

Casa Co., Ltd.

**Financial Results Briefing for the First Quarter
of the Fiscal Year Ending January 2024**

Securities code: 7196



Unit: million yen

Net sales

Operating profit

Ordinary income

Profit attributable to owners of parent

	FY2022/1Q	FY2023/1Q	
	Amount	Amount	Increase/decrease vs same period in the previous year
Net sales	2,555	2,724	+169
Operating profit	45	-144	-189
Ordinary income	78	-122	-200
Profit attributable to owners of parent	24	-107	-132

Net sales

Increase in guarantee contracts and increase in policies in force

Initial guarantee fee:
1,356 million yen

Continuous guarantee fee:
1,353 million yen

Operating profit

Operating profit decreased by 189 million yen YoY due to a 300 million yen increase in cost of sales.

Unit: million yen

Net sales

Initial guarantee fees

Continuous guarantee fees

Cost of sales

Referral fees

Provision of allowance for doubtful accounts

Lawsuit/dispose expenses

Gross profit

	FY2022/1Q	FY2023/1Q		
	Amount	Amount	Increase/decrease vs same period in the previous year	Year-over-year change
Net sales	2,555	2,724	+169	106.6%
Initial guarantee fees	1,218	1,356	+138	111.4%
Continuous guarantee fees	1,320	1,353	+32	102.5%
Cost of sales	1,226	1,526	+300	124.5%
Referral fees	271	375	+103	138.1%
Provision of allowance for doubtful accounts	737	873	+135	118.4%
Lawsuit/dispose expenses	215	273	+58	127.4%
Gross profit	1,328	1,197	-130	90.2%

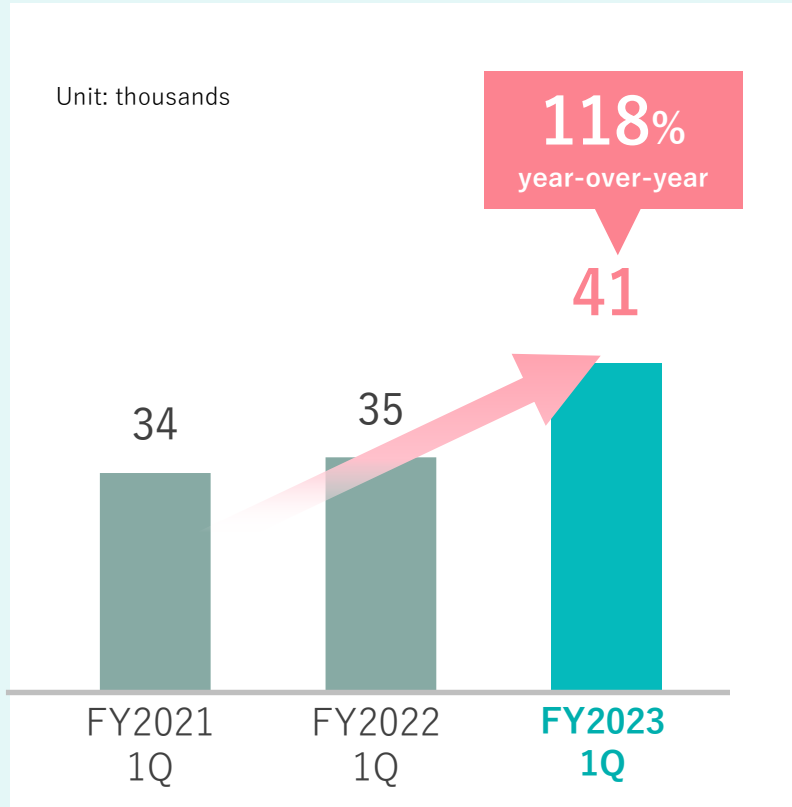
Net sales

Initial guarantee fees increased by **111%** year-on-year (up 138 million yen) due to acquisition of new agents and increase in usage rate

Cost of sales

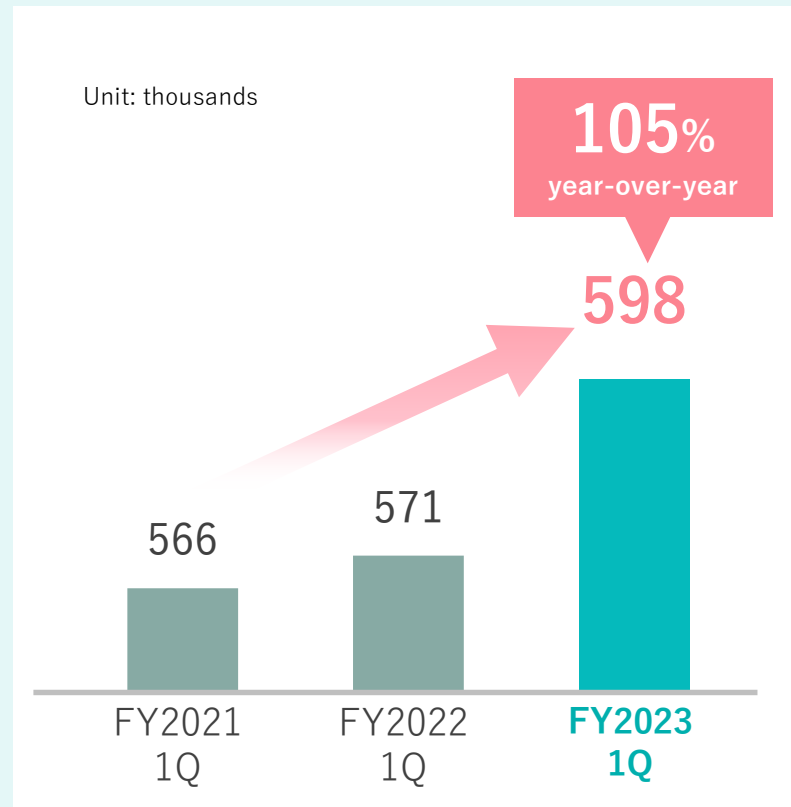
- Referral fees
 - Increase in the number of contracts with major agencies with high commission rates
 - Commissions increased due to an increase in contracts for Direct S (financial screening)
- Provision of allowance for doubtful accounts
 - Delinquency amount increased as the number of policies in force increased
- Litigation and disposal costs
 - Expenses increased due to litigation to resolve long-term claims

New contract



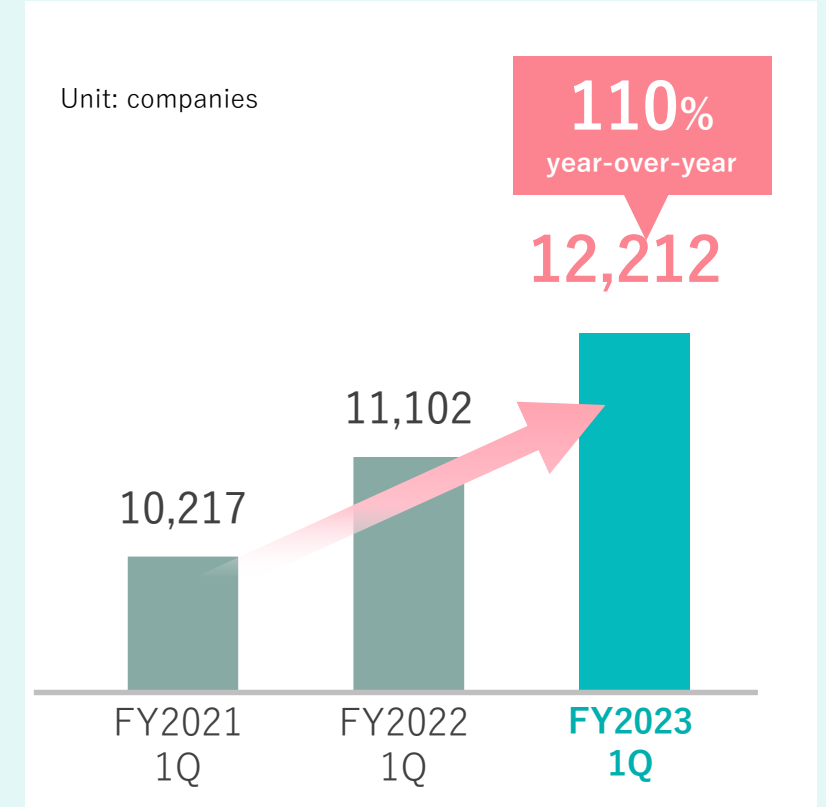
Sales of products for large companies and small and medium-sized companies grew steadily, and new contracts progressed according to plan.

Contracts held



The number of policies in force increased, and continuous guarantee fees increased year-on-year to 105%.

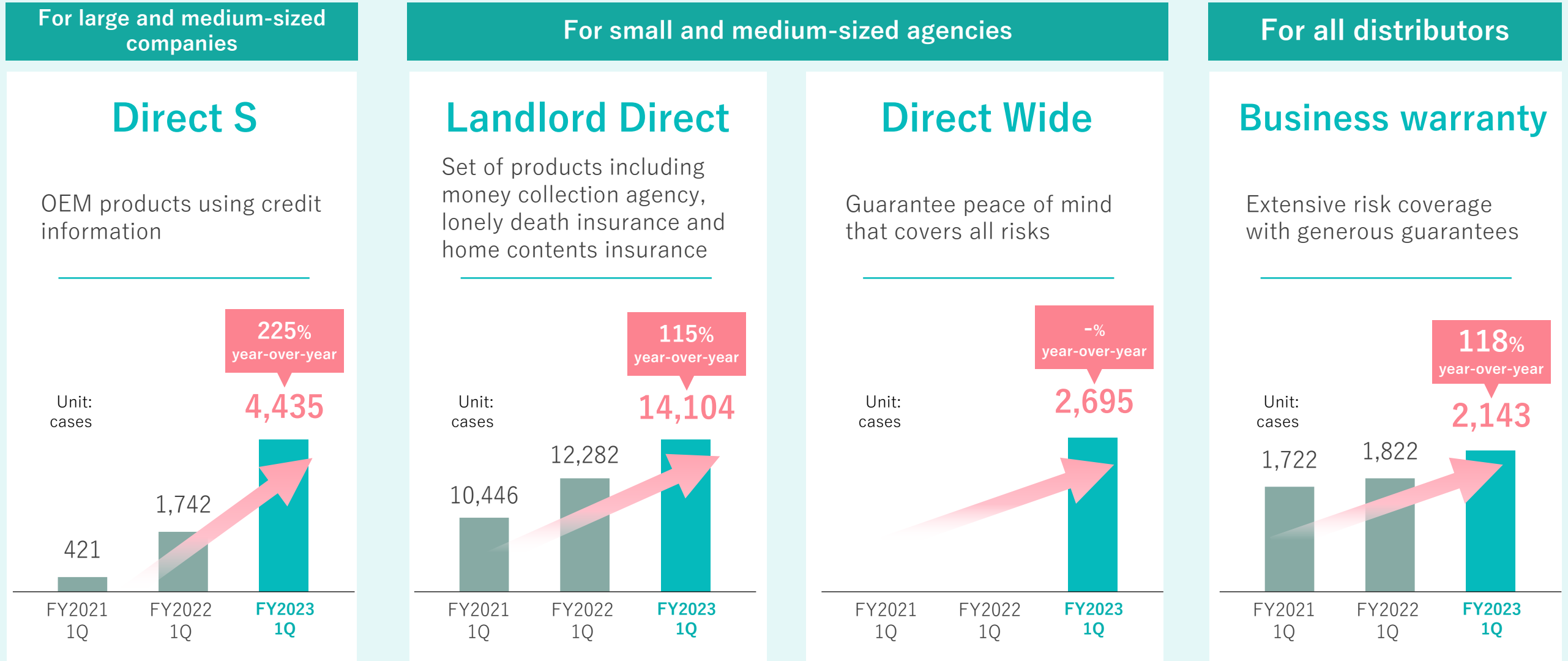
Number of agencies



The number of new distributors increased by 1,110 year-on-year, a significant increase.

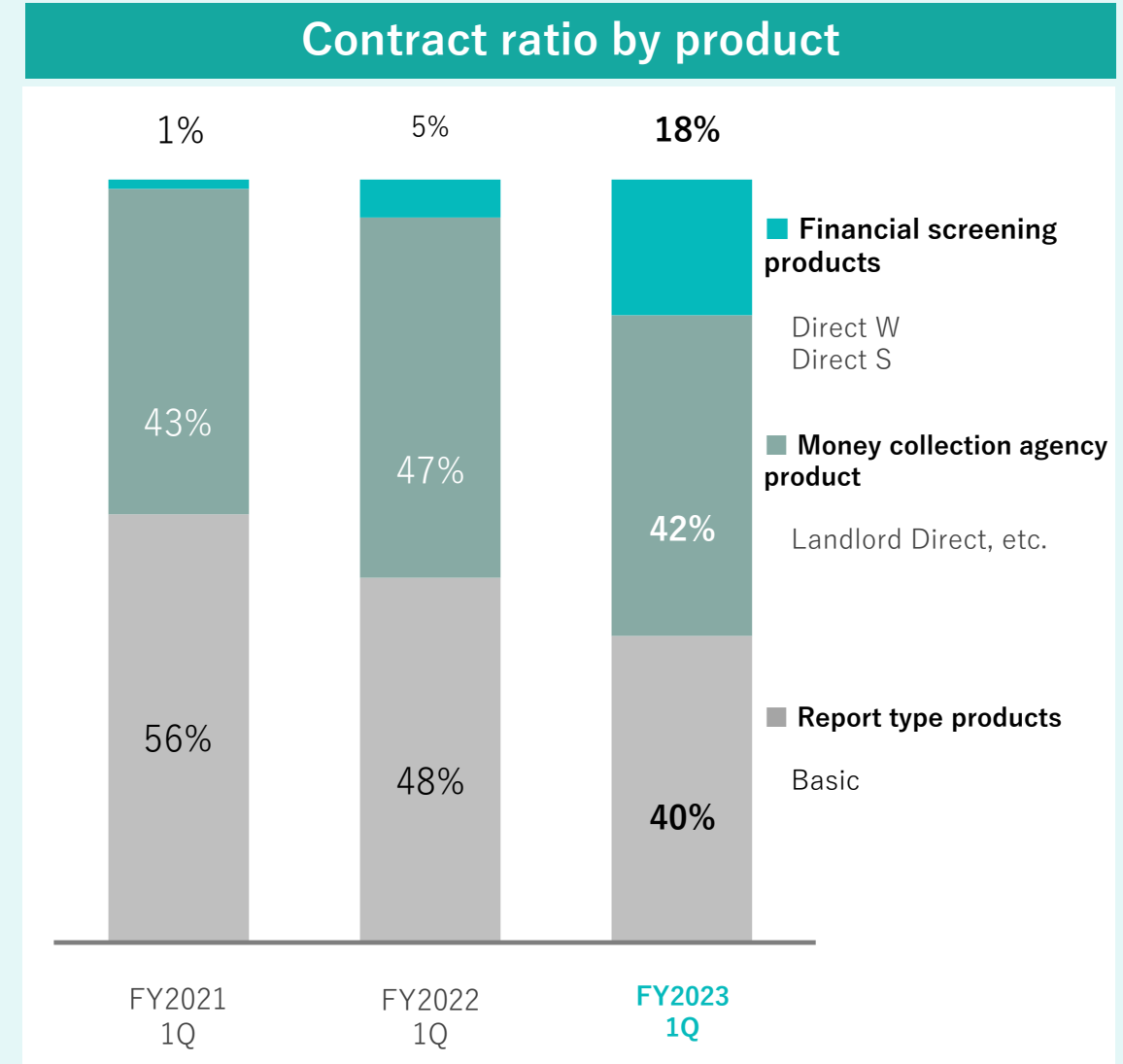
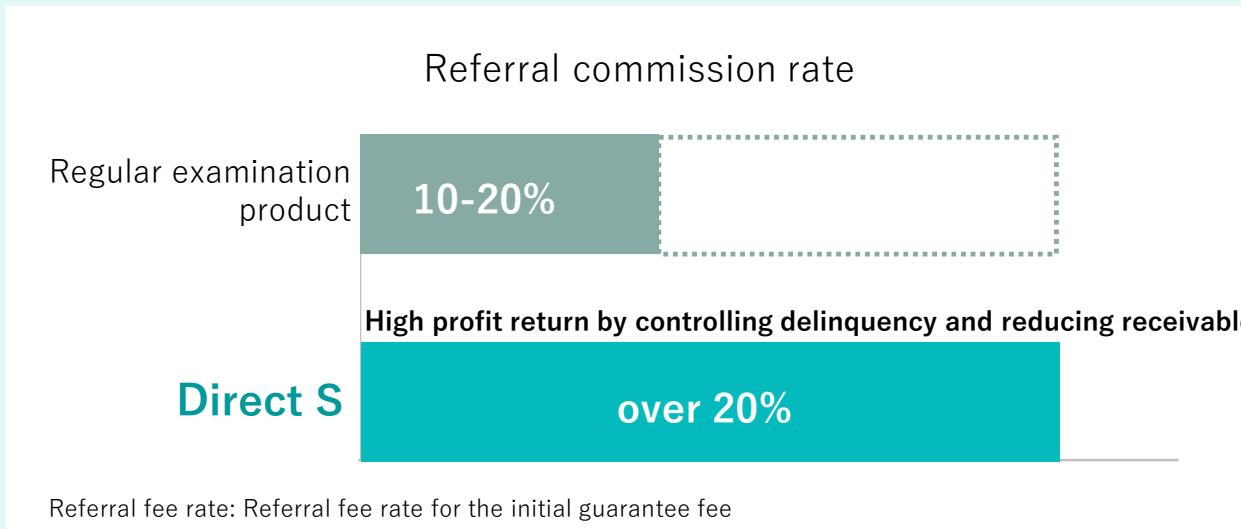
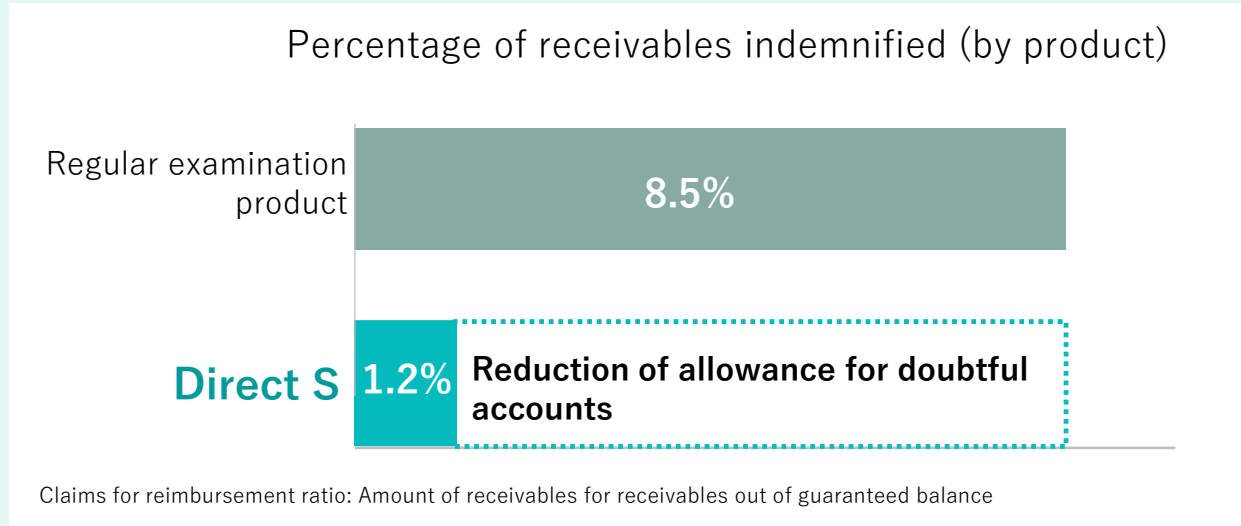
4,000 **Direct S** cases for large and medium-sized agencies (**255%** year-on-year)

2,000 **business guarantees** cases with a change in the product contract, which is also an increase (**118%** year-on-year)



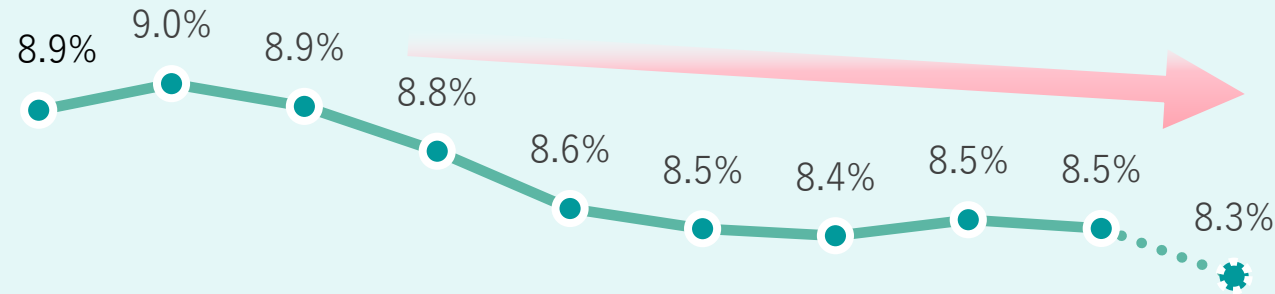
Reduction of allowance for doubtful accounts by utilizing credit information

Reducing dunning costs allows higher commissions to be proposed

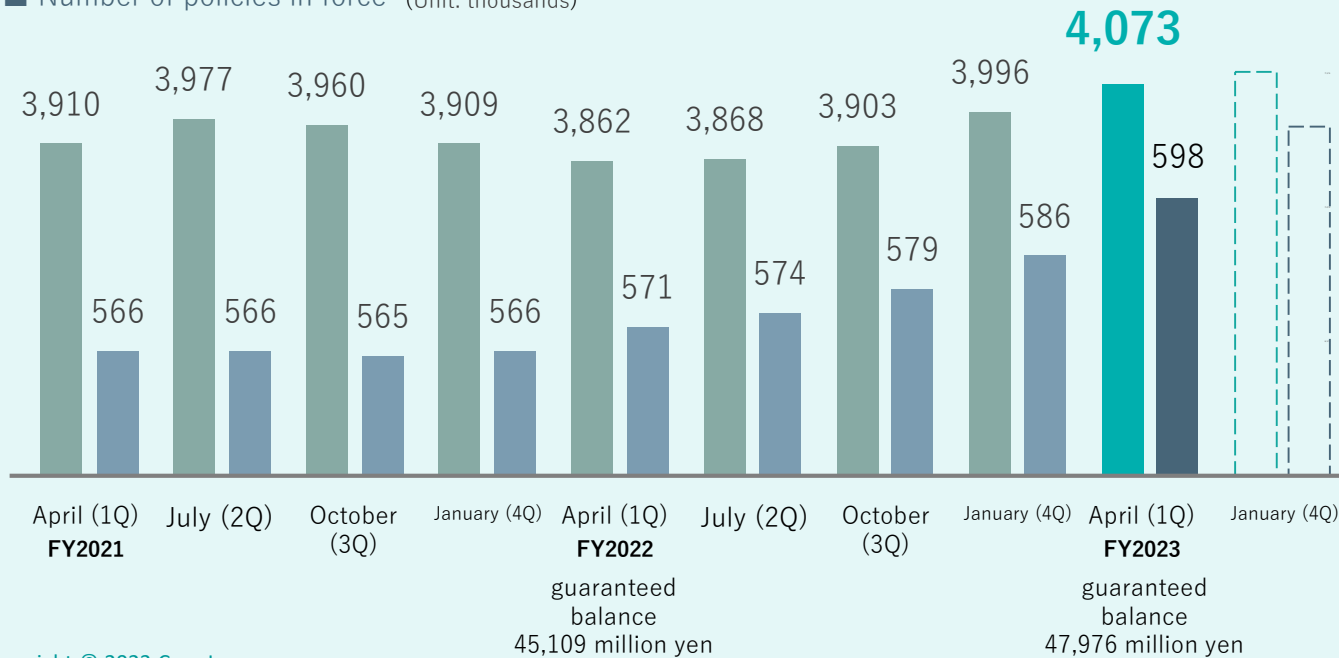


Despite the increase in policies in force, the ratio of receivables to the guarantee balance remains at a certain level

● Percentage of receivables receivables: Amount of receivables as a percentage of the outstanding balance of guarantees



■ Claims for reimbursement (Unit: million yen)
 ■ Number of policies in force (Unit: thousands)



Future initiatives to compress receivables

Receivables for reimbursement will increase in proportion to the increase in policies in force as the number of new policies increases. Currently, the collection rate is stable, so the ratio of guarantee receivables to the outstanding balance is maintained at a certain level.

Going forward, we will focus on the following points to reduce claims for indemnification.

■ Establishment of methods for each debt collection

Countermeasures: Efficient use of SMS, Automatic voice responses, and CTI

■ Early detection of long-term uncollected projects

Countermeasures: Early identification and minimization of uncollected risks through AI data analysis

■ Efficient legal procedures

Action: Reduce litigation costs and time

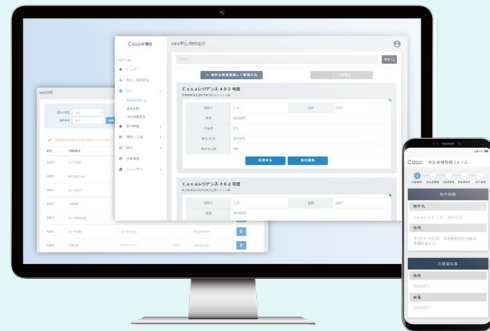


FY2023 Sales Strategy

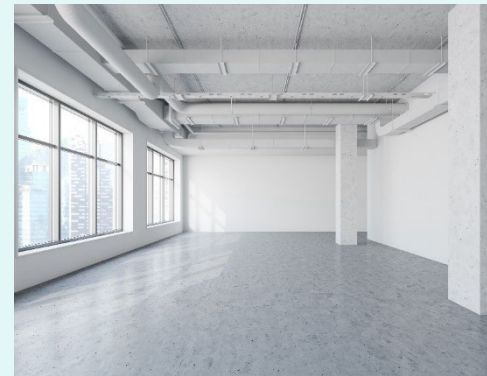
Provision of services to management companies

Expansion of guarantee DX

CasaWEB



Expansion of business guarantees



Expansion of warranty services

Area expansion



Providing value-added services



CasaWEB introduced at a record 4,409 companies

- Operation of core system
- Improve operational efficiency using AI
- Strengthen cooperation with management software

Number of operating companies: 861 companies (112% compared to the previous year)

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

3 new store openings (2023)

- New store opening
- Increase sales personnel in metropolitan areas
- Strengthen recruitment activities

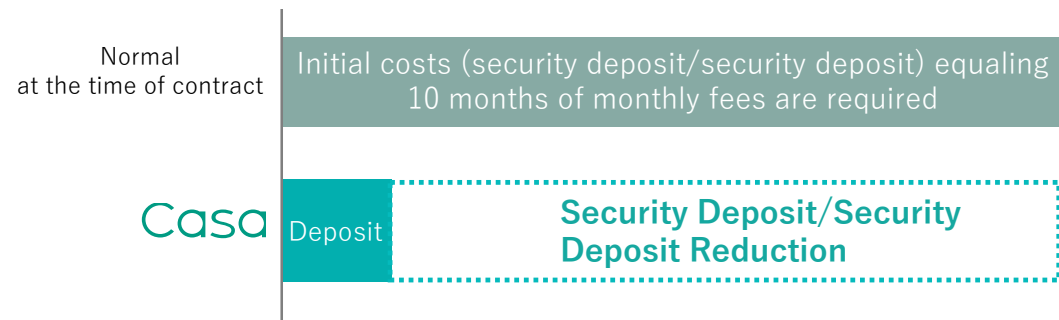
Room Connect May release

- Provision of tenant management application
- Construction of neighborhood trouble service

Increase in guarantee needs for commercial properties such as offices and stores

■ Increased tenant occupancy rate

Expanding opportunities to move in by reducing security deposits



■ 24 months worry-free guarantee with rent guarantee fee

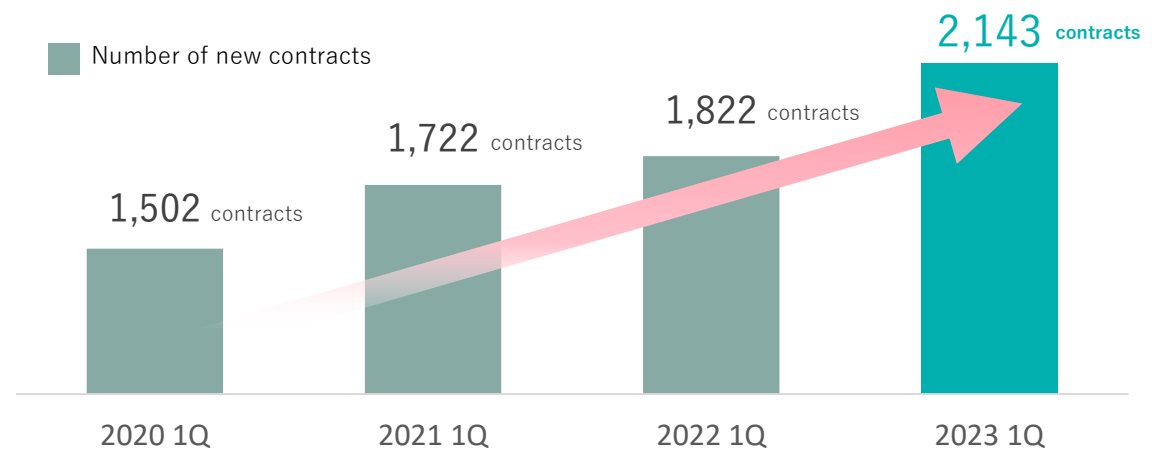
Rent etc. 	Fixed costs (Parking lots, signboards, etc.) 	Variable costs (Utilities expenses) 	Renewal fees
When moving out Cleaning fees 	Early termination penalties 	Equivalent to rent, etc. damages 	Legal proceedings costs

Characteristics of business guarantees and contract performance

■ Average unit price and profit margin triple



■ Strong growth in contracts, up 18% year-on-year



Area expansion

Number of hires
9/40 people
(FY2023-FY2024)

Store opening plan
2/6 store
(FY2023-FY2024)

Utsunomiya Branch Open May 8

Population distribution

- Utsunomiya City: 514,000 people
- Tochigi City: 152,000 people
- Ashikaga City: 141,000 people
- Sano City: 114,000 people

Takasaki Branch Open May 10

Population distribution

- Takasaki City: 370,000 people
- Maebashi City: 336,000 people
- Ota City: 219,000 people
- Isesaki City: 208,000 people





Planning and development of concierge apps for tenants



Reduction of contact work and expenses

The app can be used to update property listings and send mail to residents.



Reduction of inquiry response time

Communicate directly via chat in response to inquiries and questions from residents



Reduce administrative work

At a glance, you can see the occupancy rate and the frequency of application usage.

Realize a network infrastructure that makes real estate and IT feel closer to the possibilities of lifestyles with industry-leading technology.

Increased satisfaction and sensitivity from tenants

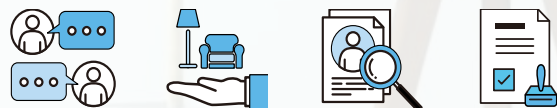
Smooth communication

Consultation is available even at night and on holidays

View compatibility status

Benefit service available

Roomコネクト Tenant app

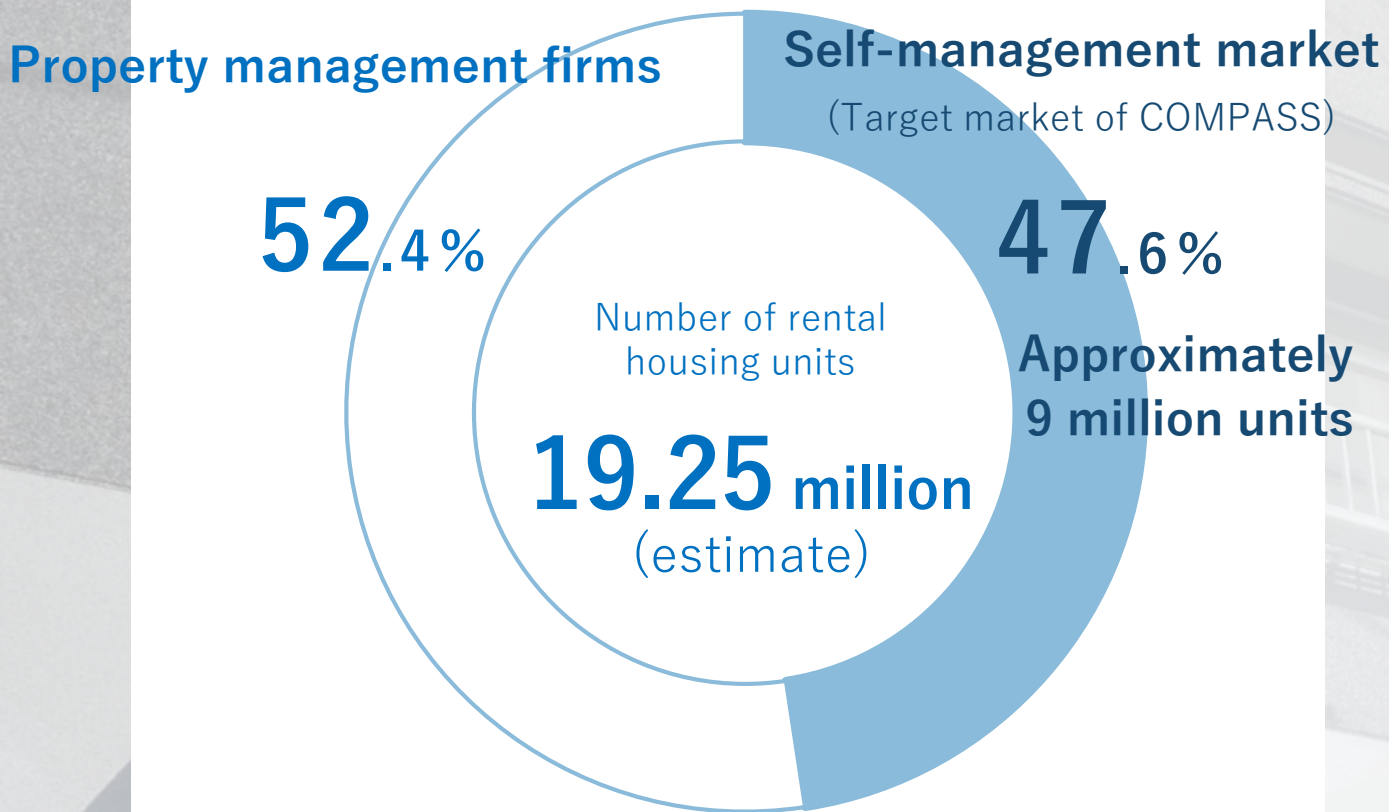




COMPASS

The size of the market is about 9 million units, and there is a generational change of landlords and rapid progress in the IT business

Breakdown of rental housing



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

The landlord using COMPASS



Number of units owned:
8 to 15 units



Management method:
Voluntary management



Average building age:
34 years



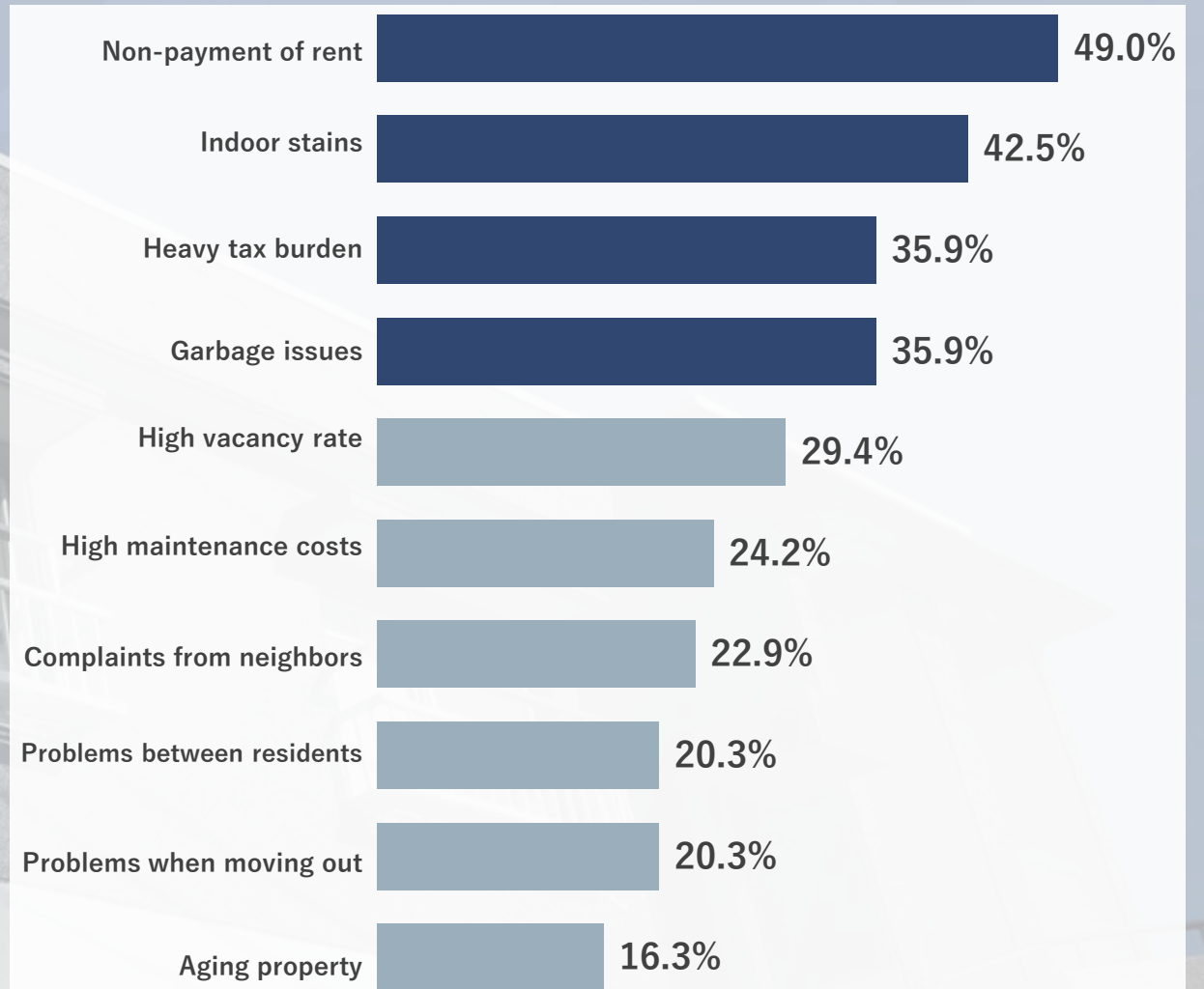
Landlord's age
30s to 50s

Conventional self-managing landlord

Information asymmetry



Rental management problems





Real estate management platform

OwnerWEB

■ Approach to the landlord

Landlord meetings



Seminar



Web marketing



Web advertising
owned media

Influencers



■ Services for self-management



Resident
recruitment



Rent guarantee



Home insurance



Handling
equipment
problems



Responding to
neighborhood
issues



Building
cleaning

Realize closer communication by rebuilding the world to connect directly with the owner

OwnerWEB

■ Improved UI/UX

under development

1. Improved navigation
2. Form optimization
3. Improved content readability
4. Introducing responsive design

■ Addition of new functions

under development

- Payment report
- Resident correspondence report

Resident recruitment 	Rent guarantee 	Resident support 	Witnessing property vacation
Deposit report 	Resident response report 		

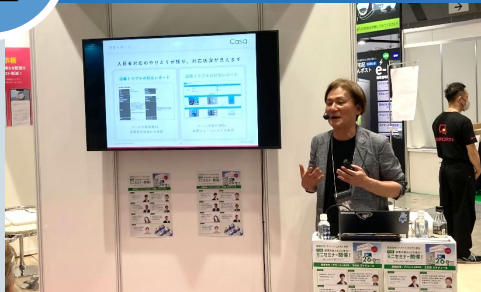


Over 6,000 registered landlords

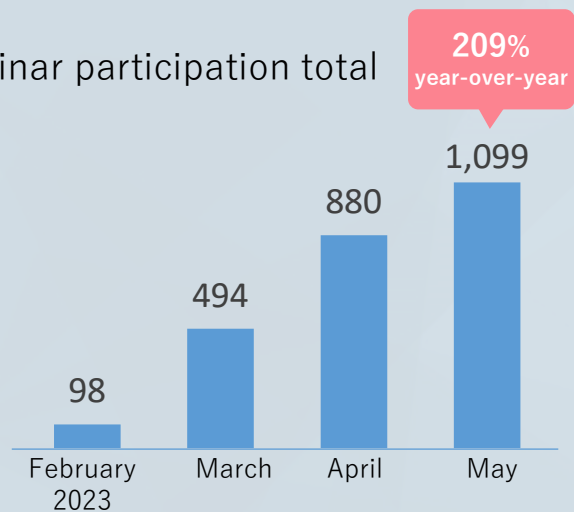
Promotional activities



Seminar



Seminar participation total



Participation in owner fairs

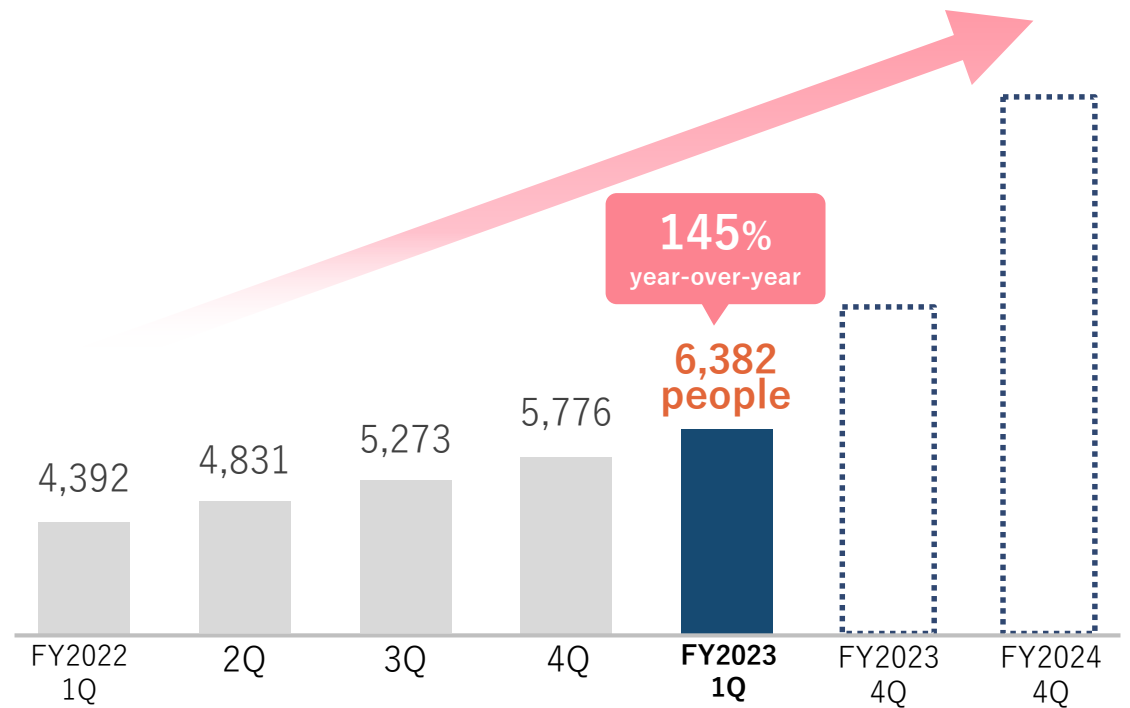


Rental housing/apartments EXPO 2023

About 100 people visited the booth

Landlord acquisition trend

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 the Children and Family Agency

Launched on April 1, 2023.

Unify the control tower functions of child policy.

It is responsible for childcare, maternal and child health, and measures against child abuse, which were the responsibility of the Ministry of Health, Labor and Welfare, as well as child and childcare support and countermeasures against the declining birthrate which were the responsibility of the Cabinet Office.



Digitalization of divorce mediation

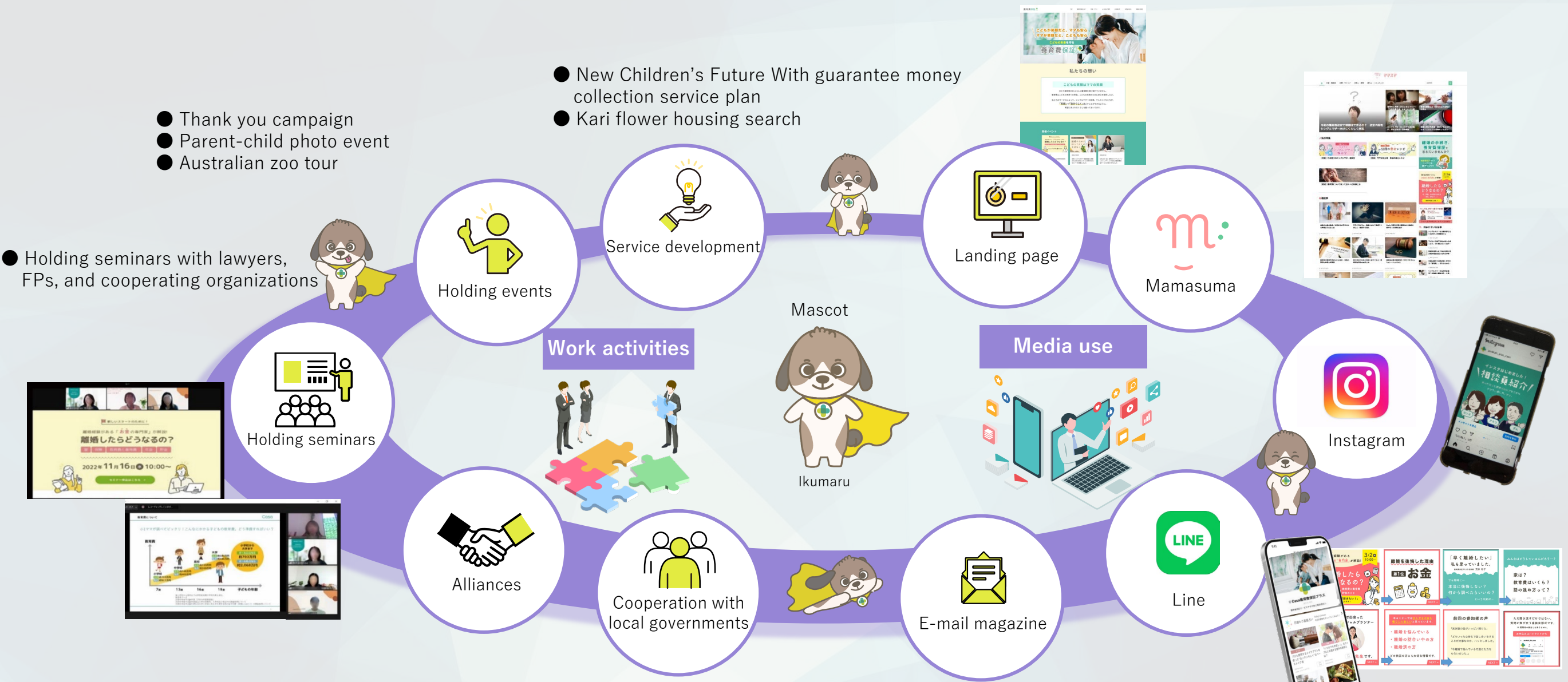
Aiming to submit a bill to digitalize domestic relations conciliation procedures.

- ✓ 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 259 local governments as of May 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:



[出所]PR作成

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:



[出所]PR作成

E nvironment



Paperless operations and the reduction of CO₂ 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 ociety



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 a safe life.

G overnance



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

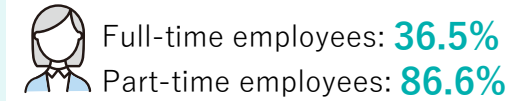


Strengthen the system by inviting experts and ex-police officers to run the Compliance and Risk Management Committee and provide training.

ESG data

Percentage of workers that are women

(National average: 45.5% full-time, 65.3% part-time, Ministry of Health, Labor and Welfare)



As of the end of May 2023

Percentage of assistant managers that are women

(National average: 20.7% Cabinet Office)



As of the end of May 2023

Percentage of employees in a managerial position that are women

(National average: 12.4% Cabinet Office)



As of the end of May 2023

Percent of applicable employees that take childcare leave by employee gender

(National average: 14.0% for men, 85.1% for women, Ministry of Health, Labor and Welfare)



As of the end of January 2023

Percent of acquired paid leave taken by employee gender

(National average: 55.0% for men, 60.1% for women, Cabinet Office)




As of the end of January 2023

Turnover

(National average: 11.1% Ministry of Health, Labor and Welfare)



As of the end of January 2023



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 June 8, 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.