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## Fiscal Year ending January 2024 Summary of Consolidated Financial Results for the 2<sup>nd</sup> Three Months Ended July 31, 2023 (Based on Japanese GAAP)

September 7, 2023

Company Name: Casa Inc.  
 Listed Stock Exchange: Tokyo  
 Stock code: 7196 URL <https://www.casa-inc.co.jp/>  
 Representative: (title) Representative Director & President (name) Seigo Miyaji  
 Contact person: (title) Director (name) Ichiro Kashima TEL 03-5339-1143  
 Scheduled date to file Quarterly Securities Report: September 14, 2023  
 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 quarterly financial results for the three months ended July 31, 2023 (from February 1, 2023 to July 31, 2023)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%
Three months ended July 31, 2023	5,516	8.1	86	(73.5)	135	(65.0)	28	(71.2)
Three months ended July 31, 2022	5,101	(3.5)	325	(38.8)	388	(33.7)	99	(71.8)

(note) Comprehensive income: Three months ended July 31, 2023 35JPY million (50.5%)  
 Three months ended July 31, 2022 72JPY million (81.8%)

	Earnings per share		Diluted earnings per share	
	JPY		JPY	
Three months ended July 31, 2023	2.87		2.77	
Three months ended July 31, 2022	10.01		9.59	

#### (2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	JPY million		JPY million		%	
As of July 31, 2023	14,496		6,577		45.4	
As of January 31, 2023	13,225		6,842		51.7	

(reference) Equity capital As of July 31, 2023: 6,575 JPY million As of January 31, 2023: 6,839 JPY million  
 as

### 2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended January 2023	—	0.00	—	30.00	30.00
Year ending January 2024	—	0.00	—	—	—
Year ending January 2024 (forecast)	—	—	—	30.00	30.00

(note) Revisions to the plan of dividend distribution announced most recently: No

### 3. Forecast of consolidated financial results for the year ending January 31, 2024 (from February 1, 2023 to January 31, 2024)

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(Percentages indicate year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent		Earnings per share
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY
Full fiscal year	11,276	9.6	838	6.7	929	3.8	544	113.9	54.45

(note) Revisions to the outlook of consolidated operating results announced most recently: No

\*Notes

(1) Changes in significant subsidiaries during the three months ended July 31, 2023: 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

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|--|----|
| ① Changes in accounting policies due to revisions to accounting standards and other regulations: | No |
| ② Changes in accounting policies due to other than above ①:                                      | No |
| ③ Changes in accounting estimates:   | No |
| ④ Restatement of prior period financial statements:  | No |

(4) Number of issued shares (common shares)

① Total number of issued shares at the end of the period (including treasury shares)

As of July 31, 2023	11,300,100 shares	As of January 31, 2023	11,300,100 shares
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② Number of treasury shares at the end of the period

As of July 31, 2023	1,294,821 shares	As of January 31, 2023	1,294,746 shares
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③ Average number of shares during the period (cumulative from the beginning of the fiscal year)

As of July 31, 2023	10,005,349 shares	As of July 31, 2022	9,964,103 shares
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\* Quarterly financial statements are not subject to review by certified public accountants or audit firms.

\* Explanation regarding the appropriate use of earnings forecasts, other special notes

(Attention regarding forward-looking statements)

The forward-looking statement in this document is based on the information available to Casa Inc. as of the time hereof and assumptions which it believes reasonable and does not constitute a promise of achievement by our company. Accordingly, actual results may differ materially from those described in such forward-looking statements.

(How to obtain supplementary financial materials and information on the earnings results briefing)

Our company will hold an earnings results briefing meeting for institutional investors and analysts on Friday, September 15, 2023 (JST). The video of this earnings results briefing meeting together with result briefing materials to be used for such meeting is scheduled to be posted on the Company's website immediately after the briefing meeting.

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## 1. Qualitative information on quarterly consolidated financial statements

### (1) Explanation of operating results

During for the current second quarter cumulative period, the gradual recovery of Japanese economy is expected to continue with the effort of various policies as the employment and income environment has been improving. However, at the same time the situation requires careful attention to the factors such as the impact of global financial tightening, the risk of a slowdown in the global economy negatively impacting Japan's economic prospects, inflation, and fluctuations in financial capital market.

As for rental property market in which our group is engaged, the number of new housing starts has been on the rise (on a cumulative basis from February to June 2023).

With the background of such business environment, our group has been pursuing profit increase and opening 3 new stores and actively recruiting new staffs for the purpose of expanding our business area. Furthermore, we shall continue to promote alliance partnership with insurance companies in order to further enhance the guarantee services. In April 2023, we formed a capital alliance with gigbase Co. Ltd. which is engaged in supporting the recruitment of capable human resources on the business site specializing in the real estate industry.

The acquisition of new contracts has steadily progressed and expanded, as we have acquired new agencies of 637 companies (30.5% increase compared with the same period of the previous fiscal year), furthermore we have concluded 7,246 contracts of "Direct S", rent guarantee service for large- and medium-sized property management companies (103.4% increase compared with the same period of the previous fiscal year) and 5,025 contracts of "Direct Wide", rent guarantee service for small-sized property management companies (1,993.8 % increase compared with the same period of the previous fiscal year). We have also expanded the sales of rent guarantee service for commercial properties and proceeded steadily with sales activities and obtained 4,319 contracts (17.6 % increase compared with the same period of the previous fiscal year). As a result, the number of new contracts was 71,734 contract (15.5% increase compared with the same period of the previous fiscal year).

As for the cost of sales, the introductory fee amounted to JPY 708,462 thousand (31.9 % increase compared with the same period of the previous fiscal year) as we have raised introductory fee rate for the purpose of strengthening relationships with business partners. As a result of improving the collection rate of the reimbursement claim, Allowance for doubtful accounts decreased by JPY 33,832 thousand to JPY 1,475,266 thousand compared to the plan (18.3 % increase compared with the same period of the previous fiscal year), while allowance for doubtful accounts increased compared with the same period of the previous fiscal year in line with the growth of the contracts in force. Litigation and disposal costs amounted to JPY 530,368 thousand (22.4 % increase compared with the same period of the previous fiscal year) as the disposal cases increased.

In June 2023 we have made GoldKey Co.,Ltd. one of our consolidated subsidiaries. We aim at providing new value-added services to property management companies and property owners being our major customers by utilizing IT expertise and resources of GoldKey. Currently, we are working on developing "Room Connect", application to manage tenants for streamlining property management operation for property management companies and property owners. Please note that we have recorded losses related to step acquisition JPY 18,000 thousand as special loss in line with acquiring additional share of GoldKey to make it consolidated subsidiary.

Consequently, we have recorded net sales of JPY 5,516,568 thousand (8.1% increase compared with the same period of the previous fiscal year), operating profit of JPY 86,245 thousand (73.5 % decrease compared with the same period of the previous fiscal year), ordinary profit of JPY 135,982 thousand (65.0 % decrease compared with the same period of the previous fiscal year) and profit attributable to owners of parent of JPY 28,741 thousand (71.2 % decrease compared with the same period of the previous fiscal year) for the current second quarter cumulative period.

Please note that we have recorded amortization of goodwill JPY 130,950 thousand in "selling, general and administrative expenses".

\*The reportable segment of our group is only rent guarantee business. We do not specify other business by segment as other business little significance.

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(2) Explanation of financial position

① Status of assets, liabilities, and net assets

(Assets)

Total assets at the end of the second quarter consolidated accounting period (which is July 31, 2023) amounted to JPY 14,496,397 thousand, an increase of JPY 1,271,052 thousand from the end of the previous consolidated fiscal year.

Current assets amounted to JPY 6,870,531 thousand, an increase of JPY 535,165 thousand from the end of the previous consolidated fiscal year. This is mainly due to the fact that allowance for doubtful account increased by JPY 292,051 thousand, while cash and deposits, account receivable – trade and reimbursement claim increased by JPY 316,167 thousand, JPY 205,846 thousand and JPY 207,288 thousand respectively.

Non-current assets amounted to JPY 7,625,866 thousand, an increase of JPY 735,887 thousand from the end of the previous consolidated fiscal year. This is mainly due to the fact that deferred tax assets and goodwill increased by JPY 405,539 thousand and 281,993 thousand respectively.

(Liabilities)

Total liabilities at the end of the second quarter consolidated accounting period (which is July 31, 2023) amounted to JPY 7,918,806 thousand, an increase of JPY 1,535,573 thousand from the end of the previous consolidated fiscal year. This is mainly due to the fact that contract liabilities, income tax payable, and long-term borrowings (including current portion of long-term borrowings) increased by JPY 700,635 thousand, JPY 368,576 thousand and JPY 166,372 thousand respectively.

(Net Assets)

Total net assets at the end of the second quarter consolidated accounting period (which is July 31, 2023) amounted to JPY 6,577,591 thousand, a decrease of JPY 264,520 thousand from the end of the previous consolidated fiscal year. This is mainly due to the fact that the retained earnings increased by JPY 28,741 thousand by recording quarterly profit attributable to owners of parent, while it decreased by JPY 300,160 thousand due to dividend of surplus.

② Status of cash flow

Cash and cash equivalents at the end of the second quarter consolidated accounting period (which is July 31, 2023) amounted to JPY 3,203,495 thousand, an increase of JPY 314,167 thousand from the end of previous consolidated fiscal year. The status of each cash flow is as follows:

(Cash flow from operating activities)

Cash flow from operating activities amounted to JPY 884,717 thousand income, as the income decreased by JPY 181,212 thousand compared with that of the second quarter period of the previous fiscal year. This is mainly due to the decrease factors that account receivable – trade increased by JPY 200,339 thousand, reimbursement claim increased by JPY 207,288 thousand and income tax paid of JPY 137,214 thousand. On the other hand, there were also increase factors such as profit before income taxes of JPY 117,982 thousand, amortization of goodwill of JPY 130,950 thousand, increase in allowance for doubtful account of JPY 292,051 thousand, and increase in contract liabilities of JPY 696,909 thousand.

(Cash flow from investing activities)

Cash flow from investing activities amounted to JPY 261,639 thousand expenditure, as the expenditure increased by JPY 165,844 thousand compared with that of the second quarter period of the previous fiscal year. This is mainly due to the fact that there were JPY 106,708 thousand expenditure for the purchase of intangible assets and JPY 117,076 thousand expenditure for the purchase of subsidiary shares accompanying change in the scope of consolidation.

(Cash flow from financing activities)

Cash flow from financing activities amounted to JPY 308,910 thousand expenditure, as the expenditure decreased by JPY 97,334 thousand compared with that of the second quarter period of the previous fiscal year. This is mainly due to the fact that there was dividend payment of JPY 300,832 thousand.

(3) Explanation of consolidated earnings forecasts and other forward-looking information

As for the earnings forecast of the fiscal year ending January 2024, there are no changes to the consolidated earnings forecast which was announced on March 9, 2023.

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## 2. Quarterly consolidated financial statements and keynotes

### (1) Consolidated balance sheets

(Unit: JPY thousand)

	Previous fiscal year (as of January 31, 2023)	First half of fiscal year ending January 2024 (as of July 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	2,889,327	3,205,495
Accounts receivable - trade	1,307,258	1,513,104
Reimbursement claim	3,996,187	4,203,475
Account receivable - other	789,759	860,419
Other	157,878	185,134
Allowance for doubtful accounts	(2,805,045)	(3,097,097)
Total current assets	6,335,366	6,870,531
Non-current assets		
Property, plant and equipment	46,803	45,713
Intangible assets		
Goodwill	2,793,610	3,075,603
Other	1,025,479	1,122,634
Total intangible assets	3,819,090	4,198,238
Investments and other assets		
Deferred tax assets	2,352,722	2,758,262
Other	671,362	625,205
Allowance for doubtful accounts	—	(1,552)
Investments and other assets	3,024,084	3,381,914
Total non-current assets	6,889,978	7,625,866
Total assets	13,225,345	14,496,397
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	—	58,459
Current portion of long-term borrowings	12,000	21,284
Income tax payable	78,849	447,426
Contract liabilities	4,751,299	5,451,935
Provision for bonuses	84,216	158,872
Provision for loss on guarantees	145,843	151,428
Other	1,276,881	1,439,042
Total current liabilities	6,349,089	7,728,448
Non-current liabilities		
Long-term borrowings	33,000	190,088
Other	1,143	270
Total non-current liabilities	34,143	190,358
Total liabilities	6,383,233	7,918,806
<b>Net assets</b>		
Shareholders' equity		
Share capital	1,595,188	1,595,188
Capital surplus	1,595,188	1,595,188
Retained earnings	5,151,000	4,879,581
Treasury shares	(1,439,203)	(1,439,272)
Total shareholders' equity	6,902,173	6,630,684
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(62,385)	(55,417)
Total accumulated other comprehensive income	(62,385)	(55,417)
Share acquisition rights	2,324	2,324
Total net assets	6,842,111	6,577,591
Total liabilities and net assets	13,225,345	14,496,397

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(2) Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)  
(Second quarter consolidated cumulative period)

(Unit: JPY thousand)

	Six months ended July 31, 2022 (From February 1, 2022 to July 31, 2022)	Six months ended July 31, 2023 (From February 1, 2023 to July 31, 2023)
Net sales	5,101,282	5,516,568
Cost of sales	2,215,714	2,721,023
Gross profit	2,885,568	2,795,544
Selling, general and administrative expenses	2,559,772	2,709,299
Operating profit	325,795	86,245
Non-operating income		
Interest income	31	28
Dividend income	3,835	3,990
Recoveries of written off receivables	52,846	39,309
Subsidy income	4,033	2,432
Other	4,079	5,389
Total non-operating income	64,826	51,149
Non-operating expenses		
Interest expenses	224	173
Commission expenses	1,489	1,239
Total non-operating income	1,714	1,412
Ordinary profit	388,907	135,982
Extraordinary losses		
Impairment losses	112,018	—
Losses related to step acquisition	—	18,000
Total extraordinary losses	112,018	18,000
Profit before income taxes	276,888	117,982
Income taxes - current	216,024	494,780
Income taxes - deferred	(38,838)	(405,539)
Total income taxes	177,186	89,241
Profit	99,701	28,741
Profit attributable to owners of parent	99,701	28,741

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Consolidated statements of comprehensive income (cumulative)  
(Second quarter consolidated cumulative period)

(Unit: JPY thousand)

	Six months ended July 31, 2022 (From February 1, 2022 to July 31, 2022)	Six months ended July 31, 2023 (From February 1, 2023 to July 31, 2023)
Profit	99,701	28,741
Other comprehensive income		
Valuation difference on available-for-sale securities	(27,532)	6,967
Total other comprehensive income	(27,532)	6,967
Comprehensive income	72,169	35,709
(breakdown)		
Comprehensive income attributable to owners of parent	72,169	35,709



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(3) Consolidated statements of cash flows

(Unit: JPY thousand)

	Six months ended July 31, 2022 (From February 1, 2022 to July 31, 2022)	Six months ended July 31, 2023 (From February 1, 2023 to July 31, 2023)
<b>Cash flows from operating activities</b>		
Profit before income taxes	276,888	117,982
Depreciation	35,123	33,362
Impairment losses	112,018	—
Gains and losses related to step acquisition (The number in parentheses indicates gains.)	—	18,000
Amortization of goodwill	144,017	130,950
Increase (decrease) in provision for bonuses (The number in parentheses indicates a decrease.)	23,085	74,656
Increase (decrease) in provision for loss on guarantees (The number in parentheses indicates a decrease.)	2,853	5,584
Increase (decrease) in allowance for doubtful accounts (The number in parentheses indicates a decrease.)	1,109	292,051
Interest and dividend income	(3,867)	(4,018)
Interest expenses	224	173
Decrease (increase) in trade receivables (The number in parentheses indicates an increase.)	18,335	(200,339)
Decrease (increase) in reimbursement claim (The number in parentheses indicates an increase.)	41,068	(207,288)
Decrease (increase) in account receivables - other (The number in parentheses indicates an increase.)	(91,507)	(71,359)
Increase (decrease) in contract liabilities (The number in parentheses indicates a decrease.)	383,381	696,909
Other, net	184,565	132,035
Subtotal	1,127,296	1,018,700
Interest and dividends received	3,276	3,403
Interest paid	(189)	(171)
Income taxes paid	(64,453)	(137,214)
Net cash provided by (used in) operating activities	1,065,930	884,717
<b>Cash flow from investment activities</b>		
Purchase of property, plant, and equipment	(503)	(4,660)
Purchase of intangible assets	(95,644)	(106,708)
Purchase of investment securities	—	(24,998)
Purchase of subsidiary shares accompanying change in the scope of consolidation	—	(117,076)
Other, net	352	(8,196)
Net cash provided by (used in) investing activities	(95,795)	(261,639)
<b>Cash flows from financing activities</b>		
Repayments of long-term borrowings	(5,000)	(6,000)
Repayments of lease obligations	(762)	(762)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	1,969	—
Purchase of treasury shares	(100,218)	(69)
Dividends paid	(300,981)	(300,832)
Other, net	(1,253)	(1,246)
Net cash provided by (used in) financing activities	(406,245)	(308,910)
Net increase (decrease) in cash and cash equivalents (The number in parentheses indicates a decrease.)	563,889	314,167
Cash and cash equivalents at the beginning of period	2,416,174	2,889,327
Cash and cash equivalents at the end of period	2,980,064	3,203,495

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**(4) Notes regarding quarterly consolidated financial statements**

(Notes on going concern assumption)

Nothing applicable

(Notes on significant changes in the amount of shareholders' equity)

Nothing applicable