

Consolidated Financial Report for the Second Quarter of the Fiscal Year Ending October 31, 2020 (Japanese GAAP)

June 15, 2020

Company name: PARK24 Co., Ltd.	Stock listing: TSE1
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Scheduled day of submission of securities report	: June 15, 2020
Scheduled day of commencing dividend payment	: –
Preparation of Supplementary Financial Data for Quarterly Financial Results	: Yes
Information meeting for quarterly financial results to be held	: Yes (For institutional investors and analysts)

(Figures are rounded down to the nearest one million yen)

1. Overview of the Second Quarter of Fiscal Year Ending October 31, 2020 (November 1, 2019 – April 30, 2020)

(1) Consolidated Operating Results

(Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended April 30, 2020	145,679	-5.5	-1,229	–	-2,020	–	-2,589	–
Six months ended April 30, 2019	154,124	8.1	9,970	7.5	9,523	6.6	5,628	4.1

(Note) Comprehensive income: Term ended April 30, 2020: -2,847 million yen (–)
Term ended April 30, 2019: 4,472 million yen (-6.4%)

	Net profit per share	Net income per share after dilution
	Yen	Yen
Three months ended		
Six months ended April 30, 2020	-16.77	–
Six months ended April 30, 2019	36.38	34.31

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of April 30, 2020	317,326	74,039	23.2
As of October 31, 2019	293,097	90,791	30.8

(Reference) Shareholders' equity: As of April 30, 2020 : 73,597million yen
As of October 31, 2019 : 90,407million yen

2. Dividend status

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of term	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2019	–	0.00	–	70.00	70.00
Fiscal 2020	–	0.00			
Fiscal 2020 (forecasts)			–	0.00	0.00

(Note) Revisions to dividend projection published most recently: Yes

For revisions to the dividend forecast, please see “Notice Regarding Differences between Forecast and Actual Results for First Half of Fiscal Year Ending October 31, 2020 and Revision to Full-Year Results and Dividend Forecasts” announced today (June 15, 2020).

3. Consolidated Forecasts for the Fiscal Year ending October 31, 2020 (November 1, 2019 - October 31, 2020)

(The percentages indicate the rates of increase or decrease compared with the same period of the previous year)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	263,000	-17.1	-24,200	—	-25,000	—	-25,500	—
								-164.94

(Note) Revisions to consolidated results projection published most recently: Yes

For revisions to consolidated forecast for full-year, please see “Notice Regarding Differences between Forecast and Actual Results for First Half of Fiscal Year Ending October 31, 2020 and Revision to Full-Year Results and Dividend Forecasts” announced today (June 15, 2020).

*Notes

(1) Changes in significant subsidiaries during the period : No

(2) Application of specific accounting for preparing the quarterly consolidated financial statements : No

(3) Changes in accounting policies, accounting estimates or restatements

- 1) Changes associated with the revision of accounting principles, etc. : Yes
- 2) Change other than 1) : No
- 3) Changes in accounting estimates : No
- 4) Restatement : No

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the term (including treasury stock)	Second quarter ended April 2020	155,016,369 shares	Fiscal year ended October 2019	154,974,269 shares
2) Number of treasury stock at the end of the term	Second quarter ended April 2020	528,203 shares	Fiscal year ended October 2019	528,203 shares
3) Average number of shares during the term (consolidated cumulative period)	Second quarter ended April 2020	154,469,722 shares	Second quarter ended April 2019	154,700,329 shares

* This quarterly financial results reports are not required to be subjected to quarterly reviews.

* Statement regarding the proper use of financial forecasts and other special remarks

Forward-looking statements such as the forecasts for operating results contained in this material are based on currently available information that the Company has obtained and certain assumptions that the Company deems reasonable, and therefore, actual results may differ materially from the forecasts due to various factors. For assumptions used for the forecasts and cautions for the use of forecasts, please refer to “(3) Information on the future outlook, including consolidated business performance forecasts” on page 6 of accompanying materials.

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1. Qualitative Data, Financial Statements and Other Information

(1) Qualitative data on the consolidated financial results

During the first six months of the consolidated fiscal year ending October 31, 2020 (November 1, 2019 to April 30, 2020), the Japanese economy remained on a moderate recovery path, with robust corporate earnings and a better employment environment as well as improvements in the situation overseas, including expectations for political stability in the US in addition to an easing of trade tensions between the US and China and a calmer atmosphere in the Middle East. However, in the second quarter, economic activity slowed sharply due to the COVID-19 pandemic ("COVID-19").

In this environment, the PARK24 GROUP companies (the "Group") sought to expand the four networks of people (members), cars (mobility), communities (destinations) and parking and to create new services that connect those networks seamlessly, in pursuit of the Group philosophy, "We create new forms of comfort and convenience by responding to the needs of today and anticipating the needs of tomorrow". However, the Group assumed that the operating environment would remain extremely challenging this fiscal year due to COVID-19. The GROUP is taking steps to ensure business continuity based on its policies to "protect customer safety," "protect employee safety" and "fulfil our mission as a transportation infrastructure company." To this end, it has been reviewing costs and selling, general and administrative expenses within the Group to the maximum extent possible and curbing non-essential investment as part of the measures to recover lost ground, while simultaneously expanding each business as much as possible.

To sum up, during the first quarter of the consolidated fiscal year under review, the Group performed solidly. However, during the second quarter, decline in the movement of people to prevent the spread of COVID-19 led to reduced usage of all services both in Japan and overseas and net sales were severely affected.

As a result, in the first six months of the consolidated fiscal year under review, the Group posted net sales of 145,679 million yen (down 5.5% year on year), an operating loss of 1,229 million yen (compared with an operating profit of 9,970 million yen in the same period of the previous year), and a recurring loss of 2,020 million yen (compared with a recurring profit of 9,523 million yen in the same period of the previous year), and loss attributable to owners of parent stood at 2,589 million yen (compared with profit attributable to owners of parent of 5,628 million yen in the same period of the previous year).

Results by business segment are as follows:

Parking Business in Japan

The changes in parking rates introduced in response to the consumption tax hike last year were gradually phased in and net sales also held firm. However, from around February onwards, parking site operations started being impacted as people stayed at home and businesses scaled back their operating activities to prevent the spread of COVID-19 and this impact worsened after the government's declaration of a state of emergency in April. In view of this situation, the Group curbed costs mainly by further improving the efficiency of parking facility management and maintenance. In terms of new development, the Group focused on the development of parking which would be profitable even under these conditions.

As a result, in the first six months of the consolidated fiscal year under review, the numbers of Times PARKING facilities and parking spaces managed were 19,442, +2.8% from the end of the previous fiscal year, and 616,095, +1.9%, respectively. The total number of parking sites managed, including monthly parking and facility management

services, rose 2.3% from the end of the previous fiscal year, to 20,807, and the total number of parking spaces managed increased 1.2%, to 764,857.

Net sales in this segment (including intersegment sales) stood at 81,383 million yen (+0.8% year on year), and operating profit amounted to 7,968 million yen (-40.6%).

Parking Business Overseas

The impact of COVID-19 in the countries in which the Group operates started being felt in Asia (Singapore, Taiwan and South Korea) from around February and in Europe, the US and Oceania (UK, Australia and Malaysia) from around March and the lockdowns and restrictions enforced by governments in some countries had a huge impact on parking site operations around the world. In light of this situation, the Group implemented a range of measures similar to those taken in Japan, including increasing the efficiency of parking facility management and maintenance.

As a result, the numbers of overseas parking sites and parking spaces managed at the end of the term under review were 2,785, +5.9% from the end of the previous fiscal year, and 700,217, +5.2%, respectively, and the total numbers of parking sites and parking spaces managed worldwide were 23,592, +2.7% from the end of the previous fiscal year and 1,465,074, +3.1%, respectively.

Net sales in this segment (including intersegment sales) was 30,193 million yen (-8.7% year on year). Operating loss was 1,810 million yen (operating loss on same period of last year was 679 million yen).

*The results of parking business overseas for the first six months of the consolidated fiscal year under review are the results of overseas consolidated subsidiaries for the period from October 1, 2019 to March 31, 2020.

Mobility Business

Rent-a-car services and car sharing services began being affected by measures to curb the spread of COVID-19 from around late January and February respectively and the number of rentals dropped sharply after the declaration of a state of emergency in April. Rent-a-car services were especially hard hit by a slump in tourism demand in addition to sharp decline in inbound demand associated with entry restrictions on foreign travelers, and the Group therefore sought to reduce its fleet of vehicles to a reasonable level in line with demand. In car sharing services, the number of members still rose steadily even under such conditions and the Group, therefore, continued to deploy vehicles in potentially profitable areas. The Group also stepped up promotion of the “Times CAR” service (combining rent-a-car and car sharing services), which went into full-scale operation this fiscal year, and implemented initiatives to curb costs while at the same time efficiently increasing utilization of every single vehicle.

As a result, the total number of vehicles in the Mobility Business as a whole at the end of the first six months under review was 55,585 units, down 3.7% from the end of the previous fiscal year (of which, the number of vehicles in the car sharing service was 27,870 units, +2.9% year on year). The net sales of this business (including intersegment net sales) were 36,578 million yen, down 9.5% year on year, and the operating loss was 670 million yen (operating profit on same period of last year was 3,048 million yen). In addition, the transfer of business from TIMES24 CO., LTD., which is a subsidiary of the Company, to TIMES MOBILITY CO., LTD., which is also a subsidiary of the Company, gave rise to intersegment transactions between the Parking Business in Japan and Mobility Business segments.

(2) Qualitative data on the consolidated financial position

(i) Assets, liabilities and net assets

Total assets at the end of the first six months of the fiscal year under review increased 24,229 million yen from the end of the previous fiscal year, to 317,326 million yen. The main changes in assets were increases of right-of-use assets of 28,560 million yen and cash and deposits of 6,527 million yen and decreases of machinery, equipment and vehicles of 4,237 million yen, notes and accounts receivable-trade of 3,291 million yen and other current assets including accounts receivable-other of 2,571 million yen.

Total liabilities increased 40,982 million yen, to 243,287 million yen. The main changes in liabilities were increases of lease obligations of 31,131 million yen and short-term and long-term borrowings of 14,683 million yen, and a decrease of income taxes payable of 2,686 million yen.

Net assets fell 16,752 million yen, to 74,039 million yen as a result of a decrease of 2,589 million yen due to the posting of a loss attributable to owners of parent, a decrease of 466 million yen in foreign currency translation adjustments and a decrease of 10,811 million yen due to dividend payments out of retained earnings.

(ii) Cash flow condition

The balance of cash and cash equivalents at the end of the first six months under review increased 6,487 million yen from the end of the previous consolidated fiscal year, to 31,152 million yen.

The cash flow situation by category for the first six months under review was as follows:

(Net cash from operating activities)

Net cash provided by operating activities decreased 1,613 million yen year on year, to 22,594 million yen. This primarily reflected the total of depreciation and amortization and profit before income taxes of 16,790 million yen, a decrease in trade receivables of 3,241 million yen and a decrease of inventories of 2,206 million yen.

(Net cash from investing activities)

Net cash used in investing activities decreased 11,628 million yen year on year, to 13,163 million yen. This was chiefly attributable to the expenditure of 11,102 million yen for the purchase of property, plant and equipment associated with the opening of Times PARKING facilities and the purchase of vehicles for service, and the purchase of long-term prepaid expenses of 1,638 million yen.

(Net cash from financing activities)

Net cash used in financing activities increased 4,268 million yen year on year, to 2,883 million yen. This was largely a result of repayments of lease obligations of 6,715 million yen and dividend payments of 10,808 million yen, which offset proceeds from long-term borrowings of 10,419 million yen.

(3) Information on the future outlook, including consolidated business performance forecasts

With concern growing over a second wave of infection, forecasting how soon demand for parking facilities and mobility services will recover is extremely difficult, but the Company preliminarily calculated the impact of COVID-19, based on the assumptions mentioned below for the six-month period of the second half, while also reflecting the recent trend in business performance. Then, it factored the impact into the initial projections.

Actual results may differ significantly from the above-mentioned forecast if businesses do not recover according to the assumptions made for the preliminary calculation.

[Assumptions for the preliminary calculation]

Net sales	• Decrease of approx. 70 billion yen due to the COVID-19 impact
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	• Sales in May (in April for the overseas business), in the second half, were approximately 50% of the initial forecast. A recovery of approx. 5 to 10% is expected monthly from June, reaching approx. 85% of the initial forecast in October, which is the end of the current fiscal year.
Operating expenses	• Decrease of approx. 19 billion yen through a decline in expenses due to decreased net sales (variable expenses) and the simultaneous implementation of a range of initiatives, such as improved efficiency in the management of expenses in each business unit and the aggressive reduction of internal costs.

(4) Business risks related to COVID-19

(i) Risk of deterioration in the Group's financial position due to decreased demand

As stated in “(3) Information on the future outlook, including consolidated business performance forecasts”, the Company preliminarily calculated the impact of COVID-19 on its business performance, based on the assumption that business would be impacted by the infection but would gradually recover towards the end of the fiscal year ending October 31, 2020. However, there are many uncertainties in the assumptions used for the estimates. The Group's financial condition, results of operations and cash-flow situation may be affected by the time that it takes for COVID-19 to be contained and changes in the impact on economic conditions.

In such circumstances, the Group will endeavor to minimize the decline in earnings by continuing to implement countermeasures such as developing carefully selected parking facilities, improving productivity and reducing costs.

(ii) Risk of transmission among customers

The Group's mobility services are car sharing services. Consequently, to reduce the risk of transmission among customers, employees regularly deep clean the insides of vehicles with disinfectant and put disinfectant sprays inside vehicles so that customers can also disinfect the inside of vehicles themselves. However, if a customer who uses the Company's services catches the virus, the Group's business performance may be impacted as others increasingly tend to avoid using the Company's services.

(iii) Risk of transmission among employees and business continuity risk

To ensure the health and safety of employees working at each site, the Group aims to reduce employees working onsite to 50% and has put in place systems to enable employees to stagger their working hours or work from home. The Group is also endeavoring to reduce unnecessary movement and contact by changing ways of working and conducting meetings online or via telephone. However, if an employee catches the virus or the virus spreads throughout the company through contact between employees, the Group may need to take action such as closing sites or partially suspending business operations.

(iv) Risk of demand collapse and default due to deterioration in the financial situation of customers

If the Group's customers struggle to continue operating after their financial situation deteriorates due to COVID-19, the Group may lose previously stable business and may also struggle to recover receivables from these customers.

2. Consolidated Financial Statements and Notes

(1) Consolidated balance sheet

(Unit: million yen)

	As of October 31, 2019	As of April 30, 2020
Assets		
Current assets		
Cash and deposits	24,881	31,408
Notes and accounts receivable - trade	18,175	14,884
Inventories	1,590	2,032
Other	30,163	27,591
Allowance for doubtful accounts	-198	-149
Total current assets	74,611	75,767
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	33,783	33,960
Machinery, equipment and vehicles, net	55,803	51,565
Land	25,888	26,261
Leased assets, net	17,049	16,753
Right of use assets, net	—	28,560
Other, net	10,089	10,687
Total property, plant and equipment	142,615	167,789
Intangible assets		
Goodwill	37,377	35,608
Contract-based intangible assets	13,739	13,520
Other	3,624	4,157
Total intangible assets	54,741	53,285
Investments and other assets		
Other	21,129	20,483
Total investments and other assets	21,129	20,483
Total non-current assets	218,485	241,559
Total assets	293,097	317,326
Liabilities		
Current liabilities		
Notes and accounts payable - trade	819	528
Short-term borrowings	18,078	29,067
Lease obligations	5,385	12,461
Income taxes payable	4,395	1,708
Provision for bonuses	2,318	1,299
Other	40,224	39,616
Total current liabilities	71,222	84,682
Non-current liabilities		
Bonds with share acquisition rights	35,000	35,000
Long-term borrowings	70,698	74,392
Lease obligations	10,217	34,273
Retirement benefit liability	385	109
Asset retirement obligations	8,779	8,892
Deferred tax liabilities	2,393	2,370
Other	3,608	3,566
Total non-current liabilities	131,082	158,605
Total liabilities	202,305	243,287

(Unit: million yen)

	As of October 31, 2019	As of April 30, 2020
Net assets		
Shareholders' equity		
Share capital	20,087	20,134
Capital surplus	15,674	15,567
Retained earnings	63,004	46,582
Treasury shares	-1,255	-1,255
Total shareholders' equity	97,511	81,029
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	140	89
Deferred gains or losses on hedges	-143	-134
Revaluation reserve for land	-1,052	-1,035
Foreign currency translation adjustment	-4,883	-5,350
Remeasurements of defined benefit plans	-1,163	-1,002
Total accumulated other comprehensive income	-7,103	-7,431
Share acquisition rights	163	151
Non-controlling interests	220	290
Total net assets	90,791	74,039
Total liabilities and net assets	293,097	317,326

(2) Consolidated statements of profit and loss, and comprehensive income
(Consolidated statement of profit and loss Second quarter of Fiscal 2020)

	(Unit: million yen)	
	Six months ended April 30, 2019 (November 1, 2018- April 30, 2019)	Six months ended April 30, 2020 (November 1, 2019- April 30, 2020)
Net sales	154,124	145,679
Cost of sales	117,654	120,121
Gross profit	36,469	25,557
Selling, general and administrative expenses	26,499	26,787
Operating profit (loss)	9,970	-1,229
Non-operating income		
Interest income	6	9
Dividend income	3	3
Share of profit of entities accounted for using equity method	0	—
Void ticket	94	97
Subsidy income	—	225
Other	113	151
Total non-operating income	218	488
Non-operating expenses		
Interest expenses	358	871
Share of loss of entities accounted for using equity method	—	105
Expense incurred for evacuation of parking facilities	190	195
Foreign exchange losses	4	3
Other	112	104
Total non-operating expenses	665	1,279
Recurring profit (loss)	9,523	-2,020
Extraordinary income		
Gain on sales of non-current assets	—	14
Total extraordinary income	—	14
Extraordinary losses		
Loss on retirement of non-current assets	23	125
Impairment loss	—	31
Head office relocation expenses	679	—
Loss on temporary closure	—	169
Other	53	—
Total extraordinary losses	756	327
Profit (loss) before income taxes	8,766	-2,333
Income taxes - current	3,212	869
Income taxes - deferred	-184	-684
Total income taxes	3,027	185
Profit (loss)	5,738	-2,518
Profit attributable to non-controlling interests	110	71
Profit (loss) attributable to owners of parent	5,628	-2,589

(Consolidated statement of comprehensive income Second quarter of Fiscal 2020)

(Unit: million yen)

	Six months ended April 30, 2019 (November 1, 2018- April 30, 2019)	Six months ended April 30, 2020 (November 1, 2019- April 30, 2020)
Profit (loss)	5,738	-2,518
Other comprehensive income		
Valuation difference on available-for-sale securities	1	-50
Deferred gains or losses on hedges	-67	8
Revaluation reserve for land	—	17
Foreign currency translation adjustment	-1,125	-224
Remeasurements of defined benefit plans, net of tax	-15	161
Share of other comprehensive income of entities accounted for using equity method	-57	-241
Total other comprehensive income	-1,265	-328
Comprehensive income	4,472	-2,847
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,362	-2,918
Comprehensive income attributable to non-controlling interests	110	71

(3) Consolidated statement of cash flows

(Unit: million yen)

	Six months ended April 30, 2019 (November 1, 2018- April 30, 2019)	Six months ended April 30, 2020 (November 1, 2019- April 30, 2020)
Cash flows from operating activities		
Profit (loss) before income taxes	8,766	-2,333
Depreciation	15,169	19,123
Impairment loss	—	31
Amortization of goodwill	1,194	1,097
Interest and dividend income	-10	-13
Interest expenses	358	871
Loss (gain) on sales of non-current assets	—	-14
Loss on retirement of non-current assets	23	125
Head office transfer cost	679	—
Decrease (increase) in trade receivables	-2,166	3,241
Decrease (increase) in inventories	4,246	2,206
Increase (decrease) in trade payables	354	-291
Decrease (increase) in accounts receivable - other	-503	1,176
Decrease (increase) in prepaid expenses	11	1,630
Increase (decrease) in accounts payable - other	1,752	1,764
Increase (decrease) in accrued expenses	1,651	-1,328
Notes payable, facilities	-65	-704
Other, net	-1,787	364
Subtotal	29,674	26,948
Interest and dividends received	10	13
Interest paid	-357	-869
Income taxes paid	-5,119	-3,497
Net cash provided by (used in) operating activities	24,208	22,594
Cash flows from investing activities		
Payments into time deposits	-6	-6
Proceeds from withdrawal of time deposits	6	6
Purchase of property, plant and equipment	-21,777	-11,102
Proceeds from sales of property, plant and equipment	1	32
Purchase of intangible assets	-675	-847
Purchase of long-term prepaid expenses	-1,971	-1,638
Payments for investments in capital	-169	—
Other, net	-200	392
Net cash provided by (used in) investing activities	-24,792	-13,163
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,647	4,257
Proceeds from long-term borrowings	15,000	10,419
Repayments of long-term borrowings	-1,437	-105
Repayments of lease obligations	-2,938	-6,715
Proceeds from issuance of shares	182	69
Dividends paid	-10,811	-10,808
Dividends paid to non-controlling interests	-256	—
Net cash provided by (used in) financing activities	1,385	-2,883
Effect of exchange rate change on cash and cash equivalents	-156	-60
Net increase (decrease) in cash and cash equivalents	644	6,487

	(Unit: million yen)	
	Six months ended April 30, 2019 (November 1, 2018- April 30, 2019)	Six months ended April 30, 2020 (November 1, 2019- April 30, 2020)
Cash and cash equivalents at beginning of period	29,785	24,664
Cash and cash equivalents at end of period	30,430	31,152

(4) Matters Related to Summary Information (Notes)

[Note on going concern assumptions]

Not applicable.

[Note when there is a considerable change in the amount of shareholders' equity]

Not applicable.

[Changes in accounting policies]

Some foreign consolidated subsidiaries which apply IFRS applied IFRS 16 Leases starting from the first quarter of the fiscal year under review. Accordingly, a lessee is now required to recognize assets and liabilities arising from almost all lease transactions on its balance sheet. On application of this accounting standard, the transition option of recognizing the cumulative effect of initially applying the new standard at the date of initial application was adopted.

Application of this accounting standard resulted in increases of 28,560 million yen in right-of-use assets under property, plant and equipment, 7,344 million yen in lease obligations under current liabilities and 24,203 million yen in lease obligations under non-current liabilities in the consolidated balance sheets for the second quarter under review.

The impact of application on profit and loss for the first six months under review is insignificant.

[Additional Information]

Amid the impact of COVID-19, voluntary self-restraint in leaving home and the scaling down of operating activities of businesses to prevent the spread of the infection began to affect businesses in Japan and overseas in the second quarter of the fiscal year under review. The Japanese government declared a national state of emergency, while governments of certain countries where the Group provides services have enforced lockdowns. As a result, rapid declines in parking site operations and the use of mobility services have affected the Group's recent performance, including decreased net sales.

Accordingly, the Group is reflecting accounting estimates based on certain assumptions such as judging the collectability of deferred tax assets and impairment loss, on bases of the assumed situation that its business would be affected by the infections but would gradually recover towards the end of the fiscal year ending October 31, 2020. However, there are many uncertainties regarding the impact from the spread of COVID-19, and the Group's financial situation, results of operations and cash-flow situation may be affected in the third quarter of the fiscal year under review and thereafter.

(Segment information)

[Segment information]

I. First six months of fiscal 2019 (from November 1, 2018 to April 30, 2019)

1. Information on sales and profits or losses by reported segment

(Unit: million yen)

	Reported segments				Adjustment (Note) 2	Amount on consolidated profit and loss statement (Note) 3
	Parking Business Japan	Parking Business Overseas (Note) 1	Mobility Business	Total		
Sales						
Sales to external customers	80,658	33,085	40,380	154,124	—	154,124
Internal sales or amount of transfer between segments	116	—	53	170	-170	—
Total	80,774	33,085	40,434	154,294	-170	154,124
Segment profit (loss)	13,410	-679	3,048	15,779	-5,809	9,970

(Notes) 1. The segment loss of minus 679 million yen in Parking Business Overseas includes an amortization of goodwill of minus 1,117 million yen.

2. An adjustment of minus 5,809 million yen in segment profit (loss) includes an amortization of goodwill of minus 76 million yen, and Company-wide expenses of minus 5,732 million yen. Company-wide expenses are mainly expenses that do not belong to either of the reported segments. Those expenses are relating to the administration division, including the general affairs department.

3. Segment profit (loss) is adjusted in accordance with operating profit in the consolidated profit and loss statement.

2. Information about impairment loss for non-current assets or goodwill, etc., by reported segment

Not applicable

II. First six months of fiscal 2020 (from November 1, 2019 to April 30, 2020)

1. Information on sales and profits or losses by reported segment

(Unit: million yen)

	Reported segments				Adjustment (Note) 2	Amount on consolidated profit and loss statement (Note) 3
	Parking Business Japan	Parking Business Overseas (Note) 1	Mobility Business	Total		
Sales						
Sales to external customers	78,964	30,193	36,522	145,679	—	145,679
Internal sales or amount of transfer between segments	2,419	—	56	2,475	-2,475	—
Total	81,383	30,193	36,578	148,155	-2,475	145,679
Segment profit (loss)	7,968	-1,810	-670	5,487	-6,716	-1,229

(Notes) 1. The segment loss of minus 1,810 million yen in Parking Business Overseas includes an amortization of goodwill of minus 1,096 million yen.

2. An adjustment of minus 6,716 million yen in segment profit (loss) includes an amortization of goodwill of minus 1 million yen, and Company-wide expenses of minus 6,715 million yen. Company-wide expenses are mainly expenses that do not belong to either of the reported segments. Those expenses are relating to the administration division, including the general affairs department.

3. Segment profit (loss) is adjusted in accordance with operating profit in the consolidated profit and loss statement.

4. During the first quarter of the fiscal year under review, TIMES24 CO., LTD., which is a subsidiary of the Company, transferred its car sharing service to TIMES MOBILITY CO., LTD., which is also a subsidiary of the Company, in an absorption-type split. This led to the occurrence of further intersegment transactions in the Parking Business in Japan and Mobility Business segments.

2. Information about impairment loss for non-current assets or goodwill, etc., by reported segment

(Significant impairment loss for non-current assets)

The Company recognized an impairment loss for parking facilities in the Parking Business Overseas segment.

The amount of the impairment loss recognized in the first six months of the consolidated fiscal year under review is 31 million yen.