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August 3, 2023

Non-consolidated Financial Results for the Nine Months Ended June 30, 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: August 10, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: None
 Holding of quarterly financial results briefing: None

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

1. Non-consolidated financial results for the nine months ended June 30, 2023 (from October 1, 2022 to June 30, 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	%
Nine months ended								
June 30, 2023	10,906	14.4	2,181	32.3	2,022	35.3	1,377	33.6
June 30, 2022	9,534	8.0	1,648	25.3	1,494	29.0	1,031	48.3

	Profit per share	Profit per share after dilution
Nine months ended	Yen	Yen
June 30, 2023	137.75	136.77
June 30, 2022	103.26	103.06

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	39,484	17,650	44.6
September 30, 2022	37,671	16,886	44.7

Reference: Equity

As of June 30, 2023: ¥17,612 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: None

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: None

*** Notes**

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

Note: As for details, refer to page 7 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 June 30, 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 June 30, 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)

Nine months ended June 30, 2023	10,000,193 shares
Nine months ended June 30, 2022	9,986,774 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 June 30, 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.

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1. Overview of Operating Results, etc.

(1) Operating Results

During the first nine months of the current fiscal year (October 1, 2022 to June 30, 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 the nine months of this year increased 14.4% 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 nine months of the fiscal year, the number of newly developed parking was 177 lots with 2,356 spaces, while the number of closed parking was 65 lots with 997 spaces (net increase was 112 lots with 1,359 spaces). Total of 2,231 lots with 34,211 spaces was available as of June 30, 2023.

As a result, in the first nine months of the fiscal year under review, the net sales was ¥ 10,906 million (up 14.4% year-on-year), operating profit was ¥ 2,181 million (up 32.3% year-on-year), ordinary profit was ¥ 2,022 million (up 35.3% year-on-year), and profit was ¥ 1,377 million (up 33.6% year-on-year).

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

(Leased parking Business)

During the first nine months of the fiscal year, the number of newly developed leased parking was 162 lots with 2,068 spaces, while the number of closed leased parking was 65 lots with 996 spaces (net increase was 97 lots with 1,072 spaces). As a result, total of 1,964 lots with 29,162 spaces was available as of June 30, 2023. The net sales of leased parking business was ¥ 8,760 million (up 14.4% year-on-year), and gross profit was ¥ 1,782 million (up 26.5% year-on-year).

(Owned parking Business)

During the first nine months of the fiscal year, owned parking lots were developed in Sapporo City (4 lots with 30 spaces), in Hakodate City (2 lots with 14 spaces), in Akita City (39 spaces), in Takasaki City (24 spaces), in Koto-ku, Tokyo (2 spaces), in Yokohama City (4 spaces), in Kyoto City (2 spaces), in Osaka City (3 lots with 166 spaces) and in Fukuoka City (7 spaces). On the other hand, 1 parking space was closed in Tsuchiura City, Ibaraki Prefecture due to layout change. As a result, the number of newly developed owned parking was 15 lots with 288 spaces, while the number of closed owned parking was 1 space. Total of 267 lots with 5,049 spaces was available as of June 30, 2023. The net sales of owned parking business was ¥ 1,743 million (up 16.4% year-on-year), and gross profit was ¥ 1,417 million (up 18.5% year-on-year).

Furthermore, the Company acquired land for parking in Sapporo City (19 spaces), in Bunkyo-ku, Tokyo (4 spaces), and in Osaka City (16 spaces), which are scheduled to be opened in the fourth quarter or later.

(Others)

During the first nine 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 ¥ 403 million (up 5.4% year-on-year).

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

	Nine months ended June 30, 2022	Nine months ended June 30, 2023	Fiscal year ended September 30, 2022
Types	Sales (Millions of yen)	Sales (Millions of yen)	Sales (Millions of yen)
Leased parking Business	7,654	8,760	10,413
Owned parking Business	1,496	1,743	2,036
Others	383	403	524
Total	9,534	10,906	12,974

(2) Financial Position

Total assets at the end of the nine month the fiscal year under review increased by ¥ 1,812 million from the end of the previous fiscal year, to ¥ 39,484 million. It was mainly due to an increase in land (¥ 1,989 million) and a decrease in cash and deposits (¥ 244 million).

Total liabilities at the end of the nine month the fiscal year under review increased by ¥ 1,049 million, to ¥ 21,833 million. It was mainly due to an increase in borrowings (¥ 1,048 million).

Total net assets at the end of the nine month the fiscal year under review increased by ¥ 763 million, to ¥ 17,650 million. It was mainly due to an increase in retained earnings (¥ 742 million). As a result, the equity ratio shifted to 44.6% from 44.7% at the end of the previous fiscal year.

(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.

There are no revisions to the business forecasts for the fiscal year ending September 30, 2023, which was announced on May 10, 2023.

*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 June 30, 2023
Assets		
Current assets		
Cash and deposits	3,961	3,716
Accounts receivable - trade	167	215
Prepaid expenses	553	591
Other	39	33
Allowance for doubtful accounts	△0	△0
Total current assets	4,721	4,556
Non-current assets		
Property, plant and equipment		
Buildings, net	702	721
Machinery and equipment, net	686	630
Land	29,781	31,770
Leased assets, net	724	673
Other, net	386	432
Total property, plant and equipment	32,281	34,229
Intangible assets	9	26
Investments and other assets	659	671
Total non-current assets	32,949	34,927
Total assets	37,671	39,484
Liabilities		
Current liabilities		
Accounts payable - trade	296	382
Short-term borrowings	—	304
Current portion of long-term borrowings	1,992	2,195
Income taxes payable	476	342
Provision for bonuses	39	23
Provision for shareholder benefit program	12	—
Other	681	738
Total current liabilities	3,498	3,987
Non-current liabilities		
Long-term borrowings	16,347	16,887
Lease liabilities	473	469
Provision for share awards	38	42
Asset retirement obligations	292	304
Other	133	143
Total non-current liabilities	17,286	17,846
Total liabilities	20,784	21,833

(Millions of yen)

	As of September 30, 2022	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,847	1,848
Capital surplus	2,284	2,286
Retained earnings	13,128	13,871
Treasury shares	△378	△377
Total shareholders' equity	16,882	17,628
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	37
Total net assets	16,886	17,650
Total liabilities and net assets	37,671	39,484

(2) Statement of Profit and Loss

(Millions of yen)

	Nine months ended June 30, 2022	Nine months ended June 30, 2023
Net sales	9,534	10,906
Cost of sales	6,752	7,473
Gross profit	2,782	3,433
Selling, general and administrative expenses	1,134	1,251
Operating profit	1,648	2,181
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
Compensation income	—	1
Other	0	0
Total non-operating income	1	4
Non-operating expenses		
Interest expenses	154	162
Other	0	1
Total non-operating expenses	155	163
Ordinary profit	1,494	2,022
Extraordinary income		
Gain on sale of non-current assets	29	—
Total extraordinary income	29	—
Extraordinary losses		
Loss on retirement of non-current assets	9	11
Total extraordinary losses	9	11
Profit before income taxes	1,515	2,011
Income taxes	484	634
Profit	1,031	1,377

(3) 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 third quarter ended June 30, 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.