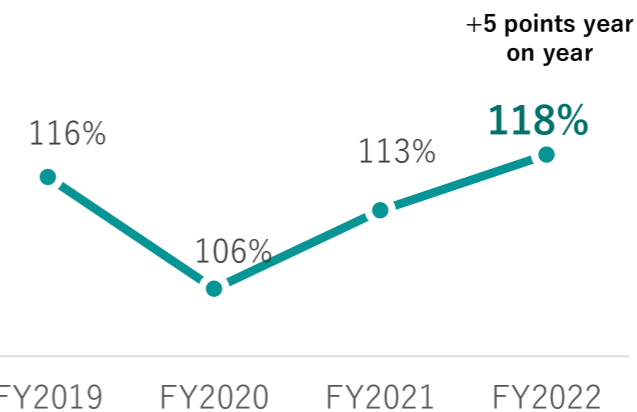
Year-on-year change in number of applications



Number of new distributors acquired (annual)



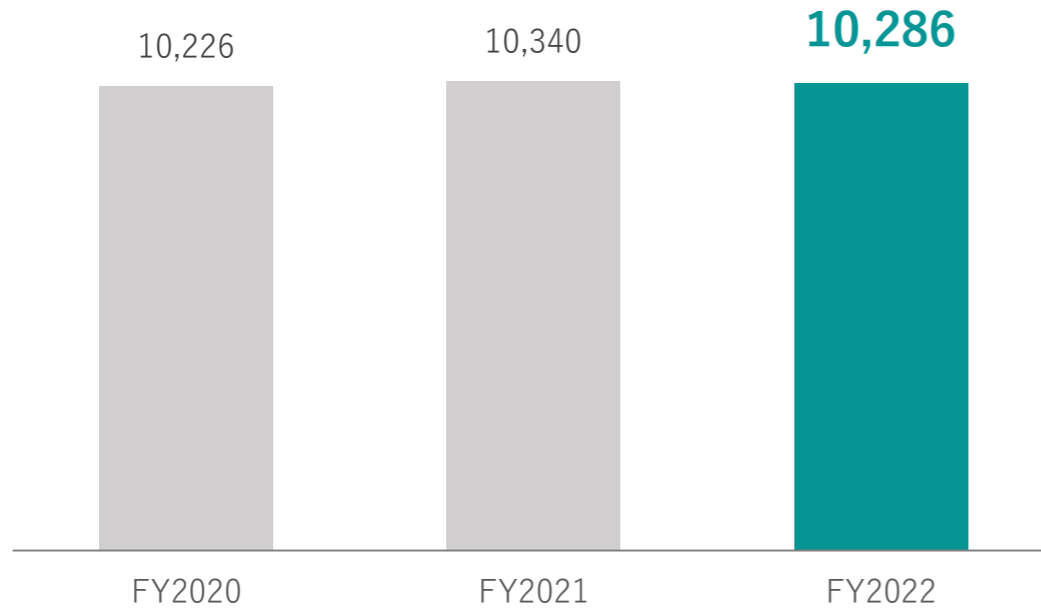
Year-on-year change in the number of active distributors



## Net sales

(One million yen)

**-1%**  
year on year



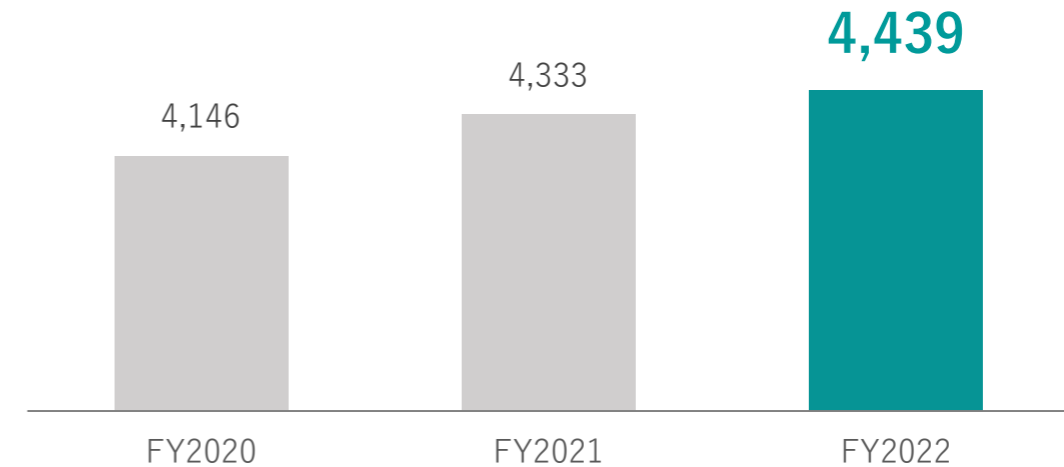
### Sales breakdown

- Initial guarantee fees: 4,996 million yen YoY 99.4%
- Annual guarantee fees: 5,237 million yen, 106.6% YoY

## Cost of sales

(One million yen)

**+2%**  
year on year



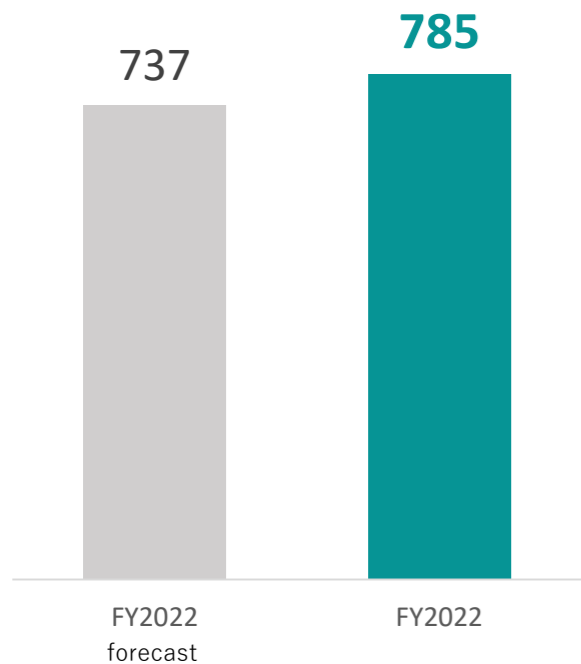
### Cost of sales breakdown

- Provision of allowance for doubtful accounts: 2,425 million yen, 95.7% YoY
- Introduction commissions: 1,095 million yen, 126.8% YoY
- Litigation/disposal costs: 885 million yen, 94.0% YoY

Operating profit

(million yen)

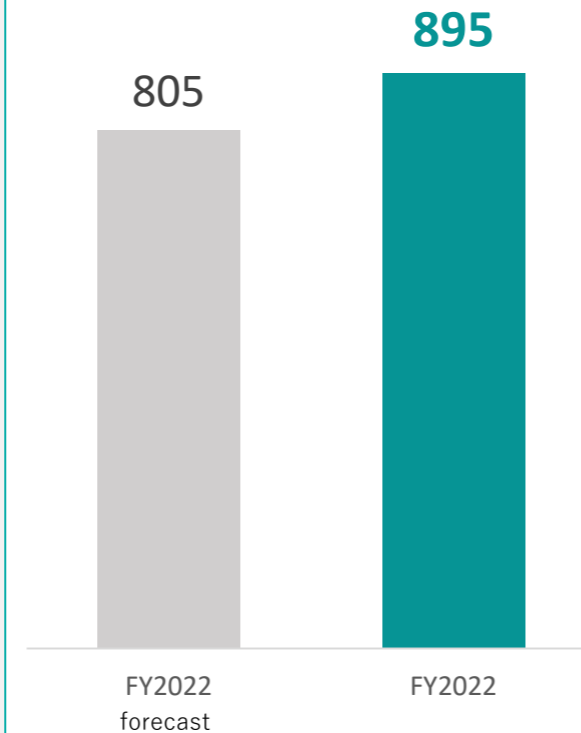
**+6.5%**  
vs forecast



Ordinary profit

(million yen)

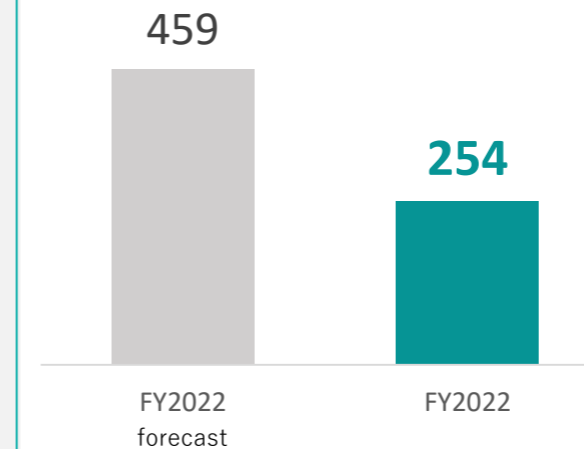
**+11.1%**  
vs forecast



Net income attributable to owners of parent

(million yen)

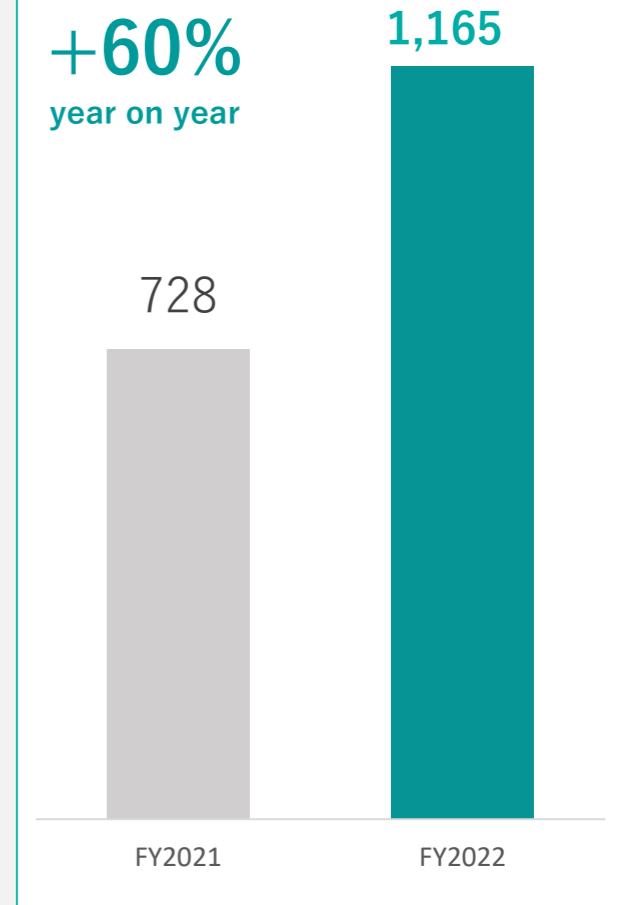
**-44.5%**  
vs forecast



Sales CF

(million yen)

**+60%**  
year on year



Decrease in provision of allowance for doubtful accounts due to strengthening of guarantee underwriting screening system and improvement of receivables management system

Posted 298 million yen in valuation loss on investment securities and impairment loss on goodwill of subsidiaries, etc.

Operating CF significantly increased in line with the increase in contracts

Number of new contracts increased steadily to 117,000, 110% year-on-year

For large and medium-sized companies



## Direct S

OEM products using credit information

FY2022

8,423

new contracts

407%

year on year

For small and medium-sized agencies



## Landlord Direct

Set of products including a money collection agency, lonely death insurance and home contents insurance

FY2022

39,689

new contracts

122%

year on year



## Direct Wide

Guaranteeing peace of mind and covering all risks

FY2022

2,611

new contracts

—

year on year

For all distributors



## Tenant Guarantee

Extensive risk coverage with generous guarantees

FY2022

7,421

new contracts

112%

year on year



# FY2023 Business Forecast

	FY2022	FY2023 Earnings Forecast	
	Total	Total	Year on year change
Unit: million yen			
Net sales	10,286	<b>11,276</b>	109.6%
• Initial guarantee fees	4,996	<b>5,774</b>	115.6%
• Annual guarantee fees	5,237	<b>5,458</b>	104.2%
Cost of sales	4,439	<b>5,016</b>	113.0%
• Introductory fees	1,095	<b>1,245</b>	113.8%
• Lawsuit/disposal expenses	885	<b>1,016</b>	114.8%
• Provision of allowance for doubtful accounts	2,425	<b>2,740</b>	113.0%
Selling, general and administrative expenses	5,061	<b>5,421</b>	107.1%
Operating profit	785	<b>838</b>	106.7%
Ordinary profit	895	<b>929</b>	103.8%
Profit attributable to owners of parent	254	<b>544</b>	213.9%

## Net sales

Initial guarantee fees  
Forecast: ¥5,774 million (116% YoY)  
Forecast new contracts:  
137,000 (117% YoY)

## Cost of sales

Cost of sales will increase due to an increase in new contracts and the number of policies in force

## Selling, general and administrative expenses

Increase in sales and IT personnel  
Increase in costs associated with the launch of the new backbone system



January 2022 initial forecast

Unit: million yen	FY2022 forecast	FY2024 forecast
Net sales	10,394	12,000
Operating profit	737	1,900
Operating margin	7.1%	15.8%

Fiscal year ending January 2023 revised forecast

Unit: million yen	FY2022 results	FY2023 forecast	FY2024 forecast	Forecast change
Net sales	10,286	11,276	12,592	↑ 5%
Operating profit	785	838	1,635	↓ 14%
Operating margin	7.6%	7.4%	13.0%	↓ 2.8 Points

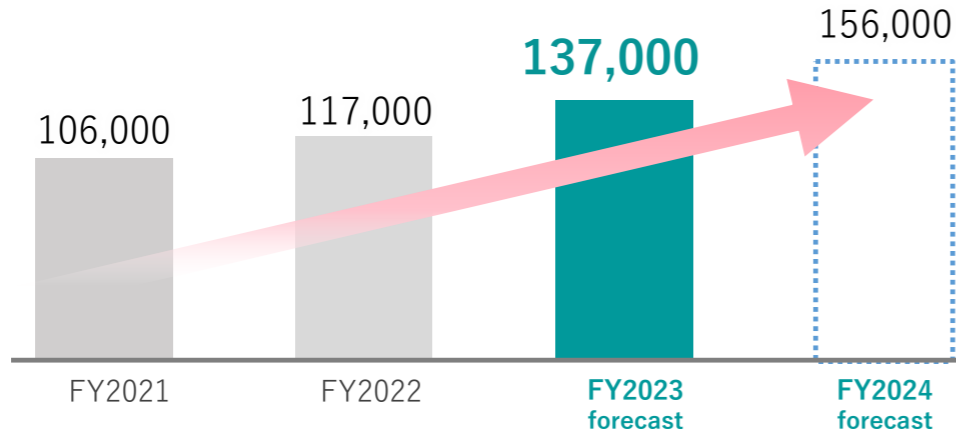
**Review of FY2024 Forecast**  
**Sales: Continued Expansion**

- Strengthen and increase sales personnel
- Expand coverage area by opening new stores
- Continuously provide value-added services

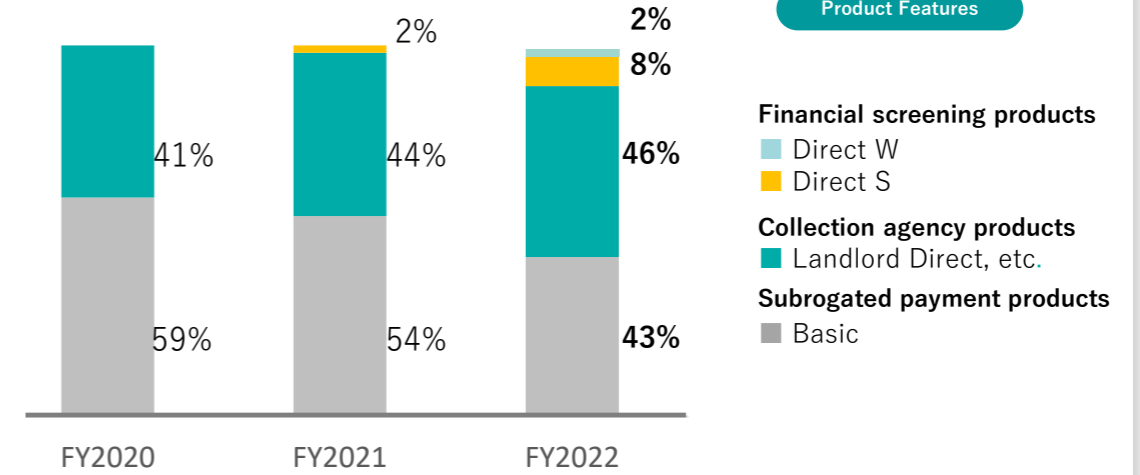
**Operating Income: Investments for Growth**

- Actively recruit sales personnel
- Increase in store opening costs
- Additional development of core system
- System investment for management companies and owners

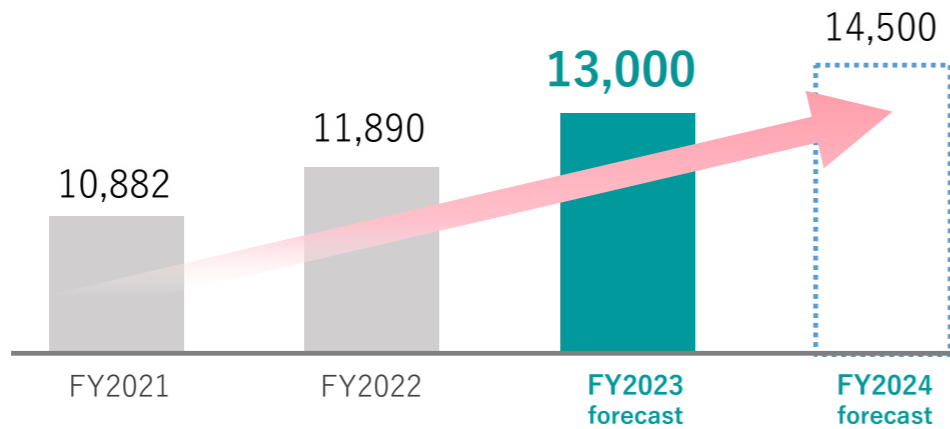
### New contracts



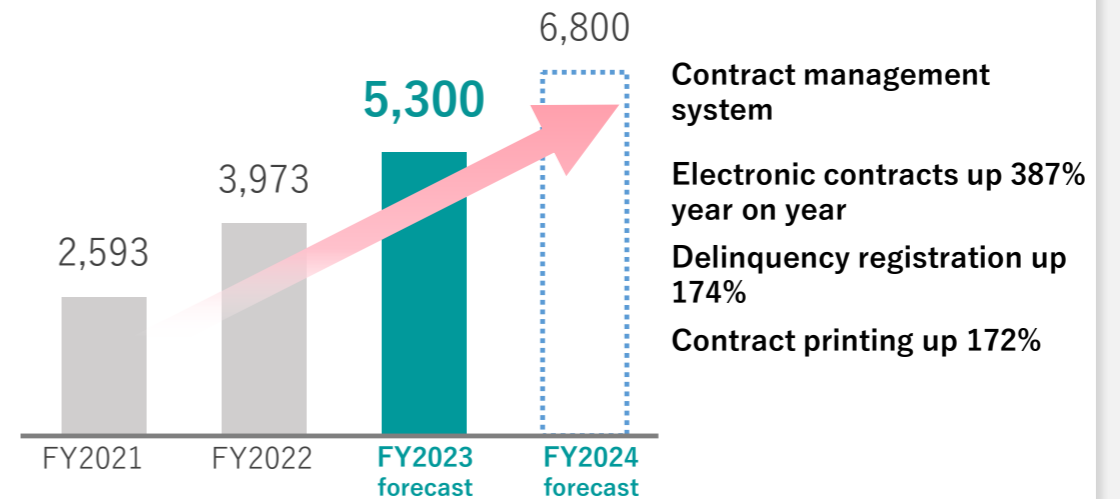
### Contract ratio by product



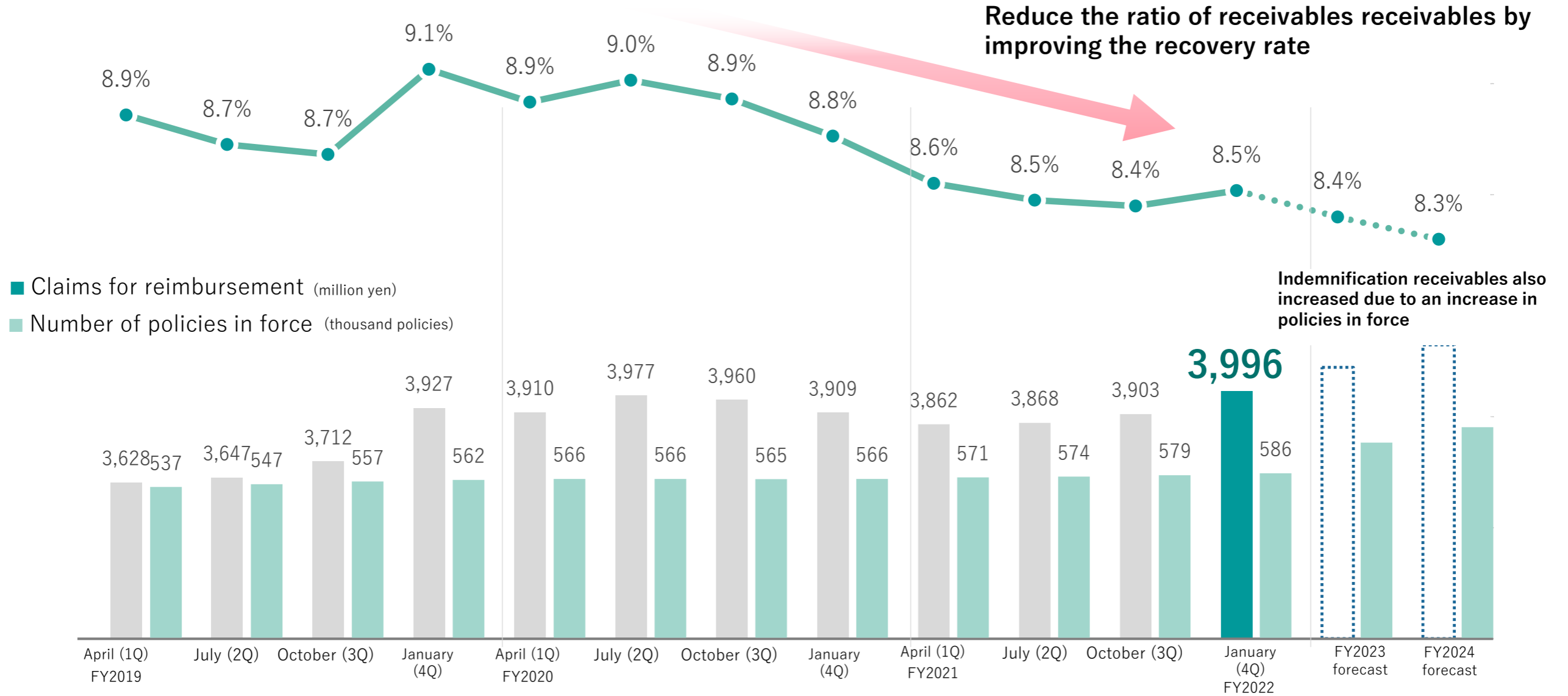
### Number of agencies



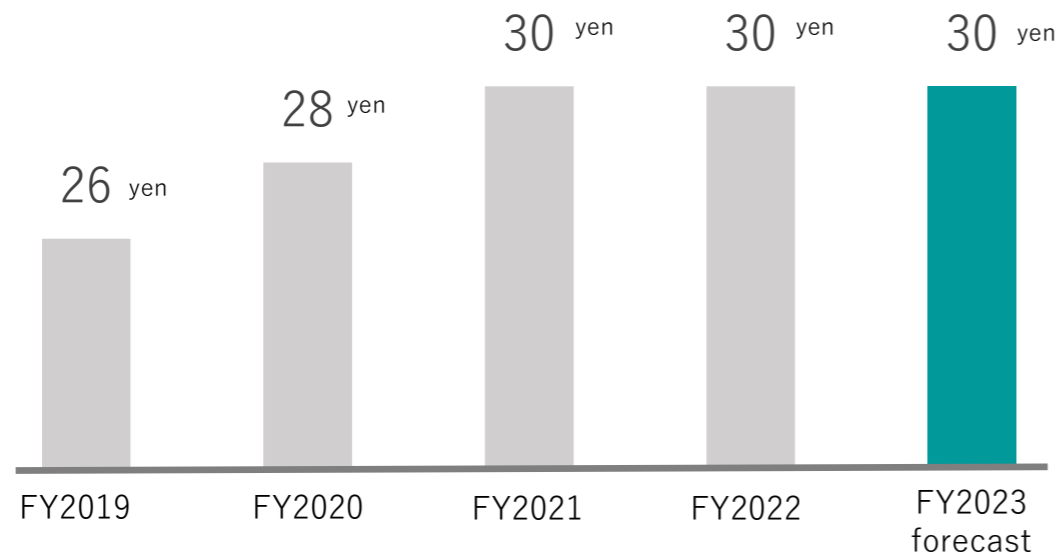
### Number of companies using CasaWEB



● Percentage of receivables: Receivables as a percentage of outstanding balance of guarantees



■ Year-end dividend forecast: **¥30/share**



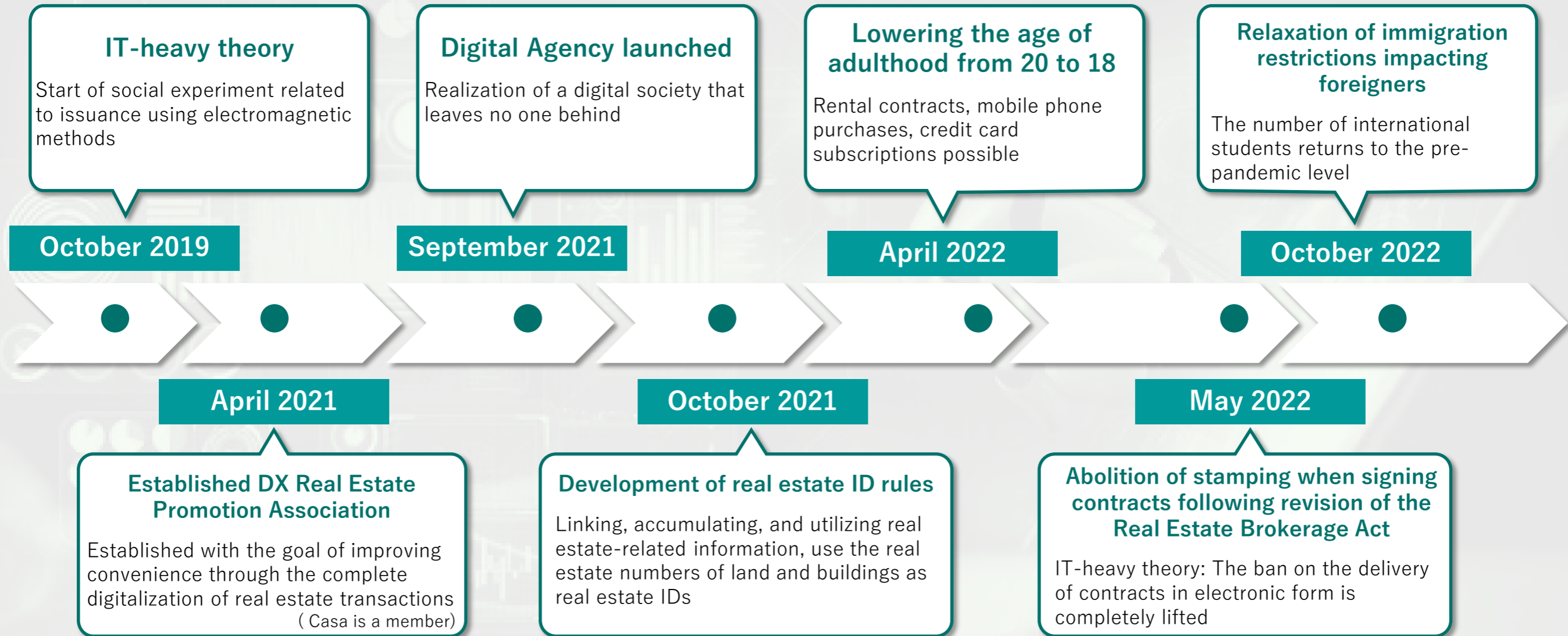
### Dividend policy

Determine profit distribution by balancing internal reserves and dividends considering the development of Casa's businesses and the strengthening of its financial structure. Positioning profit distribution as a management issue, we will continue to pay stable dividends and strive to increase corporate value.

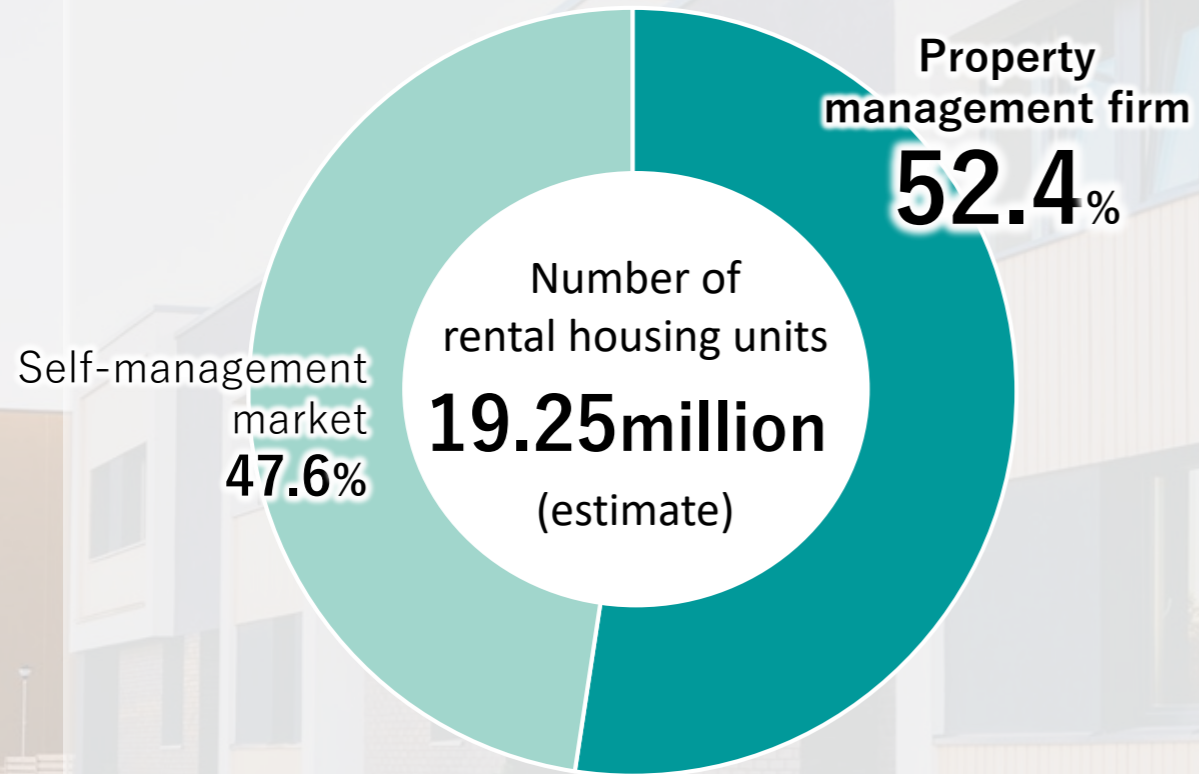


## External Environment

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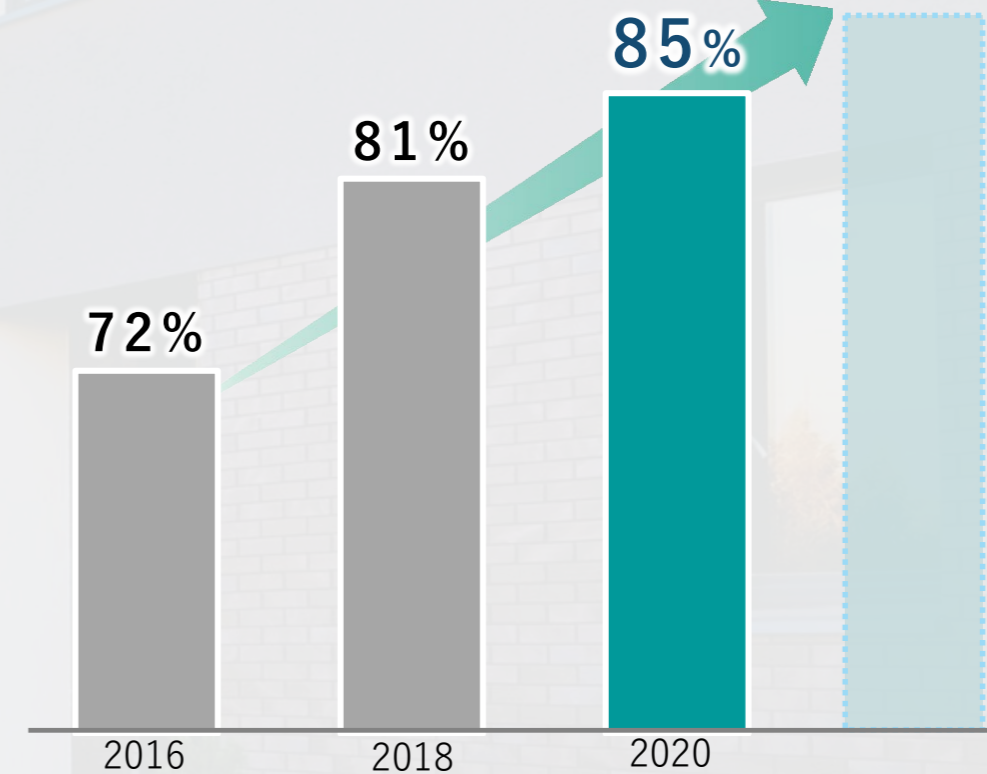
### Breakdown of rental housing



Source: Excerpt from Rental Management Market Data Book 2021-2022 published by Nationwide Rental Housing Newspaper

### Guarantor company usage rate in the management company market

Increased use of guarantee companies due to revisions to the Civil Code, the impact of the COVID-19 pandemic, and the promotion of the DX of real estate



Source: Excerpt from the Japan Rental Housing Management Association's Nihon Kenkyo Tankan Percentage of Landlords Required to Participate in Institutional Guarantees

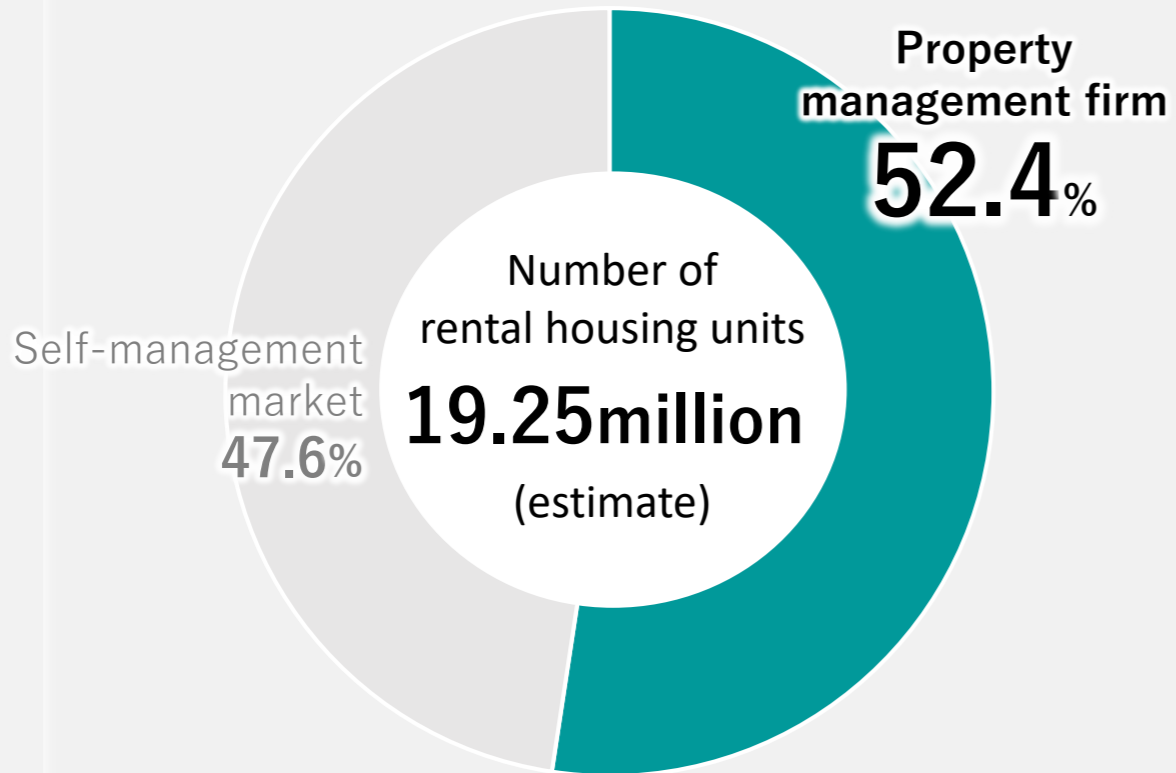


# Growth Strategy

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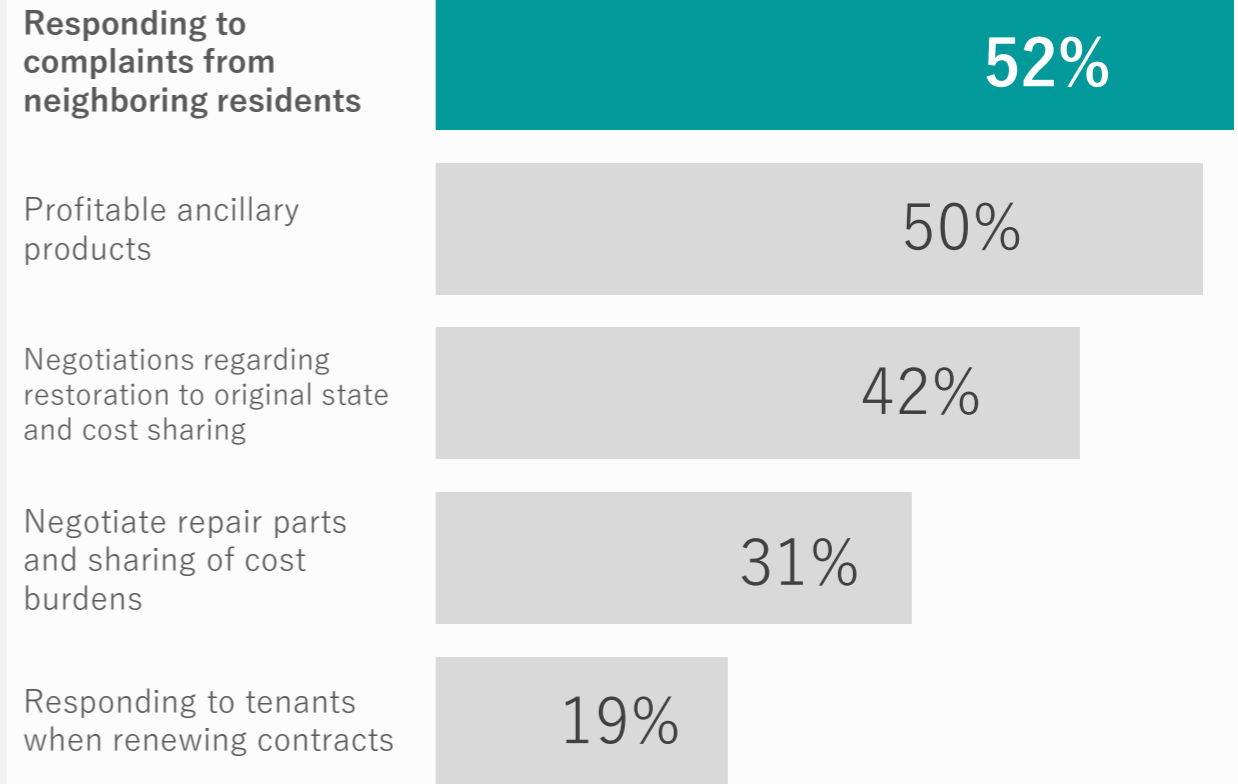


### Breakdown of rental housing



Source: Excerpt from Rental Management Market Data Book 2021-2022 published by Nationwide Rental Housing Newspaper

### Services requested by the management company



Source: Casa research

**Convenience and profitability that appeal to small management companies that are lagging behind in digitalization**

## Provision of services to management companies

## Provision of ancillary services

## Improve operational efficiency



- Provision of tenant management applications
- Construction of neighborhood issue-resolution service

## Expansion of business guarantees

## Increased profit



- Lower security deposit and increased occupancy rate
- Comprehensive warranty, up to 24 months, restoration to original condition, legal procedure costs

## Expansion of warranty services

## Area expansion

## Sales expansion



- New store openings
- Increased sales personnel in metropolitan areas
- Strengthened recruitment activities

## Expansion of the DX of guarantees

## Improving operations

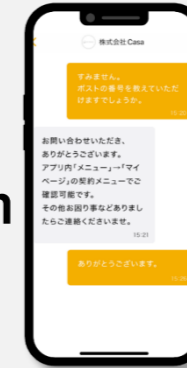


- Operation of the core system
- Improved operational efficiency using AI
- Strengthened cooperation using management software





# Providing services for tenants to improve the efficiency of real estate operations

## Room connect

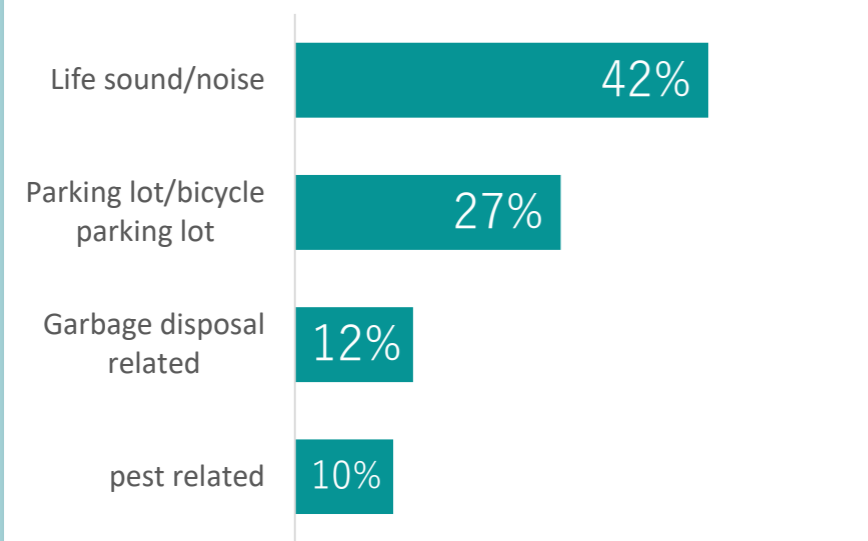
## Chat consultation





## A range of information

-  Warranty service
-  Resident consultation desk
-  Resident move-out notification
-  Web account transfer service

## Content of neighbor issue inquiries



## Notices

- [Request] Regarding garbage separation**  
 Yesterday, at the garbage storage area in the common area, garbage that was different from the collection day...
- Exterior wall painting Repainting matter**  
 The exterior wall will be repainted beginning at the end of this month. There will be some noise...




## FAQ



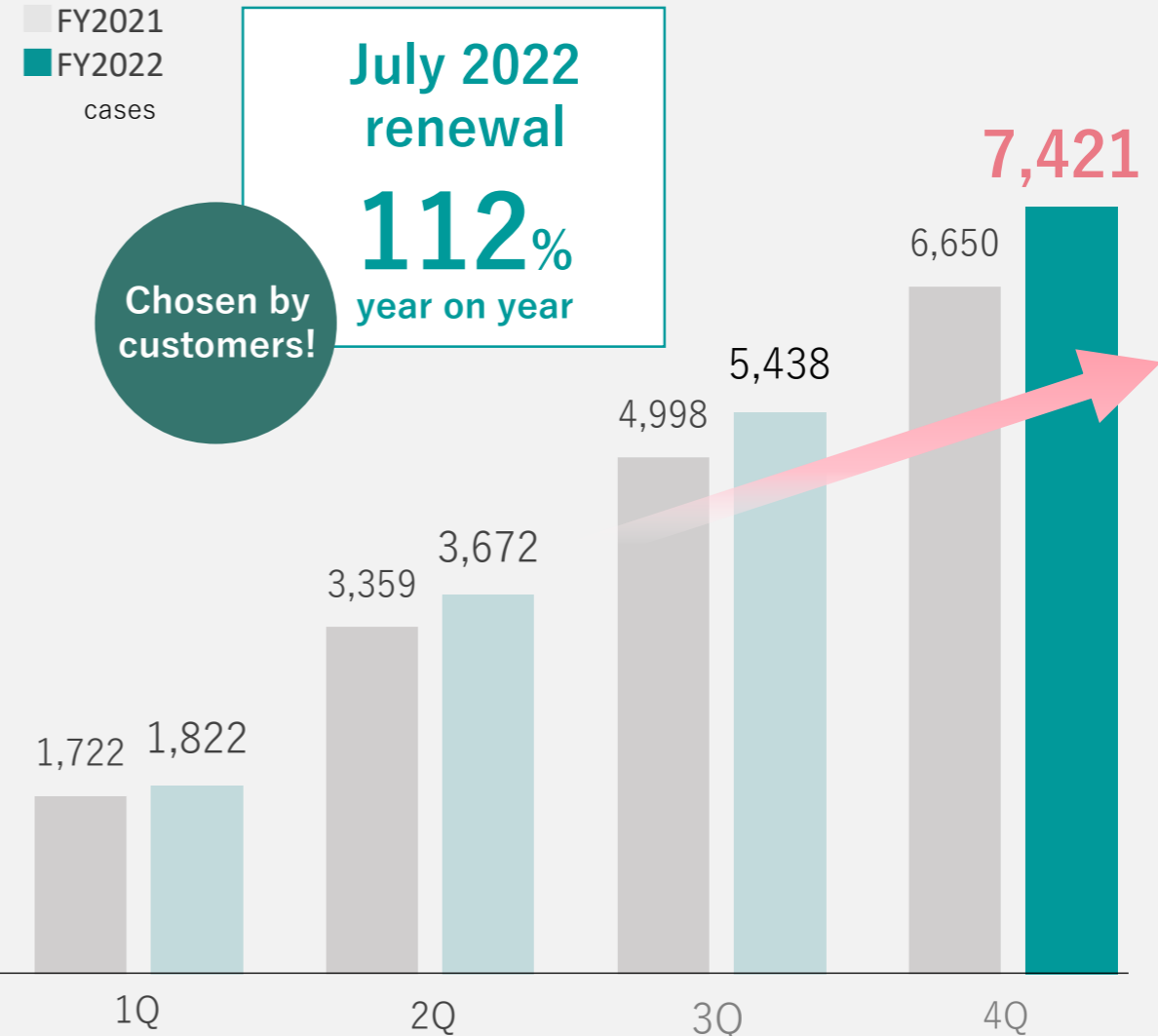
Increase in guarantee needs related to commercial properties such as offices and stores

Earn more with peace of mind guarantee

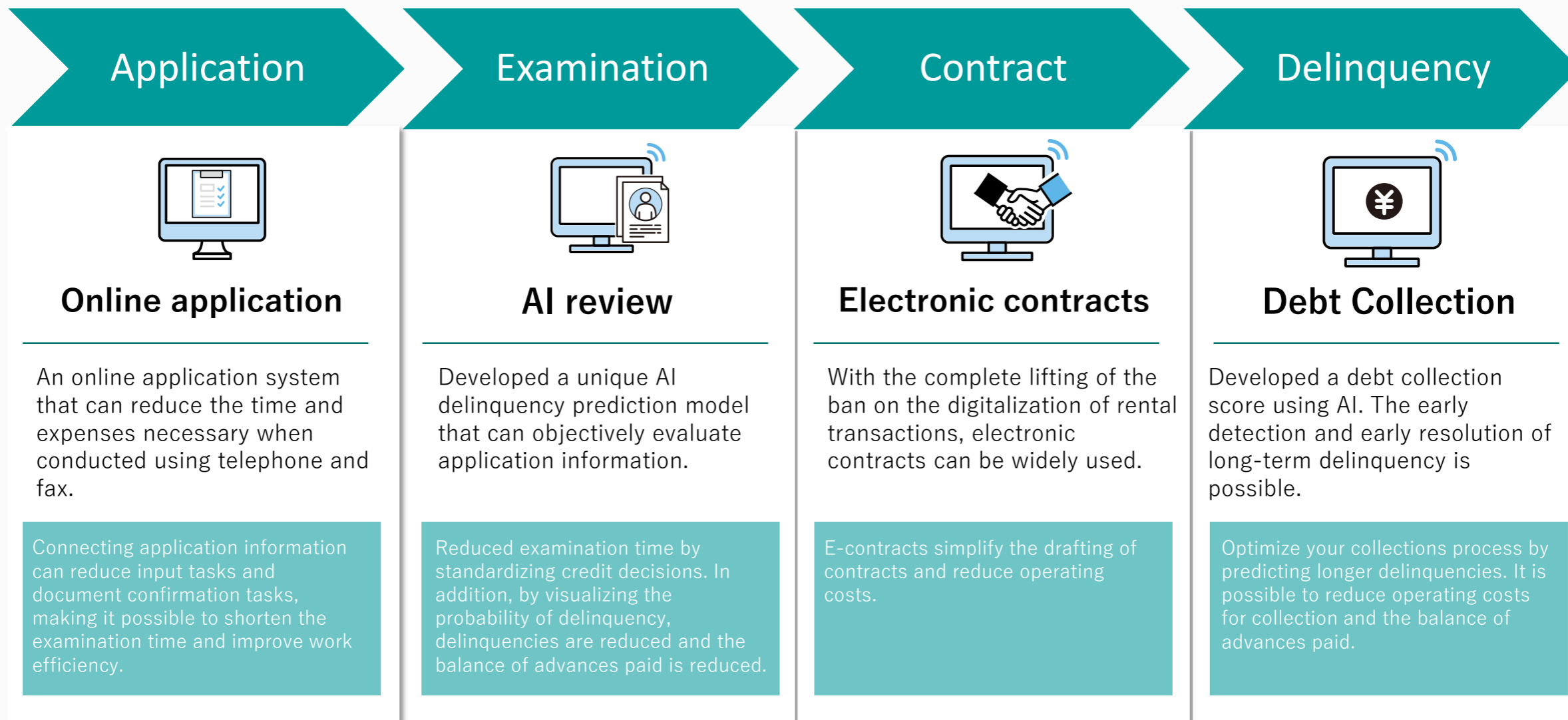


 <p><b>Increased tenant occupancy rate</b></p>	<p>Expanding opportunities to move in by reducing security deposits and key money Average security deposit: 10 to 12 months</p>
 <p><b>high profitability</b></p>	<p>Residential rent average 50,000 yen* 120,000 yen for business use</p> <p><small>*Casa survey based on nationwide rent trends, etc.</small></p>
 <p><b>Longer tenancy period</b></p>	<p>Stable rental income is possible</p>

Business guarantee contract track record



Aiming to standardize and streamline operations by digitalizing guarantee operations





# COMPÄSS



## Self-management market

(COMPASS's target market)

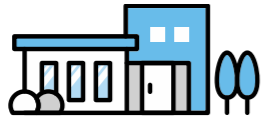
Number of rental housing units  
**19.25 million**  
 (estimate)

Market share

**47.6%** Approximately 9 million units

Source: Rental Management Market Data Book 2021-2022 published by Zenkoku Rental Housing Newspaper

### The average landlord using COMPASS



Owns 8 to 15 units



Average building age:  
34 years

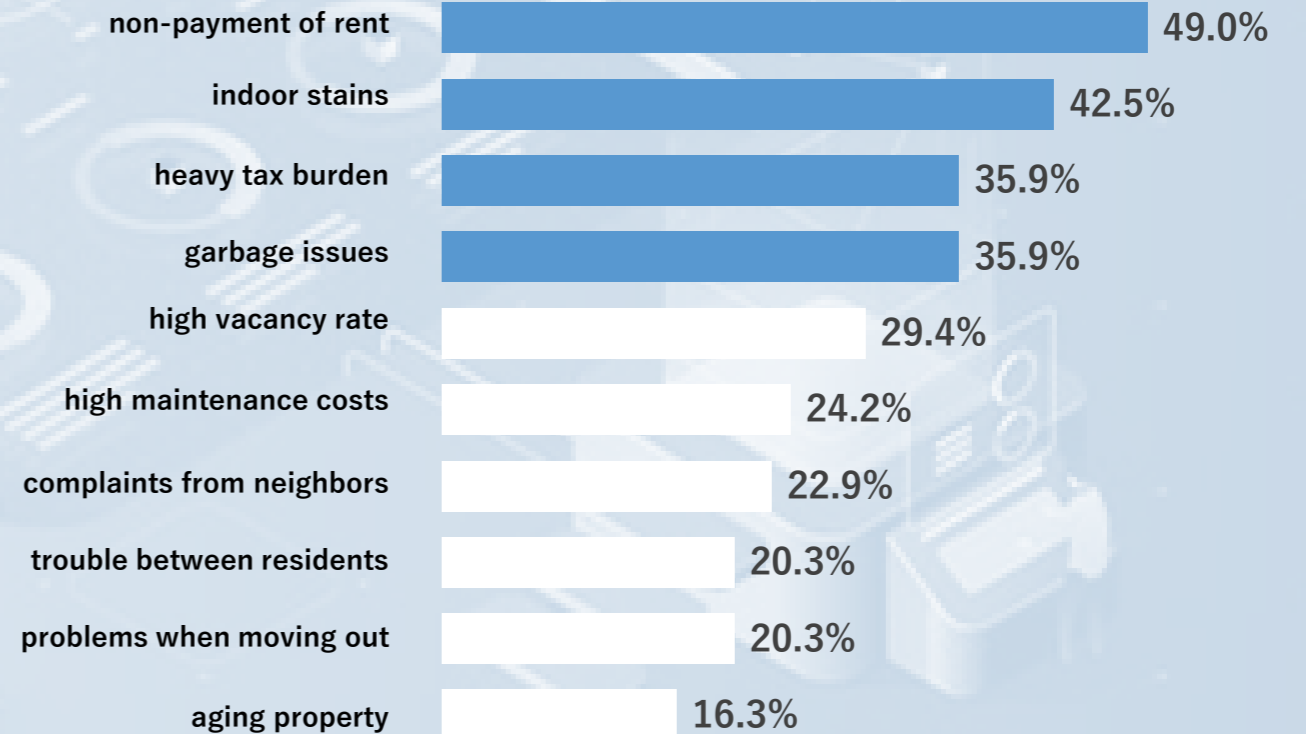


Management method:  
Voluntary management



30 to 50 years old

### Rental management problems



Achieving closer communication by rebuilding the world directly connected to the owner

Tenant support functions

Rental management functions



Collection of rent

Rent management/Rent guarantee

Renewal/cancellation procedures

Claim management

Resident recruitment

- Distribution between traders/posting report submission

Responding to neighborhood issues

Handling small complaints

Equipment problems

hanging service

Electronic contracts/contract drafting

Storage of lease agreements

Deposit/withdrawal management

Contract/renewal/cancellation management

Building/property management

Cleaning, construction reports, eviction witness

Income and expenditure reports

- Monthly/annual income and expenditure reports, profit forecasting





Order confirmation requests

- Confirmation of feasibility of equipment and construction orders



# OwnerWEB

Easy rental management with OwnerWEB  
Beyond rent guarantees, OwnerWeb makes it easy to approach customers on the web!

<p><b>Resident recruitment</b></p> 	<p><b>Rent management</b></p> 	<p><b>Resident support</b></p> 	<p><b>Witnessing move out</b></p> 
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Great for self-managed owners

## Full-service content



**lonely death insurance**

Covers a wide range of expenses, including accident response costs, restoration costs and rent loss.



**home insurance**

Eliminates the need to subscribe to household contents insurance and the omission of renewal when renewal is necessary.



**rush**

24-hour rush service. Eliminates hassle for the owner.

## Available directly to the owner!

### Internet application

Procedures for uploading, changing, and canceling warranty application documents can be completed smoothly online. Procedures can be done anytime, anywhere.



### Electronic contracts

Rental contracts can be created together with guarantee contracts and contracts can be signed electronically as they are.



## Holding owner seminars



Holding joint seminars, etc. together with landlord groups



## Owned media



Providing information about rental management secrets, trends, investments, etc.



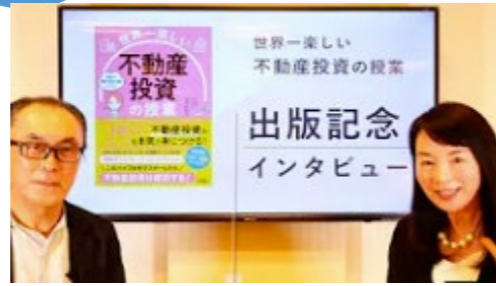
## Participation in owner fairs



Regular participation to resolve owners' doubts



## Event

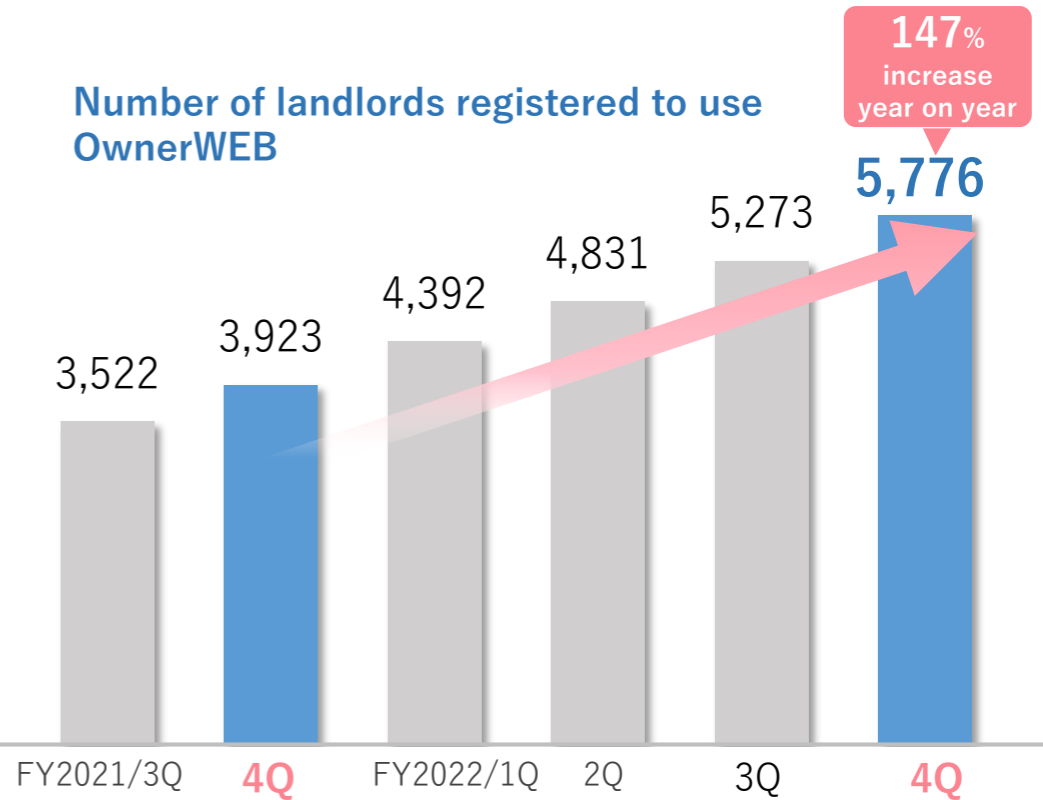


Special lecture by Casa's charismatic owner

## Landlord acquisition trends

Electronic contract usage rate **60.4%**

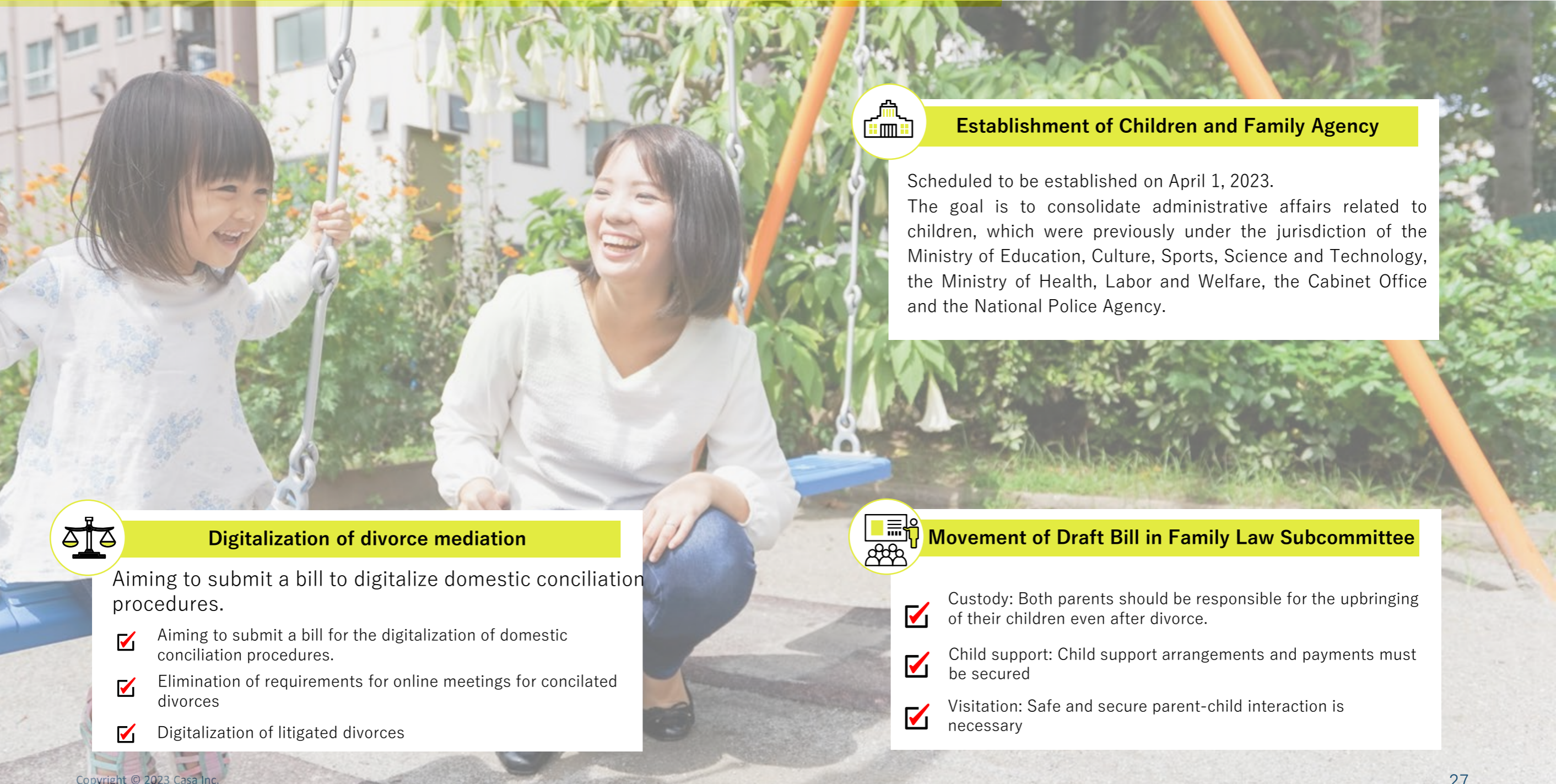
Number of landlords registered to use OwnerWEB



# 養育費保証

When a child smiles, mom feels at ease.  
Children feel safe when mom smiles.





## Establishment of Children and Family Agency

Scheduled to be established on April 1, 2023.

The goal is to consolidate administrative affairs related to children, which were previously under the jurisdiction of the Ministry of Education, Culture, Sports, Science and Technology, the Ministry of Health, Labor and Welfare, the Cabinet Office and the National Police Agency.



## Digitalization of divorce mediation

Aiming to submit a bill to digitalize domestic conciliation procedures.

- ✓ Aiming to submit a bill for the digitalization of domestic conciliation procedures.
- ✓ Elimination of requirements for online meetings for conciliated divorces
- ✓ Digitalization of litigated divorces



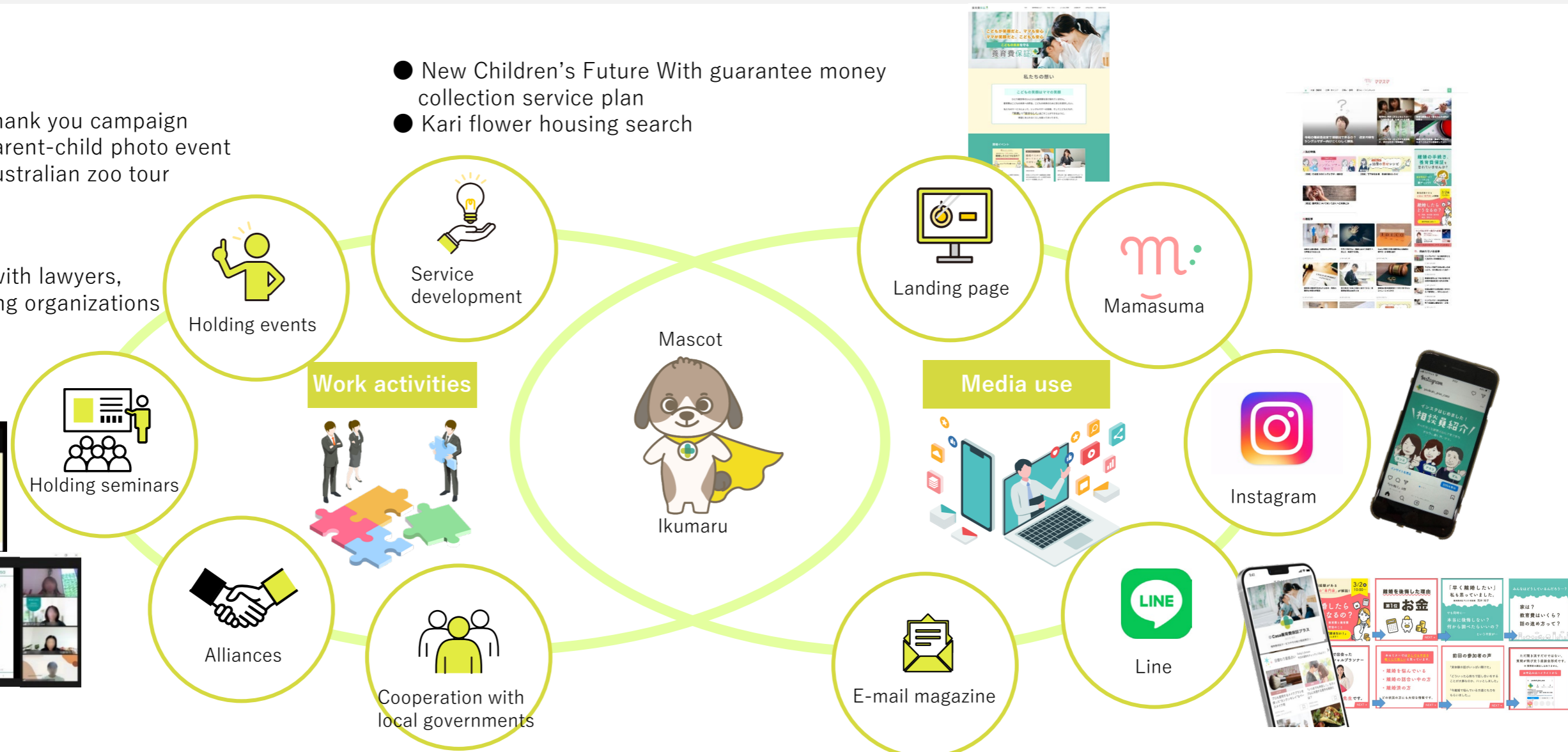
## Movement of Draft Bill in Family Law Subcommittee

- ✓ Custody: Both parents should be responsible for the upbringing of their children even after divorce.
- ✓ Child support: Child support arrangements and payments must be secured
- ✓ Visitation: Safe and secure parent-child interaction is necessary

- Thank you campaign
- Parent-child photo event
- Australian zoo tour

- New Children's Future With guarantee money collection service plan
- Kari flower housing search

- Holding seminars with lawyers, FPs, and cooperating organizations

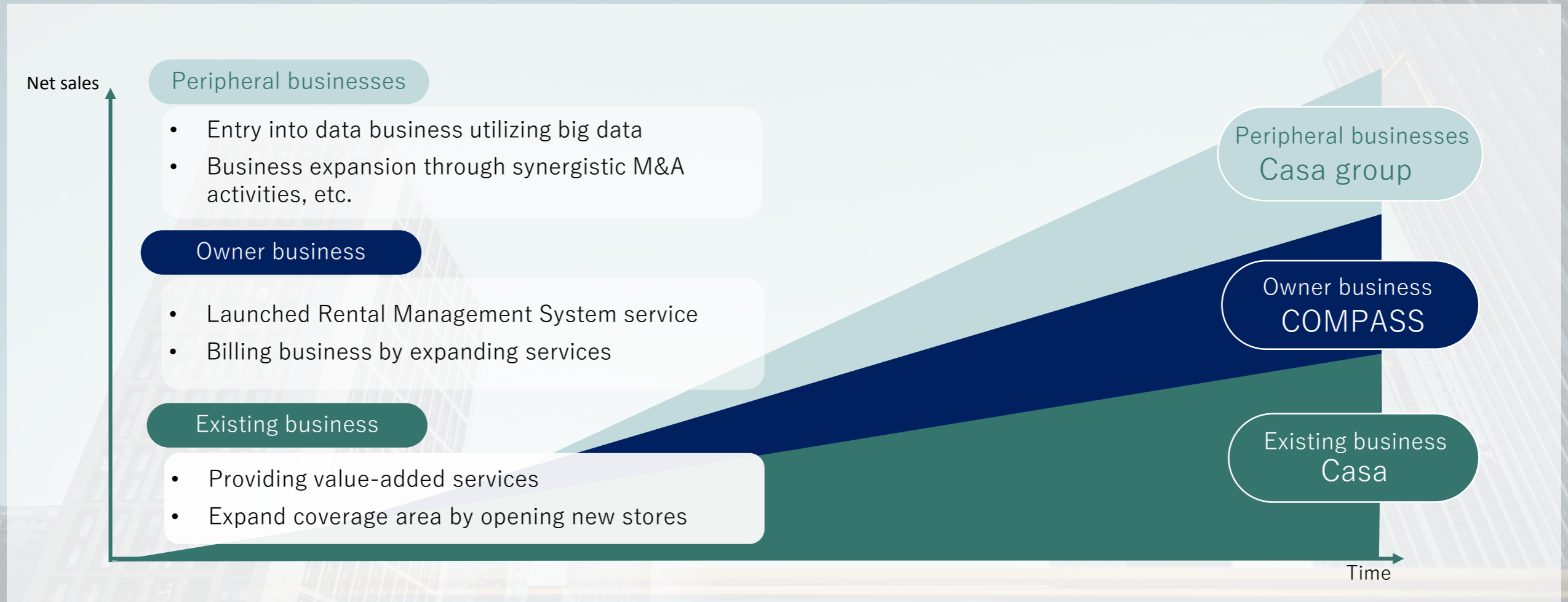


**Expanded to 216 local governments** as of February 2023

- Subsidies for expenses such as preparation of notarized deeds, etc.
- Subsidy for child support guarantee fees

In the short term, we will focus on strengthening the profitability of existing businesses, while at the same time working on owner businesses.

In the medium to long term, we will work to strengthen services for self-managed landlords and expand into peripheral businesses.



## Contributing to the achievement of the SDGs by revitalizing the real estate market

The business's contributions to society

### Comfortable living with extended guarantees

Rent guarantees and child support guarantees are important services that form the foundation for people's housing. Eliminating the need for a joint guarantor for tenants not only stabilizes landlords' rental management, but also realizes a society where everyone can live with peace of mind and build better relationships.

#### The SDGs that the guarantee business contributes to achieving:



### A co-creative society realized by the real estate DX platform

The real estate DX platform provided by COMPASS collaborates with stakeholders such as residents, landlords and management companies to create new customer experiences for all of them. In addition to improving efficiency through systematization and the use of the internet, we are also working to meet unmet needs through collaborations with other industries.

#### The SDGs that the real estate DX platform contributes to achieving:





# E

## Environment

Paperless operations and the reduction of CO<sub>2</sub> emissions through collaborations with food bank organizations



In the real estate industry, where fax and paper contracts are mainstream, internet-based operations for homes enable DX to streamline operations.



Participated in a food bank organization as a sponsor and provided food assistance to residents.



# S

## Society

Realization of safe living environments through rent guarantees and child support guarantees



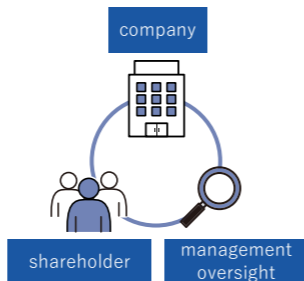
Maintain a healthy living environment by providing residents, single parents and children with safe lives.



# G

## Governance

Achieving highly transparent management by complying with laws and regulations and strengthening information management



Strengthen the system by inviting experts and ex-police officers to direct the Compliance and Risk Management Committee and provide training.

## ESG data

As of the end of FY2022

### Percentage of workers that are women



Full-time employees: 37.2%  
Part-time employees: 91.7%

### Percentage of assistant managers that are women



24.8%

### Percentage of employees in a managerial position that are women



12.7%

### Percent of applicable employees that take childcare leave by employee gender



Male: 6.7%  
Female: 100.0%

### Percent of acquired paid leave taken by employee gender



Male: 55.8%  
Female: 85.6%

### Turnover



Full-time employees: 7.0%



# Identification of problems in the rent guarantee industry

We aim to actively work to solve problems and boldly contribute to the development of a healthy industry.

## Collection of dunning fees from tenants



Residents may be charged unreasonable fees. An example of this is “reminder fees” which are charged each time a tenant fails to pay their bills. Depending on the amount, this fee may be disadvantageous to the resident, so we do not collect dunning fees.

## Cancellation of guarantee contract when the management company changes



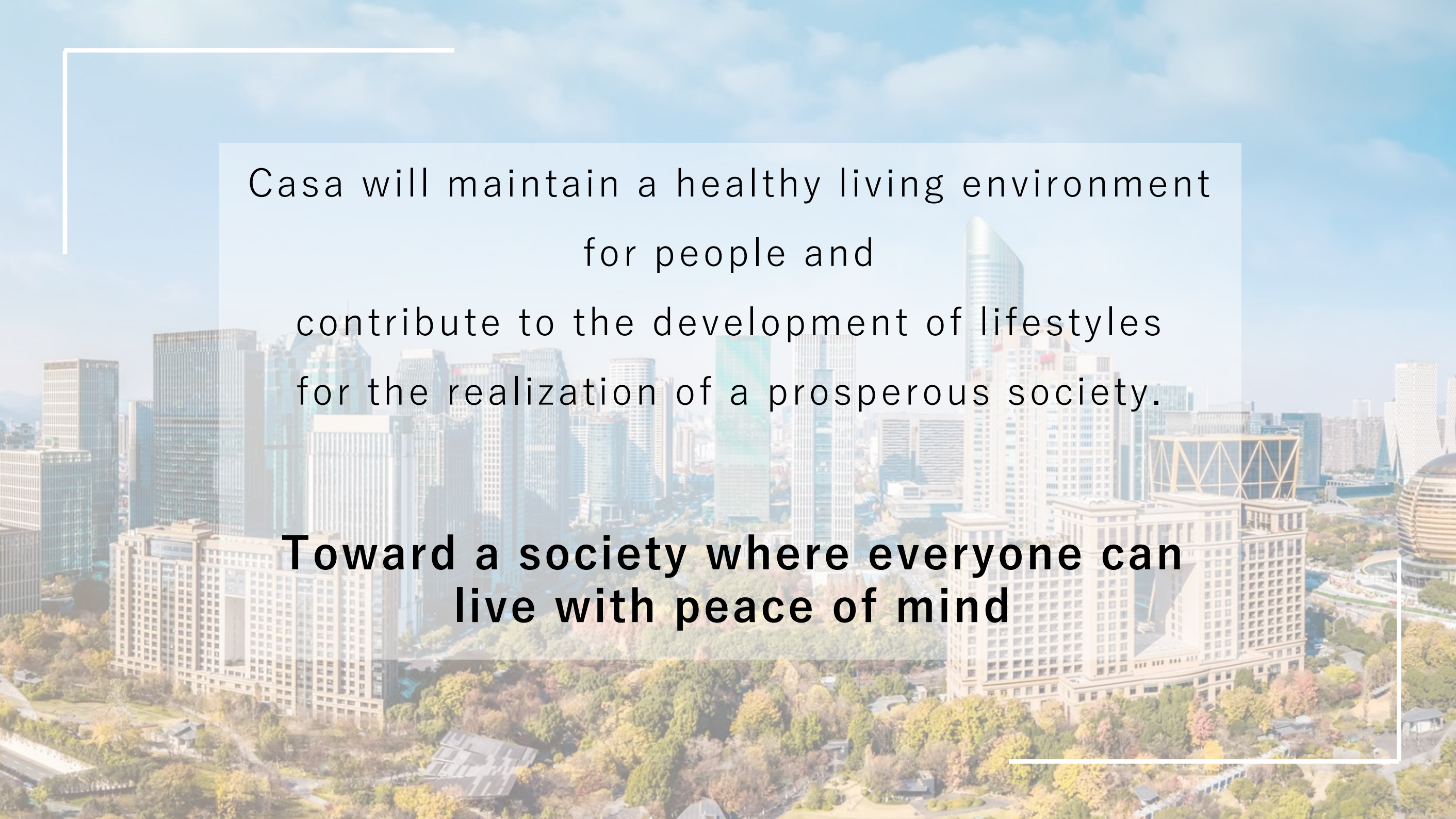
If the rental property you live in is bought or sold and the management company changes, the guarantee contract you signed may be cancelled. In this situation, elderly people and single people with no relatives would have to enter into a contract with a new guarantee company and pay guarantee fees again, so we do not have contracts that cancel the guarantee.

## Guarantor company seeking a guarantor



Some guarantor companies may request a joint guarantor if there are problems with the resident's credit information or if the resident does not have sufficient credit. In spite of being a guarantor company, requesting a personal guarantor for the maintenance of the company is a heavy burden on the policyholder. Therefore, we do not enter into contracts that require a guarantor.

**Based on our corporate philosophy, we do not engage in acts such as these.**

An aerial photograph of a city skyline, featuring numerous skyscrapers and modern buildings. The foreground is dominated by a dense forest of trees with autumn foliage in shades of yellow, orange, and green. A semi-transparent white rectangular box is overlaid on the upper half of the image, containing text. The text is centered and reads: "Casa will maintain a healthy living environment for people and contribute to the development of lifestyles for the realization of a prosperous society." The text is in a clean, sans-serif font. The background shows a mix of architectural styles, from traditional brick buildings to modern glass skyscrapers. The sky is a clear, light blue with some wispy clouds.

Casa will maintain a healthy living environment  
for people and  
contribute to the development of lifestyles  
for the realization of a prosperous society.

**Toward a society where everyone can  
live with peace of mind**

- In addition to our business and industry trends, this document also discusses our future prospects based on our current plans, estimates and forecasts.
- These forward-looking statements contain various risks and uncertainties.
- Already known or unknown risks, uncertainties and other factors may or may not lead to results that are different than those contained in the forward-looking statements.
- We can not promise that our forward-looking statements are correct, and our results may differ materially from our forward-looking statements.
- The forward-looking statements in this document are made by us based on the information available as of March 9, 2023, and do not reflect any future events or circumstances. We do not bear any responsibility to update or change the content of these statements.