

# Casa Inc.

Financial Results Presentation  
for the Third Quarter of the Fiscal Year  
Ending January 2020

Listed Code : 7196



Corporate name	Casa Inc.
Representative	Seigo Miyaji, President and CEO,
Capital	JPY 1,555 million
Head Office	Shinjuku Sumitomo Bldg. 2-6-1 Nishi-Shinjuku, Shinjuku-ku, Tokyo
Business Content	Rent Guarantee business , Real estate management consulting Platform development and operation
Number of Employees	298(full-time employees / as of October 31, 2019)
Business location	Tokyo head office, Sapporo, Sendai, Chiba, Yokohama, Saitama, Shizuoka, Nagoya, Osaka, Okayama, Takamatsu, Fukuoka

## Net Sales

7,023 **+ 9.6%**  
Unit: million yen

## Operating Profit


1,198 **+ 7.9%**  
Unit: million yen

## Profit


782 **+ 8.4%**  
Unit: million yen

## Main factors

### New contracts Up 9.1%

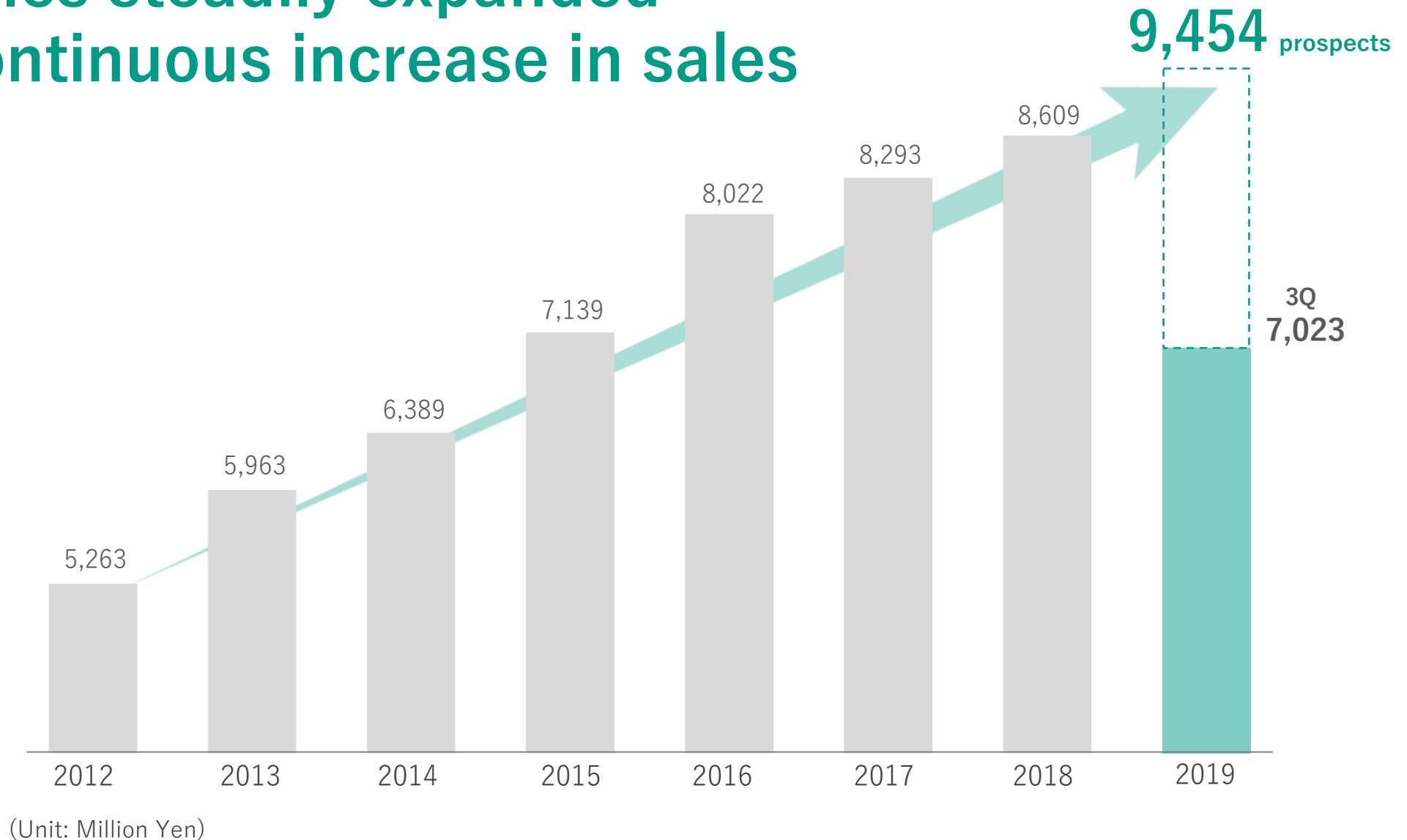
- Increase in 545 new agencies
  - “Landlord Direct” 160% increase
- 

### Contracts Held Up 8.2%

- Number of Contracts Held 473 thousand ⇒ 512 thousand
  - Annual guarantee fee increased by 227 million yen
- 

# Sales steadily expanded

## Continuous increase in sales



## FY2019 Third Quarter Financial Results Overview

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Unit: One million yen	FY2018 / 3Q	FY2019 / 3Q	YoY change Increase	YoY change Increase Rate
Net Sales	6,411	<b>7,023</b>	612	<b>9.6%</b>
Gross Profit	4,339	<b>4,642</b>	302	7.0%
Operating Profit	1,111	<b>1,198</b>	87	7.9%
Ordinary Profit	1,153	<b>1,230</b>	76	6.7%
Profit	722	<b>782</b>	60	<b>8.4%</b>

	FY2018 / 3Q	FY2019 / 3Q	YoY change
Initial guarantee fee * [million yen]	3,407	<b>3,794</b>	<b>11.4%</b>
Number of new contracts [thousand]	90	<b>99</b>	9.1%
Average unit price [thousand yen]	40	<b>41</b>	1.8%
Annual guarantee fee * [million yen]	2,888	<b>3,115</b>	7.9%
Number of contracts held [thousand]	473	<b>512</b>	8.2%

\* Initial guarantee fee and annual guarantee fee are prorated for the contract period.

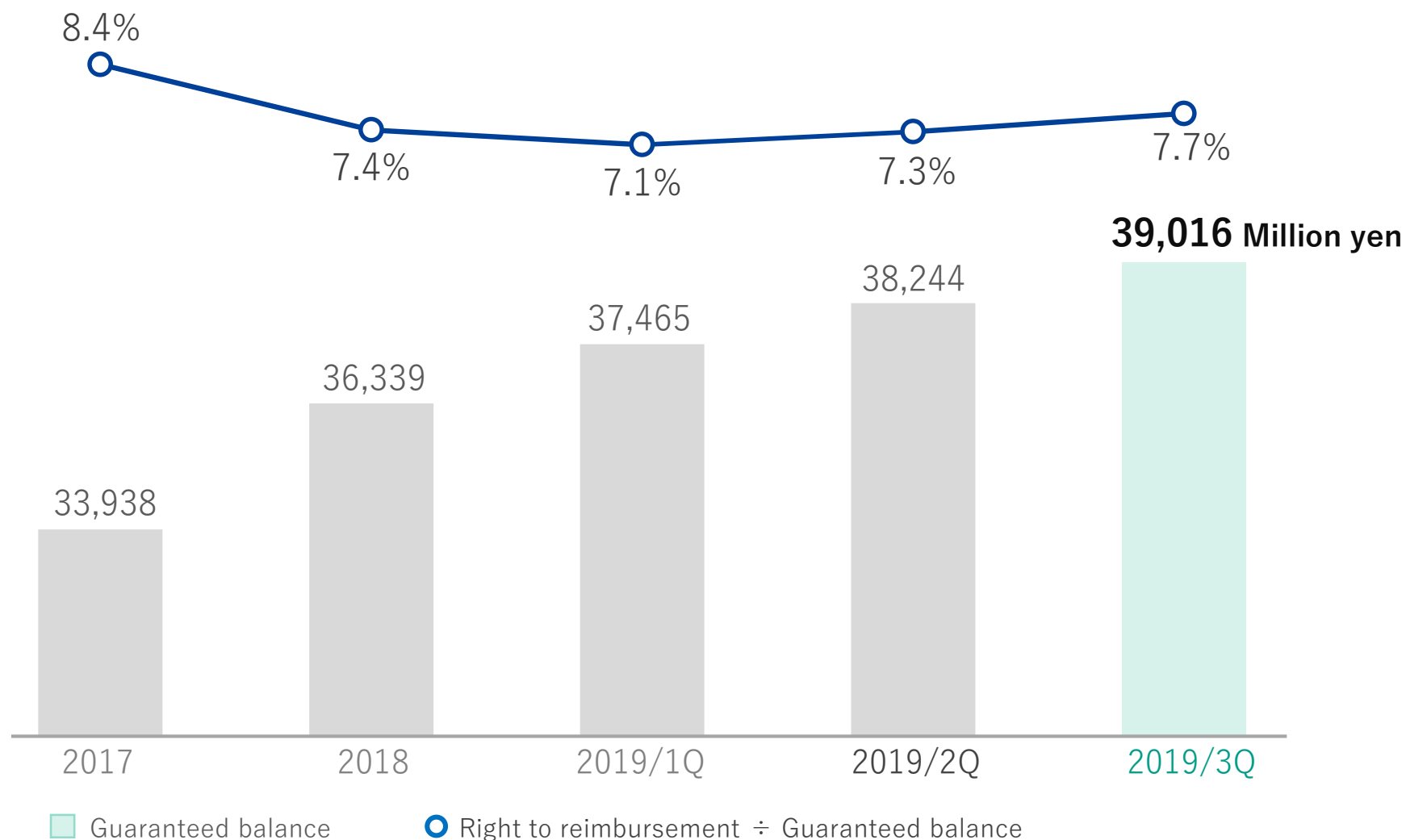
Unit: One million yen	FY2018 / 3Q	FY2019 / 3Q	YoY change
Amount of sales	6,411	<b>7,023</b>	9.6%
	2,071	<b>2,381</b>	15.0%
Referral fee	476	<b>610</b>	28.2%
Lawsuit / Dispose expense	409	<b>436</b>	6.7%
Provision of allowance for doubtful accounts	1,184	<b>1,333</b>	12.5%
Gross profit	4,339	<b>4,642</b>	7.0%



# Balance sheet summary

Unit: One million yen	FY2018	FY2019 / 3Q	Increase / decrease	
<b>Current Assets</b>	5,626	<b>6,276</b>	650	
Cash and deposits	2,705	<b>2,902</b>	196	Sales CF increased steadily
Right to reimbursement	2,676	<b>3,016</b>	340	Increase in the number of holdings due to expansion of new contracts
Allowance for doubtful accounts	△1,734	△ <b>1,906</b>	△171	Provision for Right to Reimbursement Percentage decreased by 1.6%
<b>Non-current Assets</b>	6,049	<b>6,277</b>	227	
Goodwill	3,841	<b>3,644</b>	△196	
<b>Total assets</b>	11,675	<b>12,553</b>	877	
<b>Liabilities</b>	5,397	<b>5,966</b>	569	
Advances received	4,089	<b>4,540</b>	451	Initial guarantee fee ¥2,387 million Annual guarantee fee ¥2,153 million
Long and short-term loans payable	-	-	-	No debt in good financial condition
<b>Net Assets</b>	6,278	<b>6,586</b>	308	

## Ratio of Right to Reimbursement guarantee balance is stable

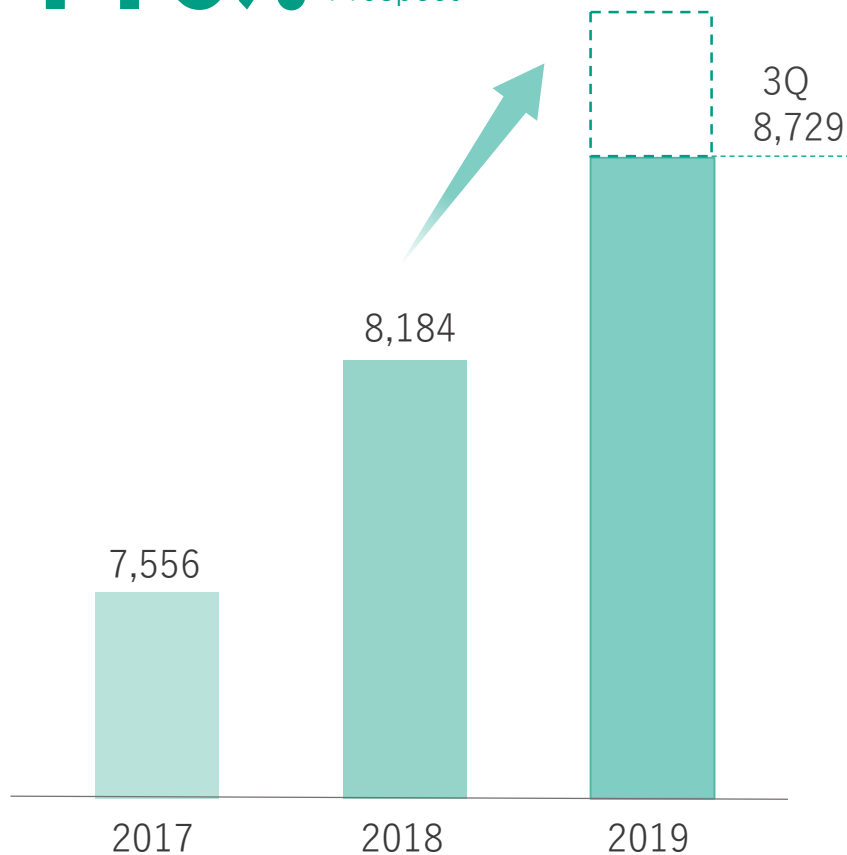


# Sales results

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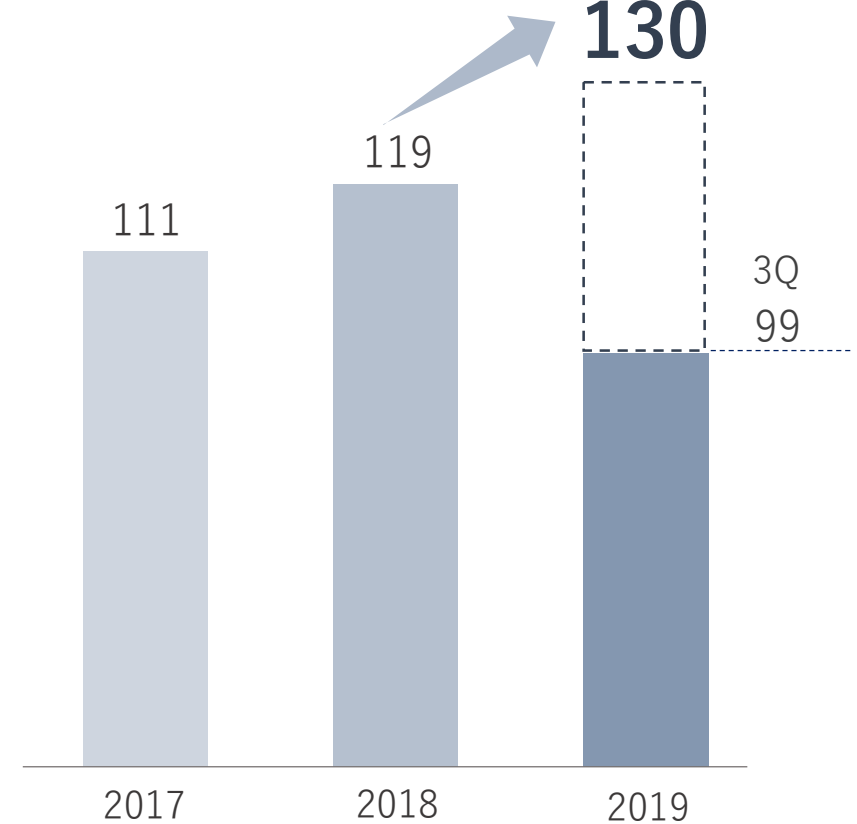
## Number of agencies

YoY change

**110%** Prospect**9,000**3Q  
8,729

## Number of new contracts

YoY change

**110%** Prospect**130**3Q  
99

(Unit: thousand)

## 1. Recruitment



Mediation network of 22,000 stores nationwide  
Rental management Full support

## 2. Rent guarantee



Unfulfilled rent fee risk is eliminated by our full guarantee  
Stable cash flow is realized

## 3. Solitary death insurance



Automatic compensation in the unlikely event

- Rent loss costs
- Accident response costs
- Recovery cost

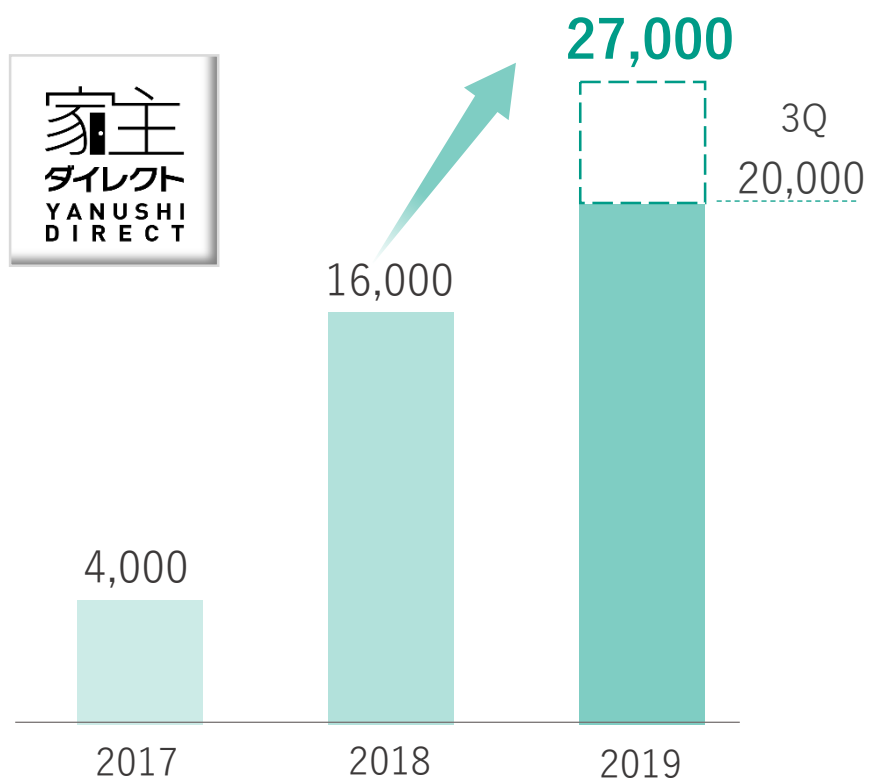
### Original guide book



Number of “Landlord Direct” contracts

YoY change

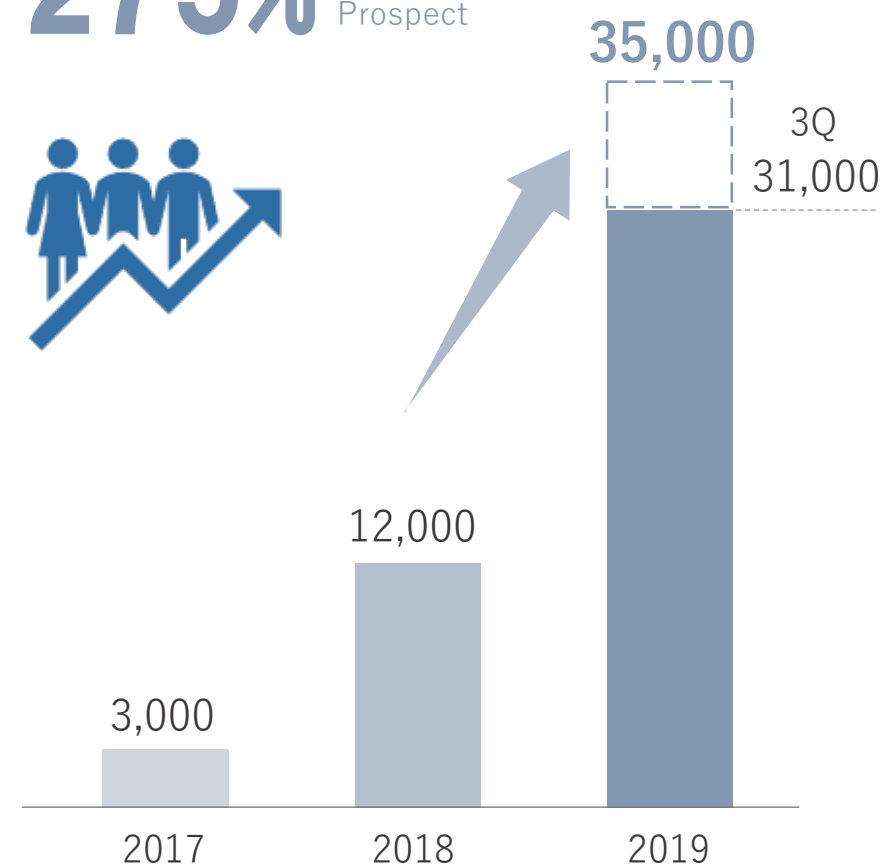
**160%** Prospect



Number of owners

YoY change

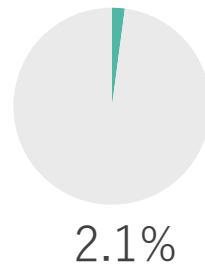
**275%** Prospect



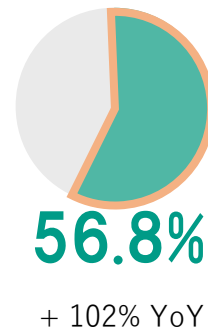
# Transactions with major business partners remain strong

Major business partners  
Number of managed units  
More than 10,000

Agency ratio



Sales ratio

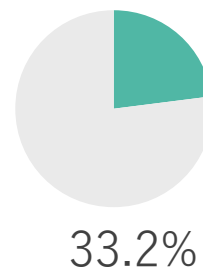
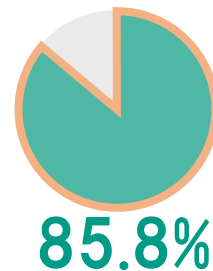


## Deep cultivation of a major business partners

- ✓ Provide OEM products
- ✓ System linkage
- ✓ Customised guarantee
- ✓ Referral fee amendment

160%

Small business partners  
Number of managed units  
Less than 1,000



## Strong growth area

- ✓ Insurance premium guarantee is popular
- ✓ Popular “Landlord Direct”
- ✓ Web system provision
- ✓ Expansion of operating agency

## Benefits of insurance premium guarantee

- **Guaranteed rent + insurance premium**

No insurance omissions with premium guarantee service

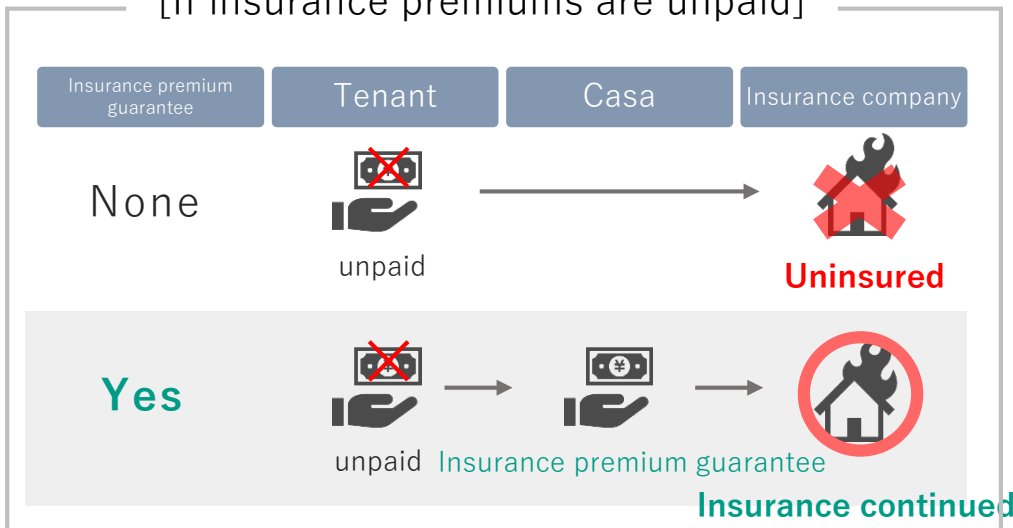
- **No insurance renewal procedure required**

Substituting the renewal procedure and reducing the labor of real estate companies

- **Easy subscription procedure**

Application is linked with guarantee, reducing labor for tenants

[If insurance premiums are unpaid]



1. Efforts to create documents

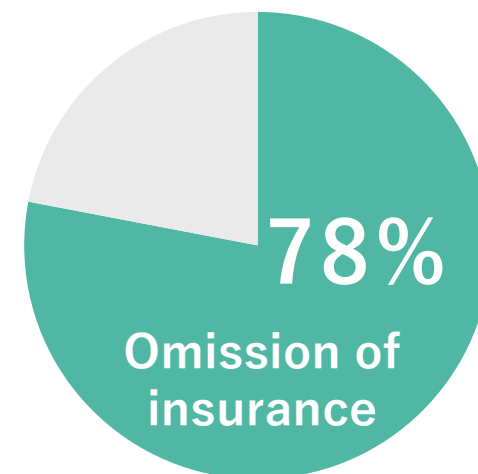
Creating separate contracts for guarantees and insurance

2. Complex operations

Renewal work is complicated and no dedication to main business

3. Uninsured risk

80% of real estate companies view non-insurance risk as a problem



(Our investigation)

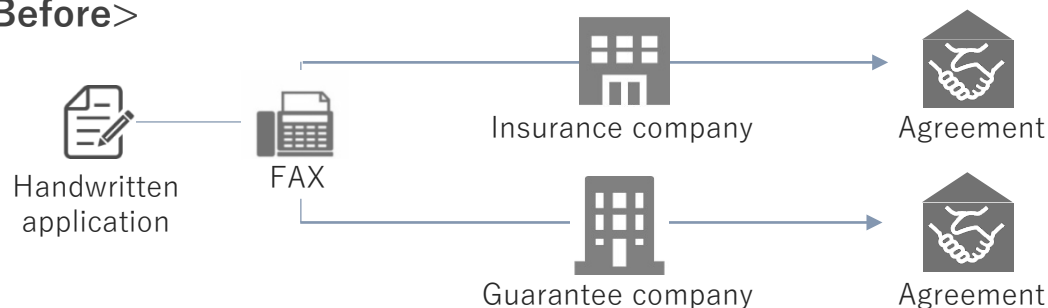


## Significantly improve agency operations through system linkage

- Guarantee application and household insurance application can be linked to the system, reducing labor
- Automating contract work with a Web contract system using data linkage



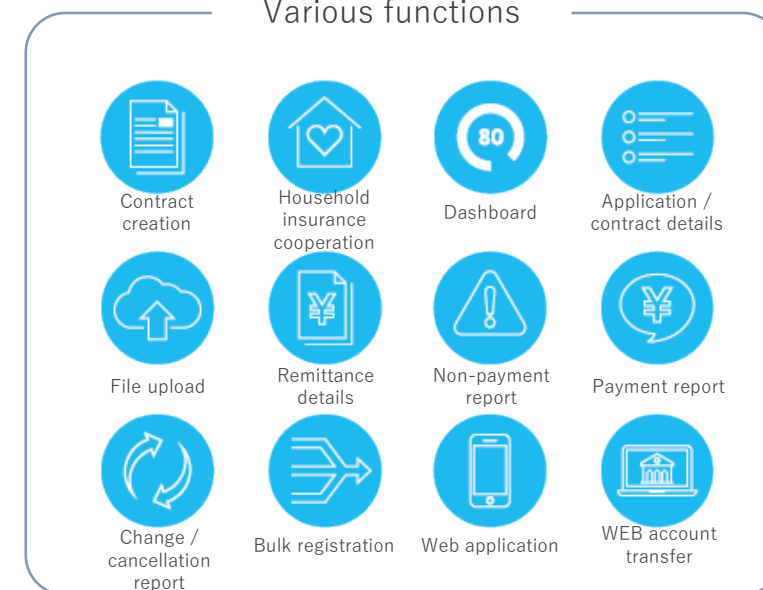
### <Before>



### <After>



### Various functions



# Acceleration of electronic contract due to amendment of civil law in April 2020

Recruitment

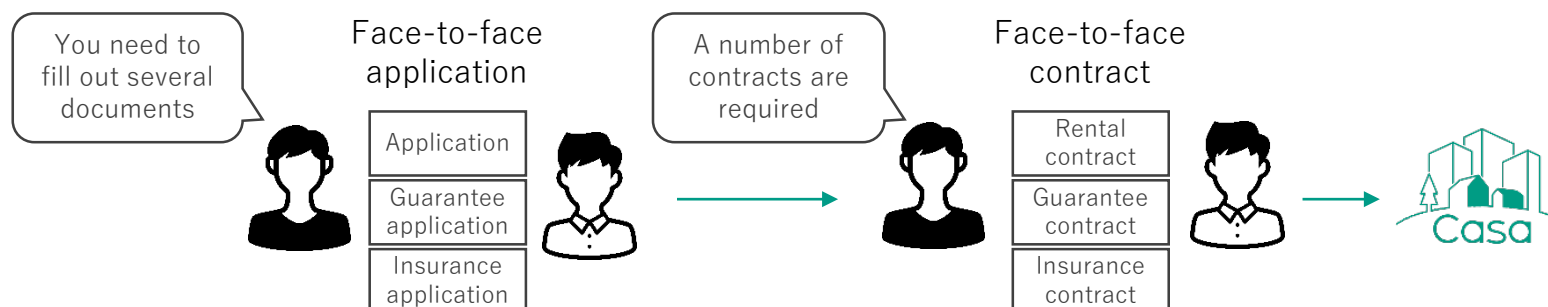
Inside view

Apply

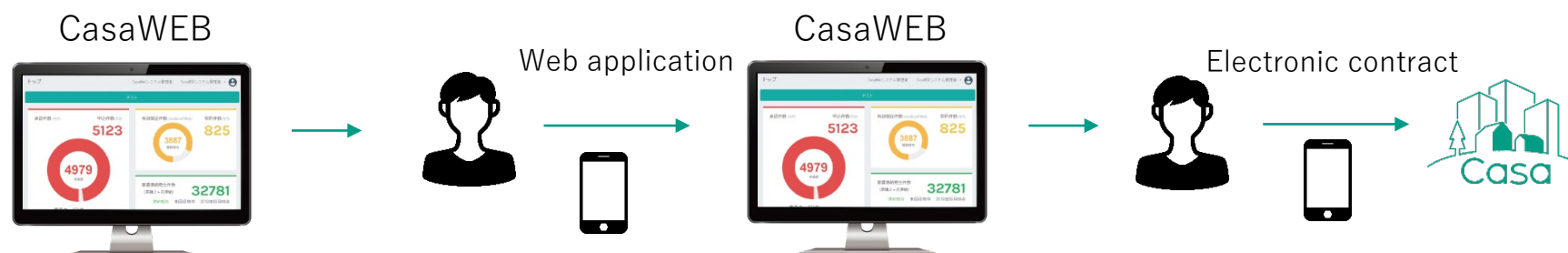
Agreement

Moving in

Before



After

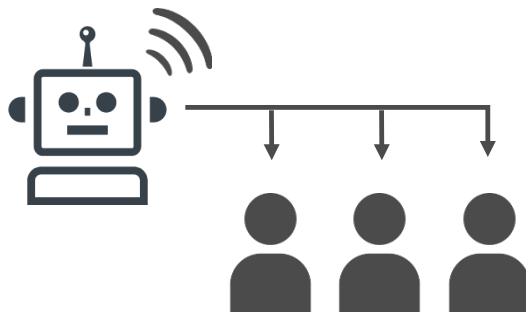


# Detailed communication corresponding to customer's situation

Inadvertent delay

**Robot call**

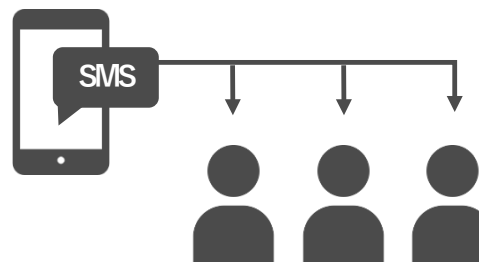
- Payment guide by automatic call
- Payment engagement with push registration



Continuous delay

**S**hort **M**ail **S**ervice

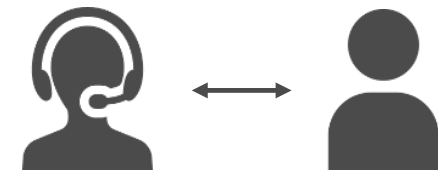
- Sending guidance / payment notices
- Inbound payment confirmation



Individual consultation

**Operator**

- Individual customer consultation
- Multilingual support with three-party calls



# Future rental management

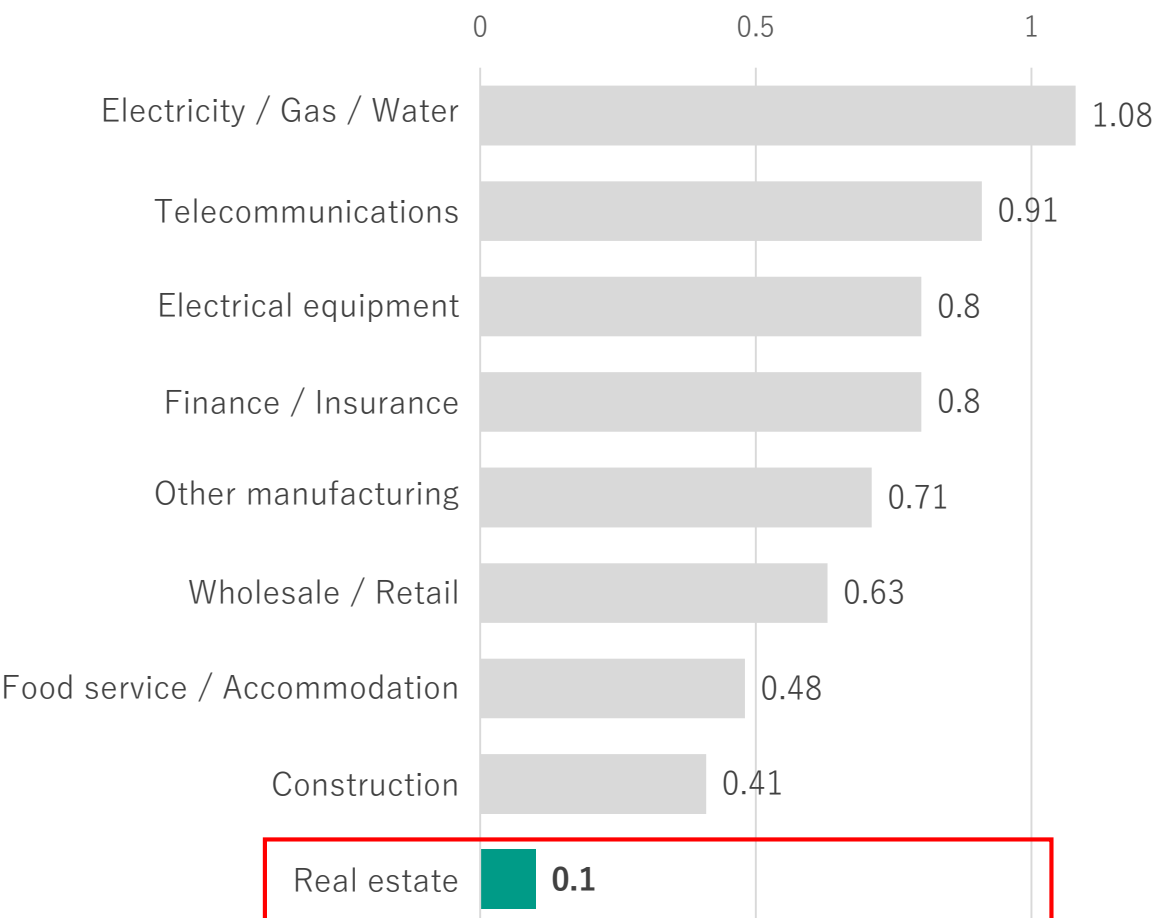




COMPASS Co., Inc.

## IT capital investment in Japan

(USA = 1)



## [ Issues in the real estate industry ]

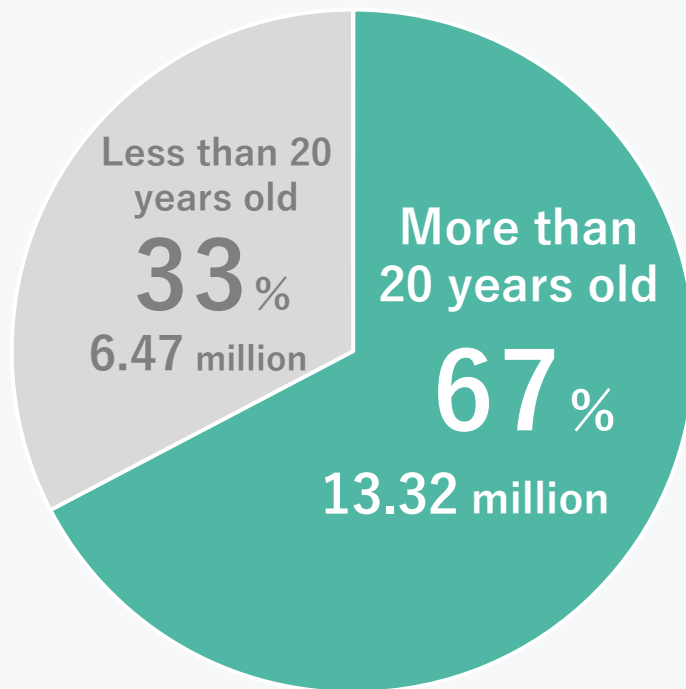
- Information asymmetry
- IT conversion of real estate transactions
- Rise of digital generation

- Accuracy of property information
- Transparency of market prices
- Appropriate appraisal price

(Source) Ministry of Health, Labor and Welfare "Analysis of Labor Economy"

## Number of houses for rent by age

**About 70% are over 20 years old**



- Proportion of old properties has increased
- Vacancy problem due to decline in property competitiveness
- Insufficient managers of old properties
- Lack of information necessary for proper rent setting
- Insufficient information necessary for renovation judgment
- Increase in landlords with insufficient experience due to asset succession

Source: 2013 Survey Results on Housing and Land (Ministry of Internal Affairs and Communications Statistics Bureau)

## Our feelings

In the current real estate rental market, the supply of new properties has been decreasing year by year, and the proportion of old properties has increased. Especially for properties over 20 years old, there is no manager and the landlord has to manage it.

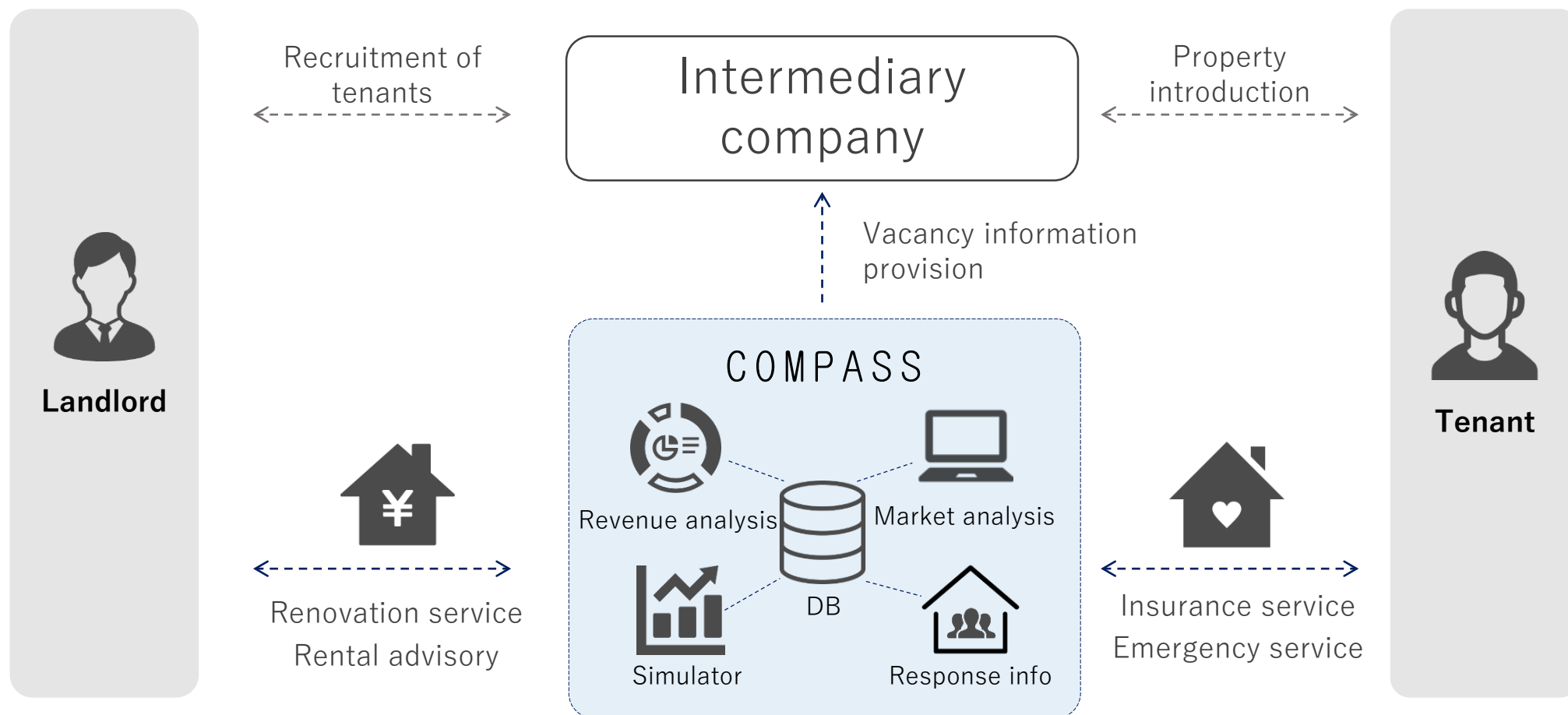
In addition, we are facing serious problems such as an increase in vacancy due to a declining population and a decline in property value.

On the other hand, landlords in their 30s and 40s have increased due to the succession of assets, and most are landlords with another main job. These landlords have no experience or know-how in rental management and are worried and anxious about apartment management.

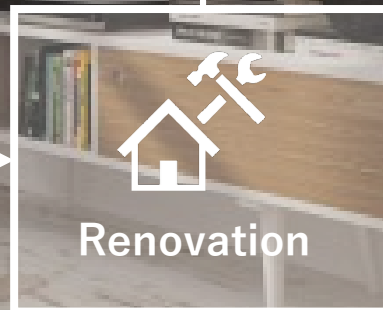
In order to solve the problems of these property and landlords who have no experience in rental management, we will make full use of IT and aim to build a new system that can be used safely by lenders and borrowers.

We will be the industry COMPASS as an innovator.





# Reform service to fill vacancies



## 選べるリフォーム PACKAGE

Casaのリフォームはお部屋の状態に合わせて選べるパッケージタイプ。

**LIGHT  
PACKAGE**  
ライトパッケージ

**69.8 万円～**  
20㎡ (築数)

**STANDARD  
PACKAGE**  
スタンダードパッケージ

**139.8 万円～**  
20㎡ (築数)

**FULL  
PACKAGE**  
フルパッケージ

**219.8 万円～**  
20㎡ (築数)

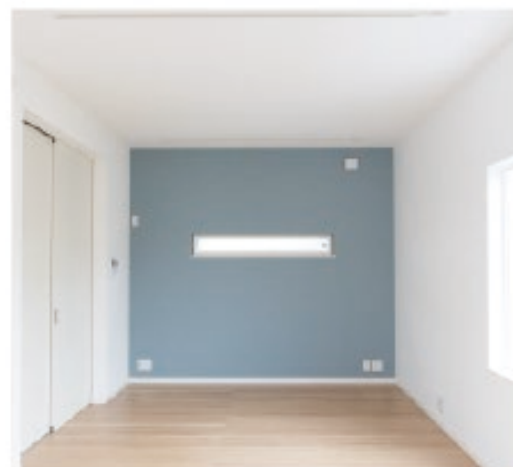
## LIGHT PACKAGE

ライトパッケージ

様々な工夫で魅力的な物件に。  
原状回復にプラスして機能性とデザインを。

■ リノベーション目安  
築年数 へ25年  
構造 RC/SRC/戸建  
広さ 20㎡

**69.8 万円～**



※画像はイメージです

### POINT

■ 居室床：無垢フローリング

■ 玄関/水回り床：クッションフロア

■ 照明：全てLEDダウンライト



## STANDARD PACKAGE

スタンダードパッケージ

ニーズの高いリノベーションで  
長期的な修繕も含めた強い物件に！

139.8万円～

■リノベーション目安  
築年数 ～25年  
構造 RC/SRC/戸建  
広さ 20㎡



写真等はイメージです

### POINT

- 居室床：無垢フローリング
- 玄関/水回り床：クッションフロア
- 照明：全てLEDダウンライト
- キッチン：新規交換
- クローゼット：新規交換
- トイレ：ウォシュレットに交換



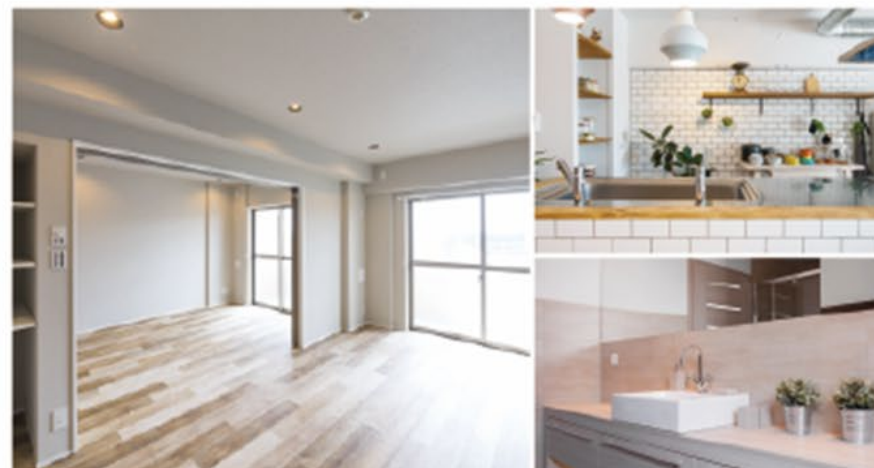
## FULL PACKAGE

フルパッケージ

必要箇所全てに手を加えて、  
納得のロングライフ物件に！

219.8万円～

■リノベーション目安  
築年数 ～25年  
構造 RC/SRC/戸建  
広さ 20㎡



写真等はイメージです

### POINT

- 居室床：無垢フローリング
- 玄関/水回り床：クッションフロア
- 照明：全てLEDダウンライト
- 建具：新規交換
- クローゼット：新規交換
- 住宅設備機器：全て新規交換\*



## 原状回復プラン

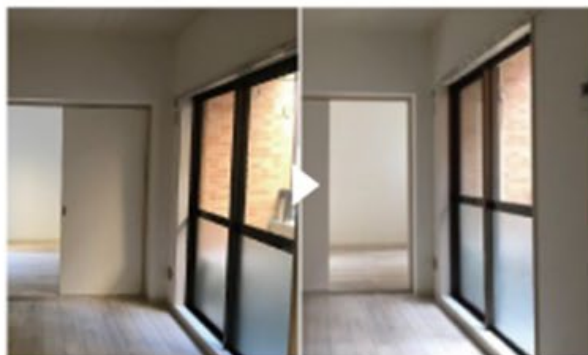
高品質・スピード対応

- アクセントクロス張替
- ハウスクリーニング
- 消耗品交換に伴う雑工事

7.98万円～  
20㎡(税抜)

### 施工事例

#### ■ハウスクリーニング



その他

ガラス・サッシ、網戸(玄関用・窓用全て)  
ベランダ・バルコニー、ブレイカーボックス

#### ■アクセントクロス張替



単一色のクロスだけでなく、  
アクセントクロスを張るなど  
の工夫を凝らし、ただの修復  
ではなくお部屋のデザイン性  
を高めます。

#### ■消耗品交換

水廻りのパッキン、ゴム栓、照明器具の電球交換\*(電球代込)  
エアコン・照明器具のリモコンの電池交換等、物件の状態に  
より交換する商材は異なります。

\*電球が切れている場合に限り

#### ■エアコンクリーニング(オプション)

壁掛けタイプ

8,000円(税抜)/台



別途、退去時の立会いも承ります。



## Market analysis

## Target setting / reform diagnosis

## New rent setting

Create marketing reports using property data and statistics  
Analyze which class should promote the property and lead to early contracts.

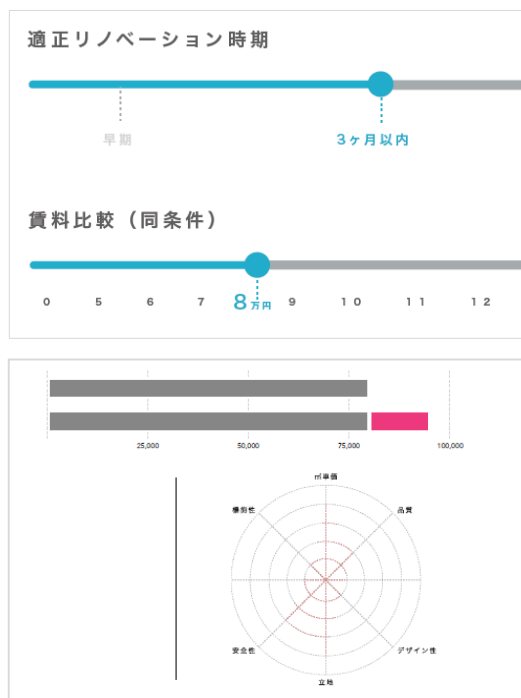
### AI reform diagnosis

Analysis based on data such as population, floor plan, age, equipment and income

現況	即入居可	入居人数	最大4人
築年数	H4.2月	構造	RC
地上階	8階	総戸数	—
ベット	相談	契約期間	2年
初期費用	—	取引形態	—
その他設備 / 現況			
エアコン / バストイレ別 / 追い焚き付 / 独立洗面			
フローリング / クローゼット / 下足箱 / オートロック			
エレベーター / 駐輪場 / 駐車場 (10,000円) / 常駐管理			

### AI balance simulation

- Rent, price forecast
- Check validity of price and rent



### Create survey results report

- Rent from CF simulation
- Set up and create reports



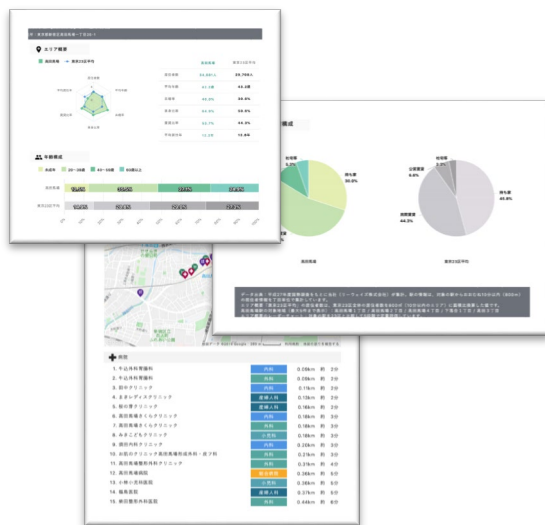
2020 2Q release schedule

# Creating new rental management with AI SCOPE

Analysis function

Assessment function

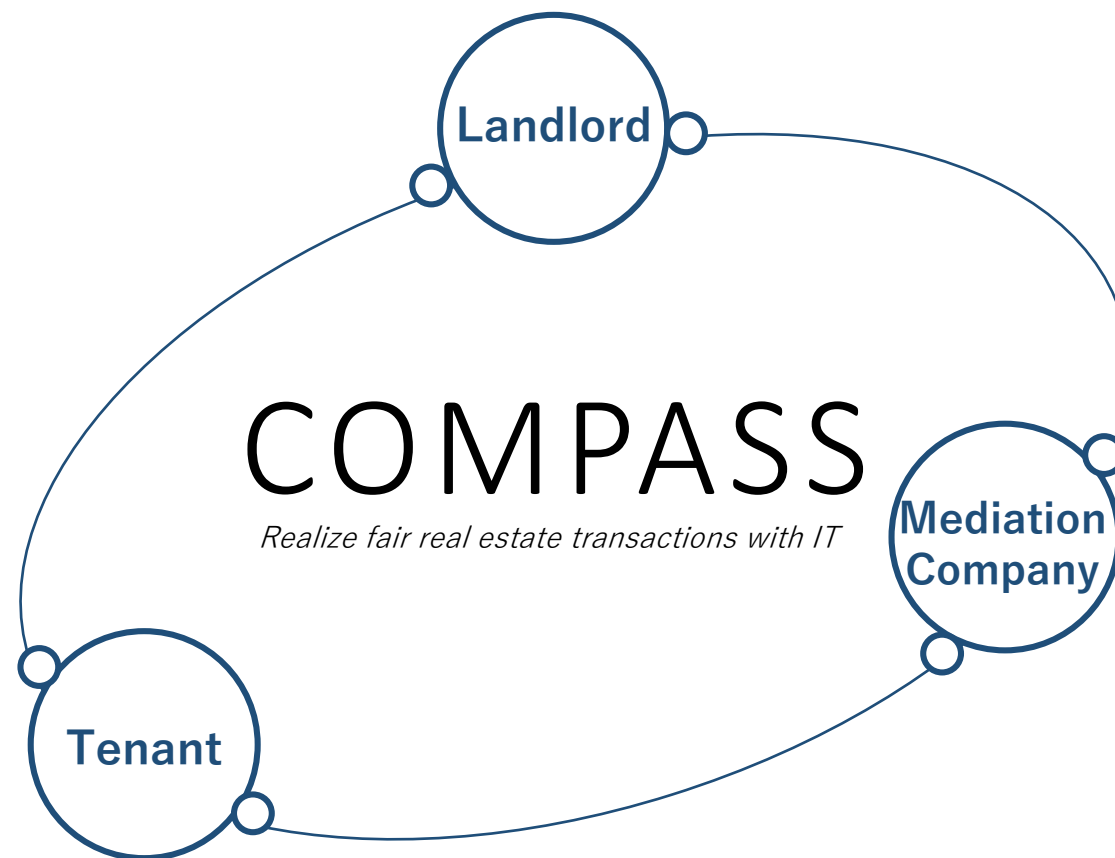
Simulation function



- Rent market price display in the surrounding area
- Statistics function of market survey
- Heat map display such as population transition
- Appropriate rent assessment for designated areas
- Check validity of price, rent, etc.
- Calculation of sustainability of property value
- Visualization of cap rate delivery
- Investment profitability diagnosis after reform
- Estimation of reform value

2020 2Q release schedule

**By utilizing IT, we aim to eliminate the structure of information gap in the industry and make real estate transactions sounder.**





三方良し

- In addition to our business and industry trends, this document also refers to our future prospects based on our current plans, estimates, forecasts or forecasts.
- These forward-looking statements carry various risks and uncertainties.
- Already known or unknown risks, uncertainties and other factors may or may not lead to different consequences than those contained in the statement of future prospects.
- 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 were made by the Company based on available information as of December 9, 2019, and reflect any future events or circumstances. The statement is not updated or changed.
- From the second quarter of the fiscal period ending January 2020, consolidated financial statements have begun. The year-on-year comparison is a comparison with non-consolidated results.