



April 27, 2023

Company Name Casa Inc.
Representative President Seigo Miyaji
(Securities code: 7196 Tokyo Stock
Exchange Prime Market)
Inquiries Director Ichiro Kashima
(TEL: 03-5339-1143)

Regarding the Progress on the Plan for Meeting the Continued Listing Criteria

On December 22, 2021, the Company submitted a plan for compliance with the criteria for continuing to be listed in the new market segment and disclosed the contents of this plan. We would like to inform you that we have prepared the following report on the status of our progress on the plan as of the end of January 2023.

1. Changes in the status of the Company's compliance with the continued listing criteria and the plan period

As of the end of January 2023, the status of the Company's compliance with the criteria for continued listing criteria on the prime market is as shown in the table below, including trends, and the criteria for the market capitalization of the Company's tradable shares has not been met. We will continue to promote a range of initiatives to meet the continued listing criteria by the end of January 2025.

		Number of shareholders ² (people)	Number of tradable shares (units)	Tradable share market capitalization (million yen)	Tradable share ratio (%)	Average daily trading value (million yen)
Compliance status and trends	As of the end of June 2021	-	71,456	6,812	64.4	122
	As of the end of December 2022	-	-	-	-	33
	As of the end of January 2023	15,297	60,399	5,210	53.4	-
Continued listing criteria		800	20,000	10,000	35.0	20
Compliance status ¹		In compliance	In compliance	Not in compliance	In compliance	In compliance
Plan period		-	-	End of January 2025	-	-

1. The Company's compliance status is calculated based on the distribution of the Company's stock certificates, etc., as determined by the Tokyo Stock Exchange as of each record date.

2. The number of shareholders is the number of shareholders who own one or more units of stock.

2. Implementation status and evaluation of efforts to conform to the continued listing criteria (February 2022 to January 2023)

Based on the plan for conforming to the continued listing criteria for the new market segment disclosed on December 22, 2021, the Company will continue to increase its corporate value based on its medium-term management plan, setting the period until the end of January 2025 as the planning period. We have aimed to continuously improve our market capitalization by improving our stock price and obtaining an appropriate evaluation in the stock market.

However, the market capitalization of tradable shares decreased 1.602 billion yen from 6.812 billion yen as of the end of June 2021 to 5.210 billion yen, and this does not meet the continued listing criteria. As stated in the Notice of Change in Largest and Major Shareholders disclosed on October 28, 2022, the main reason for this is that the acquisition of our common stock will increase the tradable share ratio from 64.4% at the end of June 2021. It has decreased to 53.4%.

To meet the criteria for the market capitalization of tradable shares, it is necessary to improve the stock price and increase the number of tradable shares, which are the components of the market capitalization of tradable shares. We believe that is the main factor.

The implementation status and evaluation of specific efforts to date are as follows.

(1) Improvement of medium- to long-term corporate value

① Formulation and promotion of medium-term management plan

In March 2022, we formulated a medium-term management plan (February 2022 to January 2025) and have been working on it.

In the first year of the plan that ended in January 2023, we provided services that matched the scale of the real estate management company that is our agent.

We mainly provided Direct S to large and medium-sized property management companies and Landlord Direct to small property management companies. We also focused on sales of business guarantee services.

As a result, the number of new contracts increased 10.0% year on year to 117,182.

Due to an increase in the number of contracts in force, the balance of rent liability guarantees increased 2,339 million yen from the end of the previous fiscal year. 3,996 million yen, almost unchanged from 3,996 million yen.

As a result, sales fell short of the plan by 1.0%, but operating income exceeded the target by 6.5%.

	Net sales	Operating profit	Operating margin
January 2023 plan	10,394 million yen	737 million yen	7.1%
January 2023 results	10,286 million yen	785 million yen	7.6%
Planned ratio	99.0%	106.5%	0.5 pt

② Promotion of real estate DX

To reduce operating costs for real estate management companies and our company, we have expanded the functions of the CasaWEB contract management system and linked it to management software to expand its use. As a result, 57.5% of guarantee contracts utilized CasaWEB, compared to the planned 40.0%.

For self-managed landlords, we released the OwnerWEB guarantee support system, and implemented promotional activities through internet advertisements and seminars. As a result, we reached 5,776 registered users.

(2) Acquisition of an appropriate evaluation in the stock market

① Stable and continuous dividends

With April 28, 2022 as the effective date, we paid a year-end dividend of 30 yen per share.

② Aggressive IR activities

In addition to holding financial results briefings for institutional investors and analysts twice a year and

holding individual interviews quarterly, we also disclosed quarterly financial results and financial results briefing materials in English to provide information to overseas investors. We also continuously provide information about our business on our IR website. In addition, we have introduced an electronic voting platform for voting at our annual shareholders' meetings to improve communication with investors.

③ Ongoing SDGs and ESG initiatives

One of our main initiatives is our continued efforts to reduce food loss by moving contracts online and promoting the paperless processes associated with this, and by cooperating with food bank organizations. We are also a strong supporter of single parents and children.

In addition to establishing a Director Nomination and Compensation Committee, our Compliance and Risk Management Committee which includes former police officers meets regularly, and we conduct in-house training.

3. Future issues and efforts to comply with the continued listing criteria

Based on the initial plan, we will continue to promote a range of initiatives to improve medium- to long-term corporate value and acquire an appropriate evaluation in the stock market in to satisfy the criteria for the market capitalization of tradable shares, which currently does not meet the standard.

(1) Revision and implementation of the medium-term management plan

We have revised our medium-term management plan to strengthen our aggressive investment for medium- to long-term growth and further reduce costs.

As a result of this plan, operating income will be lower than in the revised plan disclosed on March 10, 2022. We plan to earn more than value. In addition, by implementing this plan, we will work to raise investors' expectations for our company, improve our stock price, and achieve our target price of 1,400 yen.

The outline of the plan is as follows.

	Net sales	Operating profit	Operating margin
Revised plan disclosed on March 10, 2022 January 2025 plan (A)	12,000 million yen	1,900 million yen	15.8%
Current plan for the term ending January 2025 (B)	12,592 million yen	1,635 million yen	13.0%
Increase/decrease (B-A)	592 million yen	-265 million yen	-2.8 points
Change	5%	-14%	—

Reference: Operating profit of 1,522 million yen or more in the consolidated performance targets for the fiscal year ending January 2025 in the plan for meeting the continued listing criteria for the new market segment disclosed on December 22, 2021

① Active hiring of sales personnel

By diversifying recruitment methods, we aim to increase sales by increasing the number of recruits by 40 by the fiscal year ending January 2025, strengthening sales capabilities in metropolitan areas, and expanding coverage areas.

② New store opening

We will open six new stores by the fiscal year ending January 2025. By opening stores in new regions, we aim not only to strengthen relationships with existing distributors, but also to acquire new distributors.

③ Compression of balance of receivables

To control the provision of allowance for doubtful accounts and improve profits, it is necessary to reduce the balance of receivables. For that reason, we will use credit screening using AI technology to reduce the delinquency rate. In addition, we will improve the collection rate by establishing collection methods according to the difficulty of the collection of receivables and by strengthening management.

④ New system investment for self-managing landlords

To expand our share of the self-management market, we will make new investments in systems for self-managing landlords. We will expand the scope of our services by developing and expanding functions for systems equipped with tenant support and rental management functions, and by creating synergy through methods such as alliances and M&A activities.

(2) Dialogue with shareholders

To achieve the target market capitalization of tradable shares, we will work to restore the tradable share ratio, which was 53.4% as of the end of January 2023, to the 64.4% it was as of June 2021. To that end, we are working to communicate our growth scenario and unique value to investors in an easy-to-understand manner, through activities such as engaging in dialogue with existing shareholders who are domestic corporations, holding briefings for investors, and creating English versions of our IR materials.