

Translation

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Summary of Non-Consolidated Financial Results for the Year Ended January 31, 2018 (Based on Japanese GAAP)

March 14, 2018

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 25, 2018
 Scheduled date to file Securities Report: April 26, 2018
 Scheduled date to commence dividend payments: April 26, 2018
 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, 2018 (from February 1, 2017 to January 31, 2018)

(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, 2018	8,293	3.4	1,166	(0.2)	1,212	(4.0)	744	17.8
Year ended January 31, 2017	8,022	12.4	1,168	(25.1)	1,263	(25.7)	632	(27.7)

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended January 31, 2018	141.69	131.01	13.0	10.7	14.1
Year ended January 31, 2017	121.64	—	13.1	11.5	14.6

(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, 2018	11,764	6,344	53.9	1,170.23
As of January 31, 2017	10,912	5,135	47.0	987.20

(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, 2018	1,038	(43)	0	2,507
Year ended January 31, 2017	88	(182)	(441)	1,512

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, 2017	—	0.00	—	0.00	0.00	—	—	—
Year ended January 31, 2018	—	0.00	—	44.50	44.50	241	31.4	4.1
Year ending January 31, 2019 (Forecast)	—	0.00	—	44.50	44.50		30.1	

3. Forecast of non-consolidated financial results for the year ending January 31, 2019 (from February 1, 2018 to January 31, 2019)

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, 2018	4,246	2.2	367	(25.2)	392	(27.6)	223	(31.9)	41.31
Full year	8,854	6.8	1,246	6.8	1,296	6.9	801	7.5	147.80

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, 2018	5,420,000 shares	As of January 31, 2017	5,200,000 shares
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Number of treasury shares at the end of the period

As of January 31, 2018	51 shares	As of January 31, 2017	– shares
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Average number of shares during the period

Year ended January 31, 2018	5,256,655 shares	Year ended January 31, 2017	5,200,000 shares
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Non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of January 31, 2017	As of January 31, 2018
Assets		
Current assets		
Cash and deposits	1,512,004	2,507,492
Accounts receivable - trade	924,379	1,025,836
Advance payments - trade	42,519	57,350
Right to reimbursement	2,602,526	2,853,561
Prepaid expenses	52,037	51,230
Deferred tax assets	1,568,157	1,682,804
Other	505,936	553,285
Allowance for doubtful accounts	(1,311,623)	(1,611,592)
Total current assets	5,895,938	7,119,969
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	74,291	74,421
Accumulated depreciation	(42,921)	(47,905)
Facilities attached to buildings, net	31,369	26,515
Tools, furniture and fixtures	70,251	79,639
Accumulated depreciation	(52,265)	(59,734)
Tools, furniture and fixtures, net	17,985	19,904
Leased assets	153,190	67,478
Accumulated depreciation	(102,043)	(40,500)
Leased assets, net	51,146	26,977
Total property, plant and equipment	100,502	73,397
Intangible assets		
Goodwill	4,365,016	4,103,115
Software	250,559	167,505
Software in progress	9,936	—
Leased assets	7,250	4,833
Other	—	8,944
Total intangible assets	4,632,761	4,284,399

	(Thousands of yen)	
	As of January 31, 2017	As of January 31, 2018
Investments and other assets		
Investment securities	100,020	100,020
Long-term loans receivable from employees	450	150
Claims provable in bankruptcy, claims provable in rehabilitation and other	899	1,127
Long-term prepaid expenses	1,139	767
Deferred tax assets	15,337	13,756
Other	165,922	171,952
Allowance for doubtful accounts	(899)	(1,127)
Total investments and other assets	282,869	286,646
Total non-current assets	5,016,133	4,644,443
Total assets	10,912,072	11,764,412
Liabilities		
Current liabilities		
Current portion of long-term loans payable	400,000	600,000
Lease obligations	28,372	16,329
Accounts payable - other	203,823	211,831
Accrued expenses	26,776	34,740
Income taxes payable	217,781	284,941
Advances received	3,801,861	3,717,134
Deposits received	339,288	392,144
Provision for bonuses	123,836	143,800
Other	294	1,034
Total current liabilities	5,142,033	5,401,957
Non-current liabilities		
Long-term loans payable	600,000	—
Lease obligations	34,336	18,007
Total non-current liabilities	634,336	18,007
Total liabilities	5,776,370	5,419,965

	(Thousands of yen)	
	As of January 31, 2017	As of January 31, 2018
Net assets		
Shareholders' equity		
Capital stock	1,300,000	1,532,221
Capital surplus		
Legal capital surplus	1,300,000	1,532,221
Total capital surpluses	1,300,000	1,532,221
Retained earnings		
Other retained earnings		
Retained earnings brought forward	2,533,446	3,278,286
Total retained earnings	2,533,446	3,278,286
Treasury shares	–	(119)
Total shareholders' equity	5,133,446	6,342,609
Subscription rights to shares	2,255	1,837
Total net assets	5,135,702	6,344,447
Total liabilities and net assets	10,912,072	11,764,412

Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended January 31, 2017	Fiscal year ended January 31, 2018
Net sales	8,022,013	8,293,341
Cost of sales	2,622,896	2,837,473
Gross profit	5,399,116	5,455,868
Selling, general and administrative expenses	4,230,286	4,289,011
Operating profit	1,168,829	1,166,856
Non-operating income		
Interest income	377	36
Gain on bad debts recovered	107,722	58,805
Gain on sales of bad debts	–	24,874
Other	506	2,679
Total non-operating income	108,605	86,396
Non-operating expenses		
Interest expenses	7,606	5,269
Commission fee	6,499	4,178
Share issuance cost	–	9,537
Listing expenses	–	22,097
Other	235	–
Total non-operating expenses	14,341	41,082
Ordinary profit	1,263,094	1,212,170
Profit before income taxes	1,263,094	1,212,170
Income taxes - current	674,480	580,396
Income taxes - deferred	(43,909)	(113,066)
Total income taxes	630,571	467,330
Profit	632,522	744,840

Non-consolidated statements of changes in equity

Fiscal year ended January 31, 2017

(Thousands of yen)

	Shareholders' equity						Subscription rights to shares	Total net assets
	Capital stock	Capital surplus		Retained earnings		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	1,900,924	1,900,924	4,500,924	2,255	4,503,179
Changes of items during period								
Profit				632,522	632,522	632,522		632,522
Net changes of items other than shareholders' equity							—	—
Total changes of items during period	—	—	—	632,522	632,522	632,522	—	632,522
Balance at end 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

Fiscal year ended January 31, 2018

(Thousands of yen)

	Shareholders' equity							Subscription rights to shares	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
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

Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended January 31, 2017	Fiscal year ended January 31, 2018
Cash flows from operating activities		
Profit before income taxes	1,263,094	1,212,170
Depreciation	154,463	151,265
Amortization of goodwill	261,900	261,900
Increase (decrease) in provision for bonuses	(116,560)	19,964
Increase (decrease) in allowance for doubtful accounts	482,409	300,196
Interest expenses	7,606	5,269
Commission fee	6,499	4,178
Share issuance cost	–	9,537
Listing expenses	–	22,097
Decrease (increase) in notes and accounts receivable - trade	(74,997)	(101,456)
Decrease (increase) in right to reimbursement	(815,699)	(251,034)
Increase (decrease) in accounts payable - other	(16,671)	3,910
Increase (decrease) in advances received	202,090	(84,726)
Increase (decrease) in deposits received	1,100	52,855
Other, net	(133,986)	(32,640)
Subtotal	1,221,250	1,573,488
Interest income received	327	32
Interest expenses paid	(7,668)	(5,274)
Income taxes paid	(1,125,714)	(529,450)
Net cash provided by (used in) operating activities	88,195	1,038,795
Cash flows from investing activities		
Purchase of investment securities	(100,020)	–
Purchase of property, plant and equipment	(5,161)	(3,509)
Purchase of intangible assets	(77,233)	(31,252)
Payments for security deposit	(659)	(11,546)
Income of deposit and guarantee money paid	774	2,039
Other, net	(25)	600
Net cash provided by (used in) investing activities	(182,326)	(43,668)
Cash flows from financing activities		
Repayments of long-term loans payable	(400,000)	(400,000)
Repayments of lease obligations	(34,952)	(28,372)
Proceeds from issuance of common shares	–	454,904
Payments for listing expenses	–	(22,097)
Other, net	(6,700)	(4,073)
Net cash provided by (used in) financing activities	(441,652)	360
Net increase (decrease) in cash and cash equivalents	(535,783)	995,487
Cash and cash equivalents at beginning of period	2,047,788	1,512,004
Cash and cash equivalents at end of period	1,512,004	2,507,492