

Translation

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Summary of Consolidated Financial Results for the Year Ended January 31, 2021 (Based on Japanese GAAP)

March 11, 2021

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 Yusuke Takasugi TEL 03-5339-1143
 Scheduled date of ordinary general meeting of shareholders: April 22, 2021
 Scheduled date to file Securities Report: April 23, 2021
 Scheduled date to commence dividend payments: April 23, 2021
 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. Consolidated financial results for the year ended January 31, 2021 (from February 1, 2020 to January 31, 2021)

(1) Consolidated operating results

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	%
Year ended January 31, 2021	10,226	8.4	1,031	(32.3)	1,090	(30.9)	611	(34.1)
Year ended January 31, 2020	9,436	—	1,522	—	1,577	—	927	—

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended January 31, 2021	60.36	56.86	9.1	8.4	10.1
Year ended January 31, 2020	90.49	84.82	14.4	13.0	16.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of January 31, 2021	13,416	6,811	50.8	671.82
As of January 31, 2020	12,671	6,610	52.1	647.70

(3) 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, 2021	1,077	(445)	(444)	3,177
Year ended January 31, 2020	1,193	(311)	(597)	2,989

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (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, 2020	—	0.00	—	28.00	28.00	285	30.9	4.5
Year ended January 31, 2021	—	0.00	—	30.00	30.00	304	49.7	4.5
Year ending January 31, 2022 (Forecast)	—	0.00	—	30.00	30.00		62.1	

3. Forecast of consolidated financial results for the year ending January 31, 2022 (from February 1, 2021 to January 31, 2022)

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
Six months ending July 31, 2021	5,140	2.4	399	8.3	408	2.5	235	1.9	23.24
Full year	10,323	0.9	832	(19.3)	850	(22.0)	489	(19.9)	48.32

4. Notes

(1) Changes in significant subsidiaries during the year ended January 31, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

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

As of January 31, 2021	11,082,700 shares	As of January 31, 2020	11,072,000 shares
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Number of treasury shares at the end of the period

As of January 31, 2021	947,446 shares	As of January 31, 2020	869,846 shares
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Average number of shares during the period

Year ended January 31, 2021	10,123,407 shares	Year ended January 31, 2020	10,246,681 shares
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Consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of January 31, 2020	As of January 31, 2021
Assets		
Current assets		
Cash and deposits	2,824,905	3,177,530
Accounts receivable - trade	1,293,073	1,261,254
Accounts receivable - other	846,978	778,862
Right to reimbursement	3,117,737	3,927,971
Other	273,845	177,209
Allowance for doubtful accounts	(1,826,810)	(2,495,385)
Total current assets	6,529,729	6,827,443
Non-current assets		
Property, plant and equipment		
Buildings and structures	78,554	88,980
Accumulated depreciation	(56,302)	(60,556)
Buildings and structures, net	22,252	28,423
Leased assets	25,527	12,372
Accumulated depreciation	(16,053)	(7,339)
Leased assets, net	9,473	5,032
Other	96,210	114,417
Accumulated depreciation	(73,634)	(87,319)
Other, net	22,576	27,098
Total property, plant and equipment	54,302	60,554
Intangible assets		
Goodwill	3,579,313	3,317,412
Other	137,284	536,272
Total intangible assets	3,716,598	3,853,685
Investments and other assets		
Investment securities	145,480	97,929
Long-term loans receivable	2,304	1,272
Deferred tax assets	2,037,508	2,381,882
Other	185,363	194,032
Total investments and other assets	2,370,656	2,675,116
Total non-current assets	6,141,556	6,589,356
Total assets	12,671,286	13,416,799

	(Thousands of yen)	
	As of January 31, 2020	As of January 31, 2021
Liabilities		
Current liabilities		
Lease obligations	4,824	1,720
Income taxes payable	493,258	466,439
Provision for bonuses	128,896	126,605
Provision for loss on guarantees	114,690	135,396
Advances received	4,425,775	4,751,644
Deposits received	618,817	728,639
Other	269,323	390,812
Total current liabilities	6,055,587	6,601,257
Non-current liabilities		
Lease obligations	5,532	3,811
Total non-current liabilities	5,532	3,811
Total liabilities	6,061,119	6,605,069
Net assets		
Shareholders' equity		
Share capital	1,561,280	1,567,053
Capital surplus	1,561,280	1,567,053
Retained earnings	4,534,669	4,857,376
Treasury shares	(1,035,242)	(1,150,415)
Total shareholders' equity	6,621,988	6,841,068
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(14,089)	(32,017)
Total accumulated other comprehensive income	(14,089)	(32,017)
Share acquisition rights	2,268	2,679
Total net assets	6,610,167	6,811,730
Total liabilities and net assets	12,671,286	13,416,799

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended January 31, 2020	Fiscal year ended January 31, 2021
Net sales	9,436,155	10,226,855
Cost of sales	3,270,600	4,146,679
Gross profit	6,165,555	6,080,175
Selling, general and administrative expenses	4,642,783	5,048,505
Operating profit	1,522,771	1,031,670
Non-operating income		
Interest income	147	94
Dividend income	678	805
Recoveries of written off receivables	36,297	47,007
Subsidy income	—	7,817
Other	18,714	19,141
Total non-operating income	55,837	74,866
Non-operating expenses		
Commission expenses	1,409	2,679
Special survey costs	—	13,792
Total non-operating expenses	1,409	16,471
Ordinary profit	1,577,200	1,090,065
Extraordinary income		
Gain on sales of investment securities	—	50,040
Other	—	243
Total extraordinary income	—	50,283
Extraordinary losses		
Loss on valuation of investment securities	62,000	34,600
Loss on valuation of advance payments	—	53,004
Total extraordinary losses	62,000	87,604
Profit before income taxes	1,515,200	1,052,744
Income taxes - current	797,733	786,051
Income taxes - deferred	(209,792)	(344,374)
Total income taxes	587,941	441,677
Profit	927,258	611,066
Profit attributable to owners of parent	927,258	611,066

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended January 31, 2020	Fiscal year ended January 31, 2021
Profit	927,258	611,066
Other comprehensive income		
Valuation difference on available-for-sale securities	(14,089)	(17,928)
Total other comprehensive income	(14,089)	(17,928)
Comprehensive income	913,168	593,138
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	913,168	593,138

Consolidated statements of changes in equity

Fiscal year ended January 31, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,549,280	1,549,280	3,877,501	(699,388)	6,276,674
Changes during period					
Issuance of new shares - exercise of share acquisition rights	12,000	12,000			24,000
Dividends of surplus			(270,090)		(270,090)
Profit attributable to owners of parent			927,258		927,258
Purchase of treasury shares				(335,853)	(335,853)
Net changes in items other than shareholders' equity					
Total changes during period	12,000	12,000	657,168	(335,853)	345,314
Balance at end of period	1,561,280	1,561,280	4,534,669	(1,035,242)	6,621,988

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	—	—	1,718	6,278,392
Changes during period				
Issuance of new shares - exercise of share acquisition rights				24,000
Dividends of surplus				(270,090)
Profit attributable to owners of parent				927,258
Purchase of treasury shares				(335,853)
Net changes in items other than shareholders' equity	(14,089)	(14,089)	549	(13,540)
Total changes during period	(14,089)	(14,089)	549	331,774
Balance at end of period	(14,089)	(14,089)	2,268	6,610,167

Fiscal year ended January 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,561,280	1,561,280	4,534,669	(1,035,242)	6,621,988
Changes during period					
Issuance of new shares - exercise of share acquisition rights	5,772	5,772			11,545
Dividends of surplus			(285,660)		(285,660)
Profit attributable to owners of parent			611,066		611,066
Purchase of treasury shares				(164,096)	(164,096)
Disposal of treasury shares			(2,700)	48,924	46,224
Net changes in items other than shareholders' equity					
Total changes during period	5,772	5,772	322,706	(115,172)	219,079
Balance at end of period	1,567,053	1,567,053	4,857,376	(1,150,415)	6,841,068

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	(14,089)	(14,089)	2,268	6,610,167
Changes during period				
Issuance of new shares - exercise of share acquisition rights				11,545
Dividends of surplus				(285,660)
Profit attributable to owners of parent				611,066
Purchase of treasury shares				(164,096)
Disposal of treasury shares				46,224
Net changes in items other than shareholders' equity	(17,928)	(17,928)	411	(17,516)
Total changes during period	(17,928)	(17,928)	411	201,562
Balance at end of period	(32,017)	(32,017)	2,679	6,811,730

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2020	Fiscal year ended January 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,515,200	1,052,744
Depreciation	84,090	73,470
Amortization of goodwill	261,900	261,900
Increase (decrease) in provision for bonuses	6,557	(2,291)
Increase (decrease) in provision for loss on guarantees	114,690	20,705
Increase (decrease) in allowance for doubtful accounts	91,805	668,575
Loss (gain) on valuation of investment securities	62,000	34,600
Loss (gain) on sales of investment securities	—	(50,040)
Loss on valuation of advance payments	—	53,004
Interest and dividend income	(825)	(899)
Decrease (increase) in trade receivables	(132,763)	31,819
Decrease (increase) in right to reimbursement	(441,595)	(810,234)
Decrease (increase) in accounts receivable - other	(124,508)	68,115
Increase (decrease) in advances received	336,509	325,868
Other, net	153,199	157,756
Subtotal	1,926,260	1,885,095
Interest and dividends received	715	770
Income taxes paid	(732,984)	(808,702)
Net cash provided by (used in) operating activities	1,193,992	1,077,163
Cash flows from investing activities		
Purchase of property, plant and equipment	(19,744)	(32,008)
Purchase of intangible assets	(79,005)	(446,203)
Purchase of investment securities	(196,549)	(29,997)
Proceeds from sales of investment securities	—	75,060
Other, net	(16,631)	(11,950)
Net cash provided by (used in) investing activities	(311,931)	(445,099)
Cash flows from financing activities		
Repayments of lease obligations	(14,581)	(4,824)
Proceeds from issuance of shares resulting from exercise of share acquisition rights	24,000	11,534
Purchase of treasury shares	(337,263)	(164,817)
Dividends paid	(270,702)	(285,711)
Other, net	549	(662)
Net cash provided by (used in) financing activities	(597,997)	(444,481)
Net increase (decrease) in cash and cash equivalents	284,063	187,582
Cash and cash equivalents at beginning of period	2,705,884	2,989,948
Cash and cash equivalents at end of period	2,989,948	3,177,530