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May 10, 2023

Non-consolidated Financial Results for the Six Months Ended March 31, 2023 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 4809
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 Scheduled date to file quarterly securities report: May 15, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted)

1. Non-consolidated financial results for the six months ended March 31, 2023 (from October 1, 2022 to March 31, 2023)

(1) Non-consolidated operating results (cumulative)

(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	%
Six months ended								
March 31, 2023	7,182	14.8	1,433	35.2	1,327	38.8	901	35.4
March 31, 2022	6,256	5.2	1,060	19.9	956	22.7	665	28.2

	Profit per share	Profit per share after dilution
Six months ended	Yen	Yen
March 31, 2023	90.11	89.50
March 31, 2022	66.66	66.59

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
March 31, 2023	38,694	17,171	44.3
September 30, 2022	37,671	16,886	44.7

Reference: Equity

As of March 31, 2023: ¥17,135 million
 As of September 30, 2022: ¥16,856 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2022	—	0.00	—	62.00	62.00
Fiscal year ending September 30, 2023	—	0.00			
Fiscal year ending September 30, 2023 (Forecast)			—	64.00	64.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Business Forecasts for the fiscal year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	yen
Full year	14,400	11.0	2,710	20.3	2,480	21.6	1,700	21.9	169.99

Note: Revisions to the forecast of financial results most recently announced: Yes

*** Notes**

(1) Adoption of accounting treatment specific to the preparation of quarterly financial statements: Yes

Note: As for details, refer to page 8 of the attached materials.

(2) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of issued shares (common shares)

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

As of March 31, 2023	10,305,600 shares
As of September 30, 2022	10,304,600 shares

(ii) Number of treasury shares at the end of the period

As of March 31, 2023	304,178 shares
As of September 30, 2022	305,633 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended March 31, 2023	9,999,578 shares
Six months ended March 31, 2022	9,986,023 shares

Note: The total number of treasury shares at the end of the period included shares of the Company held by the Employee Stock Ownership Plan Trust (248,900 shares as of March 31, 2023 and 249,655 shares as of September 30, 2022).

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

The business performance forecasts given in this document are based on assumptions, prospects, and future business plans, currently available on the date this document was published. Actual results may differ from these forecasts for a variety of reasons. For other matters relating to the forecasts, please refer to "1. (3) Future Outlook" on page 3 of the attached materials.

Attached Materials

Index

1. Overview of Operating Results, etc.	2
(1) Operating Results	2
(2) Financial Position	3
(3) Future Outlook	3
2. Financial Statements and Notes	4
(1) Balance Sheet	4
(2) Statement of Profit and Loss	6
(3) Statement of Cash Flows	7
(4) Notes to Financial Statements	8

1. Overview of Operating Results, etc.

(1) Operating Results

During the first six months of the current fiscal year (October 1, 2022 to March 31, 2023), Japanese economy is getting closer to normal with the resumption of socioeconomic activities based on living with COVID-19.

In the parking industry, its sales improved nationwide due to the normalization of economic activities, and sales for this quarter increased 14.8% from the same period of the previous fiscal year.

Under these circumstances, the Company conducted aggressive sales activities and focused on improving profitability by developing new parking lots and setting flexible rate changes at existing parking lots.

Overall, during the first six months of the fiscal year, the number of newly developed parking was 106 lots with 1,351 spaces, while the number of closed parking was 46 lots with 623 spaces (net increase was 60 lots with 728 spaces). Total of 2,179 lots with 33,580 spaces is available as of March 31, 2023.

As a result, in the first six months of the fiscal year under review, the net sales was ¥ 7,182 million (up 14.8% year-on-year), operating profit was ¥ 1,433 million (up 35.2% year-on-year), ordinary profit was ¥ 1,327 million (up 38.8% year-on-year), and profit was ¥ 901 million (up 35.4% year-on-year).

The results of each type of parking business are as follows.

(Leased parking Business)

During the first six months of the fiscal year, the number of newly developed leased parking was 97 lots with 1,103 spaces, while the number of closed leased parking was 46 lots with 623 spaces (net increase was 51 lots with 480 spaces). As a result, total of 1,918 lots with 28,570 spaces is available as of March 31, 2023. The net sales of leased parking business was ¥ 5,769 million (up 14.7% year-on-year), and gross profit was ¥ 1,171 million (up 26.3% year-on-year).

(Owned parking Business)

During the first six months of the fiscal year, owned parking lots were developed in Sapporo City (8 spaces), in Akita City (39 spaces), in Takasaki City (24 spaces), in Koto-ku, Tokyo (2 spaces), in Kyoto City (2 spaces), in Osaka City (3 lots with 166 spaces) and in Fukuoka City (7 spaces). As a result, the number of newly developed owned parking was 9 lots with 248 spaces. Total of 261 lots with 5,010 spaces is available as of March 31, 2023. The net sales of owned parking business was ¥ 1,153 million (up 17.8% year-on-year), and gross profit was ¥ 937 million (up 20.5% year-on-year).

Furthermore, the Company acquired land for parking in Hakodate City (2 lots with 14 spaces), in Yokohama City (4 spaces), and in Osaka City (16 spaces), which are scheduled to be opened in the third quarter or later.

(Others)

During the first six months of the fiscal year, the net sales except for car parking business, including real estate leasing, vending machine, bike/bus/cycle parking, and solar power generation, was ¥ 260 million (up 4.7% year-on-year).

Sales results of each type of parking business for the current fiscal year are as follows.

	Six months ended March 31, 2022	Six months ended March 31, 2023	Fiscal year ended September 30, 2022
Types	Sales (Millions of yen)	Sales (Millions of yen)	Sales (Millions of yen)
Leased parking Business	5,028	5,769	10,413
Owned parking Business	978	1,153	2,036
Others	248	260	524
Total	6,256	7,182	12,974

(2) Financial Position

Total assets at the end of the six month the fiscal year under review increased by ¥ 1,023 million from the end of the previous fiscal year, to ¥ 38,694 million. It was mainly due to an increase in land (¥ 1,368 million) and a decrease in cash and deposits (¥ 339 million).

Total liabilities at the end of the six month the fiscal year under review increased by ¥ 739 million, to ¥ 21,523 million. It was mainly due to an increase in borrowings (¥ 700 million).

Total net assets at the end of the six month the fiscal year under review increased by ¥ 284 million, to ¥ 17,171 million. It was mainly due to an increase in retained earnings (¥ 265 million). As a result, the equity ratio shifted to 44.3% from 44.7% at the end of the previous fiscal year.

<Cash Flows>

The cash and cash equivalents at the end of the six month the fiscal year decreased ¥ 339 million from the end of the previous fiscal year, to ¥ 3,591 million. The main reasons were as follows.

(Cash flows from operating activities)

The cash and cash equivalents provided by operating activities increased ¥ 452 million from the same period of the previous fiscal year, to ¥ 1,263 million. It was mainly due to the profit before income taxes (¥ 1,318 million), depreciation (¥ 256 million), and income taxes paid (¥ 403 million).

(Cash flows from investing activities)

The cash and cash equivalents used in investing activities increased ¥ 898 million from the same period of the previous fiscal year, to ¥ 1,509 million. It was mainly due to purchase of property, plant and equipment (¥ 1,490 million).

(Cash flows from financing activities)

The cash and cash equivalents used in financing activities decreased ¥ 430 million from the same period of the previous fiscal year, to ¥ 93 million. It was mainly due to proceeds from borrowings (¥ 2,062 million), repayments of borrowings (¥ 1,361 million), repayments of lease obligations (¥ 160 million), and cash dividends paid (¥ 634 million).

(3) Future Outlook

In Japan, business confidence is improving due to a recovery in consumer spending and the employment environment, although prices are rising due to soaring energy prices. In the parking industry, hourly parking lot is in short supply, especially in big cities, and the supply-demand balance is tight.

In this environment, the Company will continue to conduct aggressive sales activities, and will also make efforts to improve the profitability of existing parking lots by setting flexible rate changes. In addition, the Company aims to expand its business and base earnings by taking advantage of business alliances with major real estate developers and real estate brokerage firms. And, the Company will focus on acquiring land for parking lots and aim to expand the Company's business and base earnings, while taking into consideration demographic trends and other indicators.

The Company expects parking lot sales to remain steady in the future. As for the business forecasts for the fiscal year ending September 30, 2023, the Company revised upward net sales forecast to ¥ 14.4 billion, operating profit to ¥ 2.71 billion, ordinary profit to ¥ 2.48 billion, and profit to ¥ 1.7 billion, considering the actual result for the first six months of the current fiscal year.

*The forecasts are based on information available to the Company at this time, and include potential risks and uncertainties. Therefore, actual results may differ from the announced forecasts.

2. Financial Statements and Notes
(1) Balance Sheet

(Millions of yen)

	As of September 30, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	3,961	3,621
Accounts receivable - trade	167	192
Prepaid expenses	553	580
Other	39	39
Allowance for doubtful accounts	△0	△0
Total current assets	4,721	4,433
Non-current assets		
Property, plant and equipment		
Buildings, net	702	727
Machinery and equipment, net	686	649
Land	29,781	31,149
Leased assets, net	724	652
Other, net	386	403
Total property, plant and equipment	32,281	33,582
Intangible assets	9	16
Investments and other assets	659	662
Total non-current assets	32,949	34,261
Total assets	37,671	38,694
Liabilities		
Current liabilities		
Accounts payable - trade	296	327
Short-term borrowings	—	158
Current portion of long-term borrowings	1,992	2,103
Income taxes payable	476	493
Provision for bonuses	39	42
Provision for shareholder benefit program	12	—
Other	681	709
Total current liabilities	3,498	3,834
Non-current liabilities		
Long-term borrowings	16,347	16,777
Lease liabilities	473	434
Provision for share awards	38	42
Asset retirement obligations	292	296
Other	133	138
Total non-current liabilities	17,286	17,689
Total liabilities	20,784	21,523

(Millions of yen)

	As of September 30, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	1,847	1,848
Capital surplus	2,284	2,286
Retained earnings	13,128	13,394
Treasury shares	△378	△377
Total shareholders' equity	16,882	17,152
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6	8
Deferred gains or losses on hedges	△32	△24
Total valuation and translation adjustments	△26	△16
Share acquisition rights	30	35
Total net assets	16,886	17,171
Total liabilities and net assets	37,671	38,694

(2) Statement of Profit and Loss

(Millions of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Net sales	6,256	7,182
Cost of sales	4,452	4,926
Gross profit	1,803	2,256
Selling, general and administrative expenses	743	822
Operating profit	1,060	1,433
Non-operating income		
Interest income	0	0
Dividend income	0	0
Gain on forfeiture of unclaimed dividends	0	0
Insurance claim income	0	0
Commission income	—	1
Other	0	0
Total non-operating income	1	2
Non-operating expenses		
Interest expenses	104	107
Other	0	0
Total non-operating expenses	104	108
Ordinary profit	956	1,327
Extraordinary income		
Gain on sale of non-current assets	29	—
Total extraordinary income	29	—
Extraordinary losses		
Loss on retirement of non-current assets	8	9
Total extraordinary losses	8	9
Profit before income taxes	978	1,318
Income taxes	312	417
Profit	665	901

(3) Statement of Cash Flows

(Millions of yen)

	Six months ended March 31, 2022	Six months ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	978	1,318
Depreciation	287	256
Increase (decrease) in provision for bonuses	1	2
Increase (decrease) in provision for shareholder benefit program	△25	△12
Increase (decrease) in provision for share awards	1	4
Interest and dividend income	△0	△0
Interest expenses	104	107
Loss on retirement of non-current assets	8	9
Loss (gain) on sale of non-current assets	△29	—
Decrease (increase) in trade receivables	△41	△24
Increase (decrease) in trade payables	39	30
Decrease (increase) in other current assets	△39	△26
Increase (decrease) in other current liabilities	2	72
Other, net	12	35
Subtotal	1,298	1,774
Interest and dividends received	0	0
Interest paid	△104	△107
Income taxes paid	△382	△403
Net cash provided by (used in) operating activities	811	1,263
Cash flows from investing activities		
Purchase of property, plant and equipment	△812	△1,490
Proceeds from sale of property, plant and equipment	213	—
Purchase of intangible assets	△1	△8
Payments of leasehold and guarantee deposits	△11	△9
Other, net	0	△1
Net cash provided by (used in) investing activities	△610	△1,509
Cash flows from financing activities		
Proceeds from short-term borrowings	446	476
Repayments of short-term borrowings	△297	△317
Proceeds from long-term borrowings	1,157	1,586
Repayments of long-term borrowings	△1,077	△1,044
Proceeds from issuance of shares	—	1
Proceeds from disposal of treasury shares	2	0
Repayments of lease liabilities	△191	△160
Dividends paid	△562	△634
Net cash provided by (used in) financing activities	△523	△93
Net increase (decrease) in cash and cash equivalents	△322	△339
Cash and cash equivalents at beginning of period	4,152	3,931
Cash and cash equivalents at end of period	3,830	3,591

(4) Notes to Financial Statements
(Notes on going concern assumption)
Not applicable.

(Notes on significant changes to shareholders' equity)
Not applicable.

(Adoption of accounting treatment specific to the preparation of quarterly financial statements)
Calculation of tax expense

Tax expenses are calculated by reasonably estimating the effective tax rate after applying tax effect accounting against income before income taxes for the current fiscal year, including the second quarter ended March 31, 2023, and then multiplying income before income taxes for the three months with the said estimated effective tax rate.

(Changes in accounting policies)
Not applicable.

(Changes in accounting estimates)
Not applicable.

(Segment information)

The segment information is omitted, as the Company has a single segment related to the parking lot development, operation and management business.