

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended January 31, 2019 (Based on Japanese GAAP)

March 12, 2019

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 Senji Horiuchi TEL 03-5339-1143
 Scheduled date of ordinary general meeting of shareholders: April 24, 2019
 Scheduled date to file Securities Report: April 25, 2019
 Scheduled date to commence dividend payments: April 25, 2019
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the year ended January 31, 2019 (from February 1, 2018 to January 31, 2019)

(1) Non-consolidated operating results

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended January 31, 2019	8,609	3.8	1,325	13.6	1,391	14.8	840	12.8
Year ended January 31, 2018	8,293	3.4	1,166	(0.2)	1,212	(4.0)	744	17.8

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended January 31, 2019	78.25	72.90	13.3	11.9	15.4
Year ended January 31, 2018	70.85	65.51	13.0	10.7	14.1

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of January 31, 2019	11,675	6,278	53.8	604.22
As of January 31, 2018	11,764	6,344	53.9	585.12

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended January 31, 2019	1,689	41	(1,532)	2,705
Year ended January 31, 2018	1,038	(43)	0	2,507

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended January 31, 2018	—	0.00	—	44.50	44.50	241	31.4	4.1
Year ended January 31, 2019	—	0.00	—	26.00	26.00	270	33.2	4.4
Year ending January 31, 2020 (Forecast)	—	0.00	—	26.00	26.00		30.3	

3. Forecast of non-consolidated financial results for the year ending January 31, 2020 (from February 1, 2019 to January 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending July 31, 2019	4,629	8.9	607	(7.8)	637	(7.8)	393	(7.9)	37.89
Full year	9,454	9.8	1,409	6.4	1,469	5.7	890	5.9	85.70

4. Notes

(1) 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: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(2) Number of issued shares (common shares)

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

As of January 31, 2019	10,976,000 shares	As of January 31, 2018	10,840,000 shares
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Number of treasury shares at the end of the period

As of January 31, 2019	587,918 shares	As of January 31, 2018	102 shares
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Average number of shares during the period

Year ended January 31, 2019	10,739,965 shares	Year ended January 31, 2018	10,513,310 shares
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Non-consolidated financial statements **Non-consolidated balance sheets**

(Thousands of yen)

	As of January 31, 2018	As of January 31, 2019
Assets		
Current assets		
Cash and deposits	2,507,492	2,705,884
Accounts receivable - trade	1,025,836	1,160,310
Advance payments - trade	57,350	34,158
Right to reimbursement	2,853,561	2,676,141
Prepaid expenses	51,230	54,030
Deferred tax assets	1,682,804	1,810,517
Accounts receivable - other	549,884	722,469
Other	3,401	7,988
Allowance for doubtful accounts	(1,611,592)	(1,734,965)
Total current assets	7,119,969	7,436,534
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	74,421	74,421
Accumulated depreciation	(47,905)	(52,197)
Facilities attached to buildings, net	26,515	22,223
Tools, furniture and fixtures	79,639	84,626
Accumulated depreciation	(59,734)	(61,622)
Tools, furniture and fixtures, net	19,904	23,004
Leased assets	67,478	60,471
Accumulated depreciation	(40,500)	(46,214)
Leased assets, net	26,977	14,257
Total property, plant and equipment	73,397	59,484
Intangible assets		
Goodwill	4,103,115	3,841,214
Trademark right	—	8,124
Software	167,505	89,196
Software in progress	—	20,520
Leased assets	4,833	2,416
Other	8,944	—
Total intangible assets	4,284,399	3,961,471
Investments and other assets		
Investment securities	100,020	25,020
Long-term loans receivable from employees	150	3,336
Claims provable in bankruptcy, claims provable in rehabilitation and other	1,127	39
Long-term prepaid expenses	767	3,942
Deferred tax assets	13,756	17,199
Other	171,952	168,681
Allowance for doubtful accounts	(1,127)	(39)
Total investments and other assets	286,646	218,179
Total non-current assets	4,644,443	4,239,135
Total assets	11,764,412	11,675,670

(Thousands of yen)

	As of January 31, 2018	As of January 31, 2019
Liabilities		
Current liabilities		
Current portion of long-term loans payable	600,000	—
Lease obligations	16,329	14,512
Accounts payable - other	211,831	226,590
Accrued expenses	34,740	31,011
Income taxes payable	284,941	425,768
Advances received	3,717,134	4,089,266
Deposits received	392,144	482,338
Provision for bonuses	143,800	122,338
Other	1,034	1,953
Total current liabilities	5,401,957	5,393,781
Non-current liabilities		
Lease obligations	18,007	3,495
Total non-current liabilities	18,007	3,495
Total liabilities	5,419,965	5,397,277
Net assets		
Shareholders' equity		
Capital stock	1,532,221	1,549,280
Capital surplus		
Legal capital surplus	1,532,221	1,549,280
Total capital surpluses	1,532,221	1,549,280
Retained earnings		
Other retained earnings		
Retained earnings brought forward	3,278,286	3,877,501
Total retained earnings	3,278,286	3,877,501
Treasury shares	(119)	(699,388)
Total shareholders' equity	6,342,609	6,276,674
Share acquisition rights	1,837	1,718
Total net assets	6,344,447	6,278,392
Total liabilities and net assets	11,764,412	11,675,670

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended January 31, 2018	Fiscal year ended January 31, 2019
Net sales	8,293,341	8,609,397
Cost of sales	2,837,473	2,936,077
Gross profit	5,455,868	5,673,319
Selling, general and administrative expenses	4,289,011	4,348,212
Operating profit	1,166,856	1,325,106
Non-operating income		
Interest income	36	97
Gain on bad debts recovered	58,805	59,887
Gain on sales of bad debts	24,874	585
Other	2,679	17,979
Total non-operating income	86,396	78,550
Non-operating expenses		
Interest expenses	5,269	2,349
Commission fee	4,178	10,265
Listing expenses	22,097	—
Other	9,537	27
Total non-operating expenses	41,082	12,642
Ordinary profit	1,212,170	1,391,015
Profit before income taxes	1,212,170	1,391,015
Income taxes - current	580,396	681,767
Income taxes - deferred	(113,066)	(131,155)
Total income taxes	467,330	550,612
Profit	744,840	840,402

Non-consolidated statements of changes in equity

Fiscal year ended January 31, 2018

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Capital stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings				
				Retained earnings brought forward					
Balance at beginning of current period	1,300,000	1,300,000	1,300,000	2,533,446	2,533,446	—	5,133,446	2,255	5,135,702
Changes of items during period									
Issuance of new shares	232,221	232,221	232,221				464,442		464,442
Issuance of new shares - exercise of share acquisition rights							—		—
Dividends of surplus							—		—
Profit				744,840	744,840		744,840		744,840
Purchase of treasury shares						(119)	(119)		(119)
Net changes of items other than shareholders' equity								(417)	(417)
Total changes of items during period	232,221	232,221	232,221	744,840	744,840	(119)	1,209,162	(417)	1,208,745
Balance at end of current period	1,532,221	1,532,221	1,532,221	3,278,286	3,278,286	(119)	6,342,609	1,837	6,344,447

Fiscal year ended January 31, 2019

(Thousands of yen)

	Shareholders' equity							Share acquisition rights	Total net assets
	Capital stock	Capital surplus		Retained earnings		Treasury shares	Total shareholders' equity		
		Legal capital surplus	Total capital surplus	Other retained earnings	Total retained earnings				
				Retained earnings brought forward					
Balance at beginning of current period	1,532,221	1,532,221	1,532,221	3,278,286	3,278,286	(119)	6,342,609	1,837	6,344,447
Changes of items during period									
Issuance of new shares							—		—
Issuance of new shares - exercise of share acquisition rights	17,059	17,059	17,059				34,119		34,119
Dividends of surplus				(241,187)	(241,187)		(241,187)		(241,187)
Profit				840,402	840,402		840,402		840,402
Purchase of treasury shares						(699,269)	(699,269)		(699,269)
Net changes of items other than shareholders' equity								(119)	(119)
Total changes of items during period	17,059	17,059	17,059	599,214	599,214	(699,269)	(65,935)	(119)	(66,054)
Balance at end of current period	1,549,280	1,549,280	1,549,280	3,877,501	3,877,501	(699,388)	6,276,674	1,718	6,278,392

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2018	Fiscal year ended January 31, 2019
Cash flows from operating activities		
Profit before income taxes	1,212,170	1,391,015
Depreciation	151,265	107,324
Amortization of goodwill	261,900	261,900
Increase (decrease) in provision for bonuses	19,964	(21,461)
Increase (decrease) in allowance for doubtful accounts	300,196	122,285
Interest expenses	5,269	2,349
Commission fee	4,178	10,265
Listing expenses	22,097	—
Decrease (increase) in notes and accounts receivable - trade	(101,456)	(134,473)
Decrease (increase) in right to reimbursement	(251,034)	177,419
Decrease (increase) in accounts receivable - other	(52,764)	(172,702)
Increase (decrease) in accounts payable - other	3,910	13,826
Increase (decrease) in advances received	(84,726)	372,131
Increase (decrease) in deposits received	52,855	90,194
Other, net	29,661	4,868
Subtotal	1,573,488	2,224,943
Interest income received	32	91
Interest expenses paid	(5,274)	(2,360)
Income taxes paid	(529,450)	(533,652)
Net cash provided by (used in) operating activities	1,038,795	1,689,021
Cash flows from investing activities		
Proceeds from sales of investment securities	—	77,500
Purchase of property, plant and equipment	(3,509)	(11,328)
Purchase of intangible assets	(31,252)	(20,520)
Payments for security deposit	(11,546)	(929)
Income of deposit and guarantee money paid	2,039	956
Other, net	600	(4,068)
Net cash provided by (used in) investing activities	(43,668)	41,610
Cash flows from financing activities		
Repayments of long-term loans payable	(400,000)	(600,000)
Repayments of lease obligations	(28,372)	(16,329)
Proceeds from issuance of common shares	454,904	—
Proceeds from issuance of shares resulting from exercise of share acquisition rights	—	33,972
Payments for listing expenses	(22,097)	—
Purchase of treasury shares	—	(701,796)
Cash dividends paid	—	(240,141)
Other, net	(4,073)	(7,946)
Net cash provided by (used in) financing activities	360	(1,532,240)
Net increase (decrease) in cash and cash equivalents	995,487	198,391
Cash and cash equivalents at beginning of period	1,512,004	2,507,492
Cash and cash equivalents at end of period	2,507,492	2,705,884