

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 7, 2024

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

Company name: Paraca Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 4809
 URL: <https://www.paraca.co.jp/>
 Representative: So Naito, Representative Director
 Inquiries: Katsumi Ichikawa, General Manager of Administration Division
 Telephone: +81-3-6841-0809
 Scheduled date to file quarterly securities report: February 14, 2024
 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 three months ended December 31, 2023 (from October 1, 2023 to December 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	%
Three months ended								
December 31, 2023	3,976	9.3	781	0.4	728	0.4	485	△ 1.6
December 31, 2022	3,638	11.1	778	13.5	725	14.8	492	10.2

	Profit per share	Profit per share after dilution
Three months ended	Yen	Yen
December 31, 2023	48.48	48.13
December 31, 2022	49.29	49.00

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	40,447	17,940	44.3
September 30, 2023	39,824	18,107	45.4

Reference: Equity

As of December 31, 2023: ¥17,898 million
 As of September 30, 2023: ¥18,068 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, 2023	—	0.00	—	64.00	64.00
Fiscal year ending September 30, 2024	—				
Fiscal year ending September 30, 2024 (Forecast)		0.00	—	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, 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

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 December 31, 2023	10,311,100 shares
As of September 30, 2023	10,311,100 shares

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

As of December 31, 2023	304,146 shares
As of September 30, 2023	304,178 shares

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

Three months ended December 31, 2023	10,006,942 shares
Three months ended December 31, 2022	9,999,074 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 (248,865 shares as of December 31, 2023 and 248,900 shares as of September 30, 2023).

* 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) Notes to Financial Statements	7

1. Overview of Operating Results, etc.

(1) Operating Results

During the first three months of the current fiscal year (October 1, 2023 to December 31, 2023), the Japanese economy continues to recover despite the impact of price rise, and has been on a moderate improving trend in capital investment, consumer spending, and the employment environment.

In the parking industry, sales remained steady due to a chronic shortage of parking spaces, especially in big cities, parking demand from construction projects, and recovery from hurting consumer sentiment.

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 three months of the fiscal year, the number of newly developed parking was 111 lots with 2,012 spaces, while the number of closed parking was 30 lots with 407 spaces (net increase was 81 lots with 1,605 spaces). Total of 2,366 lots with 36,693 spaces is available as of December 31, 2023.

As a result, in the first three months of the fiscal year under review, the net sales was ¥ 3,976 million (up 9.3% year-on-year), operating profit was ¥ 781 million (up 0.4% year-on-year), ordinary profit was ¥ 728 million (up 0.4% year-on-year), and profit was ¥ 485 million (down 1.6% year-on-year).

During the first three months of the fiscal year, sales increased by 9.3% year-on-year due to the newly developed parking lots, including large parking lots attached to facilities. However, operating profit was not so much higher than that of the same period of the previous year, due to the start-up expenses for new parking lots. In addition, the profit was decreased slightly from the same period of the previous year due to an extraordinary loss of ¥ 14 million for the renovation of the payment machines at parking lots to accommodate the new banknotes that will be launched in July 2024.

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

(Leased parking Business)

During the first three months of the fiscal year, the number of newly developed leased parking was 106 lots with 1,976 spaces, while the number of closed leased parking was 30 lots with 407 spaces (net increase was 76 lots with 1,569 spaces). The number of newly developed parking lots was approximately 2.8 times as many as that of the same period of the previous year, including 6 parking lots with 354 spaces attached to facilities (excluding attached to convenience stores). As a result, total of 2,088 lots with 31,553 spaces is available as of December 31, 2023. The net sales of leased parking business was ¥ 3,195 million (up 9.4% year-on-year), and gross profit was ¥ 641 million (up 2.0% year-on-year).

(Owned parking Business)

During the first three months of the fiscal year, owned parking lots were developed in Sapporo City (2 lots with 20 spaces), in Sendai City (6 spaces), in Nagaoka City (3 spaces), in Kurashiki City (7 spaces). As a result, the number of newly developed owned parking was 5 lots with 36 spaces. Total of 278 lots with 5,140 spaces is available as of December 31, 2023. The net sales of owned parking business was ¥ 636 million (up 9.1% year-on-year), and gross profit was ¥ 520 million (up 8.2% year-on-year).

Furthermore, the Company acquired land for parking in Suginami-ku, Tokyo (4 spaces) which is scheduled to be opened in the second quarter or later.

(Others)

During the first three 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 ¥ 145 million (up 7.4% year-on-year).

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

	Three months ended December 31, 2022	Three months ended December 31, 2023	Fiscal year ended September 30, 2023
Types	Sales (Millions of yen)	Sales (Millions of yen)	Sales (Millions of yen)
Leased parking Business	2,920	3,195	11,845
Owned parking Business	583	636	2,366
Others	135	145	562
Total	3,638	3,976	14,774

(2) Financial Position

Total assets at the end of the three month the fiscal year under review increased by ¥ 622 million from the end of the previous fiscal year, to ¥ 40,447 million. It was mainly due to an increase in land (¥ 324 million), cash and deposits (¥ 106 million).

Total liabilities at the end of the three month the fiscal year under review increased by ¥ 789 million, to ¥ 22,506 million. It was mainly due to an increase in borrowings (¥ 953 million) and a decrease in income taxes payable (¥ 323 million).

Total net assets at the end of the three month the fiscal year under review decreased by ¥ 166 million, to ¥ 17,940 million. It was mainly due to cash dividends paid (¥ 656 million). As a result, the equity ratio shifted to 44.3% from 45.4% 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. 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. There are no revisions to the business forecasts for the fiscal year ending September 30, 2024, which was announced on November 8, 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, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	3,738	3,844
Accounts receivable - trade	197	210
Prepaid expenses	589	635
Other	32	46
Allowance for doubtful accounts	△0	△0
Total current assets	4,558	4,737
Non-current assets		
Property, plant and equipment		
Buildings, net	723	711
Machinery and equipment, net	611	593
Land	31,981	32,306
Leased assets, net	701	787
Other, net	549	616
Total property, plant and equipment	34,568	35,014
Intangible assets	51	50
Investments and other assets	646	645
Total non-current assets	35,266	35,710
Total assets	39,824	40,447
Liabilities		
Current liabilities		
Accounts payable - trade	336	367
Short-term borrowings	—	486
Current portion of long-term borrowings	2,260	2,397
Income taxes payable	586	263
Provision for bonuses	47	19
Other	792	846
Total current liabilities	4,024	4,381
Non-current liabilities		
Long-term borrowings	16,690	17,021
Lease liabilities	511	604
Provision for share awards	44	43
Asset retirement obligations	311	318
Other	134	138
Total non-current liabilities	17,693	18,125
Total liabilities	21,717	22,506

(Millions of yen)

	As of September 30, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	1,854	1,854
Capital surplus	2,291	2,291
Retained earnings	14,312	14,141
Treasury shares	△377	△377
Total shareholders' equity	18,080	17,909
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6	6
Deferred gains or losses on hedges	△18	△17
Total valuation and translation adjustments	△12	△10
Share acquisition rights	39	42
Total net assets	18,107	17,940
Total liabilities and net assets	39,824	40,447

(2) Statement of Profit and Loss

(Millions of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Net sales	3,638	3,976
Cost of sales	2,448	2,728
Gross profit	1,190	1,247
Selling, general and administrative expenses	412	466
Operating profit	778	781
Non-operating income		
Interest income	0	0
Dividend income	0	0
Insurance claim income	0	—
Compensation income	—	2
Other	0	0
Total non-operating income	0	3
Non-operating expenses		
Interest expenses	53	55
Other	0	0
Total non-operating expenses	53	56
Ordinary profit	725	728
Extraordinary losses		
Loss on retirement of non-current assets	4	6
Cost of new banknote support	—	14
Total extraordinary losses	4	20
Profit before income taxes	720	707
Income taxes	227	222
Profit	492	485

(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 first quarter ended December 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.