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November 8, 2023

Non-consolidated Financial Results for the Fiscal year ended September 30, 2023 (Under Japanese GAAP)

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 Listing: Tokyo Stock Exchange
 Securities code: 4809
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 Scheduled date of annual general meeting of shareholders: December 20, 2023
 Scheduled date to commence dividend payments: December 21, 2023
 Scheduled date to file annual securities report: December 21, 2023
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Non-consolidated financial results for the fiscal year ended September 30, 2023 (from October 1, 2022 to September 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	%
Fiscal year ended								
September 30, 2023	14,774	13.9	2,934	30.2	2,712	33.0	1,818	30.4
September 30, 2022	12,974	10.3	2,253	26.1	2,039	29.4	1,395	42.8

	Profit per share	Profit per share after dilution	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended					
September 30, 2023	181.87	180.49	10.4	7.0	19.9
September 30, 2022	139.67	139.21	8.5	5.6	17.4

Reference: Share of profit (loss) of entities accounted for using equity method

For the fiscal year ended September 30, 2023: -
 For the fiscal year ended September 30, 2022: -

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of				
September 30, 2023	39,824	18,107	45.4	1,805.60
September 30, 2022	37,671	16,886	44.7	1,685.77

Reference: Equity

As of September 30, 2023: ¥18,068 million
 As of September 30, 2022: ¥16,856 million

(3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
September 30, 2023	2,668	△2,565	△326	3,708
September 30, 2022	1,975	△2,452	255	3,931

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio	Ratio of dividends to net assets
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
Fiscal year ended September 30, 2022	Yen -	Yen 0.00	Yen -	Yen 62.00	Yen 62.00	Millions of yen 635	% 44.4	% 3.8
Fiscal year ended September 30, 2023	-	0.00	-	64.00	64.00	656	35.2	3.7
Fiscal year ending September 30, 2024 (Forecast)	-	0.00	-	64.00	64.00		34.6	

3. Business Forecasts for the fiscal year ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

(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
Interim	7,800	8.6	1,520	6.0	1,400	5.4	910	1.0	90.94
Full year	15,900	7.6	3,120	6.3	2,870	5.8	1,850	1.7	184.87

*** Notes**

(1) 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

(2) Number of issued shares (common shares)

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

As of September 30, 2023	10,311,100 shares
As of September 30, 2022	10,304,600 shares

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

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

(iii) Average number of shares outstanding during the period

Fiscal year ended September 30, 2023	10,001,000 shares
Fiscal year ended September 30, 2022	9,988,328 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 September 30, 2023 and 249,655 shares as of September 30, 2022).

* Financial results reports are exempt from audit 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. Overview of Operating Results, etc. (1) Operating Results” on page 2 of the attached materials.

Attached Materials

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1. Overview of Operating Results, etc.

(1) Operating Results

During the fiscal year ended September 30, 2023 (October 1, 2022 to September 30, 2023), Japanese economy is almost back 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 fiscal year increased 13.9% from 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 fiscal year, the number of newly developed parking was 262 lots with 3,785 spaces, while the number of closed parking was 96 lots with 1,549 spaces (net increase was 166 lots with 2,236 spaces). Total of 2,285 lots with 35,088 spaces was available as of September 30, 2023.

As a result, in the fiscal year under review, the net sales was ¥ 14,774 million (up 13.9% year-on-year), operating profit was ¥ 2,934 million (up 30.2% year-on-year), ordinary profit was ¥ 2,712 million (up 33.0% year-on-year), and profit was ¥ 1,818 million (up 30.4% year-on-year).

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

(Leased parking Business)

During the fiscal year, the number of newly developed leased parking was 241 lots with 3,442 spaces, while the number of closed leased parking was 96 lots with 1,548 spaces (net increase was 145 lots with 1,894 spaces). As a result, total of 2,012 lots with 29,984 spaces was available as of September 30, 2023. The net sales of leased parking business was ¥ 11,845 million (up 13.8% year-on-year), and gross profit was ¥ 2,402 million (up 26.3% year-on-year).

(Owned parking Business)

During the fiscal year, owned parking lots were developed in Sapporo City (7 lots with 60 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 Bunkyo-ku, Tokyo (4 spaces), in Kokubunji City, Tokyo (5 spaces), in Yokohama City (4 spaces), in Kyoto City (2 spaces), in Osaka City (4 lots with 182 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 21 lots with 343 spaces, while the number of closed owned parking was 1 space. Total of 273 lots with 5,104 spaces was available as of September 30, 2023. The net sales of owned parking business was ¥ 2,366 million (up 16.2% year-on-year), and gross profit was ¥ 1,926 million (up 18.2% year-on-year).

Furthermore, the Company acquired land for parking in Sapporo City (13 spaces) and in Nagaoka City, Niigata Prefecture (3 spaces) which are scheduled to be opened in the first quarter of next fiscal year.

Investments for owned parking business totaled ¥ 2,239 million in the fiscal year.

(Others)

During 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 ¥ 562 million (up 7.3% year-on-year).

(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.

Under these circumstances, 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 works on redevelopment projects and commercial building parking lot projects 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, taking into consideration demographic trends and other indicators.

As for the future outlook for the fiscal year ending September 30, 2024, the development and utilization of parking lots are expected to remain steady. However, extraordinary losses of ¥ 181 million is expected to be accounted for the renovation of the payment machines at all parking lots to accommodate the new banknotes that will be launched in July 2024. In addition, personnel expenses are supposed to increase by approximately ¥100 million, due to an expansion of employees caused by business growth. As a result, the Company forecasts net sales of ¥ 15,900 million (up 7.6% year-on-year), operating profit of ¥ 3,120 million (up 6.3% year-on-year), ordinary profit of 2,870 million yen (up 5.8% year-on-year), and profit of ¥ 1,850 million (up 1.7% year-on-year).

*This explanation is based on information available to the Company at this time, and includes potential risks and uncertainties. Due to these factors, actual results may differ from the announced forecasts.

(2) Financial Position

Total assets at the end of the fiscal year under review increased by ¥ 2,153 million from the end of the previous fiscal year, to ¥ 39,824 million. It was mainly due to an increase in land (¥ 2,200 million).

Total liabilities at the end of the fiscal year under review increased by ¥ 932 million, to ¥ 21,717 million. It was mainly due to an increase in borrowings (¥ 611 million).

Total net assets at the end of the fiscal year under review increased by ¥ 1,221 million, to ¥ 18,107 million. It was mainly due to an increase in retained earnings (¥ 1,183 million). As a result, the equity ratio shifted to 45.4% from 44.7% at the end of the previous fiscal year.

(Cash flows)

Cash and cash equivalents at the end of the fiscal year under review decreased by ¥ 223 million from the end of the previous fiscal year, to ¥ 3,708 million. The main reasons are as follows.

(Cash flows from operating activities)

Cash and cash equivalents provided by operating activities increased by ¥ 693 million from the end of the previous fiscal year, to ¥ 2,668 million. It was mainly due to the profit before income taxes (¥ 2,658 million), depreciation (¥ 523 million) and income taxes paid (¥ 739 million).

(Cash flows from investing activities)

Cash and cash equivalents used in investing activities increased by ¥ 113 million from the end of the previous fiscal year, to ¥ 2,565 million. It was mainly due to acquisition of property, plant and equipment (¥ 2,501 million).

(Cash flows from financing activities)

The cash and cash equivalents used in financing activities was ¥ 326 million (previous fiscal year was an inflow of ¥ 255 million). It was mainly due to the proceeds from long-term borrowings (¥ 2,719 million), repayments of long-term borrowings (¥ 2,107 million), repayments of lease obligations (¥ 314 million), and cash dividends paid (¥ 635 million).

(3) Basic Policy on Profit Distribution and Dividends for Current and Next Fiscal Years

The Company's basic policy on profit distribution is <To distribute profits to all shareholders in a manner that maintain balances of reinvestment with “capital efficiency”, “financial soundness”, and “investment environment” in order to achieve sustainable growth and enhance corporate value over the medium to long term>.

Based on this basic policy, the Company plans to pay a dividend of ¥ 64 per share for the fiscal year ended September 30, 2023. For the fiscal year ending September 30, 2024, we plan to continue to pay a dividend of ¥ 64 per share, as we plan to invest more aggressively in the owned parking business.

We will continue to distribute profits based on the above policy.

(4) Significant Events Regarding Going Concern Assumption

Not applicable.

2. Basic concept of the selection of accounting standards

Since the Company does not prepare consolidated financial statements, the Company has applied Japanese GAAP for accounting standards, considering the burden of parallel disclosure under Japanese GAAP and International Financial Reporting Standards.

3. Financial Statements and Notes
(1) Balance Sheet

(Millions of yen)

	As of September 30, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	3,961	3,738
Accounts receivable - trade	167	197
Supplies	20	17
Prepaid expenses	553	589
Other	18	14
Allowance for doubtful accounts	△0	△0
Total current assets	4,721	4,558
Non-current assets		
Property, plant and equipment		
Buildings	1,163	1,229
Accumulated depreciation	△461	△506
Buildings, net	702	723
Structures	905	967
Accumulated depreciation	△635	△674
Structures, net	269	293
Machinery and equipment	1,268	1,268
Accumulated depreciation	△582	△657
Machinery and equipment, net	686	611
Tools, furniture and fixtures	571	612
Accumulated depreciation	△501	△532
Tools, furniture and fixtures, net	70	80
Land	29,781	31,981
Leased assets	5,511	5,782
Accumulated depreciation	△4,787	△5,080
Leased assets, net	724	701
Construction in progress	46	175
Total property, plant and equipment	32,281	34,568
Intangible assets		
Patent right	5	4
Trademark right	1	1
Software	1	45
Other	0	0
Total intangible assets	9	51
Investments and other assets		
Investment securities	35	23
Investments in capital	0	0
Long-term loans receivable from directors (and other officers) and employees	7	8
Long-term prepaid expenses	43	34
Deferred tax assets	236	228
Other	337	351
Total investments and other assets	659	646
Total non-current assets	32,949	35,266
Total assets	37,671	39,824

(Millions of yen)

As of September 30, 2022 As of September 30, 2023

Liabilities		
Current liabilities		
Accounts payable - trade	296	336
Current portion of long-term borrowings	1,992	2,260
Lease liabilities	297	235
Accounts payable - other	93	156
Accrued expenses	15	37
Income taxes payable	476	586
Accrued consumption taxes	92	154
Advances received	97	98
Deposits received	10	16
Provision for bonuses	39	47
Provision for shareholder benefit program	12	—
Other	75	94
Total current liabilities	3,498	4,024
Non-current liabilities		
Long-term borrowings	16,347	16,690
Lease liabilities	473	511
Provision for share awards	38	44
Asset retirement obligations	292	311
Other	133	134
Total non-current liabilities	17,286	17,693
Total liabilities	20,784	21,717
Net assets		
Shareholders' equity		
Share capital	1,847	1,854
Capital surplus		
Legal capital surplus	1,877	1,884
Other capital surplus	406	407
Total capital surplus	2,284	2,291
Retained earnings		
Other retained earnings		
Reserve for special depreciation	10	—
Retained earnings brought forward	13,118	14,312
Total retained earnings	13,128	14,312
Treasury shares	△378	△377
Total shareholders' equity	16,882	18,080
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6	6
Deferred gains or losses on hedges	△32	△18
Total valuation and translation adjustments	△26	△12
Share acquisition rights	30	39
Total net assets	16,886	18,107
Total liabilities and net assets	37,671	39,824

(2) Statements of Profit and Loss

(Millions of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Net sales	12,974	14,774
Cost of sales	9,177	10,111
Gross profit	3,797	4,663
Selling, general and administrative expenses		
Provision of allowance for doubtful accounts	△0	0
Remuneration for directors (and other officers)	173	196
Salaries and allowances	440	491
Provision for bonuses	39	47
Legal welfare expenses	70	86
Provision for share awards	0	6
Provision for shareholder benefit program	12	—
Depreciation	30	34
Rent expenses on land and buildings	188	197
Fee expenses	52	49
Commission expenses	142	165
Taxes and dues	147	168
Other	244	283
Total selling, general and administrative expenses	1,543	1,728
Operating profit	2,253	2,934
Non-operating income		
Interest income	0	0
Dividend income	0	0
Gain on forfeiture of unclaimed dividends	0	0
Dividend income of insurance	0	0
Insurance claim income	0	0
Commission income	—	1
Compensation income	—	1
Subsidy income	0	—
Other	0	0
Total non-operating income	2	5
Non-operating expenses		
Interest expenses	212	225
Other	3	1
Total non-operating expenses	216	227
Ordinary profit	2,039	2,712
Extraordinary income		
Gain on sale of non-current assets	34	—
Total extraordinary income	34	—
Extraordinary losses		
Loss on retirement of non-current assets	14	15
Impairment losses	10	27
Loss on valuation of investment securities	—	11
Total extraordinary losses	24	54
Profit before income taxes	2,048	2,658
Income taxes - current	679	838
Income taxes - deferred	△25	0
Total income taxes	653	839
Profit	1,395	1,818

(3) Statements of Shareholders' Equity

Fiscal year ended September 30, 2022 (from October 1, 2021 to September 30, 2022)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					Reserve for special depreciation	Retained earnings brought forward			
Balance at beginning of period	1,839	1,869	403	2,272	56	12,240	12,296	△379	16,029
Changes during period									
Issuance of new shares - exercise of share acquisition rights	8	8		8					16
Dividends of surplus						△562	△562		△562
Profit						1,395	1,395		1,395
Reversal of reserve for special depreciation					△45	45	—		—
Purchase of treasury shares								△0	△0
Disposal of treasury shares			3	3				0	4
Treasury stock payment of stock ownership plan trust								—	—
Net changes in items other than shareholders' equity									
Total changes during period	8	8	3	11	△45	878	832	0	852
Balance at end of period	1,847	1,877	406	2,284	10	13,118	13,128	△378	16,882

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	7	△57	△50	19	15,998
Changes during period					
Issuance of new shares - exercise of share acquisition rights					16
Dividends of surplus					△562
Profit					1,395
Reversal of reserve for special depreciation					—
Purchase of treasury shares					△0
Disposal of treasury shares					4
Treasury stock payment of stock ownership plan trust					—
Net changes in items other than shareholders' equity	△0	25	24	10	34
Total changes during period	△0	25	24	10	887
Balance at end of period	6	△32	△26	30	16,886

Fiscal year ended September 30, 2023 (from October 1, 2022 to September 30, 2023)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings		
					Reserve for special depreciation	Retained earnings brought forward			
Balance at beginning of period	1,847	1,877	406	2,284	10	13,118	13,128	△378	16,882
Changes during period									
Issuance of new shares - exercise of share acquisition rights	6	6		6					12
Dividends of surplus						△635	△635		△635
Profit						1,818	1,818		1,818
Reversal of reserve for special depreciation					△10	10	—		—
Purchase of treasury shares								—	—
Disposal of treasury shares			0	0				0	0
Treasury stock payment of stock ownership plan trust								1	1
Net changes in items other than shareholders' equity									
Total changes during period	6	6	0	6	△10	1,193	1,183	1	1,197
Balance at end of period	1,854	1,884	407	2,291	—	14,312	14,312	△377	18,080

	Valuation and translation adjustments			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Total valuation and translation adjustments		
Balance at beginning of period	6	△32	△26	30	16,886
Changes during period					
Issuance of new shares - exercise of share acquisition rights					12
Dividends of surplus					△635
Profit					1,818
Reversal of reserve for special depreciation					—
Purchase of treasury shares					—
Disposal of treasury shares					0
Treasury stock payment of stock ownership plan trust					1
Net changes in items other than shareholders' equity	△0	14	14	8	23
Total changes during period	△0	14	14	8	1,221
Balance at end of period	6	△18	△12	39	18,107

(4) Statement of Cash Flows

(Millions of yen)

	Fiscal year ended September 30, 2022	Fiscal year ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	2,048	2,658
Depreciation	564	523
Increase (decrease) in provision for bonuses	7	7
Increase (decrease) in provision for share awards	0	6
Increase (decrease) in provision for shareholder benefit program	△13	△12
Interest and dividend income	△0	△0
Interest expenses	212	225
Loss (gain) on sale of non-current assets	△34	—
Loss on retirement of non-current assets	14	15
Impairment losses	10	27
Loss (gain) on valuation of investment securities	—	11
Decrease (increase) in trade receivables	△38	△29
Decrease (increase) in other current assets	△71	△29
Increase (decrease) in trade payables	56	39
Increase (decrease) in other current liabilities	48	118
Other, net	41	71
Subtotal	2,845	3,633
Interest and dividends received	0	0
Interest paid	△212	△225
Income taxes paid	△658	△739
Net cash provided by (used in) operating activities	1,975	2,668
Cash flows from investing activities		
Purchase of property, plant and equipment	△2,803	△2,501
Proceeds from sale of property, plant and equipment	367	—
Purchase of intangible assets	△1	△45
Payments of leasehold and guarantee deposits	△14	△23
Other, net	△0	5
Net cash provided by (used in) investing activities	△2,452	△2,565
Cash flows from financing activities		
Proceeds from short-term borrowings	784	882
Repayments of short-term borrowings	△784	△882
Proceeds from long-term borrowings	3,294	2,719
Repayments of long-term borrowings	△2,128	△2,107
Proceeds from issuance of shares	16	10
Proceeds from disposal of treasury shares	3	0
Repayments of lease liabilities	△366	△314
Dividends paid	△563	△635
Other, net	△0	—
Net cash provided by (used in) financing activities	255	△326
Net increase (decrease) in cash and cash equivalents	△221	△223
Cash and cash equivalents at beginning of period	4,152	3,931
Cash and cash equivalents at end of period	3,931	3,708

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

(Changes in accounting policies)
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.