

Expanding profit opportunities while contributing to tenant attraction and the management operation efficiency of monthly parking lots

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[148A HATCH WORK Sector : Information & Communication]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Dec.2022	1,647	16.1	-389	-	-394	-	-371	-	-225.8	-535.2	0.0
Dec.2023	2,056	24.8	20	-	11	-	77	-	47.0	151.9	0.0
Dec.2024 f	2,444	18.9	194	9.7x	190	17.3x	263	3.4x	148.0	-	0.0

Note: Non-consolidated basis. Figures for the fiscal year ending December 2024 is the company's forecasts.
It conducted 1:100 stock split on December 6, 2023. Per share indices are adjusted retroactively.

Engaged in Business Related to Monthly Parking Lots and Rental Meeting Rooms

HATCH WORK operates the monthly contract innovation business, which provides services that allow owners and management companies of monthly parking lots to generate stable profit and automate management operations, and the building innovation business, which operates rental meeting rooms and offices. The monthly contract innovation business, which is its growth field, accounted for 54% of net sales for fiscal year ended December 2023.

Monthly Contract Innovation Business

HATCH WORK operates a monthly parking lot search portal website and provides a service to match people looking for a monthly parking lot with those listed on its website. It also subleases monthly parking lots.

Additionally, the company provides its online management support service to monthly parking lot management companies. Business revenues consist of system usage fees from parking lot management companies, rent settlement fees received from parking lot users, initial guarantee fees and monthly guarantee fees for guaranteeing delinquent parking lot rent payments.

When the company introduced its online management support service, existing parking lot users did not use the company's delinquent payment guarantee and agency payment settlement services. However, after existing users terminate their contracts, new parking lot users will start using these two services when concluding their contracts online. Therefore, this business exhibits a characteristic of increasing profits over time.

Building Innovation Business

In its building innovation business, HATCH WORK provides meeting room services, which involve operating rental meeting rooms and office services, which mainly involve providing rental offices. In fiscal year ended December 2023, meeting room services accounted for 87% of net sales and office services for 13%.

Financial Statements

Statement of income	Fiscal Year	Dec. 2021		Dec.2022		Dec.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,418	100.0	1,647	100.0	2,056	100.0
Cost of sales		1,026	72.4	952	57.8	964	46.9
Gross profit		392	27.6	695	42.2	1,091	53.1
Selling, general and administrative expenses		771	54.4	1,085	65.9	1,070	52.0
Operating profit		-378	-	-389	-	20	1.0
Non-operating income		8	-	6	-	0	-
Non-operating expenses		7	-	11	-	9	-
Ordinary profit		-378	-	-394	-	11	0.5
Profit before income taxes		-365	-	-398	-	27	1.3
Net profit		-168	-	-371	-	77	3.7

Balance sheet	Fiscal Year	Dec. 2021		Dec.2022		Dec.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,638	85.7	1,480	84.7	1,522	82.8
Cash and deposits		1,463	76.5	1,235	70.7	1,134	61.7
Accounts receivable-trade		22	1.2	34	1.9	49	2.7
Inventories		-	-	0	-	0	-
Non-current assets		274	14.3	268	15.3	315	17.1
Property, plant and equipment		114	6.0	98	5.6	67	3.6
Intangible assets		15	0.8	11	0.6	31	1.7
Investments and other assets		143	7.5	158	9.0	216	11.8
Total assets		1,912	100.0	1,748	100.0	1,838	100.0
Current liabilities		826	43.2	1,090	62.4	1,240	67.5
Accounts payable - trade		1	0.1	2	0.1	3	0.2
Short-term borrowings		-	-	100	5.7	100	5.4
Current portion of bonds payable		130	6.8	85	4.9	60	3.3
Current portion of long-term borrowings		92	4.8	70	4.0	50	2.7
Non-current liabilities		639	33.4	484	27.7	345	18.8
Bonds payable		235	12.3	150	8.6	90	4.9
Long-term borrowings		377	19.7	307	17.6	231	12.6
Net assets		445	23.3	173	9.9	251	13.7
Owners' equity		445	23.3	173	9.9	251	13.7

Statement of cash flows	Fiscal Year	Dec. 2021	Dec.2022	Dec.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-187	-190	72
Depreciation		33	25	23
Cash flows from investing activities		15	-14	12
Cash flows from financing activities		502	-23	-185
Dividends paid		-	-	-
Net increase in cash and cash equivalents		330	-228	-100
Cash and cash equivalents		1,333	1,105	1,004

Note:Non-consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.