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August 7, 2024

Non-consolidated Financial Results for the Nine Months Ended June 30, 2024 (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 commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results briefing: No

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

1. Non-consolidated financial results for the Nine Months Ended June 30, 2024 (from October 1, 2023 to June 30, 2024)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	12,029	10.3	2,116	△ 3.0	1,941	△ 4.0	1,252	△ 9.0
June 30, 2023	10,906	14.4	2,181	32.3	2,022	35.3	1,377	33.6

	Profit per share	Profit per share after dilution
Nine months ended	Yen	Yen
June 30, 2024	124.91	124.01
June 30, 2023	137.75	136.77

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	43,949	18,818	42.7
September 30, 2023	39,824	18,107	45.4

Reference: Equity

As of June 30, 2024: ¥18,776 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	—	0.00	—		
Fiscal year ending September 30, 2024 (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, 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
Full year	15,900	7.6	3,120	6.3	2,870	5.8	1,850	1.7	184.27

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, 2024	10,367,600 shares
As of September 30, 2023	10,311,100 shares

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

As of June 30, 2024	298,960 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)

Nine months ended Jun 30, 2024	10,029,577 shares
Nine months ended Jun 30, 2023	10,000,193 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 (248,779 shares as of June 30, 2024 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.

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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, 2023 to June 30, 2024), the Japanese economy continued to recover in terms of economic activities while being affected by rising prices, showing improvement trends in capital investment, consumer spending, and employment conditions.

In the parking industry to which our company belongs, sales remained resilient, particularly driven by factors such as chronic parking shortages in major urban areas, parking demand associated with construction, and rebound in personal consumption.

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 265 lots with 6,827 spaces, while the number of closed parking was 116 lots with 1,468 spaces (net increase was 149 lots with 5,359 spaces). Total of 2,434 lots with 40,447 spaces is available as of June 30, 2024.

As a result, in the first nine months of the fiscal year under review, the net sales was ¥ 12,029 million (up 10.3% year-on-year), operating profit was ¥ 2,116 million (down 3.0% year-on-year), ordinary profit was ¥ 1,941 million (down 4.0% year-on-year), and profit was ¥ 1,252 million (down 9.0% year-on-year).

During the first nine months of the fiscal year, sales increased by 10.3% year-on-year due to the newly developed parking lots, including large-scale parking attached to facilities. However, operating profit decreased by 3.0% year-on-year due to the upfront recognition of opening expenses, the slowdown in demand for parking due to the completion of redevelopment in certain areas, and the increase in personnel expenses due to an expansion of employees caused by business growth.

Furthermore, the Company recognized an extraordinary loss of ¥ 91 million as expenses for adapting to the new banknotes that began circulation in July 2024. As a result, profit decreased by 9.0% 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 243 lots with 6,554 spaces, while the number of closed leased parking was 116 lots with 1,468 spaces (net increase was 127 lots with 5,086 spaces). The number of newly developed parking spaces was approximately 3.2 times as many as that of the same period of the previous year, including 13 parking lots with 1,895 spaces attached to facilities (excluding attached to convenience stores). As a result, a total of 2,139 lots with 35,070 spaces is available as of June 30, 2024. The net sales of leased parking business was ¥ 9,696 million (up 10.7% year-on-year), and gross profit was ¥ 1,753 million (down 1.6% 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 36 spaces), in Aomori City (44 spaces), in Akita City (13 spaces), in Sendai City (6 spaces), in Niigata City (5 lots with 89 spaces), in Nagaoka City (3 spaces), in Suginami-ku, Tokyo (4 spaces), in Nerima-ku, Tokyo (3 spaces), in Chuo-ku, Tokyo (2 spaces), in Numazu City (25 spaces), in Gifu City (17 spaces), in Osaka City (3 lots with 24 spaces), in Kurashiki City (7 spaces). As a result, the number of newly developed owned parking was 22 lots with 273 spaces. A total of 295 lots with 5,377 spaces is available as of Jun 30, 2024. The net sales of owned parking business was ¥ 1,900 million (up 9.0% year-on-year), and gross profit was ¥ 1,542 million (up 8.8% year-on-year).

Furthermore, the Company acquired land for parking in Sapporo City (4 lots with 24 spaces), in Arakawa-ku, Tokyo (2 lots with 10 spaces), in Osaka City (3 spaces), in Kobe City (2 spaces), in Kumamoto City (14 spaces) which is 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 ¥ 432 million (up 7.0% year-on-year).

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

	Nine months ended June 30, 2023	Nine months ended June 30, 2024	Fiscal year ended September 30, 2023
Types	Sales (Millions of yen)	Sales (Millions of yen)	Sales (Millions of yen)
Leased parking Business	8,760	9,696	11,845
Owned parking Business	1,743	1,900	2,366
Others	403	432	562
Total	10,906	12,029	14,774

(2) Financial Position

Total assets at the end of the nine months of the fiscal year under review increased by ¥ 4,124 million from the end of the previous fiscal year, to ¥ 43,949 million. It was mainly due to increases in land (¥ 3,885 million), and in leased assets, net (¥ 318 million), and a decrease in cash and deposits (¥ 324 million).

Total liabilities at the end of the nine months of the fiscal year under review increased by ¥ 3,413 million, to ¥ 25,131 million. It was mainly due to an increase in borrowings (¥ 3,450 million).

Total net assets at the end of the nine months of the fiscal year under review increased by ¥ 710 million, to ¥ 18,818 million. It was mainly due to an increase in retained earnings (¥ 596 million). As a result, the equity ratio shifted to 42.7% 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, extraordinary losses of ¥ 146 million are expected to be accounted for the renovation of the payment machines at all parking lots to accommodate the new banknotes that were 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 June 30, 2024
Assets		
Current assets		
Cash and deposits	3,738	3,413
Accounts receivable - trade	197	253
Prepaid expenses	589	696
Other	32	61
Allowance for doubtful accounts	△0	△0
Total current assets	4,558	4,423
Non-current assets		
Property, plant and equipment		
Buildings, net	723	687
Machinery and equipment, net	611	555
Land	31,981	35,867
Leased assets, net	701	1,020
Other, net	549	616
Total property, plant and equipment	34,568	38,747
Intangible assets	51	53
Investments and other assets	646	724
Total non-current assets	35,266	39,525
Total assets	39,824	43,949
Liabilities		
Current liabilities		
Accounts payable - trade	336	393
Short-term borrowings	—	369
Current portion of long-term borrowings	2,260	2,584
Income taxes payable	586	205
Provision for bonuses	47	19
Other	792	766
Total current liabilities	4,024	4,339
Non-current liabilities		
Long-term borrowings	16,690	19,448
Lease liabilities	511	838
Provision for share awards	44	44
Asset retirement obligations	311	330
Other	134	131
Total non-current liabilities	17,693	20,791
Total liabilities	21,717	25,131

(Millions of yen)

	As of September 30, 2023	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	1,854	1,901
Capital surplus	2,291	2,343
Retained earnings	14,312	14,908
Treasury shares	△377	△376
Total shareholders' equity	18,080	18,778
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	6	8
Deferred gains or losses on hedges	△18	△9
Total valuation and translation adjustments	△12	△1
Share acquisition rights	39	41
Total net assets	18,107	18,818
Total liabilities and net assets	39,824	43,949

(2) Statement of Profit and Loss

(Millions of yen)

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Net sales	10,906	12,029
Cost of sales	7,473	8,480
Gross profit	3,433	3,548
Selling, general and administrative expenses	1,251	1,431
Operating profit	2,181	2,116
Non-operating income		
Interest income	0	0
Dividend income	0	0
Gain on forfeiture of unclaimed dividends	0	0
Insurance claim income	0	—
Commission income	1	—
Compensation income	1	2
Other	0	1
Total non-operating income	4	5
Non-operating expenses		
Interest expenses	162	179
Other	1	0
Total non-operating expenses	163	180
Ordinary profit	2,022	1,941
Extraordinary losses		
Loss on retirement of non-current assets	11	20
Cost of new banknote support	—	91
Total extraordinary losses	11	112
Profit before income taxes	2,011	1,829
Income taxes	634	576
Profit	1,377	1,252

(3) Notes to Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on significant changes to shareholders' equity)

There are no significant changes in shareholders' equity compared to the end of the previous fiscal year.

(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 to income before income taxes for the current fiscal year, which includes the third quarter ended June 30, 2024, and then multiplying income before income taxes for the nine months by the said estimated effective tax rate.

(Notes to Quarterly Cash Flow Statement)

Quarterly statements of cash flows for the nine months ended June 30, 2024 are not prepared.

Depreciation and amortization expenses (including amortization expenses related to intangible assets) for the nine months ended Jun 30, 2024 are as follows

	Nine months ended June 30, 2023	Nine months ended June 30, 2024
Depreciation and amortization expenses (Millions of yen)	385	388

(Segment information)

Nine months ended June 30, 2023

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

Nine months ended June 30, 2024

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