

Casa Inc.

**Fiscal Year ending January 2025**

**Briefing Material for the third quarter  
financial results**

Ticker code: 7196



Casa

## Summary on consolidated performance

(Unit: JPY million)	3Q of FY ended January 2024	3Q of FY ending January 2025	Compared with 3Q of the previous fiscal year
Sales	8,352	9,050	108.4%
Cost of sales	3,911	4,630	118.4%
Operating profit	449	△95	-%
Ordinary profit	546	121	22.2%
Impairment loss	—	364	-%
Net income attributable to parent company shareholders	328	△364	-%

### 【 Sales 】

Sales remained steady with an 8.4% increase compared to the corresponding period of the previous fiscal year

### 【 Cost of sales 】

Increased provision for allowance for doubtful accounts due to increase in advance payments

### 【 Impairment loss 】

Recording of goodwill impairment loss of JPY 364 million for consolidated subsidiary

## Details on consolidated income statement

(Unit: JPY million)	FY2023/3Q (3Q of FY ended Jan 2024)	FY2024/3Q (3Q of FY ending Jan 2025)	Compared with 3Q of the previous fiscal year
<b>Sales</b>	8,352	9,050	108.4%
Initial guarantee fee	4,204	4,536	107.9%
Continuous guarantee fee	4,087	4,387	107.3%
<b>Cost of sales</b>	3,911	4,630	118.4%
Referral fee	1,031	1,118	108.5%
Provision of allowance for doubtful accounts	2,062	2,575	124.9%
Litigation/disposal costs	794	891	112.3%
<b>Operating profit</b>	449	△95	-0%
<b>Ordinary profit</b>	546	121	22.2%
Impairment loss	—	364	-0%
<b>Net income</b> attributable to parent company shareholders	328	△364	-0%
<b>EBITDA*</b>	796	602	75.7%

### 【 Sales】

- The initial guarantee fee increased (+7.9% compared to 3Q of the previous fiscal year) due to full-scale operation of newly established sales offices, increased use of existing agents, and acquiring new distributor.
- Continuing guarantee fees increased due to an increase in in-force contracts (+28,000 contracts, +4.6% compared to 3Q of the previous fiscal year)

### 【 Cost of sales】

- Increase in provision for allowance for doubtful accounts due to increase in reimbursement claims
- Increase in litigation disposal costs due to an increase in the number of legal proceedings

### 【 SG&A expenses】

- Increased development costs for new system support and DX system for rent guarantee
- Increase in debt collection personnel
- Gains on collection of written-off debts increased by 144.8% compared to 3Q of the previous fiscal year due to enhanced collection of long-term canceled debts

### 【 Impairment loss】

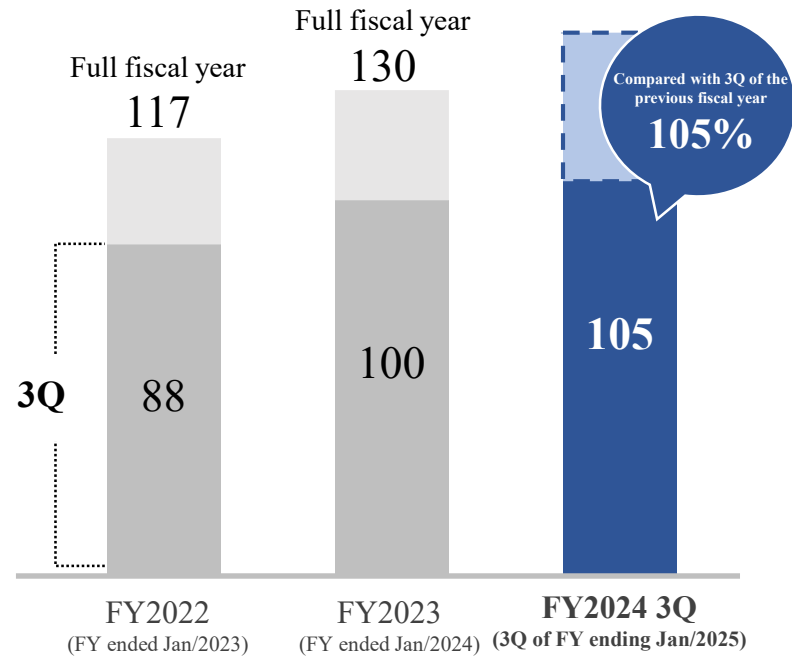
- As a result of reviewing GoldKey's sales structure and sales policy, it is expected that there will be a delay in the initially anticipated profit plan, resulting in a goodwill impairment loss.

\*EBITDA = Operating profit + Depreciation, etc. + Goodwill amortization + Deferred consumption tax, etc. + Gain on collection of depreciated debts

# Major KPI

## Number of New Contracts

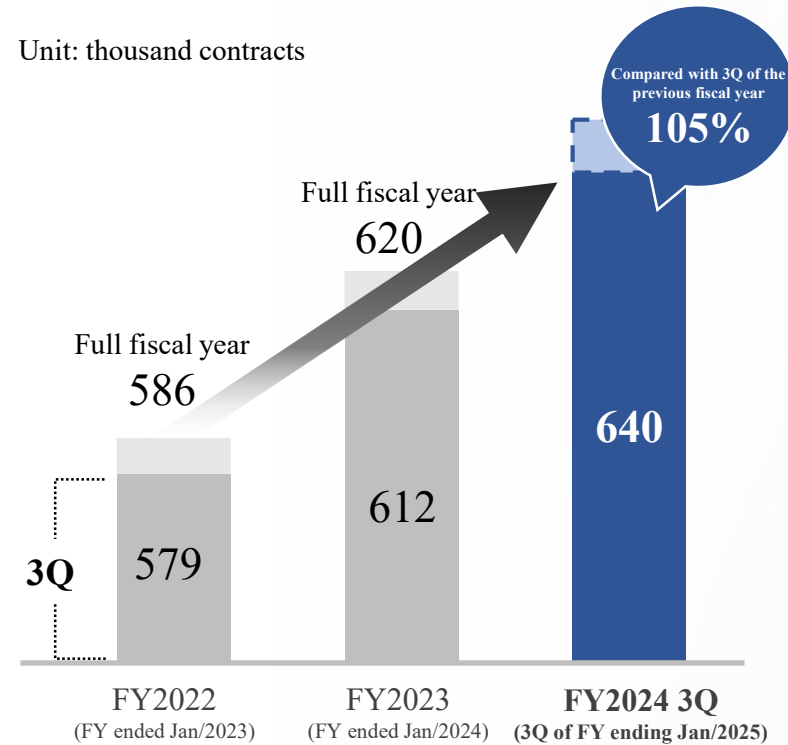
Unit: thousand contracts



105% increase compared to 3Q of the previous fiscal year due to the acquisition of new agencies through an increase in sales offices and the expansion of the use of existing agencies

## Number of Contracts in Force

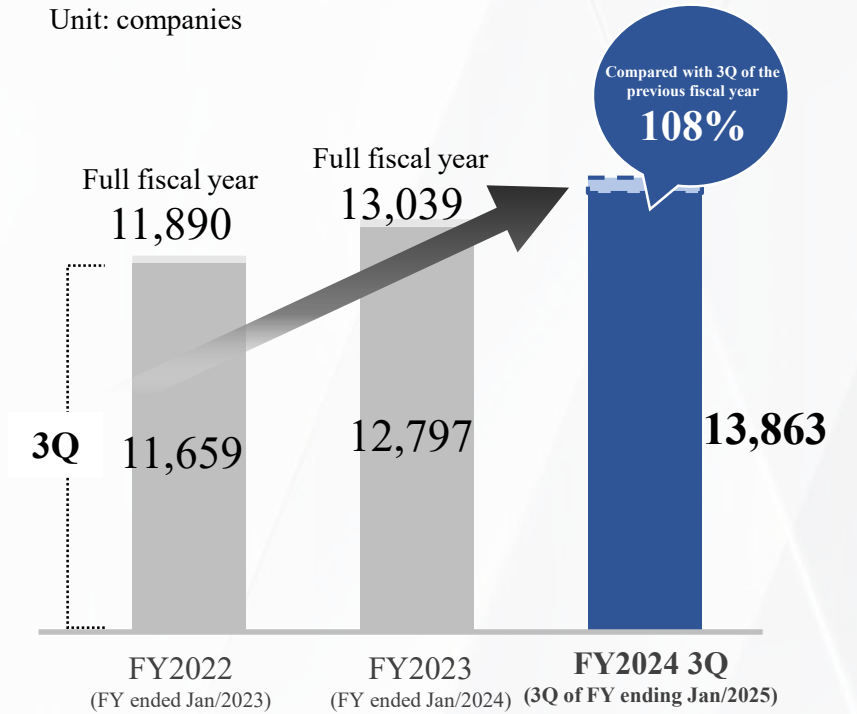
Unit: thousand contracts



Due to continued growth in new contracts, the number of contracts in force will increase and continuous guarantee fees will also expand.



















## Number of Agencies

Unit: companies



The number of new agencies is steadily increasing due to area expansion and increase in sales personnel.

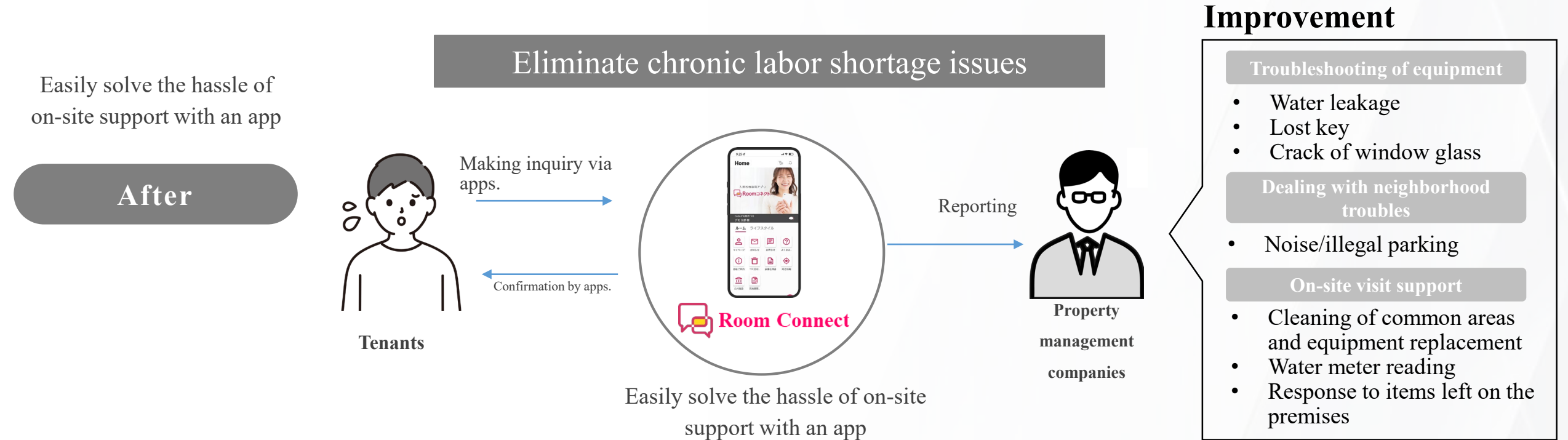
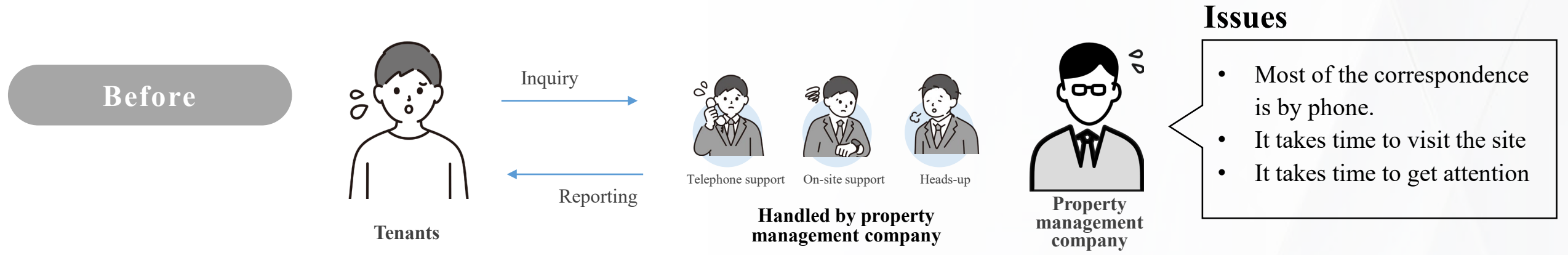
## Breakdown of new contracts

		FY2023/3Q (3Q of FY ended Jan/2024)	FY2024/3Q (3Q of FY ending Jan/2025)	Compared to the corresponding period of the previous fiscal year									
Rent guarantee for residential properties	Number of new contracts	94,220	<b>98,333</b>	<b>104.4%</b>									
	Guaranteed fee amount (JPY million)	3,667	<b>3,796</b>	<b>103.5%</b>									
<p>➤ <b>Direct W, which has a wide range on rent guarantee, is doing well</b></p> <table border="1"> <thead> <tr> <th>Direct S (financial products)</th> <th>Direct W (financial products)</th> <th>Basic (subrogation type)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td>97% compared with the corresponding period of the previous fiscal year</td> <td>281% compared with the corresponding period of the previous fiscal year</td> <td>86% compared with the corresponding period of the previous fiscal year</td> </tr> </tbody> </table>					Direct S (financial products)	Direct W (financial products)	Basic (subrogation type)				97% compared with the corresponding period of the previous fiscal year	281% compared with the corresponding period of the previous fiscal year	86% compared with the corresponding period of the previous fiscal year
Direct S (financial products)	Direct W (financial products)	Basic (subrogation type)											
													
97% compared with the corresponding period of the previous fiscal year	281% compared with the corresponding period of the previous fiscal year	86% compared with the corresponding period of the previous fiscal year											
Rent guarantee for commercial properties	Number of new contracts	6,390	<b>7,351</b>	<b>115.0%</b>									
	Guaranteed fee amount (JPY million)	854	<b>1,089</b>	<b>127.5%</b>									
<p>➤ <b>Developing sales activities for companies specializing in commercial properties</b></p> <table border="1"> <tbody> <tr> <td></td> <td></td> <td></td> </tr> <tr> <td><b>Developer of commercial properties</b></td> <td><b>Owners of office building</b></td> <td><b>Brokers specializing in restaurants</b></td> </tr> </tbody> </table>								<b>Developer of commercial properties</b>	<b>Owners of office building</b>	<b>Brokers specializing in restaurants</b>			
													
<b>Developer of commercial properties</b>	<b>Owners of office building</b>	<b>Brokers specializing in restaurants</b>											

- ✓ Sales of rent guarantee for residential properties for small and medium-sized agencies increased by 104% compared to the corresponding period of the previous fiscal year.
- ✓ Sales of rent guarantee for commercial properties increased by 128% compared to the corresponding period of the previous fiscal year as we strengthened our collaboration with brokerage companies that specialize in commercial properties.

## Providing value-added services to real estate companies

### Addition of on-site emergency response services provided by the property management company

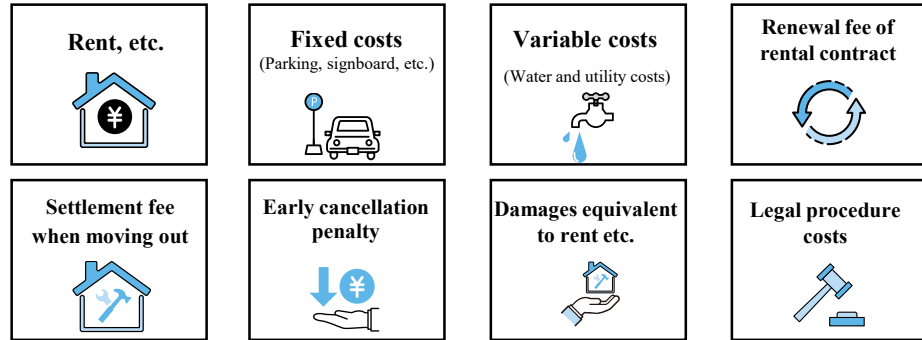


# Rent debt guarantee which is our main business

Providing services to improve the efficiency of real estate operations

## Casa WEB

Promote DX through data linkage and system utilization



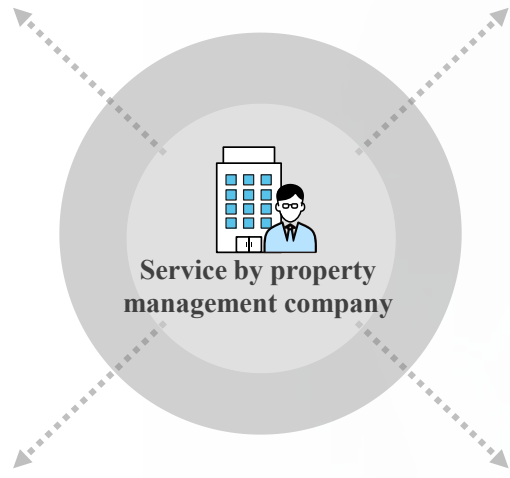
## Data linkage

 ハトサポ申込 National Federation of Real Estate Transaction Associations	 申込サポート by SUMO Co., Ltd. powered by Recruit
 KIMAROOM Sign KIMAROOM Co., Ltd.	 e-Seikatsu Property Management Cloud e-Seikatsu Co., Ltd.
 ie-love CLOUD ie-love Group Co., Ltd.	 SKIPS SS Technologies Co., Ltd.
 ITANDI BB ITANDI Co., Ltd.	 Real Estate BB Electronic Tenancy Application Japan PropTech Co., Ltd.

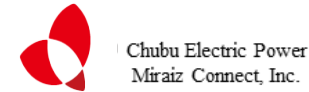
※ In no particular order.

## Expanding our partnerships with various companies

Creating new value through tie-ups with companies



### Monitoring service



Emergency dispatch service  
(24 hours a day, 365 days a year)



### Dealing with neighborhood troubles



### Lonely death compensation



東京海上日動

Tokio Marine & Nichido Fire Insurance Co., Ltd.



SOMPO  
損保ジャパン  
Sompo Japan Insurance Inc.

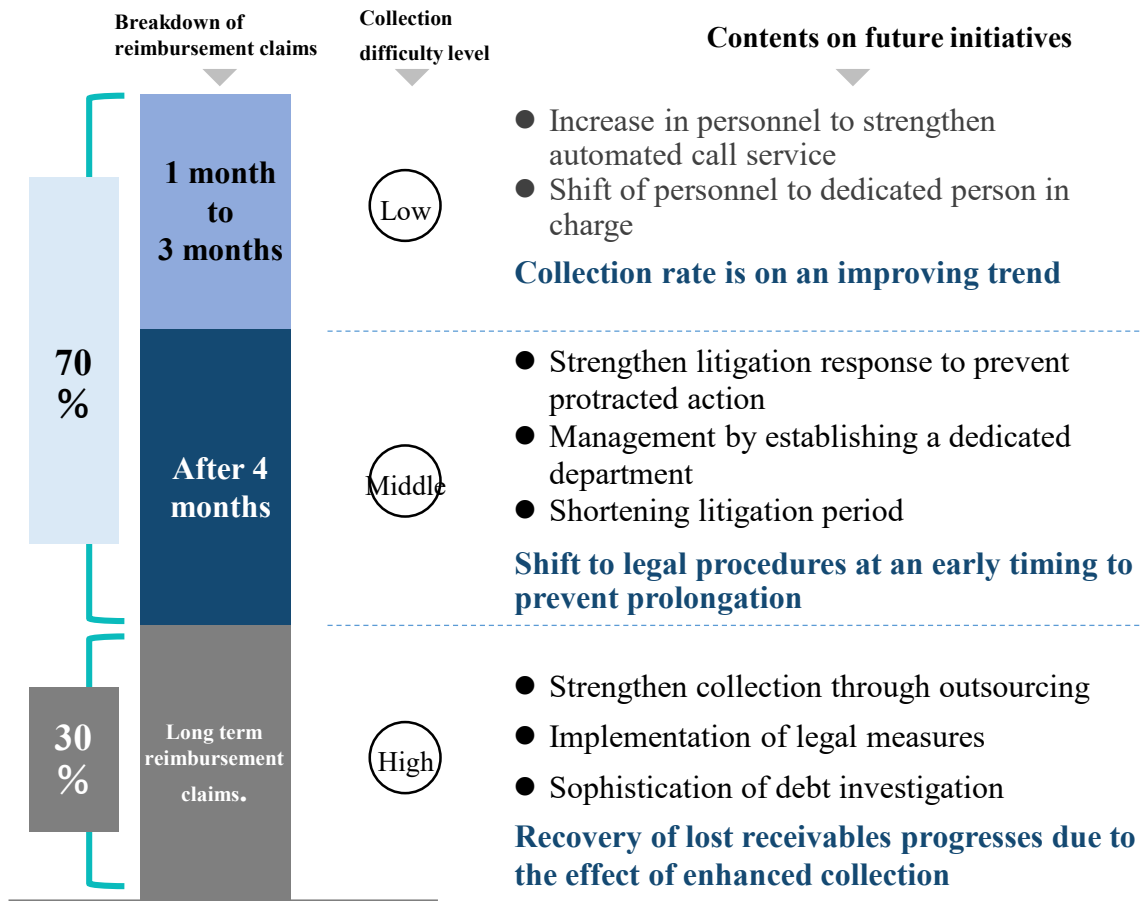
### Home contents insurance



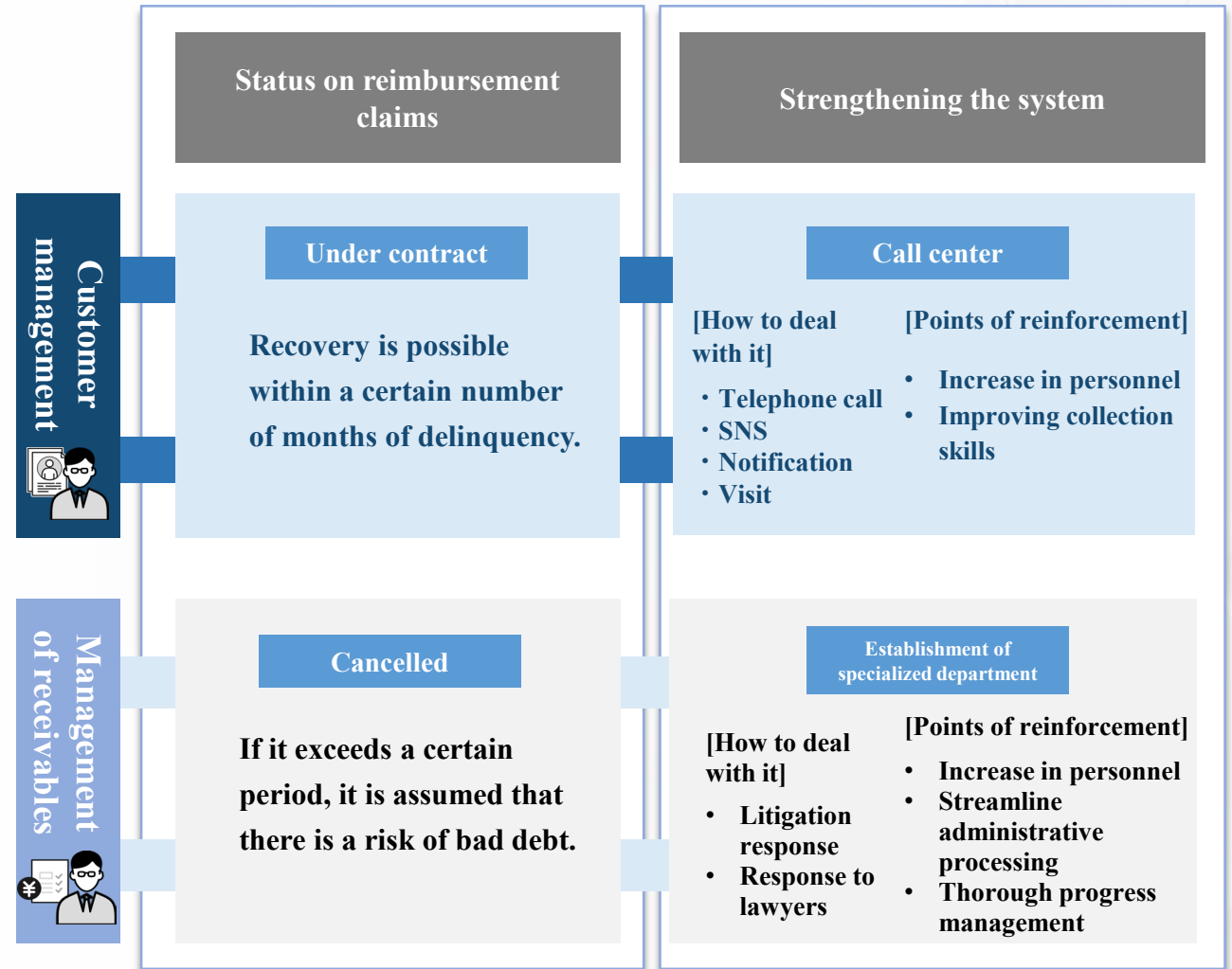


# Our efforts to reduce reimbursement claims down the road.

## Strengthening responses according to the situation of reimbursement claims



## Reducing reimbursement claims by strengthening the system



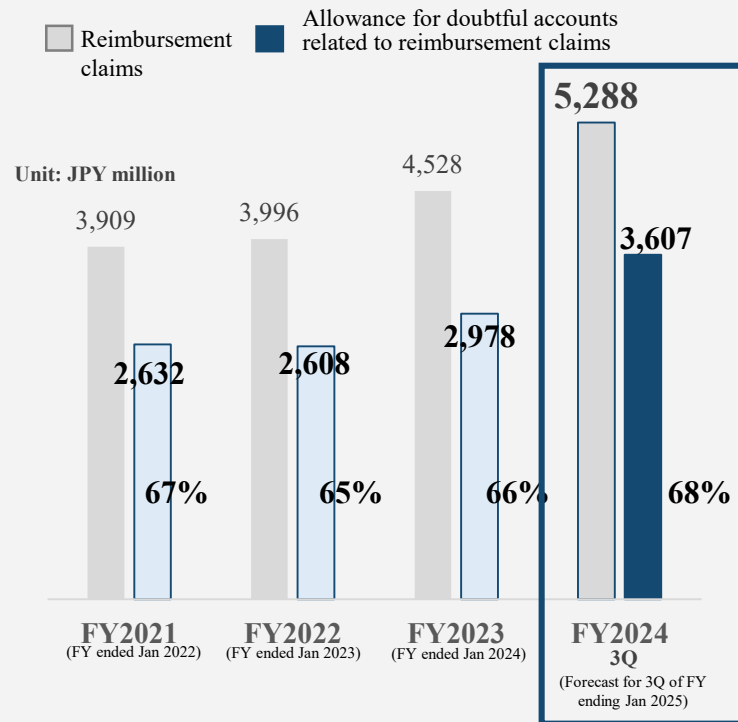


# Examining the evaluation of allowance for doubtful accounts as part of strengthening the reimbursement claims management system

## Evaluation by Casa

An allowance for doubtful accounts is recorded based on a collective evaluation of receivables such as rent advances based on a certain percentage of collection results.

<Ratio of reimbursable claims>



## Evaluation by other companies

We classify receivables into categories such as “general receivables” and “debts at risk of bad debts” depending on the retention period and the nature of the debtor. We thought that this is set after calculating the actual rate of bad debts and recoverability for each category over a certain period of time in the past.

<Comparison with other companies>

Evaluation of other companies	Comparison with other companies				
	Casa	Company A	Company B	Company C	Company D
General receivables 1 month to 3 months					
General receivables After 4 months	68.2%	43.2%	31.6%	38.2%	35.7%
Long term reimbursement claims.	27.5%	11.7%	8.8%	5.7%	12.6%

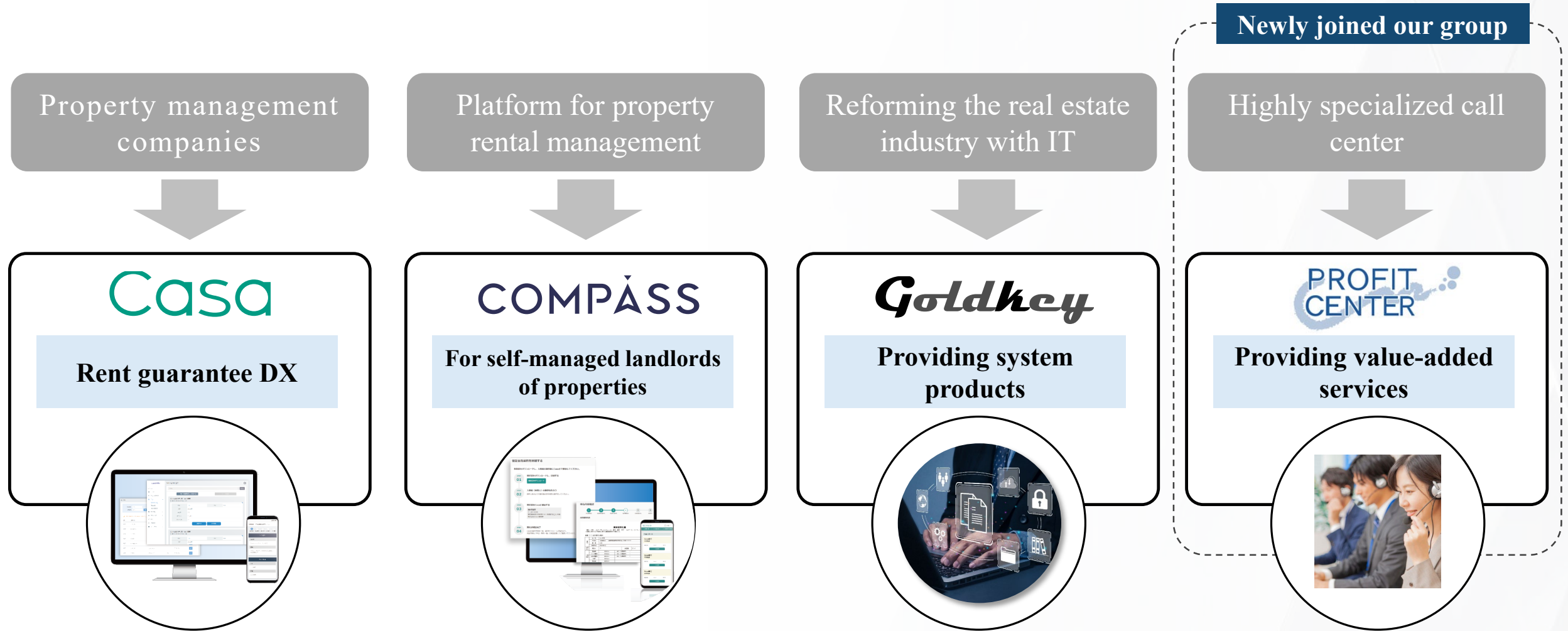
**Considering reviewing**

## Considering to review evaluation

As part of our efforts to reduce the amount of reimbursement claims, we have reviewed the classification of receivables according to the circumstances of the receivables, debtors, etc., and have shifted to a system for promoting dunning for each classified unit. Along with this, it becomes possible to evaluate claims according to each classification. This will enable us to more appropriately approach and respond to bad debt loss risks in the future.

Among reimbursement claims, Receivables that have not exceeded a certain number of months in arrears and for which risks have not materialized are evaluated as general receivables. Among reimbursement claims, those that exceed a certain number of months in arrears are considered to have transitioned into characteristics similar to receivables at risk of bad debts, and consideration should be given to assessing the collectability of the balance of reimbursement claims. As a result, estimates of the allowance for doubtful accounts are expected to better reflect economic realities.

Providing business support services to a wide range of real estate fields

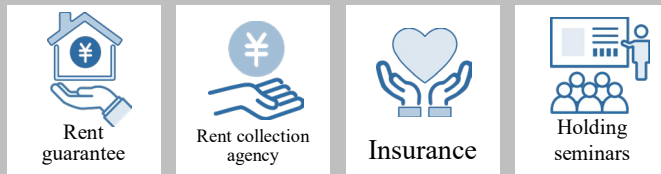


# Service model

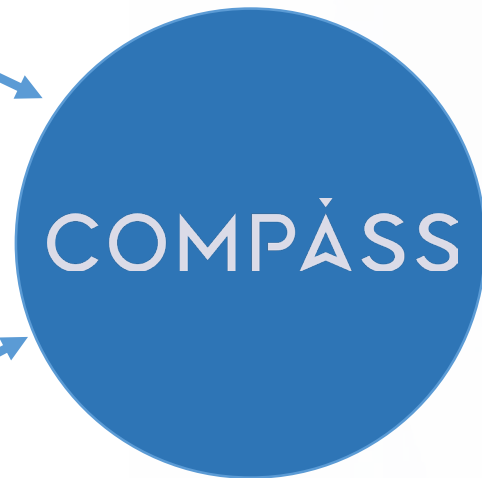
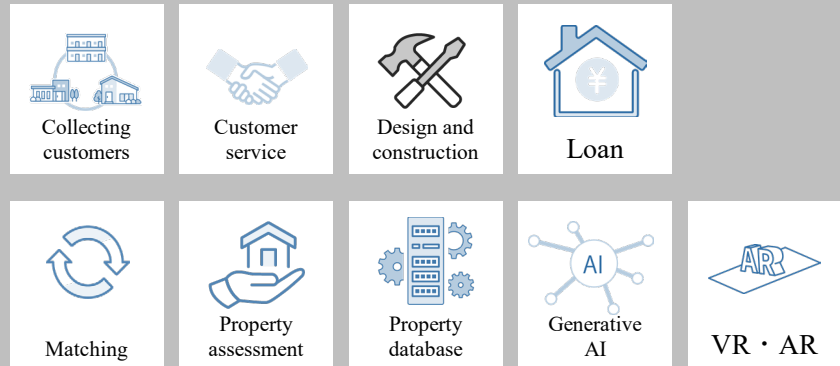
## Realizing transparent and efficient property rental management together with property owners

### Reduction of property rental management work

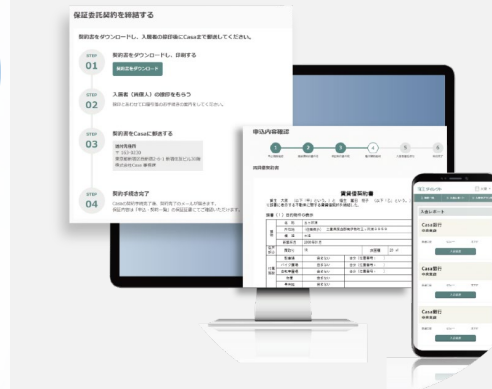
#### Services available in-house



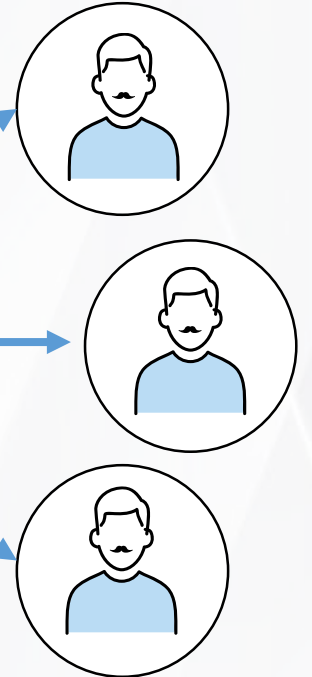
#### Expanding services through alliances



### Creating next-generation property rental management with technology



### Property owners

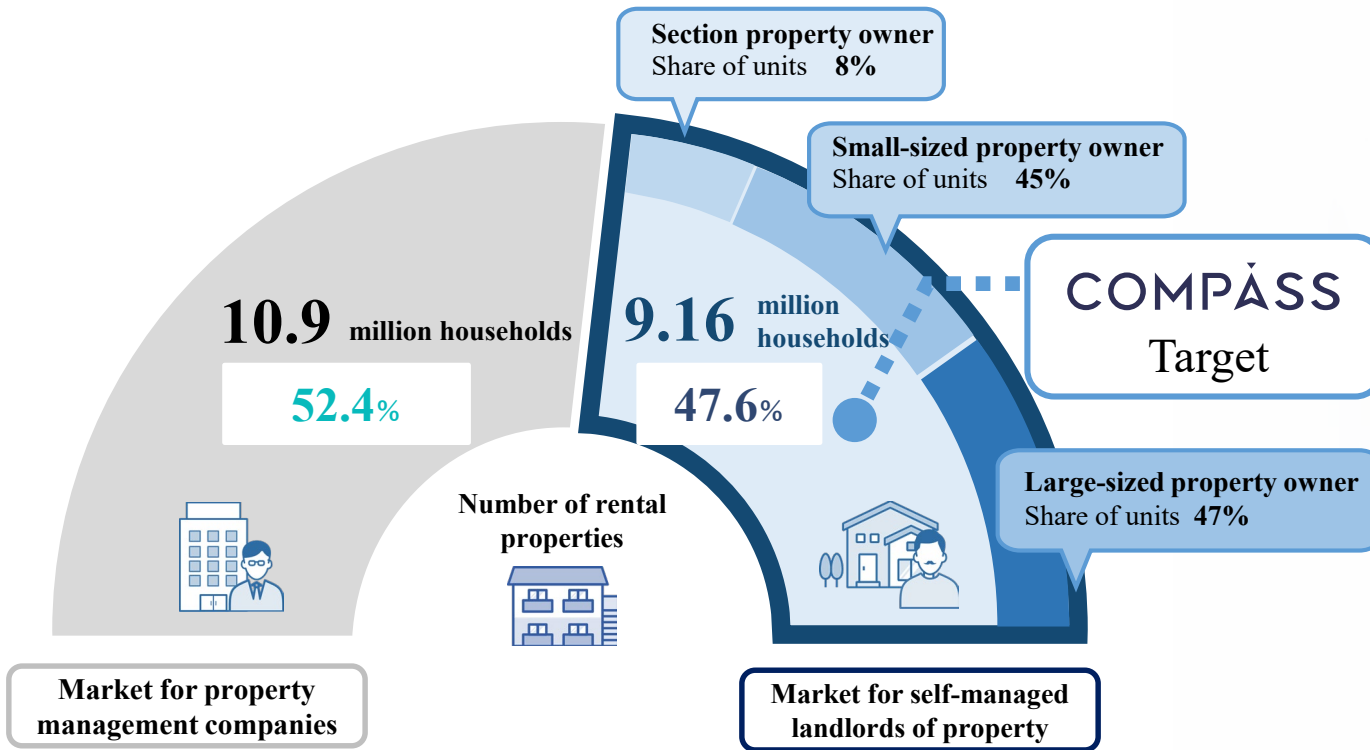


Building platform for a property rental management

# COMPASS Initiatives

## Market for self-managed landlords of property

The number of investment-oriented landlords seeking return on investment is increasing from landlords planning inheritance plans.

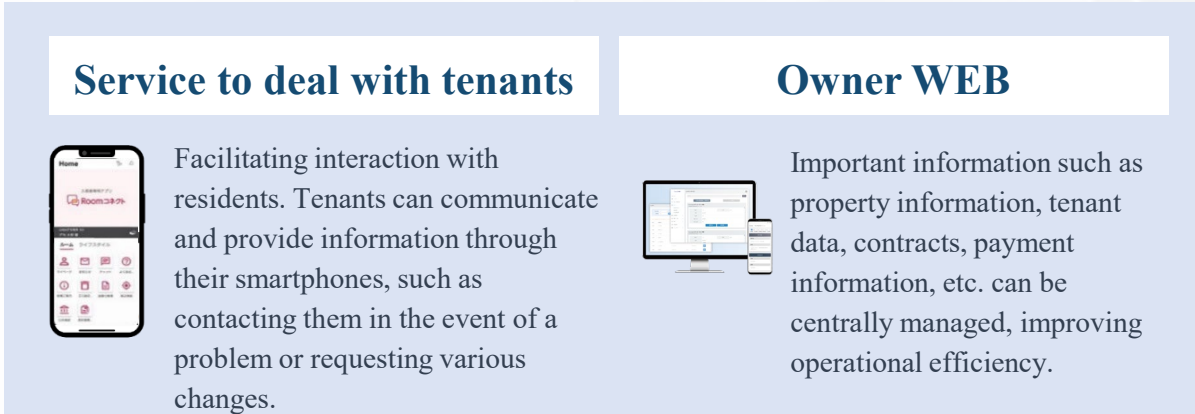


Source: Excerpt from "Rental Management Market Data Book 2021-2022" published by National Rental Housing Newspaper

## Solving the landlord's problems



Solved with property rental management system



Promoting the rent guarantee system “Owner WEB”

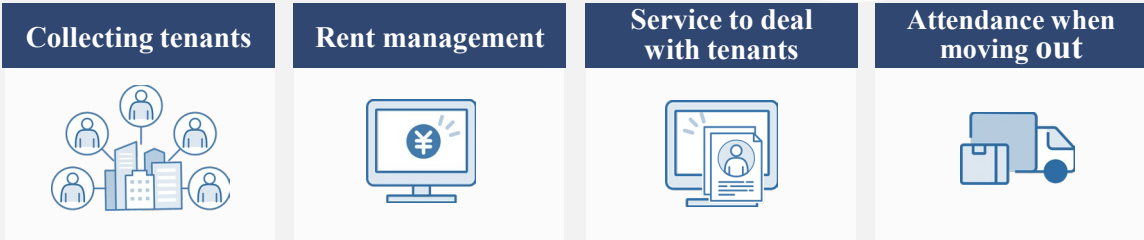
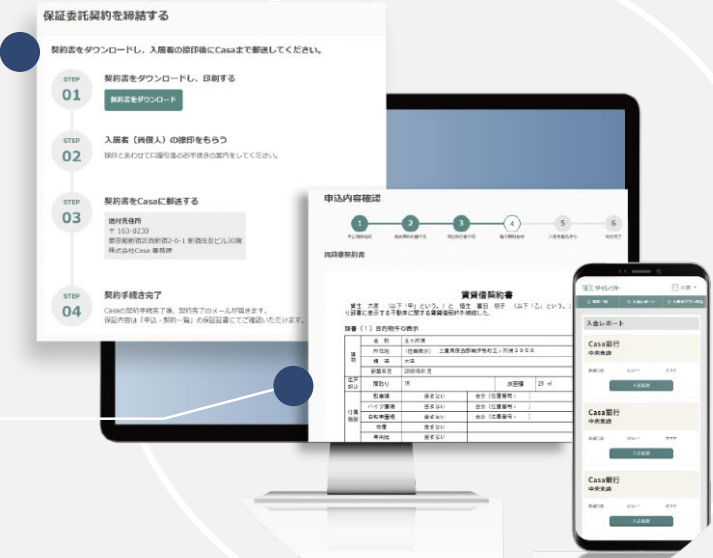
Available directly to property owners!

OwnerWEB

Easy property rental management.  
Owners can enjoy not only rent guarantee, but also easily request customers online!

Online application through WEB

Electronic contract



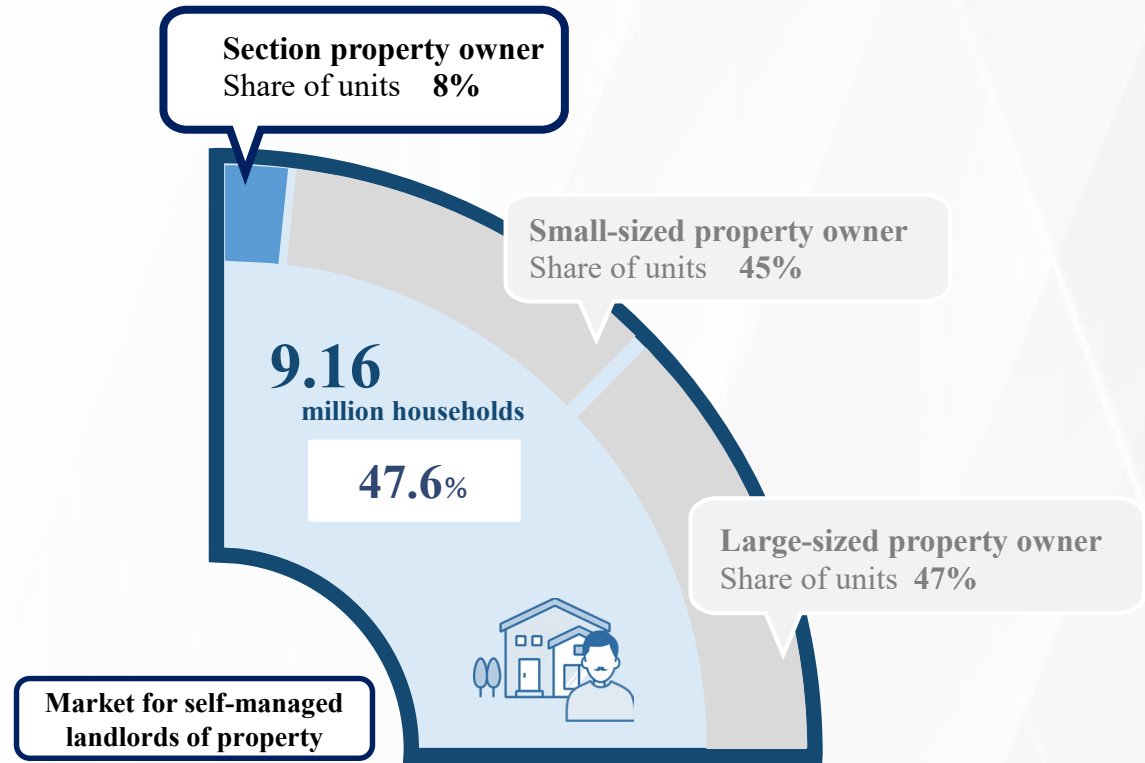
Target: Detached house / sectional owned property

Features

- Fewer units owned
- Problems that occur are limited

Needs

- Improve operational efficiency and reduce risk through rent guarantee

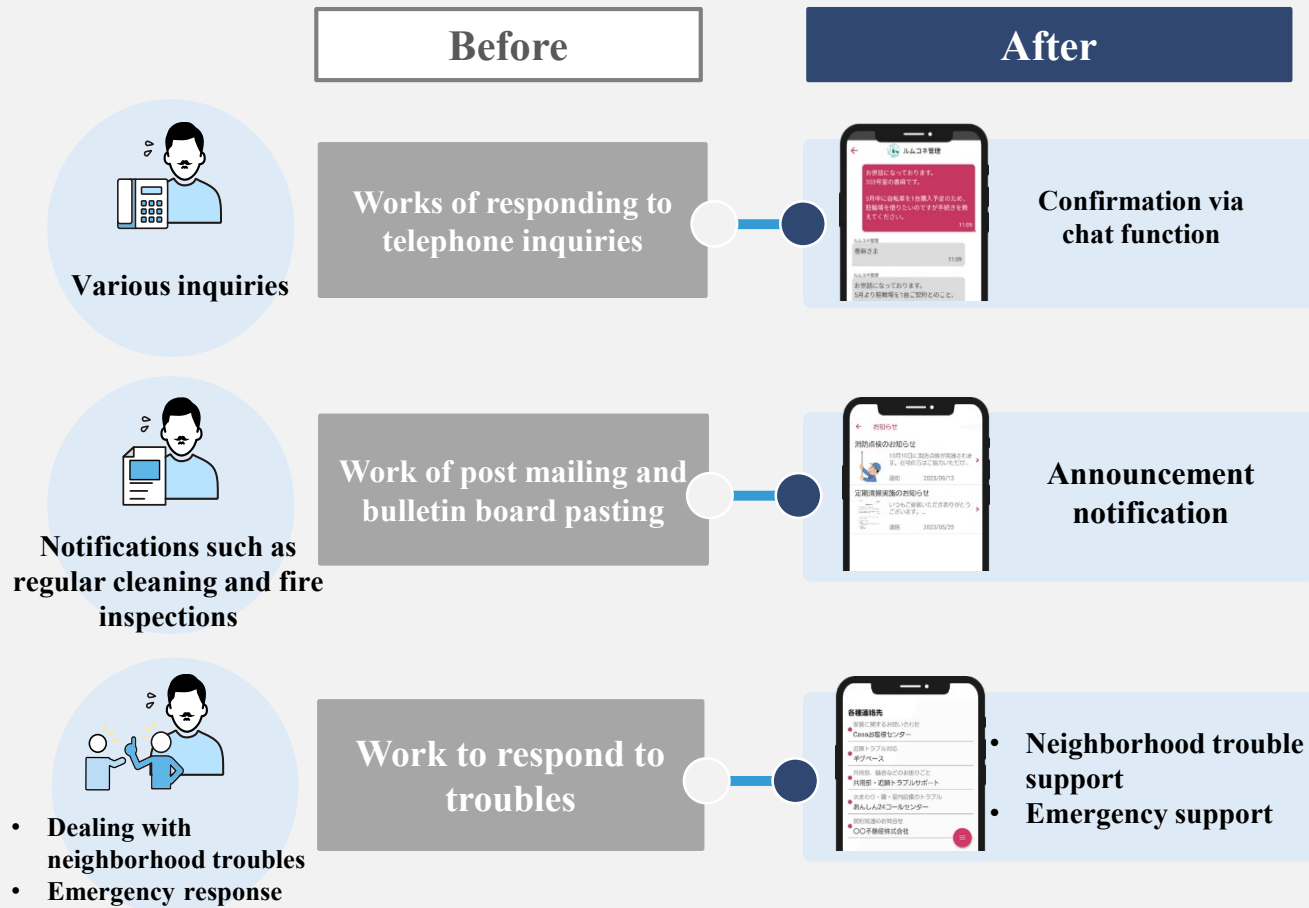


# Streamlining the owner's tenant support operations

## Owner's tenant support services

Reducing the workload by handling tenant matters on behalf of the property owner

*“Marutto (whole) Support”*



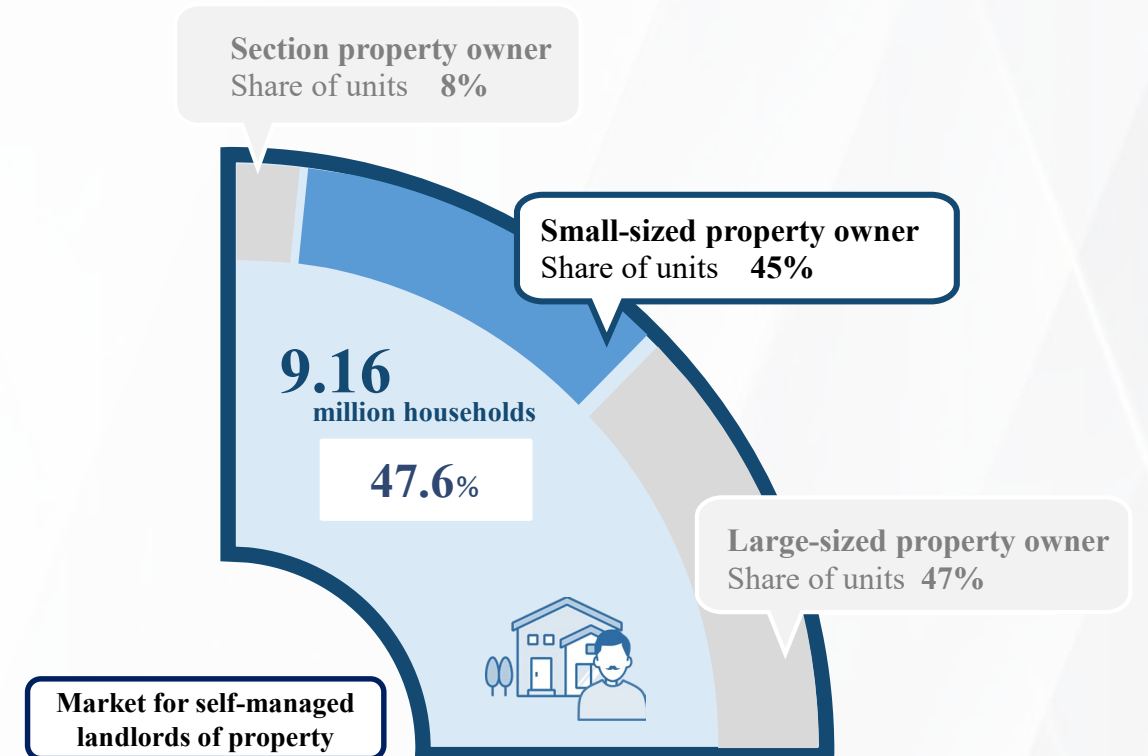
Target: Small-sized property owner

■ Features

- As the number of rental property units increases, the number of inquiries from tenants also increases.
- Problems that occur are becoming more diverse, such as problems in common areas and troubles in the neighborhood.

■ Needs

- Improving the efficiency of tenant management operations (rent management, equipment troubles, neighborhood troubles)





# Expanding services

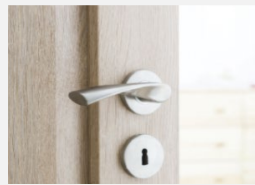
## Reduce the property owner's workload

### ■ On-site support for tenant troubles

#### Troubleshooting of equipment



water leak trouble



key trouble

#### Dealing with neighborhood troubles

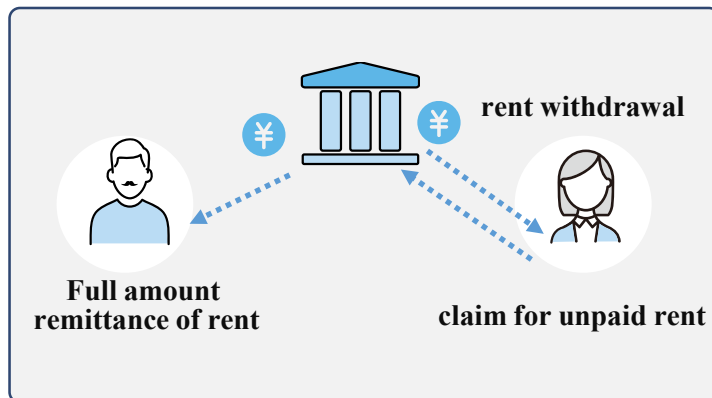


Noise

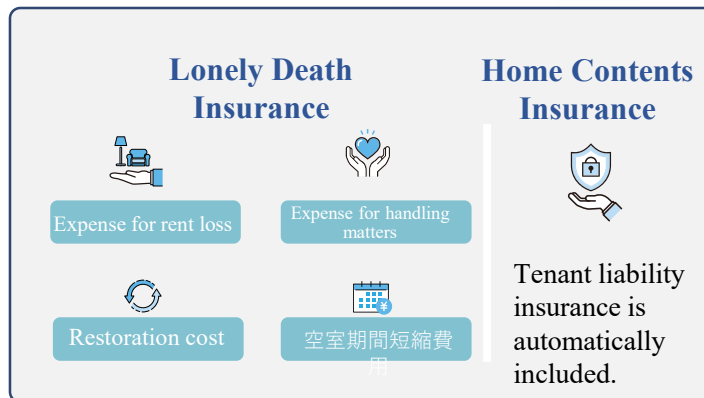


Taking out the trash

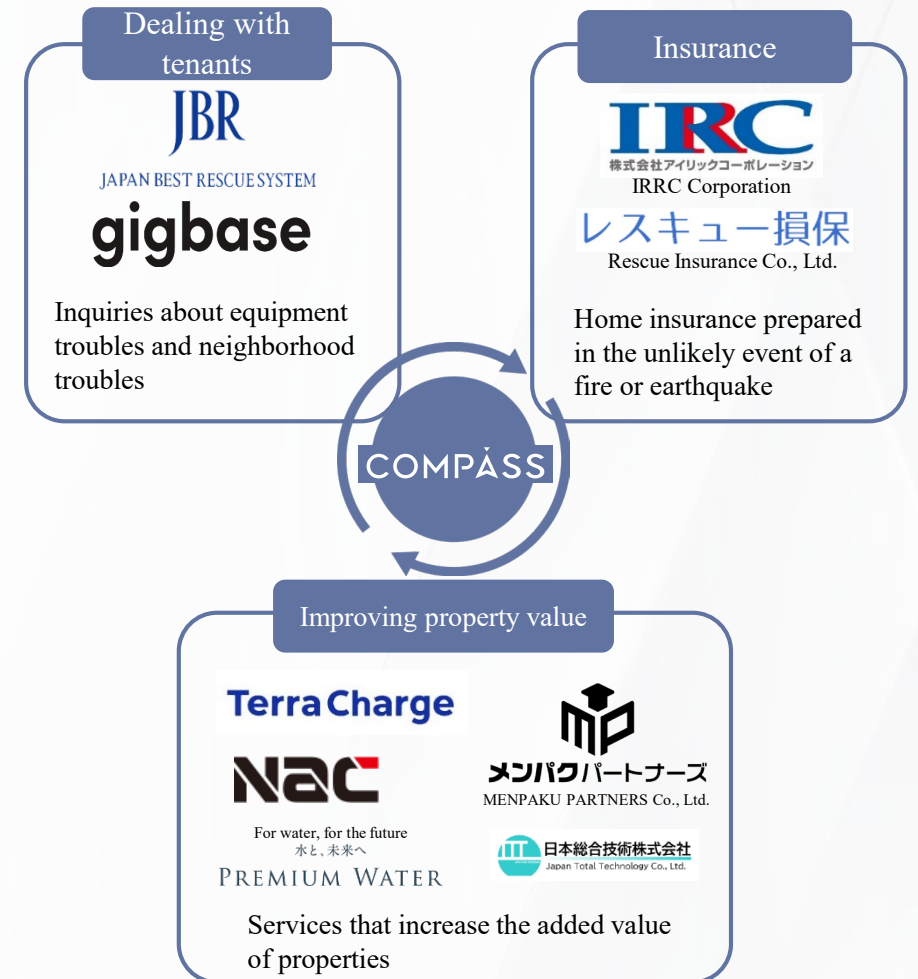
### ■ Rent guarantee/rent collection agency service



### ■ Insurance in preparation for emergencies



## Partnership with peripheral services





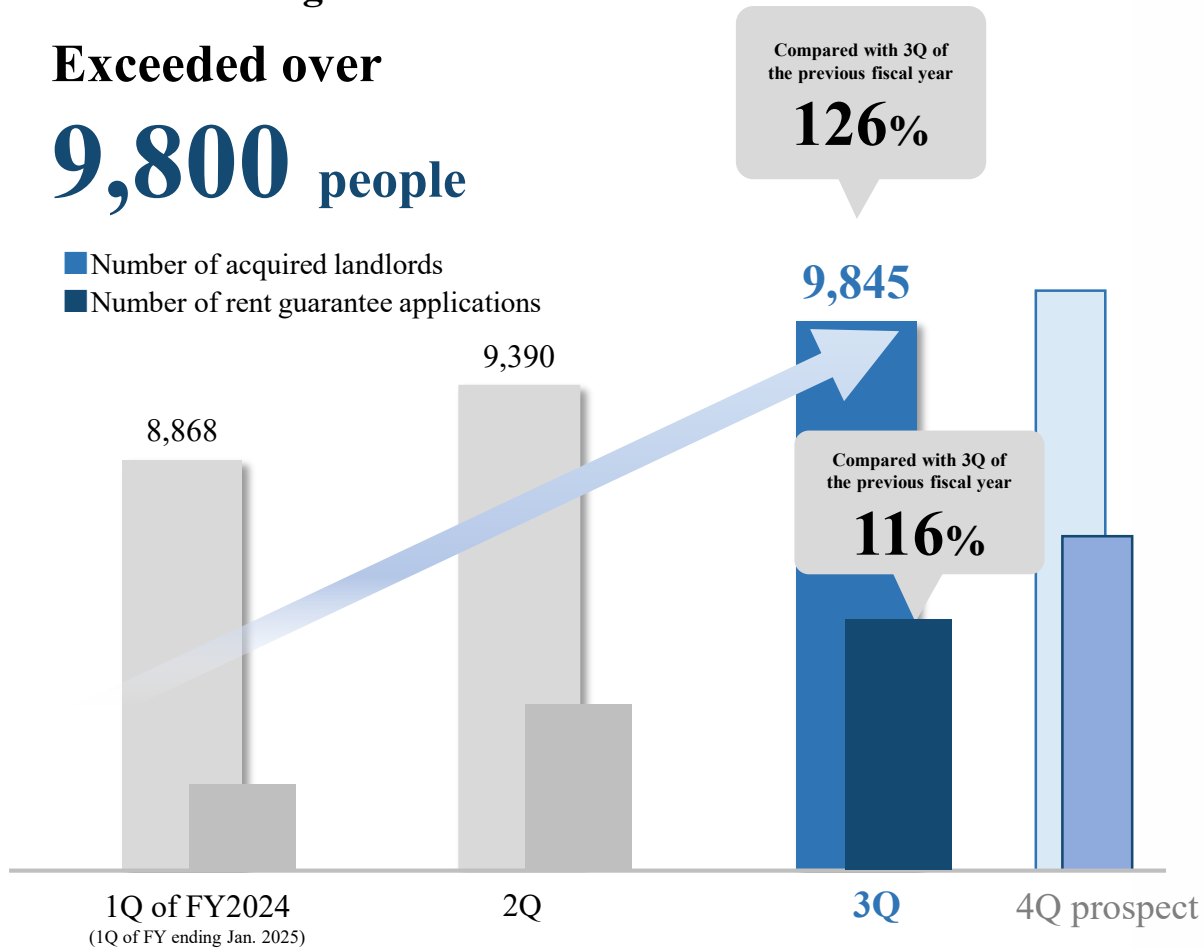
# Status of acquisition of self-managed landlords of property

## Trend in acquisition of landlords of property

**OwnerWEB**  
Number of registered landlords

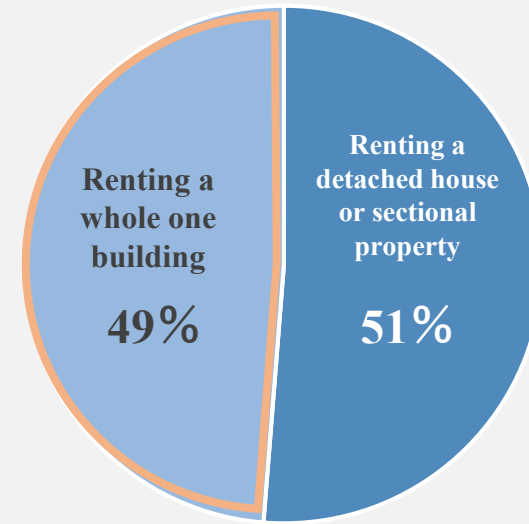
**Exceeded over**  
**9,800 people**

■ Number of acquired landlords  
■ Number of rent guarantee applications

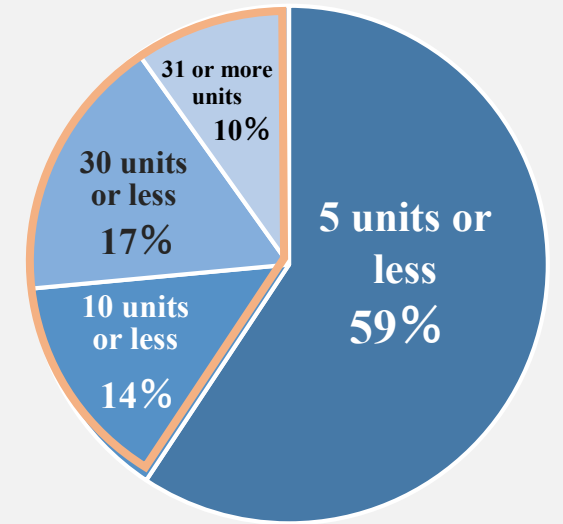


## Composition of landlords

Used by a wide range of owners



Type of property



Category by the number of managed property units

※ COMPASS landlord (as of the end of October 2024)

# Promotion to self-managed property owners

## Improving awareness

Aim to widely expand awareness among self-managed property owners through YouTube and SNS



**【Distributed content】**

In addition to interview content with charismatic landlords, we distribute plans such as “Basic course for landlords” that explains various knowledge related to property rental management and “COMPASS News,” which covers news related to the real estate industry, etc.

## Promotion of usage

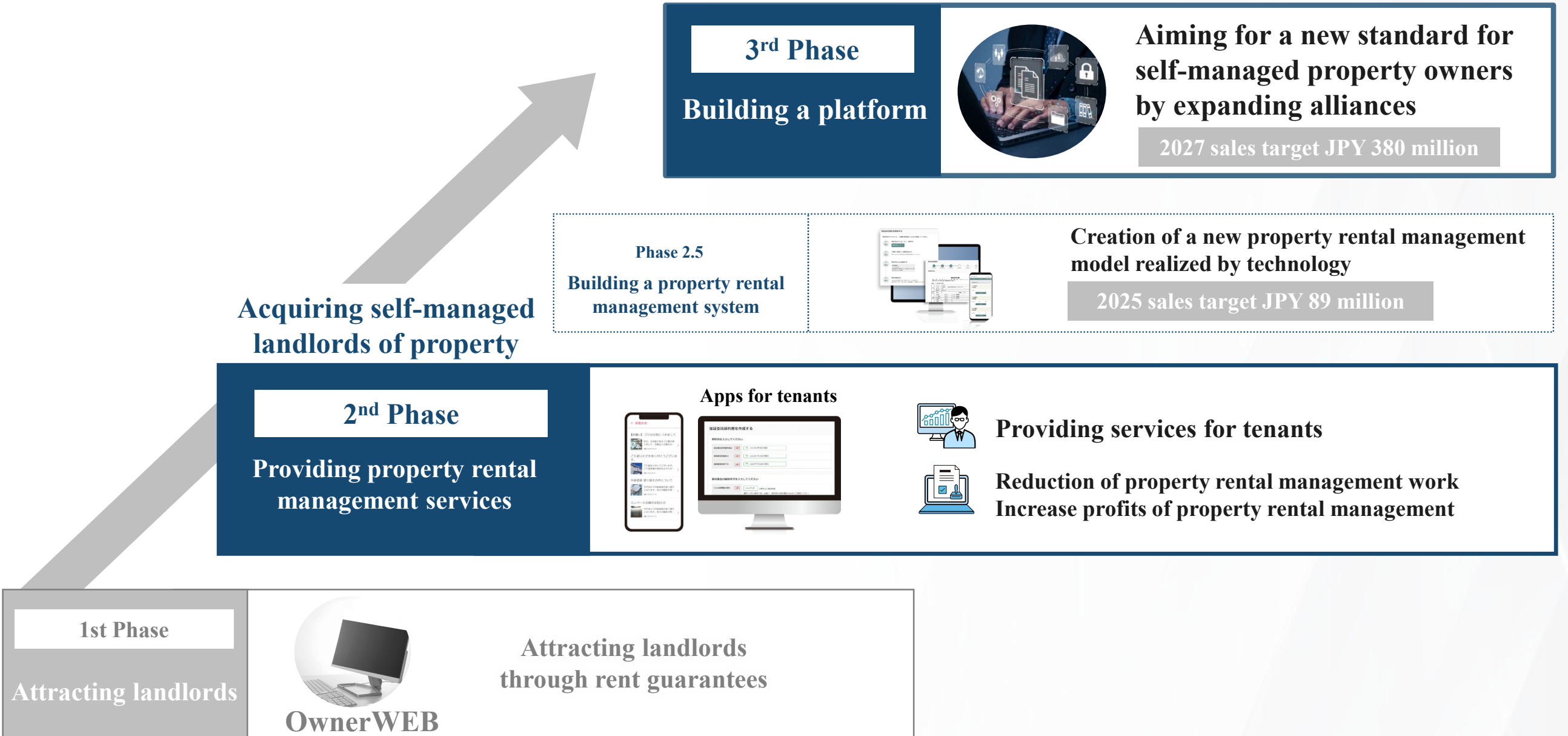
Aim to improve awareness of property owners and promote usage through regular lectures and seminars



**【Content of seminar recently held】**

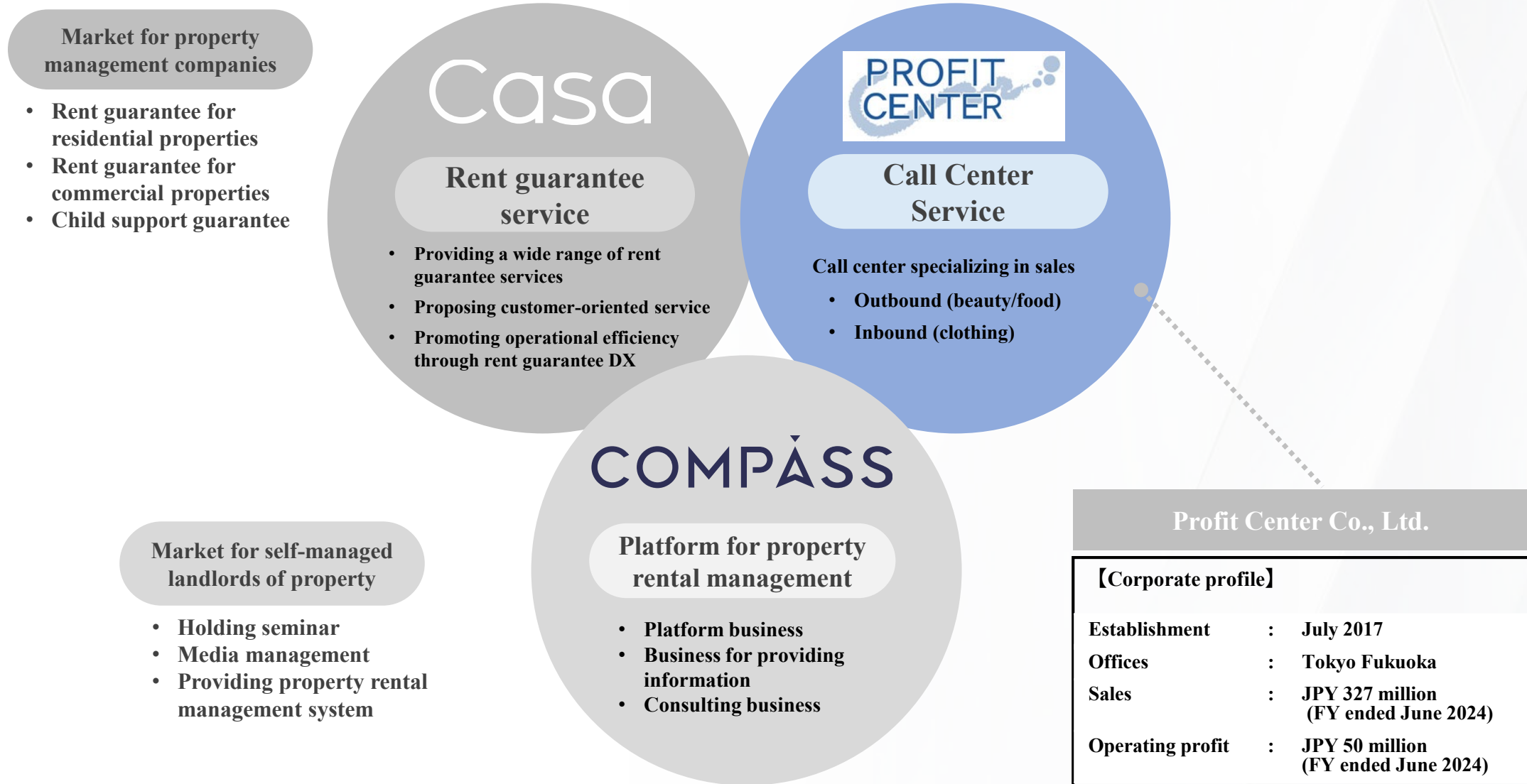
- July: Get the big family business back on track! A new form of rental management
- August: I didn't know about it, but it turned into a big loss? It's too late now to ask about rules for property rental management.
- September: Largest price increase ever! Fire insurance that should be reviewed now
- October: true story! True scary stories about insurance companies
- October: If you get addicted to it, you are bound to get stuck in a quagmire! Guarantees and other “traps” in dealing with tenants that you should definitely avoid

The world COMPASS aims for



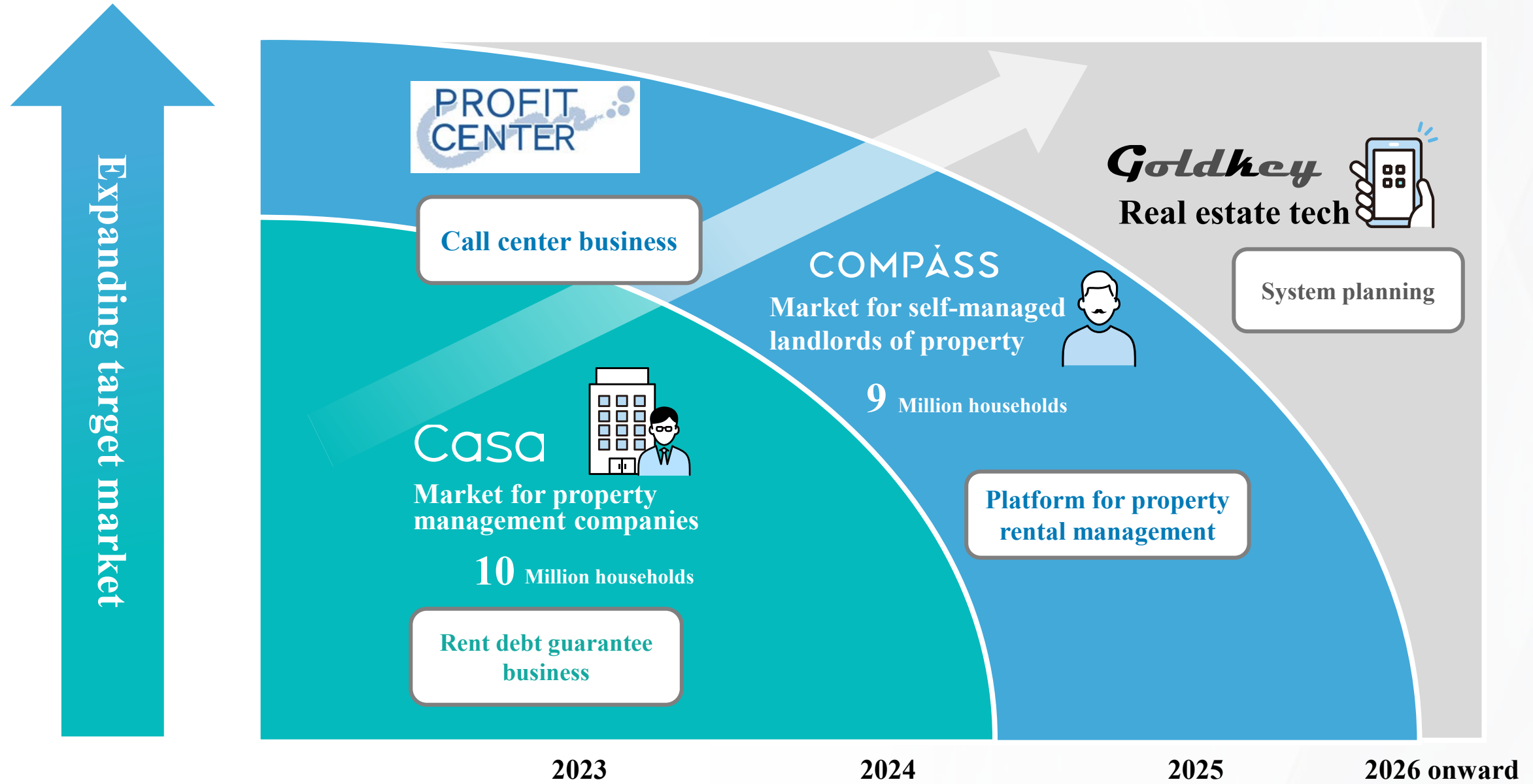
## Profit Center has joined Casa Group

Create new value and aim for customer satisfaction and market expansion



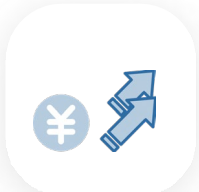
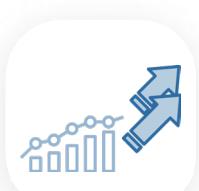



# Expansion of business areas in line with continued growth



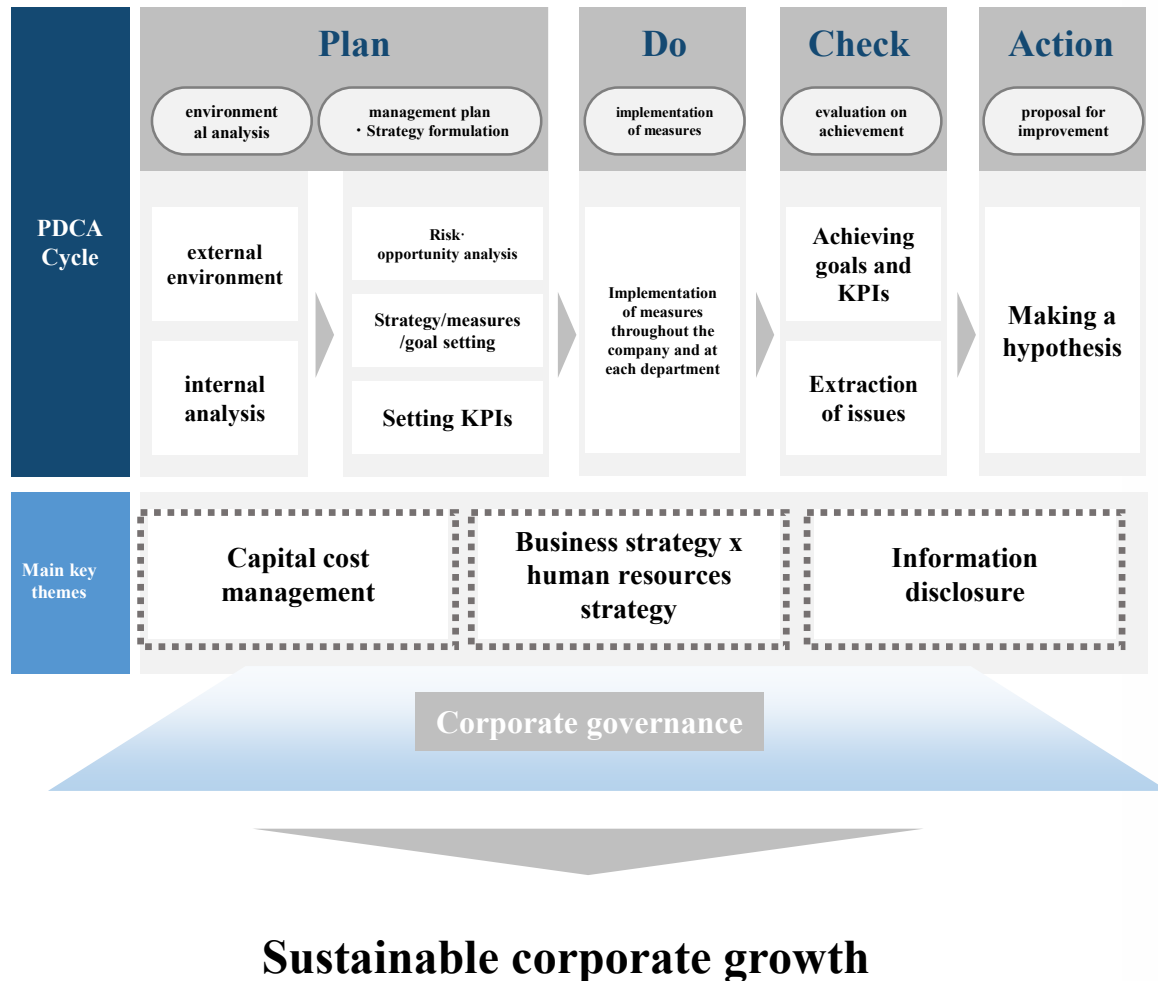
Source: "Rental Management Market Data Book 2021-2022" published by National Rental Housing Newspaper Company

# Future measures and progress status

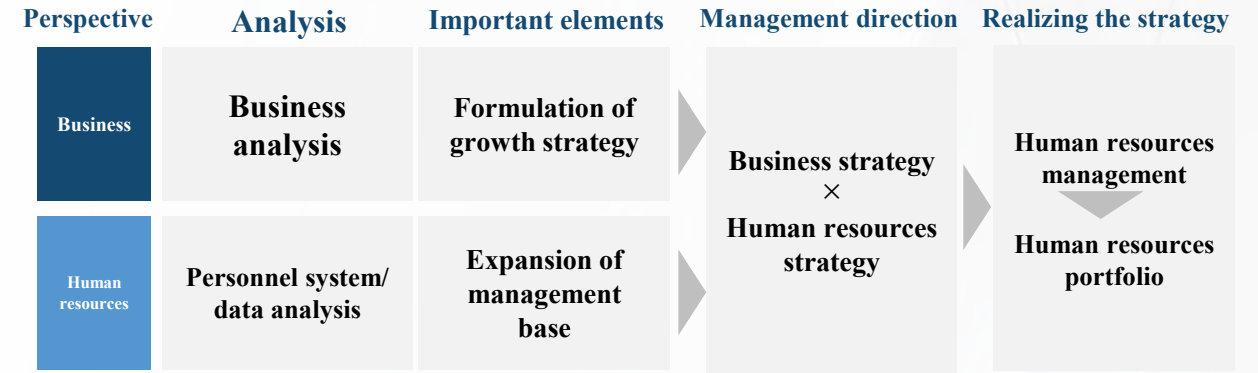
Areas to be covered	Problems/issues	Measures	Progress status
 <p>Measures for expanding sales</p>	<ul style="list-style-type: none"> <li>• Visualization of sales progress</li> <li>• Acquisition of new agencies</li> <li>• Improve utilization rate of existing agencies</li> <li>• Securing and training sales personnel</li> </ul>	<ul style="list-style-type: none"> <li>• Update of sales management tools</li> <li>• Providing guaranteed products according to scale</li> <li>• Establishment of a specialized team for sales for commercial properties</li> <li>• Strengthen recruitment and training of young employees</li> </ul>	<ul style="list-style-type: none"> <li>• Addition of Salesforce functions</li> <li>• Direct W: 281% increase compared to the corresponding period of the previous fiscal year</li> <li>• Rent guarantee for commercial properties: 128% increase compared to the corresponding period of the previous fiscal year</li> <li>• Achieved 72% of recruitment plan</li> <li>• Regularly holding a sales role play.</li> </ul>
 <p>Measures for expanding profits</p>	<ul style="list-style-type: none"> <li>• Review of collection methods</li> <li>• Reduction of collection costs</li> <li>• Review of business flow</li> </ul>	<ul style="list-style-type: none"> <li>• Building a system according to debt classification</li> <li>• Appropriate evaluation of receivables (review of sale and disposal standards and loss standards)</li> <li>• Review of screening standards and administrative operations</li> <li>• Renewal of business manual</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthening the call center and forming a team specializing in litigation</li> <li>• Considering sale of receivables and review of loss standards</li> <li>• Start of business assessment</li> <li>• Start inventory of business operations</li> </ul>
 <p>Promotion of rent guarantee DX</p>	<ul style="list-style-type: none"> <li>• Improve convenience for agencies</li> <li>• Diversification of dunning channels</li> <li>• Improve operational efficiency</li> </ul>	<ul style="list-style-type: none"> <li>• Addition of CasaWEB functions</li> <li>• Automation of dunning</li> <li>• Automation of examination</li> <li>• Automation of administrative processing (RPA)</li> </ul>	<ul style="list-style-type: none"> <li>• CasaWEB requirements definition (8 items)</li> <li>• CasaWEB usage rate: increased from 71% to 79%</li> <li>• Currently developing automated screening (scheduled to start in January 2025)</li> <li>• RPA for administrative processing: increased from 26 items to 58 items</li> </ul>

# Initiatives to improve corporate value

## PDCA cycle for management strategy



## Advancing human capital management



<p><b>Human resources portfolio</b></p> <p>Define the type and quality of human resources required to realize management and business strategies</p>	<p>For dynamic creation and operation, appropriate defining and aiming for the type of human resources needed in conjunction with changes in management and business strategies and visualizing the current quality and quantity composition of human resources in real time are the key points.</p>
<p><b>Human resources management</b></p> <p>Securing human resources and implementing measures to fill the gap between tobe and asia in the human resources portfolio</p>	<p>By considering and implementing measures such as recruitment, training, and placement based on the type of human resources, it is possible to implement measures that are linked to management strategies.</p> <p>The key point to dynamic human resource management is to have speed and flexibility in addition to interlocking.</p>
<p><b>System/data</b></p> <p>Management promotion system and data infrastructure for human resource portfolio and human resource management operations</p>	<p>As a foundation for dynamic operations, the key point is to involve business departments in addition to expand the data infrastructure, strengthen human resources functions.</p>



# ESG

## Initiatives



# Movements in the external environment

## Children's Future Strategy by the Children and Families Agency

### Children's future strategy MAP

The MAP consists of six panels, each addressing a specific concern for parents:

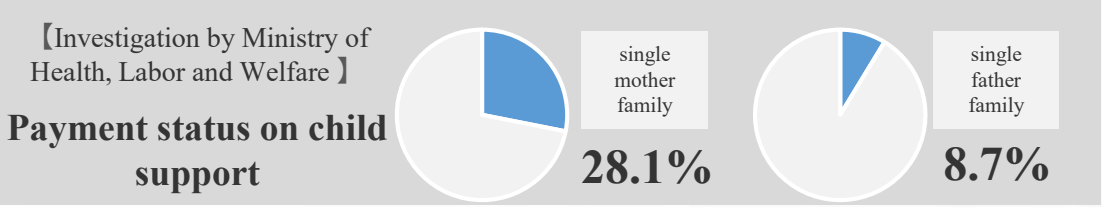
- Panel 1:** Addresses parental anxiety about childcare, pregnancy, and early education. It highlights the 'Child Support' system that provides financial relief through various benefits like childcare subsidies and parental leave.
- Panel 2:** Focuses on financial support for child-rearing, including child allowances, housing subsidies, and insurance benefits.
- Panel 3:** Discusses shared parental leave ('Ikuyote' system) to help parents balance work and family life, with benefits like flexible work schedules and school enrollment support.
- Panel 4:** Targets single-parent households, offering support for childcare, job training, and financial aid to help them secure their future.
- Panel 5:** Promotes local support systems for children with special needs, ensuring they have access to specialized services and safe living environments.
- Panel 6:** Aims to reduce the burden of higher education costs through various scholarships and tuition support programs for students from diverse backgrounds.

## Introduction of joint custody system (scheduled to be introduced in 2026)

Parental authority jointly shared by father and mother

A system in which fathers and mothers jointly exercise parental authority over minor children. **We can expect child support payments to go smoothly.**

Both fathers and mothers will have a stronger sense of responsibility for raising their children, and **child support payments** can be expected to become smoother.



※ Source: Ministry of Health, Welfare and Welfare “Report on the Results of the National Survey of single parent household in FY2021”

## Housing support corporation for people who need special consideration to secure housing

Designated as a “housing support corporation for people who need special consideration to secure housing”

The Housing Safety Net Law will be revised in the Diet in 2024. (Enforcement is scheduled around fall 2025)

- 【Overview of main points of revised laws】
- Creation of a certification system for rent debt guarantee companies
  - Reducing landlord anxiety through residential support housing
  - Promotion of disposal of leftover belongings by housing support corporation
  - Promoting the use of lifetime building leases

※Source: Edited from Children and Families Agency (<https://www.cfa.go.jp/resources/kodomo-mirai>)

# Activity status on child support guarantee

## Media activities



● June 2024  
Tokyo MX TV “Jun Hori Morning FLAG”



● November 2024  
Kanazawa Seaside FM “Bee Talk”



● March 2024  
Yomiuri News Paper “Public and private support for receiving child support”

● November 2024  
Yomiuri News Paper “How to avoid non-payment of child support”



Distribution of “Instagram”

● Implementing a “questionnaire” for single mothers



## Fully supporting mother's challenges

### Affiliated with Shonan Bellmare Futsal Club



### Chance&Empowerment Partner agreement

### Matching small and medium-sized businesses and single mothers

Independence support for single mothers

- Securing information on the Shonan area.
- Generous services for local job seekers.
- Solving the problem of chronic shortage of human resources in rural areas.

## World Children's Day

A child support roundtable will be held in advance of World Children's Day, which is celebrated as an international day on November 20th.



### Parental discussion on child support expense after divorce

#### Four-way Dialogue

People who are receiving “child support”, people who are not receiving it, people who are paying it, and people who are not able to pay it.



## Our thoughts on ESG and sustainability

The Casa Group's corporate philosophy is to create a society where everyone can live with peace of mind. We will contribute to the society through realizing people's rich and happy lives.



### Environment

**We shall try to reduce CO2 by going paperless and having collaboration with food bank organizations.**

- Facsimile and paper contracts are the mainstream in the real estate industry. By providing online services to property management companies and self-managed property owners, we are promoting a paperless society, reducing the burden on the environment, and contributing to sustainable social and economic growth.
- We participate in food bank organizations as a sponsor and provide food assistance to tenants. Through this support, we are not only supporting tenants, but also reducing environmental impact by reducing food loss.



### Social

**We shall realize a safe living environment through rent guarantee and child support guarantee.**

- Rent guarantee is an important service that forms the basis of people's housing life. By eliminating the need for tenants to have a joint and several guarantor, we are striving to create a society where everyone can live with peace of mind and build a better society.
- Child support is a way to save money for the future of children. Through our services, we will create a life full of hope so that children can face their future with peace of mind and be able to live their lives with smiles.

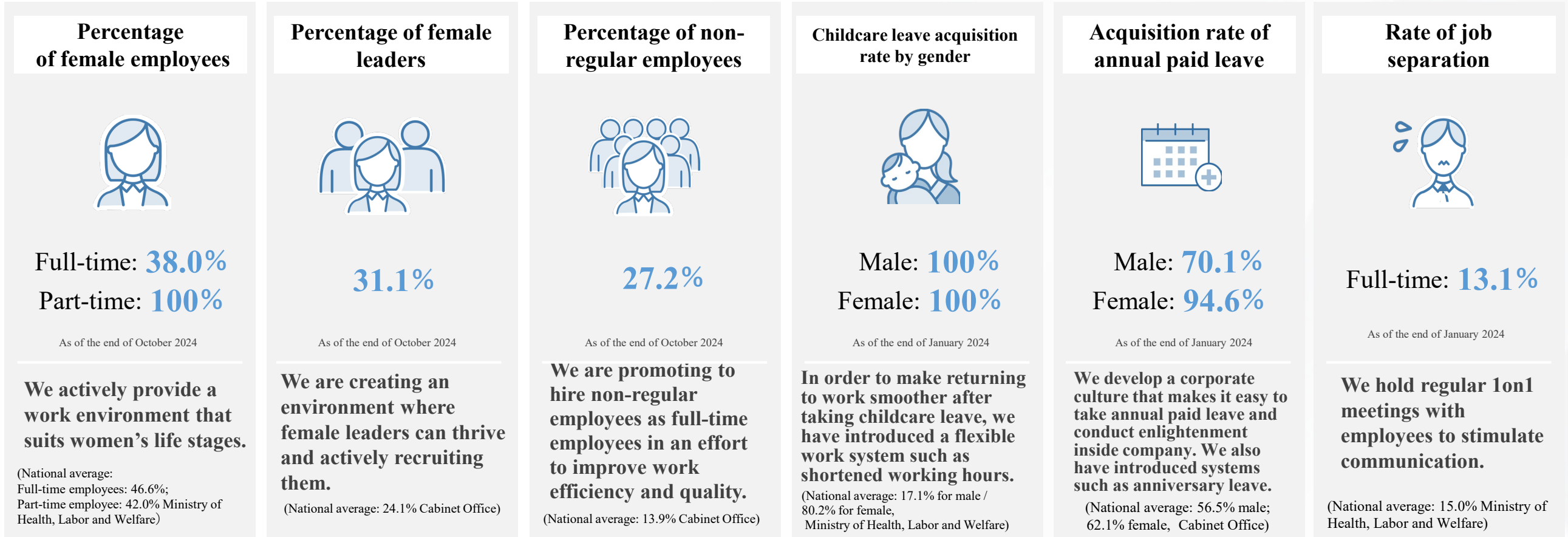


### Governance

**Achieving highly transparent management by strengthening legal compliance and information management**

- We operate the Compliance and Risk Management Committee and conduct training. Additionally, by introducing a whistle-blowing system to third parties, we have created an environment where employees can report the issues with peace of mind.
- In order to strengthen personal information management, we have established personal information protection regulations and strictly adhere to them. We comply with the latest laws and regulations regarding data protection and strive to protect the privacy of clients.

ESG Data





**Obtained “Eruboshi” certification from the Ministry of Health,**

Eruboshi Certification is a certification given to companies that have been recognized for their efforts to promote the advancement of women. In August 2024, we received “Eruboshi Certification” from the Minister of Health, Labor and Welfare. In order to achieve gender equality, we will continue to promote diversity management that realizes sustainable value creation.

## Casa

shall do its utmost effort to maintain safe living environment for people, contribute to improvement of livelihood culture, and realize prosperous society

**Creating society where everybody  
can live with peace of mind**

## Matters to be noted

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- In addition to our business and industry trends, this document also refers to our future prospects based on our current plans, estimates, forecasts or projections.
- 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.
- The Company cannot promise that the statements and forecasts regarding future prospects will be correct, and results may differ materially from future prospects.
- The forward-looking statements in this document were made by the Company based on available information as of December 12, 2024, and does not update or change any forward-looking statements to reflect future events or circumstances.