



Summary of Consolidated Financial Results for the full-year period of the Fiscal Year ended January 2025 (Based on Japanese GAAP)

March 12, 2025

Company Name: Casa Inc.

Listed Exchange: Tokyo

Ticker Code 7196 URL <https://www.casa-inc.co.jp/>

Representative: (title) Representative Director & President (name) Seigo Mayaji

Contact person: (title) Executive Officer, Head of Management Administration Division (name) Hyonsuk Natsukawa TEL 03-5339-1143

Scheduled date for the annual shareholders meeting April 25, 2025 Scheduled start date of dividend payment: April 28, 2025

Scheduled date for submitting the securities report April 28, 2025

Preparation of supplementary material on full-year financial results: Yes

Holding of quarterly financial results meeting: Yes (for institutional investors and equity analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the full-year period (from February 1, 2024, to January 31, 2025)

(1) Consolidated operating results (cumulative) (Percentages indicate change rate compared to the previous fiscal year)

	Net sales		EBITDA※		Operating profit		Ordinary profit		Net income attributable to shareholders of parent company	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY million	%
FY ended January 2025	12,157	8.3	2,178	66.4	1,303	65.6	1,564	62.0	602	Δ0.4
FY ended January 2024	11,224	9.1	1,309	7.1	786	0.1	965	7.9	605	137.6

(note) Comprehensive income: FY ended January 2025 617 JPY million (Δ8.9%) FY ended January 2024 677 JPY million (200.2%)

	Net income per share		Diluted net income per share		Return on equity		Ordinary profit on asset		Operating profit margin	
	JPY		JPY		%		%		%	
FY ended January 2025	59.78		58.09		8.2		10.2		10.7	
FY ended January 2024	60.35		58.32		8.6		6.9		7.0	

(reference) equity in net income of affiliates FY ended January 2025 - JPY million FY ended January 2024 - JPY million

※EBITDA=Operating profit+Depreciation, etc. + Goodwill amortization + Deferred consumption tax, etc. + Gain on recovery of depreciated debts

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	JPY million		JPY million		%		JPY	
FY ended January 2025	15,774		7,517		47.6		741.43	
FY ended January 2024	14,776		7,235		48.9		719.29	

(reference) equity capital FY ended January 2025 7,515 JPY million FY ended January 2024 7,232 JPY million

(3) Consolidated cash flow position

	Cash flows from operating activities		Cash flows from investing activities		Cash flows from financing activities		Ending balance of cash and cash equivalents.	
	JPY million		JPY million		JPY million		JPY million	
FY ended January 2025	13		Δ334		Δ401		2,982	
FY ended January 2024	1,140		Δ11		Δ314		3,703	

2. Cash dividends

	Annual dividends per share					Total dividend amount (total)	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Fiscal year-end	Total			
	JPY	JPY	JPY	JPY	JPY	JPY million	%	%
FY ended January 2025	—	0.00	—	30.00	30.00	301	49.7	4.3
FY ended January 2024	—	0.00	—	32.00	32.00	324	53.5	4.4
FY ending January 2026 (forecast)	—	0.00	—	32.00	32.00		46.2	

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3. Forecast of consolidated financial results for the fiscal year ending January 31, 2026 (from February 1, 2025, to January 31, 2026)
(Percentages indicate the rate of increases/decreases compared to the previous fiscal year for the full year and compared to the same quarter of the previous year for the quarter period.)

	Net sales		EBITDA※		Operating profit		Ordinary profit		Net income attributable to shareholders of parent company		Net profit per share
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY
Second quarter (cumulative)	6,515	8.5	525	117.0	185	-	256	-	130	-	12.85
Full fiscal year	13,236	8.9	1,720	△21.0	1,017	△22.0	1,162	△25.7	701	16.5	69.23

※ EBITDA=Operating profit+Depreciation, etc. + Goodwill amortization + Deferred consumption tax, etc. + Gain on recovery of depreciated debts

※ Notes

(1) Significant changes in the scope of consolidation during the fiscal year period: Yes

New 1 company (name of companies) Profit Center Co., Ltd. Exclusion – companies (name of companies) –

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

① Changes in accounting policies due to revisions to accounting standards and other regulations: No

② Changes in accounting policies due to other than above ①: No

③ Changes in accounting estimates: Yes

④ Restatement of prior period financial statements: No

(Note) For details, please refer to “3. Consolidated financial statements and major notes (5) Notes on consolidated financial statements (Notes regarding changes in accounting estimates)” on page 12 of the attached documents.

(3) Number of issued shares (common shares)

① Total number of issued shares at the end of the fiscal year (including treasury shares)

② Number of treasury shares at the end of the fiscal year

③ Average number of shares during the period of fiscal year

FY ended January 2025	11,522,500 shares	FY ended January 2024	11,350,500 shares
FY ended January 2025	1,386,324 shares	FY ended January 2024	1,294,824 shares
FY ended January 2025	10,078,314 shares	FY ended January 2024	10,027,709 shares

(Reference) Summary of non-consolidated results

1. Non-consolidated results for the fiscal year ending January 2025 (February 1, 2024 to January 31, 2025)

(1) Non-consolidated operating results (Percentages indicate the rate of increases/decreases compared to the previous fiscal year for the full year)

	Net sales		EBITDA		Operating profit		Ordinary profit		Net income	
	JPY million	%	JPY million	%	JPY million	%	JPY million	%	JPY million	%
FY ended January 2025	11,989	7.4	2,179	68.2	1,333	66.4	1,654	58.9	786	12.5
FY ended January 2024	11,163	8.6	1,296	5.6	801	△0.3	1,041	7.9	699	186.6

	Net income per share		Diluted net income per share	
	JPY		JPY	
FY ended January 2025	78.04		75.84	
FY ended January 2024	69.73		67.38	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	Net assets per share
	JPY million		JPY million		%	JPY
FY ended January 2025	15,852		7,828		49.4	772.20
FY ended January 2024	14,677		7,363		50.1	732.00

(reference) equity capital FY ended January 2025 7,827 JPY million FY ended January 2024 7,360 JPY million

<Reasons for differences in non-consolidated business result compared with actual results of the previous fiscal year>

Due to a change in the estimate of the allowance for doubtful accounts related to reimbursement claims during the fiscal year under review, there are differences between the actual figures for EBITDA, operating income, and ordinary income for the previous fiscal year and the current fiscal year.

Additionally, we have recorded a loss on valuation of shares in affiliated companies under extraordinary losses.

※ The financial statements are not subject to audit by certified public accountants or auditing corporations.

※ Explanation regarding the appropriate use of earnings forecasts, other special notes

(Caution regarding future-related statements, etc.)

The performance forecasts and other forward-looking statements contained in this document are based on information currently available to the company and on certain assumptions that the company considers reasonable and are not intended to guarantee that they will be achieved. Actual performance may differ significantly due to a variety of factors.

(How to obtain the financial results briefing contents)

The Company plans to hold a briefing meeting for institutional investors and analysts on Tuesday, March 18, 2025. A video of this briefing meeting will be posted on the Company's website promptly after the briefing.

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1. Overview of business performance, etc.

(1) Overview of business results for the current fiscal year

During the consolidated fiscal year under review, the Japanese economy is recovering moderately, with signs of recovery in personal consumption, although some areas remain sluggish, and the employment situation also showing signs of improvement.

In the rental real estate market related to our group business, the number of new housings starts for rental housing from February 2024 to January 2025 was 341,750 units, a slight decrease of 0.8% from 344,534 units in the same period of the previous year.

For residential rental properties, the use of rent guarantees has become common in rental contracts and their importance and needs continue to grow. In addition, as the business environment for companies and sole proprietors becomes more uncertain and the number of bankruptcies is on the rise, owners are concerned about the risk of defaulting on rent payments and are increasingly turning to use guarantee companies.

With the background of such business environment, our group aims to realize a “society where everyone can live with peace of mind” and provides solution services that address various issues in the real estate rental management market. In addition to rent guarantees, we also offer additional services to deal with problems with tenants’ facilities and with neighbors, supporting an environment where residents can continue to live in peace of mind. Furthermore, we are strengthening our business expansion beyond residential properties to commercial properties, further strengthening our support for tenants and real estate owners.

In the rent guarantee business during this consolidated fiscal year, the number of new contracts was 135,831 (increased by 4.5% from the same period last year) due to increased use of existing agencies, acquisition of new agencies, and an increase in sales personnel. In particular, with regard to rent guarantee services for commercial properties, we established a specialized department and strengthened ties with specialized intermediary companies that deal with large commercial facilities and restaurants, which resulted in the number of new contracts reaching 9,726 (increased by 13.3% from the same period last year), and the proportion of initial guarantee fees expanding to 22.8% (increased by 3.0 points from the same period last year). In addition, the average unit price of guarantee fees has increased by JPY 13,646.

In the self-managed property owner market, we provide a variety of agency services to deal with tenants on behalf of owners who own a single building or large-scale owners who own multiple properties, addressing the various issues they face, such as rent arrears, equipment malfunctions, and neighborhood disputes.

This reduces the complicated administrative burden on property owners and supports smooth operation. In addition, in order to increase awareness of our services, we are taking a multifaceted approach, including disseminating information on YouTube, participating in various events aimed at promoting usage, and holding regular lectures and seminars for landlord groups. As a result of these measures, the number of users as of the end of January 2025 was 10,289, a 24.6% increase compared with the number at the end of the same month of the previous year, showing steady growth.

Our company aims to support single-parent families and “protect the future of children” through child support guarantees. Recently, we have been proactively working to deepen understanding of the issue of child support throughout society, such as holding a “Child Support Roundtable for Divorced Parents” and a collaborative event with Shonan Bellmare Futsal Club.

We are currently working with Profit Center Inc., a call center operator that we acquired as a subsidiary in September 2024, to exchange personnel and integrate management functions in order to strengthen our business foundation. Going forward, we plan to integrate our business bases, further deepen our collaboration, and combine our know-how in call center operations. This will enable us to provide new value-added services to tenants, property management companies, and self-managed landlords, and we aim to increase our corporate value.

In terms of cost of sales, provisions for doubtful accounts amounted to JPY 1,979,016,000 (decreased by 25.5% year on year), and litigation and disposal expenses were JPY 1,206,086,000 (increased by 16.9% year on year). The decrease in the provision for doubtful accounts is due to the replacement of our core system in February 2024, which enabled us to precisely analyze and manage data on reimbursement claims and re-identify the nature of reimbursement claims. In addition, we have reorganized our division for managing reimbursement claims as of November 1, 2024, and established a system to strengthen collection. In light of these changes in the environment for managing reimbursement claims, we have implemented a change in the accounting estimation method for the allowance for doubtful accounts related to reimbursement claims. Specifically, based on the concepts of customer management, receivables management, and asset preservation in rent guarantees, we have changed risk management from receivable-by-receivable to risk management by debtor contract unit. We have also introduced a system to classify receivables according to the number of months overdue and signs of uncollectible debts, and to provide a certain level of evaluation.

Selling, general and administrative expenses amounted to JPY 6,084,202,000 (increased by 13.7% year-on-year) due to one-time taxes and public charges associated with the launch of the new rent guarantee system, depreciation expenses, and outsourcing expenses incurred due to investment in the guarantee DX system.

In non-operating income, as a result of efforts to strengthen the debt collection system, progress was made in recovering lost debt, and the gain on recovery of written-off debt was JPY 256,933,000 (increased by 62.0% year-on-year).

As a result, sales for the current consolidated fiscal year were JPY 12,157,323,000 (increased by 8.3% year-on-year), EBITDA was JPY 2,178,773,000 (increased by 66.4% year-on-year), operating profit was JPY 1,303,171,000 (increased by 65.6% year-on-year), ordinary profit was JPY 1,564,333,000 (increased by 62.0% year-on-year), and net profit attributable to parent company shareholders was JPY 602,467,000 (decreased by 0.4% year-on-year).

Please note that goodwill amortization of JPY 291,210,000 has been recorded under selling, general and administrative expenses.

※ As our group's only reportable segment is the rent debt guarantee business and other business segments are not significant, they are not listed by segment.

(2) Overview of financial position for the current fiscal year

(Assets)

Total assets at the end of the current consolidated accounting period were JPY 15,774,102,000, an increase of JPY 997,215,000, compared to the end of the previous consolidated fiscal year.

Current assets increased by JPY 1,510,047,000 from the end of the previous fiscal year to JPY 9,155,079,000. This was mainly due to a decrease of JPY 716,278,000 in cash and deposits, while increases of JPY 1,541,775,000 in reimbursement claims and JPY 161,237,000 in accounts receivable-other, and an decrease of JPY 29,603,000 in allowance for doubtful accounts. Out of this amount, the increase in reimbursement claims includes an increase of JPY 420,379,000 due to a change in the accounting estimate method for the allowance for doubtful accounts.

Non-current assets decreased by JPY 512,832,000 from the end of the previous fiscal year to JPY 6,619,023,000. This was mainly due to an increase in software of JPY 702,049,000 and deferred tax assets of JPY 180,985,000, while software in progress account decreased by JPY 1,033,663,000 and goodwill decreased by JPY 398,958,000.

(Liabilities)

Total liabilities at the end of the current consolidated accounting period were JPY 8,256,963,000, an increase of JPY 715,285,000 compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease in accounts payable-trade of JPY 54,254,000 and long-term borrowings (including long-term borrowings due to be repaid within one year) of JPY 21,065,000, while deposits received increased by JPY 326,325,000 and advances received increased by JPY 173,808,000.

(Net assets)

Total net assets at the end of the current consolidated accounting period were JPY 7,517,139,000, an increase of JPY 281,929,000 compared to the end of the previous consolidated fiscal year. This was mainly due to a decrease in retained earnings of JPY 301,670,000 as dividends were paid out of surplus, and the acquisition of treasury stock for the amount of JPY 77,267,000, while retained earnings increased by 602,467,000 yen as a result of the recognition of net income attributable to parent company shareholders.

(3) Overview of cash flows for the current fiscal year

The balance of cash and cash equivalents at the end of this consolidated fiscal year was JPY 2,982,412,000, a decrease by JPY 721,478,000 from the end of the previous consolidated fiscal year. The status of each cash flow is as follows:

(Cash flows from operating activities)

Cash flows from operating activities were JPY 13,660,000, a decrease of JPY 1,126,874,000 compared to the same period of previous year. This was mainly due to decreasing factors such as an increase in receivables of JPY 1,541,775,000, corporate tax payments of JPY 663,214,000, and an increase in accounts receivable of JPY 438,009,000, while there were increasing factors such as profit before taxes of JPY 1,079,474,000, impairment loss of JPY 457,542,000, an increase in deposits of JPY 324,042,000, amortization of goodwill of JPY 291,210,000, and depreciation expenses of JPY 239,548,000.

(Cash flows from investing activities)

Cash flows from investing activities increased by JPY 322,818,000 compared to the same period of previous year, to JPY 334,067,000. This was mainly due to expenditures of JPY 220,614,000 for the acquisition of subsidiary shares resulting in a change in the scope of consolidation, and expenditures of JPY 72,642,000 for the acquisition of intangible fixed assets.

(Cash flows from financing activities)

Cash flows from financing activities increased by JPY 86,348,000 compared to the same period of previous year, to JPY 401,071,000. This was mainly due to dividend payments of JPY 301,327,000, expenditures for the acquisition of treasury stock of JPY 77,460,000, and expenditures for the repayment of long-term borrowings of JPY 61,201,000.

(4) Future outlook

Our group will continue to promote various initiatives with the aim of expanding sales and improving profitability.

In order to expand sales, we will strengthen our sales structure in the areas of rent guarantee service for residential property and for commercial property, and by expanding into new areas, we will develop new agents and increase the utilization rate of

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existing agents. In particular, for rent guarantee service for commercial property, we will implement promotional measures aimed at raising awareness in the market and strengthen our ability to make proposals suited to the target demographic, thereby promoting an increase in the number of contracts. Additionally, in the self-management landlords' market, we will further increase our presence in the market by expanding our rent guarantee service and tenant management service and providing support that meets customer needs.

To improve profitability, we will work to improve operational efficiency and establish new revenue models. By promoting digital transformation of rent guarantees, we will advance the automation of contract procedures, screening, and receivables management operations, thereby optimizing human costs. This will increase the speed of business processing while reducing the workload and cutting costs. Furthermore, by providing high-value-added services and expanding optional products, we aim to establish new revenue sources that go beyond the scope of rent guarantee services, and by strengthening customer contact points, we aim to promote continued use and create opportunities for upselling.

By implementing these measures, we have revised our medium-term management plan for the fiscal year ending January 2026, and now forecast sales of JPY 13,236 million (an increase by 8.9% year-on-year), EBITDA of JPY 1,720 million (a decrease by 21.0% year-on-year), operating profit of JPY 1,017 million (a decrease by 22.0% year-on-year), operating profit margin of 7.7%, ordinary profit of JPY 1,162 million (a decrease by 25.7% year-on-year), and net profit attributable to owners of parent of JPY 701 million (an increase by 16.5% year-on-year).

Changes to the medium-term management plan for the fiscal year ending January 2026

(Unit: JPY million)

	FY ending January 2026	
	Before revision	After revision
Net sales	12,878	13,236
Operating profit	677	1,017
Operating profit margin	5.3%	7.7%
EBITDA	1,333	1,720

2. Basic principles regarding the selection of accounting standards

As our Group's operations are currently limited to Japan and we have no overseas activities, we intend to adopt Japanese accounting standards for the time being.

Regarding the application of international accounting standards, we intend to respond appropriately, taking into consideration various domestic and international situations.

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3. Consolidated financial statements and major notes

(1) Consolidated balance sheets

(Unit: JPY thousand)

	Previous cumulative accounting period (ended January 31, 2024)	Current cumulative accounting period (ended January 31, 2025)
Assets		
Current assets		
Cash and deposits	3,705,890	2,989,612
Accounts receivable and contract assets	1,519,521	1,680,759
Contract assets	1,436	—
Reimbursement claim	4,528,423	6,070,199
Account receivable - other	863,457	1,301,687
Other	194,750	251,666
Allowance for doubtful accounts	△3,168,449	△3,138,845
Total current assets	7,645,031	9,155,079
Non-current assets		
Tangible non-current assets		
Buildings and structures	95,472	96,996
Accumulated depreciation	△74,038	△77,298
Buildings and structures (net)	21,433	19,698
Leased assets	6,930	7,392
Accumulated depreciation	△6,237	△739
Leased assets (net)	693	6,652
Other	143,778	154,146
Accumulated depreciation	△126,253	△138,713
Other (net)	17,525	15,432
Total tangible non-current assets	39,652	41,784
Intangible non-current assets		
Goodwill	2,917,123	2,518,164
Software	116,333	818,383
Software in progress	1,053,230	19,566
Other	3,652	2,757
Total intangible non-current assets	4,090,339	3,358,871
Investments and other assets		
Investment securities	169,954	167,152
Bankruptcy Reorganization Claims	—	32,718
Deferred tax assets	2,618,285	2,799,270
Other	215,177	253,497
Allowance for doubtful accounts	△1,552	△34,271
Total investments and other assets	3,001,864	3,218,367
Total non-current assets	7,131,855	6,619,023
Total assets	14,776,887	15,774,102

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(Unit: JPY thousand)

	Previous cumulative accounting period (ended January 31, 2024)	Current cumulative accounting period (ended January 31, 2025)
Liabilities		
Current liabilities		
Accounts payable - trade	55,612	1,357
Current portion of long-term borrowings	21,140	21,919
Lease obligation	762	1,626
Income tax payable	412,790	412,781
Advances received	5,166,808	5,340,616
Deposits	1,075,079	1,401,404
Provision for bonuses	98,250	141,836
Provision for loss on guarantees	153,141	177,621
Other	386,455	553,939
Total current liabilities	7,370,039	8,053,104
Non-current liabilities		
Long-term borrowings	171,368	149,524
Lease obligation	270	5,691
Other	—	48,643
Total non-current liabilities	171,638	203,858
Total liabilities	7,541,677	8,256,963
Net assets		
Shareholders' equity		
Share capital	1,602,887	1,624,601
Capital surplus	1,602,887	1,624,601
Retained earnings	5,455,994	5,756,791
Treasury shares	△1,439,275	△1,516,542
Total shareholders' equity	7,222,494	7,489,451
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,413	25,812
Total accumulated other comprehensive income	10,413	25,812
Share acquisition rights	2,302	1,874
Total net assets	7,235,209	7,517,139
Total liabilities and net assets	14,776,887	15,774,102

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(2) Consolidated statements of profit and loss and consolidated statements of comprehensive income

(Consolidated Statement of Profit and Loss)

(Unit: JPY thousand)

	Previous cumulative accounting period (from February 1, 2023 to January 31, 2024)	Current cumulative accounting period (from February 1, 2024 to January 31, 2025)
Sales	11,224,085	12,157,323
Cost of sales	5,086,429	4,769,948
Gross profit	6,137,655	7,387,374
Selling, general and administrative expenses	5,350,898	6,084,202
Operating profit	786,757	1,303,171
Non-operating income		
Interest income	33	78
Dividends received	4,889	2,046
Gains on recovered debts	158,572	256,933
Subsidy income	2,432	3,000
Others	17,801	4,575
Total non-operating income	183,729	266,634
Non-operating expenses		
Interest expenses	1,849	2,370
Commission expenses	2,767	3,082
Other	—	19
Total non-operating expenses	4,616	5,472
Ordinary profit	965,869	1,564,333
Special profit		
Gain on sales of investment securities	32,514	2,100
Total special profit	32,514	2,100
Special loss		
固定資産除却損	—	4,418
投資有価証券評価損	—	24,998
Impairment loss	—	457,542
Loss related to step acquisition	18,000	—
Total special loss	18,000	486,958
Net income before taxes, etc.	980,384	1,079,474
Corporate tax, resident tax and business tax	645,387	661,337
Corporate tax adjustments	△270,158	△184,330
Total corporate taxes, etc.	375,229	477,007
Net income	605,155	602,467
Net income attributable to shareholders of parent company	605,155	602,467

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(Consolidated statement of comprehensive income)

(Unit: JPY thousand)

	Previous cumulative accounting period (from February 1, 2023 to January 31, 2024)	Current cumulative accounting period (from February 1, 2024 to January 31, 2025)
Net income	605,155	602,467
Other comprehensive income		
Valuation difference on other securities	72,798	15,399
Total other comprehensive income	72,798	15,399
Comprehensive income	677,953	617,866
(Breakdown)		
Comprehensive income attributable to shareholders of parent company	677,953	617,866

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(3) Consolidated Statement of Changes in Equity

Previous consolidated fiscal year (from February 1, 2023 to January 31, 2024)

(Unit: JPY thousand)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the period	1,595,188	1,595,188	5,151,000	△1,439,203	6,902,173
Changes during the period					
Issuance of new shares (exercise of stock acquisition rights)	7,699	7,699			15,399
Dividends from surplus			△300,160		△300,160
Net income attributable to shareholders of parent			605,155		605,155
Acquisition of treasury stock				△72	△72
Changes in items other than shareholders' equity (net amount)					
Total changes during the period	7,699	7,699	304,994	△72	320,321
Balance at the end of the period	1,602,887	1,602,887	5,455,994	△1,439,275	7,222,494

	Accumulated other comprehensive income		Stock acquisition rights	Total net assets
	Other securities valuation difference	Total accumulated other comprehensive income		
Balance at beginning of the period	△62,385	△62,385	2,324	6,842,111
Changes during the period				
Issuance of new shares (exercise of stock acquisition rights)				15,399
Dividends from surplus				△300,160
Net income attributable to shareholders of parent				605,155
Acquisition of treasury stock				△72
Changes in items other than shareholders' equity (net amount)	72,798	72,798	△22	72,776
Total changes during the period	72,798	72,798	△22	393,097
Balance at the end of the period	10,413	10,413	2,302	7,235,209

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Current consolidated fiscal year (from February 1, 2024 to January 31, 2025)

(Unit: JPY thousand)

	Shareholders' equity				
	Capital	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at beginning of the period	1,602,887	1,602,887	5,455,994	△1,439,275	7,222,494
Changes during the period					
Issuance of new shares (exercise of stock acquisition rights)	21,713	21,713			43,427
Dividends from surplus			△301,670		△301,670
Net income attributable to shareholders of parent			602,467		602,467
Acquisition of treasury stock				△77,267	△77,267
Changes in items other than shareholders' equity (net amount)					
Total changes during the period	21,713	21,713	300,796	△77,267	266,957
Balance at the end of the period	1,624,601	1,624,601	5,756,791	△1,516,542	7,489,451

	Accumulated other comprehensive income		Stock acquisition rights	Total net assets
	Other securities valuation difference	Total accumulated other comprehensive income		
Balance at beginning of the period	10,413	10,413	2,302	7,235,209
Changes during the period				
Issuance of new shares (exercise of stock acquisition rights)				43,427
Dividends from surplus				△301,670
Net income attributable to shareholders of parent				602,467
Acquisition of treasury stock				△77,267
Changes in items other than shareholders' equity (net amount)	15,399	15,399	△427	14,972
Total changes during the period	15,399	15,399	△427	281,929
Balance at the end of the period	25,812	25,812	1,874	7,517,139

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(4) Consolidated Statement of Cash Flows

(Unit: JPY thousand)

	Previous cumulative accounting period (from February 1, 2023 to January 31, 2024)	Current cumulative accounting period (from February 1, 2024 to January 31, 2025)
Cash flows from operating activities		
Net income before taxes and other adjustments	980,384	1,079,474
Depreciation	72,356	239,548
Impairment loss	—	457,542
Loss on disposal of non-current assets	—	4,418
Gain/loss on step acquisition (△ indicates gain)	18,000	—
Amortization of goodwill	289,430	291,210
Increase/decrease in bonus reserve (△ indicates decrease)	14,034	41,977
Increase/decrease in reserve for losses on debt guarantees (△ indicates decrease)	7,298	24,480
Increase/decrease in reserve for doubtful accounts (△ indicates decrease)	363,403	3,114
Gain/loss on valuation of investment securities (△ indicates gain)	—	24,998
Gain/loss on sale of investment securities (△ indicates gain)	△32,514	△2,100
Interest and dividends received	△4,922	△2,124
Interest paid	1,849	2,370
Increase/decrease in accounts receivable and contract assets (△ indicates an increase)	△208,193	△126,548
Increase/decrease in reimbursement claims (△ indicates an increase)	△532,236	△1,541,775
Increase/decrease in bankruptcy and rehabilitation claims, etc. (△ indicates an increase)	—	△32,718
Increase/decrease in accounts receivable (△ indicates an increase)	△74,348	△438,009
Increase or decrease in advance payments (△ indicates a decrease)	411,782	173,808
Increase or decrease in deposits (△ indicates a decrease)	192,398	324,042
Other	△39,919	153,736
Subtotal	1,458,802	677,446
Interest and dividends received	4,169	1,799
Interest paid	△1,843	△2,370
Corporate taxes paid	△320,593	△663,214
Cash flows from operating activities	1,140,535	13,660
Cash flows from investing activities		
Expenses for the acquisition of tangible fixed assets	△8,218	△4,758
Proceeds from the sale of tangible fixed assets	—	0
Expenses for the acquisition of intangible non-current assets	△199,698	△72,642
Expenditures for acquisition of investment securities	△24,998	—
Proceeds from sale of investment securities	346,900	2,100
Expenditures for acquisition of subsidiary shares resulting in a change in scope of consolidation	△117,076	△220,614
Other	△8,158	△38,151
Cash flows from investing activities	△11,249	△334,067
Cash flows from financing activities		
Expenses for repayment of long-term borrowings	△24,864	△61,201
Expenses for repayment of lease obligations	△1,524	△1,575
Proceeds from issuance of shares through exercise of stock acquisition rights	15,376	43,000
Expenses for acquisition of treasury stock	△72	△77,460
Dividends paid	△301,138	△301,327
Other	△2,499	△2,506
Cash flows from financing activities	△314,722	△401,071
Increase or decrease in cash and cash equivalents (△ indicates decrease)	814,562	△721,478
Cash and cash equivalents at the beginning of the period	2,889,327	3,703,890
Cash and cash equivalents at the end of the period	3,703,890	2,982,412

(5) Notes on consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes on changes in presentation methods)

(Consolidated cash flow statement)

In the previous consolidated fiscal year, “Increase or decrease in deposits received (Δ indicates a decrease)” was included in “Other” under “Cash flows from operating activities.” However, due to its increasing monetary significance, it has been presented separately from the current consolidated fiscal year. In order to reflect this change in presentation, the consolidated financial statements for the previous fiscal year have been reclassified.

As a result, the JPY 152,478,000 presented as "Other" under "Cash flows from operating activities" in the consolidated cash flow statement for the previous consolidated fiscal year has been reclassified as "Increase (decrease) in deposits" of JPY 192,398,000 and "Other" of Δ JPY 39,919,000.

(Notes regarding changes in accounting estimates)

(Changes in estimate of allowance for doubtful accounts related to reimbursement claims)

The Company records an allowance for doubtful accounts for claims arising from guarantees of rent liabilities, reflecting a certain percentage of past collection records. However, due to the development of the accounts receivable management system and progress in data analysis following changes to the core system, the Company has reviewed the classification of accounts receivable and revised its estimate of the allowance for doubtful accounts for this consolidated fiscal year.

As a result, the allowance for doubtful accounts relating to reimbursement claims at the end of this consolidated fiscal year has decreased by JPY 967,028,000 compared to the previous method. In addition, gross profit, operating profit, ordinary profit and income before taxes and other adjustments for the current consolidated fiscal year each increased by JPY 1,387,407,000.

Impact of the change (February 1, 2024 - January 31, 2025)

	Previous method 【A】	New method after change 【B】	Impact of the change 【B】－【A】
Provision for doubtful accounts related to reimbursement claims	JPY 3,904,905,000	JPY 2,937,876,000	JPY Δ 967,028,000 (Decrease in provisions)
Provision for doubtful accounts related to reimbursement claims	JPY 3,253,691,000	JPY 1,866,284,000	JPY Δ 1,387,407,000 (Decrease in cost of sales)

(Notes regarding consolidated income statement)

(Impairment loss)

Previous consolidated fiscal year (from February 1, 2023 to January 31, 2024)

Not applicable.

Current consolidated fiscal year (from February 1, 2024 to January 31, 2025)

During the current consolidated fiscal year, the Group recorded impairment losses for the following asset groups.

Location	Purpose	Type	Impairment loss
Head office (Shinjuku-ku, Tokyo)	Business assets	Software	JPY 73,959,000
		Software in progress	JPY 18,816,000
—	—	Goodwill	JPY 364,766,000
Total			JPY 457,542,000

(1) How the impairment loss was recognized

① Software and software in progress account

In conjunction with the start of operation of the new core system, we have been developing and replacing contract management systems, etc., and as there is no longer any prospect of future use of the current system, we have recorded an impairment loss of JPY 92,775,000 as a special loss.

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② Goodwill

Regarding the goodwill related to GoldKey Co., Ltd., a consolidated subsidiary of the Company, deviations from the business plan at the time of acquisition have arisen, and the excess profitability initially expected is no longer expected. Therefore, in this consolidated fiscal year, impairment treatment has been implemented for the entire unamortized balance of goodwill related to the company, and an impairment loss of JPY 364,766,000 has been recorded as a special loss.

(2) Method of grouping assets

Our Group, as a general rule, groups its assets according to management accounting classifications, which are used to continuously manage income and expenditure.

(3) Calculation method for recoverable amount

① Software and software provisional account

The recoverable amount is measured based on value in use, but since future cash flows are not expected, the recoverable amount is set to zero.

② Goodwill

The recoverable amount is measured based on value in use, but because the undiscounted future cash flows based on the activities plan for the business are negative, the recoverable amount is set to zero.

(Notes on segment information, etc.)

【Segment information】

The Group's only reportable segment is the rent debt guarantee business, and other business segments are not listed here as they are not significant.

(Per share information)

	Previous consolidated fiscal year (from February 1, 2023 to January 31, 2024)	Current consolidated fiscal year (from February 1, 2024 to January 31, 2025)
Net assets per share	JPY 719.29	JPY 741.43
Net income per share	JPY 60.35	JPY 59.78
Diluted net income per share	JPY 58.32	JPY 58.09

(Note) The basis for calculating net income per share and diluted net income per share is as follows:

	Previous consolidated fiscal year (from February 1, 2023 to January 31, 2024)	Current consolidated fiscal year (from February 1, 2024 to January 31, 2025)
Net income per share		
Net income attributable to parent company shareholders (JPY thousand)	605,155	602,467
Amount not attributable to common shareholders (JPY thousand)	—	—
Net income attributable to parent company shareholders related to common stock (JPY thousand)	605,155	602,467
Average number of common stocks during the period (shares)	10,027,709	10,078,314
Diluted net income per share		
Net income adjustment attributable to shareholders of parent (JPY thousand)	—	—
Increase in number of common stocks (shares)	349,454	292,148
(including stock acquisition rights (shares))	(349,454)	(292,148)
Summary of potential shares that were not included in the calculation of diluted net income per share because they have no dilutive effect	4th stock acquisition rights: 5,450 units (common stock: 545,000 shares) 5th stock acquisition rights: 6,000 units (common stock: 600,000 shares)	4th stock acquisition rights: 5,450 units (common stock: 545,000 shares) 5th stock acquisition rights: 6,000 units (common stock: 600,000 shares)

(Significant subsequent events)

(Sales of subsidiary shares leading to changes in the scope of consolidation)

At the Board of Directors meeting held on February 27, 2025, the Company resolved to enter into a share transfer agreement with Mr. Masahito Kimata (hereinafter referred to as “Mr. Kimata”), Representative Director of GoldKey Inc. (hereinafter referred to as “GoldKey”), for the purpose of transferring all shares held by the Company in GoldKey, a consolidated subsidiary of the Company, to Mr. Kimata. Please note that the share transfer is scheduled to be completed on March 31, 2025. As a result of the share transfer, GoldKey will be excluded from the scope of our consolidation.

(1) Reason for the transfer of shares

After signing a capital and business alliance agreement in September 2022, we collaborated with GoldKey to develop a new tenant management app called “Room Connect.”

In order to sell “Room Connect,” we acquired additional shares in GoldKey in May 2023, making GoldKey a consolidated subsidiary of our company, and began selling it to real estate management companies.

However, as announced in the “Notice regarding the recording of special losses and differences between the second quarter (interim) consolidated earnings forecast and actual results, and revisions to the full-year consolidated earnings forecast” dated September 12, 2024, it became necessary to fundamentally review the sales structure and sales policy for “Room Connect,” and therefore we recorded an impairment loss of JPY 364,766,000 on goodwill arising from the acquisition of GoldKey.

During this review process, we re-examined the sales structure and sales policy for “Room Connect,” and as a result, we have decided to transfer all of our shares in GoldKey to Mr. Kimata and to terminate our capital and business alliance agreement with GoldKey.

By taking over the “Room Connect” app from GoldKey, we aim to build a more comprehensive product network that includes peripheral services such as on-site equipment repair and neighborhood support, and continue to provide valuable services.

(2) Name of the party to the sale of shares:

Masahito Kimata (Representative Director of GoldKey)

(3) Timing of sale

Date of decision-making and contract conclusion:	February 27, 2025
Date of share transfer:	March 31, 2025 (planned)

(4) Overview of the subsidiary to be transferred

Name:	GoldKey Co., Ltd.
Business:	Planning and development of condominium & apartment management apps
Capital:	JPY 100,000,000

(5) Number of shares to be transferred, transfer price, gain or loss from the transfer, and ownership ratio after the transfer

Number of shares to be transferred:	106,000 shares
Transfer price:	JPY 106,000
Profit/loss from transfer:	To be calculated.
Number of shares held after transfer:	- shares (voting rights ownership: -%)