

Translation

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Summary of Consolidated Financial Results for the Six Months Ended July 31, 2019 (Based on Japanese GAAP)

September 9, 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 Toru Akiyama TEL 03-5339-1143
 Scheduled date to file Quarterly Securities Report: September 9, 2019
 Scheduled date to commence dividend payments: –
 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 financial results for the six months ended July 31, 2019 (from February 1, 2019 to July 31, 2019)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended July 31, 2019	4,642	–	711	–	733	–	464	–
Six months ended July 31, 2018	–	–	–	–	–	–	–	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended July 31, 2019	45.24	42.42
Six months ended July 31, 2018	–	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of July 31, 2019	12,325	6,257	50.8
As of January 31, 2019	–	–	–

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended January 31, 2019	–	0.00	–	26.00	26.00
Year ending January 31, 2020	–	0.00			
Year ending January 31, 2020 (Forecast)			–	26.00	26.00

3. Forecast of 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 attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	9,454	–	1,409	–	1,469	–	890	–	85.70

4. Notes

- (1) Changes in significant subsidiaries during the six months ended July 31, 2019
(changes in specified subsidiaries resulting in the change in scope of consolidation): 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
- 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

(4) Number of issued shares (common shares)

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

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

As of July 31, 2019	776,218 shares	As of January 31, 2019	587,918 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended July 31, 2019	10,270,395 shares	Six months ended July 31, 2018	10,819,474 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

As of July 31, 2019

Assets	
Current assets	
Cash and deposits	2,978,046
Accounts receivable - trade	1,257,847
Right to reimbursement	2,803,170
Other	807,994
Allowance for doubtful accounts	(1,847,938)
Total current assets	5,999,119
Non-current assets	
Property, plant and equipment	54,090
Intangible assets	
Goodwill	3,710,263
Other	126,143
Total intangible assets	3,836,407
Investments and other assets	
Deferred tax assets	2,039,343
Other	396,628
Total investments and other assets	2,435,972
Total non-current assets	6,326,470
Total assets	12,325,590
Liabilities	
Current liabilities	
Income taxes payable	517,205
Advances received	4,607,700
Provision for bonuses	117,633
Other	824,165
Total current liabilities	6,066,706
Non-current liabilities	
Other	1,487
Total non-current liabilities	1,487
Total liabilities	6,068,193
Net assets	
Shareholders' equity	
Capital stock	1,549,280
Capital surplus	1,549,280
Retained earnings	4,072,057
Treasury shares	(899,303)
Total shareholders' equity	6,271,315
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	(15,637)
Total accumulated other comprehensive income	(15,637)
Share acquisition rights	1,718
Total net assets	6,257,397
Total liabilities and net assets	12,325,590

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

Consolidated statements of income (cumulative)

	(Thousands of yen)
	Six months ended
	July 31, 2019
Net sales	4,642,165
Cost of sales	1,621,696
Gross profit	3,020,469
Selling, general and administrative expenses	2,309,220
Operating profit	711,249
Non-operating income	
Gain on bad debts recovered	19,967
Other	2,783
Total non-operating income	22,750
Non-operating expenses	
Commission fee	809
Total non-operating expenses	809
Ordinary profit	733,190
Profit before income taxes	733,190
Income taxes - current	480,171
Income taxes - deferred	(211,627)
Total income taxes	268,543
Profit	464,646
Profit attributable to owners of parent	464,646

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended July 31, 2019
Profit	464,646
Other comprehensive income	
Valuation difference on available-for-sale securities	(15,637)
Total other comprehensive income	(15,637)
Comprehensive income	449,008
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	449,008

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended July 31, 2019
Cash flows from operating activities	
Profit before income taxes	733,190
Depreciation	42,698
Amortization of goodwill	130,950
Increase (decrease) in provision for bonuses	(4,704)
Increase (decrease) in allowance for doubtful accounts	112,933
Decrease (increase) in notes and accounts receivable - trade	(97,537)
Decrease (increase) in right to reimbursement	(127,028)
Increase (decrease) in accounts payable - other	4,965
Decrease (increase) in accounts receivable - other	17,612
Increase (decrease) in advances received	518,433
Increase (decrease) in deposits received	78,757
Other, net	(1,711)
Subtotal	1,408,561
Interest income received	51
Income taxes paid	(392,146)
Net cash provided by (used in) operating activities	1,016,465
Cash flows from investing activities	
Purchase of investment securities	(196,549)
Purchase of property, plant and equipment	(15,319)
Purchase of intangible assets	(35,956)
Payments for security deposit	(19,072)
Income of deposit and guarantee money paid	930
Other, net	666
Net cash provided by (used in) investing activities	(265,302)
Cash flows from financing activities	
Repayments of lease obligations	(7,670)
Purchase of treasury shares	(200,724)
Cash dividends paid	(270,606)
Net cash provided by (used in) financing activities	(479,001)
Net increase (decrease) in cash and cash equivalents	272,162
Cash and cash equivalents at beginning of period	2,705,884
Cash and cash equivalents at end of period	2,978,046