

ANNUAL REPORT 2025

Year ended October 31, 2025

Management's Discussion and Analysis of Financial Position, Results of Operations, and Cash Flows

Overview of the Fiscal Year Ended October 31, 2025

Results of Operations

We announced the “FY2027 Medium-term Management Plan” in December 2024. In addition to the three-year plan from the fiscal year ended October 31, 2025 to the fiscal year ending October 31, 2027, the Medium-term Management Plan outlines our 2035 Medium- to Long-term Vision: Evolve into a Mobility Service Platform Operator as our medium- to long-term policy. This vision is rooted in our philosophy: We create new forms of comfort and convenience by responding to the needs of today and anticipating the needs of tomorrow. We aim to further develop as a provider of transportation infrastructure services. To fulfill this vision, it is important to achieve the Medium-term Management Plan and expand, evolve, and integrate the four networks the Group possesses: People (members), Cars (mobility), Communities (destinations), and Parking sites. We will ensure the achievement of said vision through various initiatives.

The fiscal year ended October 31, 2025 is the first year of the Medium-term Management Plan, with our basic policies, “expanding our networks and facilitating the evolution of services” and “building a foundation for sustainable growth.” We focused on accelerating the expansion of the four networks, pursuing convenience to remain a service continuously chosen by customers, considering new services, and investing in human resources to improve productivity.

During the fiscal year under review (November 1, 2024 to October 31, 2025), the business performance of the Group progressed steadily in the Parking Business Japan. In the Mobility Business, we focused on expanding our networks by deploying Times CAR vehicles and developing rental sites. While these efforts strengthened our infrastructure, the acquisition of new members fell short of expectations and overall utilization remained weak. In the Parking Business International, parking site performance was below expectations in certain regions but steady in other regions, while operating profit declined, reflecting the absence of one-off factors such as the reversal of repair provisions recorded in the previous fiscal year in the U.K.

The Group's operating results in the fiscal year under review are as shown below. Operating profit, recurring profit, and profit attributable to owners of parent all declined year on year, primarily due to the additional day in February 2024 as a result of the leap year and the weak performance in the Mobility Business. Profit attributable to owners of parent was negatively affected chiefly by extraordinary losses of ¥3,350 million (\$21,740 thousand) arising from the termination of the retirement benefit plan of NATIONAL CAR PARKS LIMITED, a subsidiary in the U.K., recorded in the second quarter, and by impairment losses of ¥2,453 million (\$15,922 thousand) on contract-based intangible assets recorded in the U.K. in the fourth quarter.

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Net sales	¥ 370,913	¥ 406,168	\$ 2,635,743
Operating profit	38,697	37,561	243,750
Recurring profit	35,445	34,157	221,659
Profit attributable to owners of parent	18,625	15,917	103,293

Results of Operations by Segment

In light of changes in the business structure aimed at the sustainable growth of the Group, we have revised our method for allocating certain corporate expenses to refine the reporting of each segment beginning in the fiscal year under review. In year-on-year comparisons, the figures are analyzed based on the revised expense allocation method.

1. Parking Business Japan

Parking operation remained steady. In the fiscal year under review, we developed 1,784 Times PARKING sites. We leveraged our expertise in selective development to accelerate the expansion of our network while maintaining profitability. In addition, as an initiative to facilitate the evolution of services, we promoted the construction and development of a next-generation parking service that enables easier entry, exit, and settlement by installing Times TOWER payment machines developed in-house and accelerating the increase in the number of automatic number plate recognition (ANPR) camera-based parking sites. Results in the fiscal year under review are as follows.

- Results

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Net sales	¥ 182,302	¥ 200,421	\$ 1,300,596
Operating profit	36,460	37,548	243,660

- Expansion of the network

As of October 31,	2024	2025
Times PARKING sites (sites)	18,571	19,679
Times PARKING spaces (spaces)	633,208	697,375
Total parking sites* (sites)	26,300	27,151
Total parking spaces* (spaces)	813,600	881,545

* The above figures include the number of parking sites and spaces for monthly contract parking and managed parking sites.

2. Mobility Business

We actively increased the number of dedicated vehicles for the Times CAR car-sharing service and opened new Times CAR rental sites to enhance accessibility. Consequently, the number of Times CAR vehicles increased by 12,829, reaching a total of 63,880 (up 25.1% year on year) in the fiscal year under review. The number of Times CAR rental sites rose by 6,112, to 26,073 (up 30.6%). The network expanded steadily. To increase the recognition of Times CAR and boost its usage, we implemented continued promotions through TV commercials and other media channels. Additionally, we carried out sales activities tailored to regional characteristics and disseminated information and implemented strategies to cater to our customers. As a result, the number of members steadily increased to 3,616 thousand (up 19.2% year on year).

However, profit per vehicle ended up below the level of the previous year, primarily due to sluggish service utilization. This sluggish utilization was driven by member acquisition falling short of expectations, combined with other contributing factors. Results in the fiscal year under review are as follows.

- Results

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Net sales	¥ 112,058	¥ 128,506	\$ 833,919
Operating profit	15,901	14,888	96,613

- Expansion of the network

As of October 31,	2024	2025
Times CAR vehicles (units)	69,170	80,691
of which: Dedicated Times CAR vehicles(units)	51,051	63,880
Times CAR rental sites (sites)	19,961	26,073
Members (thousand)	3,032	3,616

3. Parking Business International

Performance at some parking sites in the U.K. and Australia was below expectations, while other regions generally maintained steady performance. Operating profit declined, reflecting the absence of one-off factors such as the reversal of repair provisions recorded in the previous fiscal year in the U.K.

We promoted the development of short-term contract parking sites suited for demand for parking in each region, which are called “Localized Times PARKING” sites, based on the strategy of “small-scale, dispersed, and dominant” used in the Parking Business in Japan. Through this, we have optimized our business portfolio, which is concentrated heavily on large and long-term contract parking facilities, aiming to reduce business risk and improve profitability. At the same time, we took steps to improve the profitability of our large-scale, long-term contract parking sites that we have been operating since before the acquisition. These steps include the implementation of measures tailored to the characteristics of each region and the utilization of parking site management systems. We also introduced Times TOWER, a payment machine that was

developed in-house, installed ANPR cameras, and improved services, such as in-app payment options. Through these initiatives, we worked to create added value, promote consultative selling, and increase customer convenience and satisfaction. Results in the fiscal year under review are as follows.

* The consolidation period of overseas subsidiaries for the fiscal year ended October 31, 2024 is from October 1, 2023 to September 30, 2024, and that for the fiscal year ended October 31, 2025 is from October 1, 2024 to September 30, 2025.

- Results

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Net sales	¥ 82,411	¥ 84,373	\$ 547,527
Operating loss*	(967)	(1,398)	(9,077)

* Operating loss includes amortization of goodwill of ¥1,426 million for the fiscal year ended October 31, 2024 and ¥1,423 million (\$9,240 thousand) for the fiscal year ended October 31, 2025.

- Expansion of the network

As of October 31,	2024	2025
Localized Times PARKING sites (sites)	1,379	1,589
Localized Times PARKING spaces (spaces)	59,406	72,744
Total parking sites* (sites)	2,591	2,697
Total parking spaces* (spaces)	539,338	491,124

*1 The above figures include the number of parking sites and spaces for monthly contract parking and managed parking sites.

*2 The numbers of sites and spaces as of October 31, 2024 have been revised. As announced in the short release titled “Notice Regarding Submission of Corrected Annual Securities Reports and Partial Corrections to Consolidated Financial Reports, etc., both for Previous Fiscal Years” dated July 15, 2025, inaccuracies were identified in the previously reported figures for localized Times PARKING sites and spaces in the U.K.

Analysis of Financial Position

The financial position at the end of the fiscal year under review is as follows.

As of October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Total assets	¥ 295,701	¥ 354,376	\$ 2,299,653
Interest-bearing liabilities	¥ 143,983	¥ 172,645	\$ 1,120,346
Total shareholders’ equity	¥ 89,063	¥ 104,285	\$ 676,740

As of October 31,	2024	2025
Shareholders’ equity ratio (%)	30.1	29.4
Net D/E ratio (times)	1.07	0.88
ROIC (%)	11.3	10.2

* Interest-bearing liabilities = All liabilities recorded on the consolidated balance sheets that incur interest

* Shareholders’ equity ratio = Shareholders’ equity / Total assets

* Net D/E ratio = (Interest-bearing liabilities – Cash and deposits) / Total shareholders’ equity

* ROIC (Return on Invested Capital) = Operating profit × (1 – Statutory effective tax rate) / (Average interest-bearing liabilities during the period + Average shareholders’ equity during the period)

Analysis of Cash Flows

The cash flow status for the fiscal year under review is as follows.

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Net cash provided by (used in) operating activities	¥ 54,176	¥ 62,880	\$ 408,047
Net cash provided by (used in) investing activities	(37,563)	(46,064)	(298,925)
Free cash flow	16,612	16,815	109,122
Net cash provided by (used in) financing activities	(42,508)	14,826	96,212
Cash and cash equivalents at end of period	48,041	80,150	520,119

- Trends in cash flow-related indicators

Fiscal year ended October 31,	2023	2024	2025
Shareholders' equity ratio (%)	22.8	30.1	29.4
Market-based shareholders' equity ratio (%)	93.6	110.2	86.8
Debt repayment period (years)	3.5	2.7	2.7
Interest coverage ratio (times)	12.8	15.1	17.0

* Shareholders' equity ratio = Shareholders' equity / Total assets

* Market-based shareholders' equity ratio = Market capitalization / Total assets

* Debt repayment period = Interest-bearing liabilities / Operating cash flow

* Interest coverage ratio = Operating cash flow / Interest paid

- Notes
1. Each indicator is calculated based on consolidated financial figures.
 2. Market capitalization is calculated as the closing stock price at the end of the period multiplied by the number of shares issued at the end of the period (excluding treasury shares).
 3. Operating cash flow is derived from net cash provided by operating activities in the consolidated statements of cash flows.
 4. Interest-bearing liabilities includes all liabilities recorded on the consolidated balance sheets that incur interest.
 5. Interest paid is derived from interest paid in the consolidated statements of cash flows.

Liquidity and Capital Resources

We focus on achieving business growth by balancing growth investments and capital efficiency. We secure liquidity for working capital as well as growth investments required for network expansion by developing new parking sites and procuring mobility vehicles, service evolution, and infrastructure reinforcement by leveraging cash flow from operating activities and borrowing from financial institutions. Additionally, we aim to maintain shareholders' equity at around ¥90 billion (\$584,036 thousand), which we consider required to ensure short-term business continuity in the event of large-scale natural disasters or global outbreak of infectious diseases. We will not build up shareholders' equity beyond an appropriate level and will aim to implement additional shareholder return measures with an awareness of the total payout ratio.

Dividend Policy and Distribution of Dividends in the Current and Next Fiscal Years

We put our first priority on improving corporate value through profit growth. In addition, in the "FY2027 Medium-term Management Plan," we have set an appropriate level of shareholders' equity at around ¥90 billion (\$584,036 thousand) and set forth a shareholder return policy with a target dividend on equity (DOE) of about 10%.

With DOE as an indicator, we will prioritize both growth investment and capital efficiency improvement, making active business and human resources investments toward medium- to long-term growth. Furthermore, our basic policy is to distribute surplus resulting from the above policy to shareholders, primarily in the form of dividends and share buybacks, aiming for a total payout ratio of almost 100% in the future.

As to dividends of surplus for the fiscal year under review, based on the above basic policy and taking into account the Group's business performance and financial position, we resolved at the Ordinary General Meeting of Shareholders held on January 29, 2026 to set the dividend per share at ¥30.0 (\$0.19), and dividends were paid accordingly.

The dividend per share for the fiscal year ending October 31, 2026 is ¥65.0 (\$0.42).

Note that while we, in principle, pay dividends annually at the end of each fiscal year with the amount subject to the resolution by the general meeting of shareholders, we have stipulated in our Articles of Incorporation that we may pay

interim dividends to shareholders with the record date of April 30 each year upon a resolution by the Board of Directors.

Business Strategies for Fiscal Year Ending October 31, 2026

We announced the “FY2027 Medium-term Management Plan” (“Medium-term Management Plan”) in December 2024. The Medium-term Management Plan outlines our 2035 Medium- to Long-term Vision: Evolve into a Mobility Service Platform Operator. This vision is rooted in our philosophy: We create new forms of comfort and convenience by responding to the needs of today and anticipating the needs of tomorrow. We aim to further develop as a provider of transportation infrastructure services. To fulfill this vision, we aim to expand, evolve, and integrate the four networks we possess: People (members), Cars (mobility), Communities (destinations), and Parking sites.

In the fiscal year ending October 31, 2026, the second year of the Medium-term Management Plan, we will consistently implement initiatives and enhance services to achieve the objectives outlined in the plan. In addition to our basic policies of “Expand the Scale of Business” and “Facilitate the Evolution of our Business Model”, we have introduced two new priorities, “Return the Mobility Business to a Growth Trajectory” and “Strategic Selection and Concentration of Management Resources.”

In the Parking Business Japan, we aim to further expand and strengthen our network by increasing the number of parking sites developments while continuing selective development. Efforts to facilitate the evolution of services to achieve medium- to long-term growth include the acceleration of the installation of the Times TOWER payment machines that we have developed in-house and the expansion of parking sites equipped with ANPR cameras. We will enhance our development and implementation of next-generation parking services to enable easier entry, exit, and payment.

In the Mobility Business, we aim to improve the accuracy in the development of parking spaces where Times CAR vehicles are deployed while slowing the pace of the increase in the number of dedicated Times CAR vehicles. We will use local mesh maps to compare the density of Times CAR members and the number of vehicles deployed in certain areas and determine the demand for vehicles in individual areas. We will redeploy Times CAR vehicles already deployed based on demand trends. We will conduct ongoing promotions through TV commercials and other media channels while developing membership strategies and sales systems that are tailored to the unique characteristics of each area. Additionally, we will analyze the changes in how Times CAR members use the service. The goal of these initiatives is to accelerate member acquisition and increase overall utilization. We seek to expand our service network while increasing profit per vehicle.

The Parking Business International will leverage the expertise and share knowledge gained in the Parking Business Japan to accelerate the development of new parking sites and the improvement of the profitability of existing locations. In the development of new parking sites, we aim to optimize our business portfolio, which is currently concentrated heavily on large and long-term contract parking sites, to reduce business risk by developing short-term contract parking sites suited to regional demand for parking sites, which are called “Localized Times PARKING” sites, based on the strategy of “small-scale, dispersed, and dominant” used in the Parking Business in Japan. We aim to enhance the profitability of our current parking sites by implementing measures tailored to the characteristics of each region and using tailored parking site management systems. Additionally, we plan to introduce Times TOWER, a payment machine that has been developed in-house, and install ANPR cameras to promote consultative selling. Furthermore, we will use the applications we have developed and enhanced their features in other areas to enhance customer convenience and satisfaction. Building on the directions outlined thus far, we will also undertake a Review of Overseas Operations as set forth in the Medium-term Management Plan.

Consolidated Financial Statements

1. Consolidated Balance Sheets

	Millions of yen		Thousands of U.S. dollars
	As of October 31,		
	2024	2025	2025
Assets			
Current assets:			
Cash and deposits	48,733	80,470	522,193
Notes receivable – trade	282	465	3,022
Accounts receivable – trade	26,740	30,437	197,516
Investments in leases	7,152	6,746	43,779
Prepaid expenses	15,831	17,072	110,791
Other	*3 13,779	*3 13,222	*3 85,805
Allowance for doubtful accounts	(679)	(413)	(2,681)
Total current assets	111,840	148,001	960,426
Non-current assets:			
Property, plant and equipment:			
Buildings and structures:	66,171	74,964	486,463
Accumulated depreciation	(32,558)	(34,828)	(226,012)
Buildings and structures, net	33,612	40,135	260,451
Machinery, equipment and vehicles:	60,237	72,269	468,974
Accumulated depreciation	(22,426)	(25,861)	(167,820)
Machinery, equipment and vehicles, net	37,810	46,407	301,154
Tools, furniture and fixtures:	44,070	50,848	329,969
Accumulated depreciation	(37,907)	(41,567)	(269,746)
Tools, furniture and fixtures, net	6,162	9,280	60,223
Land	*2 24,899	*2 24,896	*2 161,558
Leased assets:	55,612	61,541	399,359
Accumulated depreciation	(48,684)	(51,379)	(333,417)
Leased assets, net	6,927	10,161	65,941
Right-of-use assets:	69,581	48,044	311,773
Accumulated depreciation	(50,116)	(30,388)	(197,201)
Right-of-use assets, net	19,464	17,655	114,571
Construction in progress	4,726	7,349	47,690
Total property, plant and equipment	133,604	155,886	1,011,592
Intangible assets:			
Goodwill	17,391	16,350	106,105
Contract-based intangible assets	4,446	1,852	12,019
Other	9,284	13,024	84,518
Total intangible assets	31,122	31,227	202,643
Investments and other assets:			
Long-term prepaid expenses	6,336	4,708	30,553
Leasehold and guarantee deposits	5,689	5,908	38,345
Retirement benefit asset	890	1,702	11,049
Deferred tax assets	4,567	4,979	32,312
Other	1,602	1,961	12,730
Allowance for doubtful accounts	(2)	(0)	(0)
Total investments and other assets	19,083	19,261	124,991
Total non-current assets	183,810	206,374	1,339,226
Deferred assets:			
Share issuance costs	51	–	–
Total deferred assets	51	–	–
Total assets	295,701	354,376	2,299,653

	Millions of yen		Thousands of U.S. dollars
	As of October 31,		
	2024	2025	2025
Liabilities			
Current liabilities:			
Short-term borrowings	1,471	2,358	15,305
Current portion of bonds with share acquisition rights	7,310	—	—
Current portion of long-term borrowings	395	8,099	52,563
Lease liabilities	10,845	10,213	66,279
Accrued expenses	20,338	19,942	129,413
Income taxes payable	4,742	8,650	56,133
Provision for bonuses	3,225	3,023	19,617
Other	*1 30,697	*1 37,075	*1 240,594
Total current liabilities	79,026	89,363	579,907
Non-current liabilities:			
Bonds with share acquisition rights	35,000	35,000	227,125
Long-term borrowings	67,822	94,724	614,697
Lease liabilities	21,138	22,248	144,376
Deferred tax liabilities	1,239	633	4,107
Asset retirement obligations	9,469	10,230	66,386
Other	3,860	3,982	25,843
Total non-current liabilities	138,531	166,818	1,082,536
Total liabilities	217,557	256,182	1,662,444
Net assets			
Shareholders' equity:			
Share capital	32,739	32,739	212,453
Capital surplus	28,326	28,326	183,817
Retained earnings	29,079	44,121	286,317
Treasury shares	(1,081)	(901)	(5,848)
Total shareholders' equity	89,063	104,285	676,740
Accumulated other comprehensive income:			
Valuation difference on available-for-sale securities	137	169	1,101
Deferred gains or losses on hedges	20	56	366
Revaluation reserve for land	*2 (1,035)	*2 (1,035)	*2 (6,717)
Foreign currency translation adjustment	(7,225)	(6,131)	(39,791)
Remeasurements of defined benefit plans	(2,864)	800	5,195
Total accumulated other comprehensive income	(10,967)	(6,140)	(39,846)
Share acquisition rights	49	48	315
Total net assets	78,144	98,193	637,209
Total liabilities and net assets	295,701	354,376	2,299,653

2. Consolidated Statements of Income and Consolidated Statements of Comprehensive Income

Consolidated Statements of Income

	Millions of yen		Thousands of U.S. dollars
	Fiscal year ended October 31,		
	2024	2025	2025
Net sales	*1 370,913	*1 406,168	*1 2,635,743
Cost of sales	268,843	301,924	1,959,279
Gross profit	102,069	104,243	676,464
Selling, general and administrative expenses	*2 63,371	*2 66,681	*2 432,713
Operating profit	38,697	37,561	243,750
Non-operating income:			
Void ticket income	189	208	1,352
Foreign exchange gains	430	94	610
Subsidy income	59	98	636
Other	462	508	3,298
Total non-operating income	1,142	908	5,897
Non-operating expenses:			
Interest expenses	3,605	3,603	23,384
Other	789	709	4,604
Total non-operating expenses	4,395	4,313	27,989
Recurring profit	35,445	34,157	221,659
Extraordinary income:			
Gain on sale of non-current assets	*3 3	*3 1	*3 12
Gain on sale of investment securities	1	—	—
Total extraordinary income	4	1	12
Extraordinary losses:			
Impairment losses	*4 2,831	*4 2,541	*4 16,489
Loss on termination of retirement benefit plan	—	*5 3,350	*5 21,740
Other	317	173	1,124
Total extraordinary losses	3,149	6,064	39,354
Profit before income taxes	32,301	28,095	182,316
Income taxes – current	9,529	13,447	87,263
Income taxes – deferred	4,145	(1,269)	(8,240)
Total income taxes	13,675	12,177	79,023
Profit	18,625	15,917	103,293
Profit attributable to owners of parent	18,625	15,917	103,293

Consolidated Statements of Comprehensive Income

	Millions of yen		Thousands of U.S. dollars
	Fiscal year ended October 31,		
	2024	2025	2025
Profit	18,625	15,917	103,293
Other comprehensive income:			
Valuation difference on available-for-sale securities	19	32	210
Deferred gains or losses on hedges	(3)	36	234
Foreign currency translation adjustment	873	1,094	7,099
Remeasurements of defined benefit plans	79	3,665	23,783
Total other comprehensive income	*1 968	*1 4,827	*1 31,327
Comprehensive income	19,593	20,745	134,621
Comprehensive income attributable to:			
Owners of parent	19,593	20,745	134,621

3. Consolidated Statements of Changes in Equity

Fiscal year ended October 31, 2024

(Millions of yen)

	Shareholders' equity					Total shareholders' equity		
	Share capital	Capital surplus	Retained earnings	Treasury shares				
Balance at beginning of period	32,739	28,326	10,491	(1,255)	70,301			
Changes during period								
Profit attributable to owners of parent			18,625		18,625			
Purchase of treasury shares				(0)	(0)			
Disposal of treasury shares		(38)		174	136			
Transfer of loss on disposal of treasury shares		38	(38)		—			
Net changes in items other than shareholders' equity								
Total changes during period	—	—	18,587	174	18,762			
Balance at end of period	32,739	28,326	29,079	(1,081)	89,063			
	Accumulated other comprehensive income						Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	118	23	(1,035)	(8,099)	(2,943)	(11,936)	51	58,416
Changes during period								
Profit attributable to owners of parent								18,625
Purchase of treasury shares								(0)
Disposal of treasury shares								136
Transfer of loss on disposal of treasury shares								—
Net changes in items other than shareholders' equity	19	(3)	—	873	79	968	(1)	966
Total changes during period	19	(3)	—	873	79	968	(1)	19,728
Balance at end of period	137	20	(1,035)	(7,225)	(2,864)	(10,967)	49	78,144

	Shareholders' equity					Total shareholders' equity		
	Share capital	Capital surplus	Retained earnings	Treasury shares				
Balance at beginning of period	32,739	28,326	29,079	(1,081)	89,063			
Changes during period								
Dividends of surplus			(852)		(852)			
Profit attributable to owners of parent			15,917		15,917			
Purchase of treasury shares				(0)	(0)			
Disposal of treasury shares		(22)		180	158			
Transfer of loss on disposal of treasury shares		22	(22)		—			
Net changes in items other than shareholders' equity								
Total changes during period	—	—	15,042	180	15,222			
Balance at end of period	32,739	28,326	44,121	(901)	104,285			
	Accumulated other comprehensive income							Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	
Balance at beginning of period	137	20	(1,035)	(7,225)	(2,864)	(10,967)	49	78,144
Changes during period								
Dividends of surplus								(852)
Profit attributable to owners of parent								15,917
Purchase of treasury shares								(0)
Disposal of treasury shares								158
Transfer of loss on disposal of treasury shares								—
Net changes in items other than shareholders' equity	32	36	—	1,094	3,665	4,827	(0)	4,826
Total changes during period	32	36	—	1,094	3,665	4,827	(0)	20,049
Balance at end of period	169	56	(1,035)	(6,131)	800	(6,140)	48	98,193

Fiscal year ended October 31, 2025

(Thousands of U.S. dollars)

	Shareholders' equity							
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity			
Balance at beginning of period	212,453	183,817	188,702	(7,017)	577,956			
Changes during period								
Dividends of surplus			(5,535)		(5,535)			
Profit attributable to owners of parent			103,293		103,293			
Purchase of treasury shares				(0)	(0)			
Disposal of treasury shares		(143)		1,168	1,025			
Transfer of loss on disposal of treasury shares		143	(143)		—			
Net changes in items other than shareholders' equity								
Total changes during period	—	—	97,615	1,168	98,784			
Balance at end of period	212,453	183,817	286,317	(5,848)	676,740			
	Accumulated other comprehensive income							Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income	Share acquisition rights	
Balance at beginning of period	890	132	(6,717)	(46,891)	(18,588)	(71,174)	321	507,102
Changes during period								
Dividends of surplus								(5,535)
Profit attributable to owners of parent								103,293
Purchase of treasury shares								(0)
Disposal of treasury shares								1,025
Transfer of loss on disposal of treasury shares								—
Net changes in items other than shareholders' equity	210	234	—	7,099	23,783	31,327	(6)	31,321
Total changes during period	210	234	—	7,099	23,783	31,327	(6)	130,106
Balance at end of period	1,101	366	(6,717)	(39,791)	5,195	(39,846)	315	637,209

4. Consolidated Statements of Cash Flows

	Millions of yen		Thousands of U.S. dollars
	Fiscal year ended October 31,		
	2024	2025	2025
Cash flows from operating activities:			
Profit before income taxes	32,301	28,095	182,316
Depreciation	33,798	35,383	229,613
Impairment losses	2,831	2,541	16,489
Amortization of goodwill	1,426	1,423	9,240
Interest expenses	3,605	3,603	23,384
Loss on termination of retirement benefit plan	—	3,350	21,740
Decrease (increase) in trade receivables	(3,225)	(3,775)	(24,498)
Decrease (increase) in investments in leases	(1,263)	406	2,636
Decrease (increase) in inventories	1,826	3,128	20,304
Increase (decrease) in trade payables	32	2	13
Decrease (increase) in prepaid expenses	1,355	(993)	(6,450)
Increase (decrease) in accrued expenses	(2,407)	(588)	(3,819)
Increase (decrease) in provision for bonuses	(164)	(209)	(1,360)
Increase (decrease) in retirement benefit liability	301	(239)	(1,553)
Other, net	(3,996)	3,934	25,535
Subtotal	66,421	76,062	493,592
Interest and dividends received	79	83	540
Interest paid	(3,592)	(3,700)	(24,011)
Income taxes paid	(8,731)	(9,565)	(62,074)
Net cash provided by (used in) operating activities	54,176	62,880	408,047
Cash flows from investing activities:			
Purchase of property, plant and equipment	(28,713)	(40,591)	(263,411)
Purchase of intangible assets	(3,806)	(4,900)	(31,802)
Payments for asset retirement obligations	(915)	(315)	(2,050)
Purchase of long-term prepaid expenses	(3,540)	(102)	(667)
Payments for leasehold and guarantee deposits	(920)	(544)	(3,532)
Proceeds from refund of leasehold and guarantee deposits	324	386	2,510
Other, net	9	4	28
Net cash provided by (used in) investing activities	(37,563)	(46,064)	(298,925)

	Millions of yen	Thousands of U.S. dollars	
	Fiscal year ended October 31,		
	2024	2025	2025
Cash flows from financing activities:			
Net increase (decrease) in short-term borrowings	(1,765)	871	5,654
Proceeds from long-term borrowings	—	35,000	227,125
Repayments of long-term borrowings	(28,279)	(391)	(2,542)
Repayments of lease liabilities	(12,463)	(12,491)	(81,060)
Payments for redemption of bonds with share acquisition rights	—	(7,310)	(47,436)
Purchase of treasury shares	(0)	(0)	(0)
Dividends paid	—	(851)	(5,526)
Net cash provided by (used in) financing activities	(42,508)	14,826	96,212
Effect of exchange rate changes on cash and cash equivalents	637	466	3,029
Net increase (decrease) in cash and cash equivalents	(25,257)	32,108	208,364
Cash and cash equivalents at beginning of year	73,299	48,041	311,755
Cash and cash equivalents at end of year	*1 48,041	*1 80,150	*1 520,119

Notes to Consolidated Financial Statements

Significant accounting policies for preparation of consolidated financial statements

1. Basis of presentation

The accompanying consolidated financial statements of PARK24 CO., LTD. (the “Company”) and its consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards (“IFRS Accounting Standards”), and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

Certain amounts in the prior year’s financial statements have been reclassified to conform to the current year’s presentation.

Amounts of less than one million yen and one thousand U.S. dollars have been rounded down to the nearest million yen and thousand U.S. dollars, respectively, in the presentation of the accompanying consolidated financial statements. As a result, the totals in yen and U.S. dollars do not necessarily agree with the sum of the individual amounts.

2. Scope of consolidation

Number of consolidated subsidiaries: 89

The Company consolidates all its subsidiaries. Major consolidated subsidiaries as of October 31, 2025 were as follows:

TIMES24 CO., LTD.
TIMES MOBILITY CO., LTD.
TIMES SERVICE CO., LTD.
TIMES COMMUNICATION CO., LTD.
PARK24 BUSINESS SUPPORT CO., LTD.
TIMES SUPPORT CO., LTD.
TIMES INNOVATION CAPITAL LLC
TFI CO., LTD.
PARK24 INTERNATIONAL LIMITED
MEIF II CP Holdings 2 Limited
NATIONAL CAR PARKS LIMITED
PARK24 AUSTRALIA PTY LTD
SECURE PARKING PTY LTD
PARK24 SINGAPORE PTE. LTD.
TIMES24 SINGAPORE PTE. LTD.
PARK24 MALAYSIA SDN. BHD.
TIMES24 MALAYSIA SDN. BHD.
PARK24 TAIWAN CO., LTD.

3. Application of equity method

Not applicable.

4. Fiscal year of consolidated subsidiaries

The consolidated subsidiaries whose fiscal year-end differ from the consolidated fiscal year-end are as follows:

Company name	Fiscal year-end	Note
TFI CO., LTD.	March 31	*1
PARK24 INTERNATIONAL LIMITED	March 31	*2, 3
MEIF II CP Holdings 2 Limited and its 68 subsidiaries	March 31	*2, 3
PARK24 AUSTRALIA PTY LTD	September 30	*4
SECURE PARKING PTY LTD and its 3 subsidiaries	September 30	*4
PARK24 SINGAPORE PTE. LTD.	September 30	*4
TIMES24 SINGAPORE PTE. LTD.	September 30	*4
PARK24 MALAYSIA SDN. BHD.	September 30	*4
TIMES24 MALAYSIA SDN. BHD.	September 30	*4
PARK24 TAIWAN CO., LTD.	September 30	*4

*1 Provisional financial statements as of the closing date of the consolidated financial statements are used in consolidation.

- *2 Provisional financial statements as of September 30 are used in consolidation with adjustments made for significant transactions that occurred during the period between the closing date of the provisional financial statements and that of the consolidated financial statements.
- *3 The fiscal year-end changed from September 30 to March 31.
- *4 Financial statements as of their fiscal year-end are used with adjustments made for significant transactions that occurred during the period between the closing date of the financial statements and that of the consolidated financial statements.

5. Accounting policies

(1) Valuation criteria and methods for significant assets

Securities

Available-for-sale securities

Securities other than shares and others that do not have market prices:

Stated at fair value (with any unrealized gain or loss being recognized directly in net assets and the cost of securities sold being determined using the moving-average method).

Shares and others that do not have market prices:

Stated at cost using the moving-average method.

(2) Depreciation methods for significant depreciable assets

(i) Property, plant and equipment

a. Property, plant and equipment excluding leased assets

Depreciated primarily using the straight-line method.

The principal useful lives are as follows:

Buildings: 3 to 50 years

Structures: 1 to 46 years

b. Leased assets

Leased assets in finance lease transactions that do not transfer ownership

Depreciated using the straight-line method with the lease term equal to the useful life and with zero residual value.

Certain overseas consolidated subsidiaries, which adopt IFRS Accounting Standards, apply IFRS 16 *Leases*. Accordingly, a lessee is required to recognize all leases on its balance sheet as assets and liabilities, in principle, and depreciates capitalized right-of-use assets using the straight-line method.

(ii) Intangible assets

Amortized primarily on a straight-line basis.

The principal useful lives are as follows:

Software: 3 to 5 years

Contract-based intangible assets: 16 to 27 years

(iii) Long-term prepaid expenses

Amortized on a straight-line basis.

The principal useful lives are 2 to 5 years.

(3) Accounting policy for deferred assets

Share issuance costs

Amortized on a straight-line basis over 3 years.

(4) Recognition criteria for significant allowances and provisions

(i) Allowance for doubtful accounts

To provide for potential credit losses on receivables, allowance for doubtful accounts is recorded at an amount of estimated uncollectible receivables calculated based on the historical rate of credit loss for general receivables and determined in consideration of collectability of individual receivables for doubtful accounts and certain other receivables.

(ii) Provision for bonuses

To provide for the payment of bonuses to employees, provision for bonuses is recorded based on the estimated amount to be paid.

(5) Accounting policy for retirement benefits

(i) Method of attributing estimated retirement benefits to accounting periods

In calculating retirement benefit obligations, the benefit formula basis is used to attribute the estimated amount of retirement benefits to periods up to the end of the current fiscal year.

(ii) Method of amortizing actuarial gains and losses

Actuarial gains and losses are amortized primarily using the straight-line method over a certain number of years (5 years) within the average remaining service period of employees at the time of incurrence from the

fiscal year following the respective fiscal year of incurrence.

(iii) Application of a simplified method for small businesses

To calculate retirement benefit liability and retirement benefit expenses, certain consolidated subsidiaries apply a simplified method, by which the amount of retirement benefits payable at the end of the fiscal year for voluntary resignations is deemed to be the amount of retirement benefit obligation.

(6) Recognition criteria for significant revenues and expenses

The Group is engaged in the Parking Business in Japan and overseas and the Mobility Business. Revenues generated from these businesses are recorded primarily in accordance with contracts with customers, with transaction prices being calculated based on the contractual consideration received from the customers. The consideration for contracts with customers is received in a short period of time after the satisfaction of performance obligations and therefore does not include a significant financing component.

(i) Parking Business (Japan and International)

This business generates revenue mainly from pay-by-the-hour and pay-by-the-month parking sites services. The Group has performance obligations to provide parking sites based on contractual clauses with customers. The Group deems that such performance obligations are satisfied and revenue recognized at the time of completing the provision of the services.

The Group recognizes revenue from the pay-by-the-month parking sites service in accordance with the Accounting Standard for Lease Transactions (Accounting Standards Board of Japan (“ASBJ”) Statement No. 13, March 30, 2007).

(ii) Mobility Business

This business generates revenue mainly from car rental and sharing services. The Group has a performance obligation to rent out cars based on contractual clauses with customers. The Group deems that such performance obligation is satisfied and revenue recognized at the time of completing the provision of the service.

In addition, the Group has customer loyalty programs. The Group recognizes the points awarded to customers as a performance obligation, allocates the transaction price to it based on the stand-alone selling price calculated by considering the points expected to be expired in the future and other factors, and calculates the amount of a contract liability. The Group deems that such performance obligation is satisfied and revenue recognized at the time when the points are redeemed or expired, and therefore transfers the contract liability to revenue.

(7) Basis for translating significant foreign currency denominated assets or liabilities into Japanese yen

Foreign currency denominated receivables and payables are translated into Japanese yen at the spot exchange rates in effect as of the consolidated balance sheet date with any exchange differences being recognized in profit or loss. On the other hand, the assets and liabilities of overseas subsidiaries are translated into Japanese yen at the spot exchange rates in effect as of their balance sheet date, and revenues and expenses at the average exchange rate during the period with any translation differences included in foreign currency translation adjustment under net assets.

(8) Amortization method and period of goodwill

Goodwill is amortized on a straight-line basis over 20 years.

(9) Significant hedge accounting

(i) Method for hedge accounting

Deferral hedge accounting is adopted. Transactions used to hedge foreign exchange risk and interest rate swap transactions are hedged accounted for by the designated hedge accounting (“*furiate-shori*”) and the exceptional accounting treatment (“*tokurei-shori*”), respectively, if they meet the criteria for such accounting treatments.

(ii) Hedging instruments and hedged items

Hedging instruments: Interest rate swaps and currency swaps

Hedged items: Principal and interest of borrowings

(iii) Hedging policy

The Company enters into interest rate and currency swaps to hedge interest and foreign exchange risks on its borrowings. The Company also enters into interest rate swaps to hedge interest rate risk.

(iv) Method of evaluating the hedge effectiveness

Hedge effectiveness is assessed by monitoring the market fluctuations of hedging instruments and hedged items and confirming the relationship between them. However, the assessment of effectiveness is omitted for those items for which the exceptional accounting treatment (“*tokurei-shori*”) is applicable.

(10) Scope of cash and cash equivalents in consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows consist of cash on hand, demand deposits and short-term investments with a maturity of three months or less from the date of acquisition that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6. U.S. dollar amounts

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥154.1 = U.S. \$1, the rate of exchange on October 31, 2025, has been used in translation. The inclusion of such amounts is not intended to imply that the Japanese yen has been or could be readily converted, realized or settled in U.S. dollars at this or any other rate.

Significant accounting estimates

1. Valuation of goodwill and contract-based intangible assets attributable to PARK24 INTERNATIONAL LIMITED

(1) Amounts recorded in the consolidated financial statements for the fiscal year under review

As of October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Goodwill	¥ 7,224	¥ 6,926	\$ 44,947
Contract-based intangible assets	4,446	1,852	12,019
			Thousands of U.S. dollars
Fiscal year ended October 31,	Millions of yen		2025
	2024	2025	
Impairment loss (contract-based intangible assets)	¥ 1,978	¥ 2,453	\$ 15,922

(2) Information on the nature of significant accounting estimates for identified items

The Company determined that there were indications of impairment of goodwill recognized arising from the business combination and a portion of contract-based intangible assets recognized as the present value of excess earnings attributable to lease contracts upon the business combination, due to the deterioration of profitability resulting from changes in the business environment. In certain regions, the sum of the undiscounted future cash flows to be generated from the asset group attributable to contract-based intangible assets was less than the carrying amount of the said asset group, and therefore, the Company reduced the carrying amount to the recoverable amount with the amount of the reduction being recorded as an impairment loss. The future cash flows expected to be generated from the continuing use of the asset group were estimated based on the business plan approved by the Board of Directors, while cash flows beyond the period covered by the business plan were estimated based on the corresponding growth rate.

The following major assumptions were used to estimate the undiscounted future cash flows: the number and gross profit of Times PARKING sites in operation that are included in the parking sites within the U.K., both of which constituted a basis for the business plan; and the growth rate beyond the period covered by the business plan.

The number of Times PARKING sites was estimated based on the track record of parking site operations and the plan for opening new sites, whereas gross profit of Times PARKING sites was estimated by taking into account the usage forecast based on the past results. The growth rate beyond the period covered by the business plan was estimated based on the future consumer price indices forecast by the International Monetary Fund (IMF).

The major assumptions for the undiscounted future cash flows are subject to uncertainty. Actual results may therefore differ significantly from the forecast and if they do, impairment loss could be incurred in the following fiscal year.

2. Valuation of goodwill attributable to PARK24 AUSTRALIA PTY LTD

(1) Amounts recorded in the consolidated financial statements for the fiscal year under review

As of October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Goodwill	¥ 5,172	¥ 4,705	\$ 30,533

(2) Information on the nature of significant accounting estimates for identified items

The Company determined that there was an indication of impairment of goodwill recognized arising from the business combination due to the deterioration of profitability resulting from changes in the business environment. However, the Company recognized no impairment loss because the impairment test revealed that the sum of the discounted future cash flows to be generated from the relevant cash-generating unit exceeded the carrying amount of the said cash-generating unit. The future cash flows expected to be generated from the continuing use of the

cash-generating unit were estimated based on the business plan approved by the Board of Directors, while cash flows beyond the period covered by the business plan were estimated based on the corresponding growth rate.

The following major assumptions were used to estimate the discounted future cash flows: the number of Times PARKING sites and similar parking sites and the gross profit of the parking site under lease contracts, included in the parking sites within Australia and New Zealand, both of which constitute a basis of the business plan; the growth rate beyond the period covered by the business plan; and the discount rate.

The number of Times PARKING sites and similar parking sites was estimated based on the track record of parking site operations and the plan for opening new sites, whereas gross profit of the parking sites under lease contracts was estimated by taking into account the revenue forecast based on the contract term. The growth rate beyond the period covered by the business plan was estimated based on the target inflation rate set by the Reserve Bank of Australia. The discount rate was estimated as the weighted average cost of capital by reference to comparable companies.

The major assumptions for the discounted future cash flows are subject to uncertainty. Actual results may therefore differ significantly from the forecast and if they do, an impairment loss could be incurred in the following fiscal year.

Changes in presentation

Consolidated balance sheets

In the fiscal year ended October 31, 2024, “Inventories” under “Current assets” were separately presented; however, as the amount became immaterial, it is included in “Other” from the fiscal year ended October 31, 2025. To reflect this change in presentation, the consolidated financial statements for the fiscal year ended October 31, 2024 have been reclassified.

As a result, “Inventories” of ¥2,871 million and “Other” of ¥10,908 million, which were presented under “Current assets” in the consolidated balance sheet as of October 31, 2024, have been reclassified as “Other” of ¥13,779 million.

In the fiscal year ended October 31, 2024, “Accounts payable – other” under “Current liabilities” were separately presented; however, as the amount became immaterial, it is included in “Other” from the fiscal year ended October 31, 2025. To reflect this change in presentation, the consolidated financial statements for the fiscal year ended October 31, 2024 have been reclassified.

As a result, “Accounts payable – other” of ¥10,783 million and “Other” of ¥19,914 million, which were presented under “Current liabilities” in the consolidated balance sheet as of October 31, 2024, have been reclassified as “Other” of ¥30,697 million.

Consolidated statements of income

In the fiscal year ended October 31, 2024, “Subsidy income” was included in “Other” under “Non-operating income”; however, as the amount became material, it is separately presented from the fiscal year ended October 31, 2025. To reflect this change in presentation, the consolidated financial statements for the fiscal year ended October 31, 2024 have been reclassified.

As a result, “Other” of ¥522 million, which was presented under “Non-operating income” in the consolidated statement of income for the fiscal year ended October 31, 2024, has been reclassified as “Subsidy income” of ¥59 million and “Other” of ¥462 million.

Consolidated statements of cash flows

In the fiscal year ended October 31, 2024, “Loss (gain) on sale of non-current assets,” “Loss (gain) on sale of investment securities,” and “Increase (decrease) in accounts payable – other” under “Cash flows from operating activities” were separately presented; however, as the amounts became immaterial, they are included in “Other, net” from the fiscal year ended October 31, 2025. To reflect this change in presentation, the consolidated financial statements for the fiscal year ended October 31, 2024 have been reclassified.

As a result, “Loss (gain) on sale of non-current assets” of ¥4 million, “Loss (gain) on sale of investment securities” of ¥(1) million, “Increase (decrease) in accounts payable – other” of ¥(5,627) million, and “Other, net” of ¥1,628 million, which were presented under “Cash flows from operating activities” in the consolidated statement of cash flows for the fiscal year ended October 31, 2024, have been reclassified as “Other, net” of ¥(3,996) million.

In the fiscal year ended October 31, 2024, “Proceeds from sale of property, plant and equipment” and “Proceeds from sale of investment securities” under “Cash flows from investing activities” were separately presented; however, as the amounts became immaterial, they are included in “Other, net” from the fiscal year ended October 31, 2025. To reflect this change in presentation, the consolidated financial statements for the fiscal year ended October 31, 2024 have been reclassified.

As a result, “Proceeds from sale of property, plant and equipment” of ¥7 million, “Proceeds from sale of investment securities” of ¥2 million, and “Other, net” of ¥0 million, which were presented under “Cash flows from investing activities” in the consolidated statement of cash flows for the fiscal year ended October 31, 2024, have been reclassified as “Other,

net” of ¥9 million.

Changes in accounting policies

Application of Accounting Standard for Current Income Taxes, etc.

The “Accounting Standard for Current Income Taxes” (ASBJ Statement No. 27, October 28, 2022), the “Accounting Standard for Presentation of Comprehensive Income” (ASBJ Statement No. 25, October 28, 2022), and the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28, October 28, 2022) have been applied from the beginning of the fiscal year ended October 31, 2025. There is no impact on the consolidated financial statements as a result of this application.

Application of Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules, etc.

The “Accounting for and Disclosure of Current Taxes Related to the Global Minimum Tax Rules” (ASBJ PITF No. 46, March 22, 2024) has been applied from the beginning of the fiscal year ended October 31, 2025. There is no impact on the consolidated financial statements as a result of this application.

Accounting standards issued but not yet adopted

- “Accounting Standard for Leases” (ASBJ Statement No. 34, September 13, 2024)
- “Implementation Guidance on Accounting Standard for Leases” (ASBJ Guidance No. 33, September 13, 2024), etc.

1. Overview

As part of the efforts to make Japanese GAAP more internationally consistent, the ASBJ has been studying the development of accounting standards for leases that require the recognition of assets and liabilities for all leases of the lessee, based on internationally recognized accounting standards. Although the basic policy is based on the single accounting model of IFRS 16, the new lease accounting standard was published with the aim of making it simple and convenient by incorporating only the main provisions of IFRS 16, rather than incorporating all of the provisions of IFRS 16, and also of making it a standard that basically requires no modifications even when the provisions of IFRS 16 are used for non-consolidated financial statements.

As for the accounting treatment for lessees, the same as IFRS 16, a single accounting model is applied for all leases, regardless of whether the lease is a finance lease or an operating lease, in which depreciation expenses for the right-of-use asset and interest expenses for the lease liability are recorded.

2. Scheduled effective date

The new standards are scheduled to be applied from the beginning of the fiscal year ending October 31, 2028.

3. Impact of applying the relevant accounting standards etc.

The impact of the application of the “Accounting Standard for Leases” etc. on the consolidated financial statements is currently being assessed.

Notes to consolidated balance sheets

*1 The balance of contract liabilities included in “Other” under “Current liabilities” is stated in Notes to Consolidated Financial Statements, “*Revenue recognition*, 3. Information on the reconciliation of satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized in subsequent fiscal years from contracts with customers that existed as of October 31, 2024 and 2025, (1) Balance of contract liabilities.”

***2 Revaluation reserve for land**

As of October 31, 2024

The Company revalued land held for business purposes in accordance with the Act on Revaluation of Land (Act No. 34 of 1998, issued on March 31, 1998) and the Act to Partially Amend the Act on Revaluation of Land (amended on March 31, 1999). Differences arising from the land revaluation have been accounted for as revaluation reserve for land under net assets.

- **Revaluation method**

The land was revalued based on the value calculated by the method determined and published by the Commissioner of the National Tax Agency to determine the land value as the basis for calculating the taxable value for land value tax as stipulated in Article 16 of the Land Value Tax Act (Act No. 69 of 1991) as stipulated in Article 2-4 of the Order for Enforcement of the Act on Land Revaluation (Cabinet Order No. 119 issued on March 31, 1998), with reasonable adjustments including the depth price correction.

- **Revaluation date: October 31, 2000**

- Differences between the fair value of revalued land at the balance sheet date and the carrying amount after revaluation: ¥567 million

While the revalued land includes real estate for lease etc., the relationship with real estate for lease, etc. has been omitted as the amount is immaterial.

As of October 31, 2025

The Company revalued land held for business purposes in accordance with the Act on Revaluation of Land (Act No. 34 of 1998, issued on March 31, 1998) and the Act to Partially Amend the Act on Revaluation of Land (amended on March 31, 1999). Differences arising from the land revaluation have been accounted for as revaluation reserve for land under net assets.

- Revaluation method

The land was revalued based on the value calculated by the method determined and published by the Commissioner of the National Tax Agency to determine the land value as the basis for calculating the taxable value for land value tax as stipulated in Article 16 of the Land Value Tax Act (Act No. 69 of 1991) as stipulated in Article 2-4 of the Order for Enforcement of the Act on Land Revaluation (Cabinet Order No. 119 issued on March 31, 1998), with reasonable adjustments including the depth price correction.

- Revaluation date: October 31, 2000

- Differences between the fair value of revalued land at the balance sheet date and its carrying amount after revaluation has been omitted as the fair value exceeded the carrying amount.

*3 Changes in holding purpose of items of property, plant and equipment

Fiscal year ended October 31, 2024

For the Mobility Business to engage in sale of used vehicles as part of the normal course of its business, used vehicles with the carrying amount of ¥2,546 million were transferred to “Other” (inventories) under current assets.

Fiscal year ended October 31, 2025

For the Mobility Business to engage in sale of used vehicles as part of the normal course of its business, used vehicles with the carrying amount of ¥3,146 million (\$20,415 thousand) were transferred to “Other” (inventories) under current assets.

Notes to consolidated statements of income

*1 Revenue from contracts with customers

Regarding net sales, revenue from contracts with customers and other revenues are not stated separately. The amount of revenue from contracts with customers is stated in Notes to Consolidated Financial Statements, “*Segment information*, 3. Information on sales, profits or losses and other items by reportable segment and disaggregated revenue.”

*2 Major items of selling, general and administrative expenses

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Salaries and bonuses	¥ 26,001	¥ 27,428	\$ 177,993
Provision for bonuses	2,508	2,279	14,789
Retirement benefit expenses	1,196	1,166	7,569
Remuneration and commission	9,412	11,268	73,127

*3 The breakdown of gain on sale of property, plant and equipment is as follows.

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Buildings and structures	¥ 3	¥ —	\$ —
Machinery, equipment and vehicles	0	1	12
Tools, furniture and fixtures	0	—	—
Total	¥ 3	¥ 1	\$ 12

*4 Impairment losses

The Group categorizes its operating assets based on the classification for management accounting purposes. The Group also categorizes its assets to be disposed of and idle assets by individual property. The Group recognized impairment losses on the following asset groups.

Fiscal year ended October 31, 2024

Use	Location	Millions of yen	
		Impairment loss	
Contract-based intangible assets	Brighton, the U.K. and other	¥	1,978
Parking facilities (overseas)	Cardiff, the U.K. and other		425
Right-of-use assets	Sydney, Australia and other		392
Parking facilities (Japan)	Fukuoka, Fukuoka, Japan and other		27
Mobility stores and sales offices	Sendai, Miyagi, Japan and other		7

Breakdown of impairment losses by type		Millions of yen	
Buildings and structures		¥	105
Tools, furniture and fixtures			343
Contract-based intangible assets (Note 1)			1,978
Right-of-use assets (Note 2)			392
Long-term prepaid expenses			11
Total		¥	2,831

Notes 1. At PARK24 INTERNATIONAL LIMITED, the present value of excess earnings arising from lease contracts upon the business combination is recorded.

2. At some overseas consolidated subsidiaries that apply IFRS Accounting Standards, the amount is recorded based on IFRS 16 *Leases*.

The carrying amounts of contract-based intangible assets, parking facilities (overseas) and right-of-use assets were reduced to their recoverable amounts due to a decline in profitability, and the amounts of the reductions were recorded as an impairment loss. The recoverable amount was measured based on value in use, which was calculated by discounting future cash flows at a rate of 8.5% to 13.3%.

As a decision has been made to close the parking facilities (Japan) and mobility stores and sales offices, the carrying amount has been reduced to the recoverable amount, and the amount of the reduction has been recorded as an impairment loss. As future cash flows are not expected, the recoverable amount has been calculated as zero.

Fiscal year ended October 31, 2025

Use	Location	Millions of yen		Thousands of U.S. dollars	
		Impairment loss			
Contract-based intangible assets	Birmingham, the U.K. and other	¥	2,453	\$	15,922
Parking facilities (Japan)	Fukuoka, Fukuoka, Japan and other		44		290
Parking facilities (overseas)	Sheffield, the U.K. and other		32		210
Mobility stores and sales offices	Fukuoka, Fukuoka, Japan and other		10		66

Breakdown of impairment losses by type		Millions of yen		Thousands of U.S. dollars	
Contract-based intangible assets (Note)		¥	2,453	\$	15,922
Buildings and structures			36		234
Tools, furniture and fixtures			33		218
Long-term prepaid expenses			17		114
Total		¥	2,541	\$	16,489

Note At PARK24 INTERNATIONAL LIMITED, the present value of excess earnings arising from lease contracts upon the business combination is recorded.

The carrying amounts of contract-based intangible assets and parking facilities (overseas) were reduced to their recoverable amounts due to a decline in profitability, and the amount of the reductions was recorded as an impairment loss. The recoverable amount was measured based on value in use, which was calculated by discounting future cash flows at a rate of 12.2%.

As a decision has been made to close the parking facilities (Japan) and mobility stores and sales offices, the carrying amount has been reduced to the recoverable amount, and the amount of the reduction has been recorded as an impairment loss. As future cash flows are not expected, the recoverable amount has been calculated as zero.

*5 Loss on termination of retirement benefit plan

Fiscal year ended October 31, 2024

Not applicable.

Fiscal year ended October 31, 2025

NATIONAL CAR PARKS LIMITED, a consolidated subsidiary of the Company, has dissolved its defined benefit corporate pension fund. Accordingly, the Company has recorded loss on termination of retirement benefit plan under extraordinary losses.

Notes to consolidated statements of comprehensive income

*1 Reclassification adjustment to other comprehensive income and income taxes and tax effect

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Valuation difference on available-for-sale securities:			
Amount arising during period	¥ 27	¥ 44	\$ 288
Reclassification adjustment	—	—	—
Before income taxes and tax effect	27	44	288
Income taxes and tax effect	(8)	(12)	(78)
Valuation difference on available-for-sale securities	19	32	210
Deferred gains or losses on hedges:			
Amount arising during period	(4)	52	337
Reclassification adjustment	—	—	—
Before income taxes and tax effect	(4)	52	337
Income taxes and tax effect	1	(15)	(103)
Deferred gains or losses on hedges	(3)	36	234
Foreign currency translation adjustment:			
Amount arising during period	873	1,094	7,099
Reclassification adjustment	—	—	—
Before income taxes and tax effect	873	1,094	7,099
Income taxes and tax effect	—	—	—
Foreign currency translation adjustment	873	1,094	7,099
Remeasurements of defined benefit plans:			
Amount arising during period	(175)	(686)	(4,456)
Reclassification adjustment	219	4,172	27,073
Before income taxes and tax effect	43	3,485	22,616
Income taxes and tax effect	35	179	1,166
Remeasurements of defined benefit plans	79	3,665	23,783
Total other comprehensive income	¥ 968	¥ 4,827	\$ 31,327

Notes to consolidated statements of changes in equity

Fiscal year ended October 31, 2024

1. Changes in the number of shares issued and treasury shares

Class of shares	At beginning of period	Increase	Decrease	At end of period
Issued shares				
Common stock (shares)	171,048,369	—	—	171,048,369
Total	171,048,369	—	—	171,048,369
Treasury shares				
Common stock (shares) (Note)	528,494	79	73,464	455,109
Total	528,494	79	73,464	455,109

Note: Reason for change

Request for purchase of shares less than one trading unit: 79 shares

Decrease due to disposal of treasury stock as restricted stock compensation: 73,464 shares

2. Share acquisition rights

Company name	Details	Class of shares underlying stock options	Number of shares underlying stock options (shares)				Balance at end of period (Millions of yen)
			At beginning of period	Increase	Decrease	At end of period	
Filing company	2018 Share Acquisition Rights Issued as Stock Options	—	—	—	—	—	¥ 46
	2019 Share Acquisition Rights Issued as Stock Options	—	—	—	—	—	3
	Total		—	—	—	—	¥ 49

3. Dividends

(1) Amount of dividends paid
Not applicable.

(2) Dividends accompanied by a record date in the current fiscal year and an effective date after the following fiscal year

(Resolution)	Type of stock	Total amount of dividends Millions of yen	Source of dividends	Dividend per share Yen	Record date	Effective date
General Meeting of Shareholders on January 30, 2025	Common stock	852	Retained earnings	5.00	October 31, 2024	January 31, 2025

Fiscal year ended October 31, 2025

1. Changes in the number of shares issued and treasury shares

Class of shares		At beginning of period	Increase	Decrease	At end of period
Issued shares					
Common stock (shares)		171,048,369	–	–	171,048,369
Total		171,048,369	–	–	171,048,369
Treasury shares					
Common stock (shares)	(Note)	455,109	3,189	75,801	382,497
Total		455,109	3,189	75,801	382,497

Note: Reason for change

Increase due to gratis acquisition associated with the retirement of an individual eligible for restricted stock compensation: 3,187 shares

Request for purchase of shares less than one trading unit: 2 shares

Decrease due to disposal of treasury stock as restricted stock compensation: 75,801 shares

2. Share acquisition rights

Company name	Details	Class of shares underlying stock options	Number of shares underlying stock options (shares)				Balance at end of period	
			At beginning of period	Increase	Decrease	At end of period	Millions of yen	Thousands of U.S. dollars
Filing company	2018 Share Acquisition Rights Issued as Stock Options	–	–	–	–	–	¥ 45	\$ 294
	2019 Share Acquisition Rights Issued as Stock Options	–	–	–	–	–	3	20
	Total		–	–	–	–	¥ 48	\$ 315

3. Dividends

(1) Amount of dividends paid

(Resolution)	Type of stock	Total amount of dividends		Source of dividends	Dividend per share		Record date	Effective date
		Millions of yen	Thousands of U.S. dollars		Yen	U.S. dollars		
General Meeting of Shareholders on January 30, 2025	Common stock	852	5,535	Retained earnings	5.00	0.03	October 31, 2024	January 31, 2025

(2) Dividends accompanied by a record date in the current fiscal year and an effective date after the following fiscal year

(Resolution)	Type of stock	Total amount of dividends		Source of dividends	Dividend per share		Record date	Effective date
		Millions of yen	Thousands of U.S. dollars		Yen	U.S. dollars		
General Meeting of Shareholders on January 29, 2026	Common stock	5,119	33,225	Retained earnings	30.00	0.19	October 31, 2025	January 30, 2026

Notes to consolidated statements of cash flows

*1 Reconciliation of ending balance of cash and cash equivalents with line items presented on consolidated balance sheets

As of October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Cash and deposits	¥ 48,733	¥ 80,470	\$ 522,193
Time deposits with maturities exceeding 3 months	(6)	(6)	(38)
Withdrawal restricted deposits	(686)	(313)	(2,035)
Cash and cash equivalents	¥ 48,041	¥ 80,150	\$ 520,119

Lease transactions

1. Finance lease transactions

(As lessee)

(1) Finance lease transactions without the transfer of ownership

(i) Detail of leased assets

The leased assets are mainly equipment, furniture and fixtures used for the parking business.

(ii) Depreciation method of leased assets

The depreciation method of leased assets is stated in Notes to Consolidated Financial Statements, “*Significant accounting policies for preparation of consolidated financial statements*, 5. Accounting policies, (2) Depreciation methods for significant depreciable assets.”

(2) Right-of-use assets of subsidiaries applying IFRS 16

(i) Detail of right-of-use assets

The right-of-use assets are mainly the right of use for land under the lease agreement.

(ii) Depreciation method of right-of-use assets

The depreciation method of leased assets is stated in Notes to Consolidated Financial Statements, “*Significant accounting policies for preparation of consolidated financial statements*, 5. Accounting policies, (2) Depreciation methods for significant depreciable assets.”

2. Operating lease transactions

(As lessee)

Future minimum lease payments under non-cancellable operating lease transactions

As of October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Due within 1 year	¥ 25,470	¥ 27,081	\$ 175,738
Due after 1 year	273,745	327,162	2,123,055
Total	¥ 299,216	¥ 354,244	\$ 2,298,793

Note: The lease transactions for which assets and liabilities are recognized on the consolidated balance sheets by applying IFRS 16 are not reflected in the above table.

Financial instruments

1. Status of financial instruments

(1) Policies on financial instruments

With respect to cash management, temporary surplus funds are invested in short-term time deposits and other low-risk financial assets only. The Group has a policy to procure the funds for capital expenditures by using bond issuances and borrowings from banks. Fund procurement for short-term working capital is financed by borrowings from banks. Derivative transactions are undertaken only for the purpose of hedging risks of fluctuations in interest rates and foreign currency exchange rates. As a matter of policy, the Group does not enter into any derivative transactions for speculative purposes.

(2) Nature and risks of financial instruments and risk management

Trade receivables such as accounts receivable – trade are exposed to the credit risk of customers. With regard to this risk, the Group manages the due dates and balances by customer in accordance with internal regulations. Additionally, the Group individually identifies and responds to receivables that are delayed in collection.

Investment securities are mainly shares in companies with which the Group has business relationships, and are exposed to the risk of fluctuations in market prices. The market value of listed shares is determined quarterly, and the Group continuously reviews its holdings in light of its relationships with customer companies.

Bonds with share acquisition rights, borrowings, and lease liabilities are mainly used for capital expenditures, and are exposed to the risk of increases in financing costs due to changes in the financing environment, as well as the risk of fluctuations in interest rates and foreign exchange rates. However, the Group has a policy of controlling the risks associated with financing by strengthening its financial soundness, such as the shareholders' equity ratio, and by leveling out the amount of debt redemption, extending the term of debt, and fixing interest rates by procuring funds at fixed interest rates and using derivative transactions such as interest rate swaps to fix the interest rate paid.

(3) Supplemental explanation regarding fair value of financial instruments

As the determination of fair values of financial instruments involves fluctuating factors, these values are subject to change when different assumptions are used.

2. Fair value of financial instruments

The carrying amount, fair value and valuation difference on major financial instruments were as follows. Note that the disclosure of cash and deposits, notes receivable – trade, and accounts receivable – trade is omitted as these items are cash or settled in a short period of time, and therefore, their carrying amount approximates fair value.

As of October 31,	Millions of yen		
	2024		
	Carrying amount	Fair value	Valuation difference
Investment securities (*1, 2)			
Available-for-sale securities	¥ 237	¥ 237	¥ –
Total assets	¥ 237	¥ 237	¥ –
Bonds with share acquisition rights (including current portion)	42,310	41,726	(583)
Long-term borrowings (including current portion)	68,218	66,798	(1,419)
Lease liabilities (including current portion)	31,984	31,437	(546)
Total liabilities	¥ 142,512	¥ 139,961	¥ (2,550)
Derivatives transactions (*3)	29	29	–

(*1) Investment securities are included in “Other” under “Investments and other assets” on the consolidated balance sheets.

(*2) Shares that do not have a market price are not included in “Investment securities.” The carrying amount of such financial instruments are as follows:

As of October 31,	Millions of yen	
	2024	
Unlisted shares	¥	199

(*3) The amount of receivables and payables arising from derivative transactions is presented on a net basis.

As of October 31,	Millions of yen		
	2025		
	Carrying amount	Fair value	Valuation difference
Investment securities (*1,2)			
Available-for-sale securities	¥ 281	¥ 281	¥ –
Total assets	¥ 281	¥ 281	¥ –
Bonds with share acquisition rights (including current portion)	¥ 35,000	34,667	¥ (332)
Long-term borrowings (including current portion)	102,824	98,787	(4,037)
Lease liabilities (including current portion)	32,462	31,446	(1,015)
Total liabilities	¥ 170,286	¥ 164,901	¥ (5,385)
Derivatives transactions(*3)	¥ 81	¥ 81	¥ –

As of October 31,	Thousands of U.S. dollars		
	2025		
	Carrying amount	Fair value	Valuation difference
Investment securities (*1,2)			
Available-for-sale securities	\$ 1,827	\$ 1,827	\$ –
Total assets	\$ 1,827	\$ 1,827	\$ –
Bonds with share acquisition rights (including current portion)	\$ 227,125	\$ 224,967	\$ (2,157)
Long-term borrowings (including current portion)	667,260	641,060	(26,199)
Lease liabilities (including current portion)	210,655	204,063	(6,592)
Total liabilities	\$ 1,105,041	\$ 1,070,091	\$ (34,949)
Derivatives transactions(*3)	\$ 528	\$ 528	\$ –

(*1) Investment securities are included in “Other” under “Investments and other assets” on the consolidated balance sheets.

(*2) Shares that do not have a market price are not included in “Investment securities.” The carrying amount of such financial instruments are as follows:

As of October 31,	Millions of yen	Thousands of U.S. dollars
	2025	2025
Unlisted shares	¥ 187	\$ 1,219

(*3) The amount of receivables and payables arising from derivative transactions is presented on a net basis.

Notes 1. The redemption schedule for monetary claims and securities with maturity dates after the consolidated settlement date

As of October 31, 2024

	Millions of yen			
	Within 1 year	1–5 years	5–10 years	More than 10 years
Cash and deposits	¥ 6	¥ –	¥ –	¥ –
Notes receivable – trade	282	–	–	–
Accounts receivable – trade	26,740	–	–	–
Total	¥ 27,028	¥ –	¥ –	¥ –

As of October 31, 2025

	Millions of yen			
	Within 1 year	1–5 years	5–10 years	More than 10 years
Cash and deposits	¥ 6	¥ –	¥ –	¥ –
Notes receivable – trade	465	–	–	–
Accounts receivable – trade	30,437	–	–	–
Total	¥ 30,908	¥ –	¥ –	¥ –

	Thousands of U.S. dollars			
	Within 1 year	1–5 years	5–10 years	More than 10 years
Cash and deposits	\$ 38	\$ –	\$ –	\$ –
Notes receivable – trade	3,022	–	–	–
Accounts receivable – trade	197,516	–	–	–
Total	\$ 200,577	\$ –	\$ –	\$ –

2. For the repayment schedule for bonds, long-term borrowings, lease liabilities and other interest-bearing debts after the consolidated balance sheet date, refer to “Annexed consolidated schedule of corporate bonds” and “Annexed consolidated schedule of borrowings” in the annexed consolidated schedules.
3. Fair value of financial instruments by input level
 The fair value of financial instruments is categorized into the following three levels based upon the observability and significance of inputs used to measure their fair value.
 Level 1: Fair value measured using quoted prices (unadjusted) in active markets for identical assets or liabilities
 Level 2: Fair value measured using inputs, other than those included within Level 1, that are either directly or indirectly observable
 Level 3: Fair value measured using significant unobservable inputs
 If the Group uses multiple inputs that are significant to the fair value measurement, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(1) Financial instruments presented at fair value on the consolidated balance sheets

As of October 31, 2024

	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities:				
Available-for-sale securities				
Equity securities	¥ 237	¥ –	¥ –	¥ 237
Total assets	¥ 237	¥ –	¥ –	¥ 237
Derivatives transactions	¥ –	¥ 29	¥ –	¥ 29

As of October 31, 2025

	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities:				
Available-for-sale securities				
Equity securities	¥ 281	¥ –	¥ –	¥ 281
Total assets	¥ 281	¥ –	¥ –	¥ 281
Derivatives transactions	¥ –	¥ 81	¥ –	¥ 81

	Thousands of U.S. dollars			
	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities:				
Available-for-sale securities				
Equity securities	\$ 1,827	\$ –	\$ –	\$ 1,827
Total assets	\$ 1,827	\$ –	\$ –	\$ 1,827
Derivatives transactions	\$ –	\$ 528	\$ –	\$ 528

(2) Financial instruments other than those presented at fair value on the consolidated balance sheets

As of October 31, 2024

	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Bonds with share acquisition rights (including current portion)	¥ –	¥ 41,726	¥ –	¥ 41,726
Long-term borrowings (including current portion)	–	66,798	–	66,798
Lease liabilities (including current portion)	–	31,437	–	31,437
Total liabilities	¥ –	¥ 139,961	¥ –	¥ 139,961

As of October 31, 2025

	Millions of yen			
	Fair value			
	Level 1	Level 2	Level 3	Total
Bonds with share acquisition rights (including current portion)	¥ –	¥ 34,667	¥ –	¥ 34,667
Long-term borrowings (including current portion)	–	98,787	–	98,787
Lease liabilities (including current portion)	–	31,446	–	31,446
Total liabilities	¥ –	¥ 164,901	¥ –	¥ 164,901

	Thousands of U.S. dollars			
	Fair value			
	Level 1	Level 2	Level 3	Total
Bonds with share acquisition rights (including current portion)	\$ –	\$ 224,967	\$ –	\$ 224,967
Long-term borrowings (including current portion)	–	641,060	–	641,060
Lease liabilities (including current portion)	–	204,063	–	204,063
Total liabilities	\$ –	\$ 1,070,091	\$ –	\$ 1,070,091

Note: Description of valuation techniques and inputs used for the fair value measurement

Investment securities

Listed stocks are valued using quoted prices. As listed stocks are traded in active markets, their fair value is categorized as Level 1.

Derivatives transactions

The fair value of interest rate swaps that qualify for deferred hedge accounting is measured using prices provided by counterparty financial institutions and is classified as Level 2.

As interest rate and currency swaps that qualify for the integrated treatment are accounted for in an integrated manner with long-term borrowings as hedged items, their fair values are included in the fair values of the relevant long-term borrowings.

Bonds with share acquisition rights

The fair value of bonds with share acquisition rights is measured using prices provided by counterparty financial institutions, and is categorized as Level 2.

Long-term borrowings

The fair value of long-term borrowings is measured based on the current total amount of principal and interest, discounted by the expected interest rate if the borrowings were refinanced at present, and is categorized as Level 2.

Lease liabilities

The fair value of lease liabilities is measured based on the current total amount of future payments, discounted by the expected interest rate if similar new lease transactions were entered into, and is categorized as Level 2.

Securities

1. Available-for-sale securities

As of October 31, 2024

Classification	Type	Millions of yen		
		Carrying amount	Cost	Difference
Securities whose carrying amount exceeds cost	Equity securities	¥ 237	¥ 81	¥ 155
	Bonds	—	—	—
	Other	—	—	—
	Subtotal	¥ 237	¥ 81	¥ 155
Securities whose carrying amount does not exceed cost	Equity securities	—	—	—
	Bonds	—	—	—
	Other	—	—	—
	Subtotal	¥ —	¥ —	¥ —
Total		¥ 237	¥ 81	¥ 155

As of October 31, 2025

Classification	Type	Millions of yen		
		Carrying amount	Cost	Difference
Securities whose carrying amount exceeds cost	Equity securities	¥ 281	¥ 81	¥ 199
	Bonds	—	—	—
	Other	—	—	—
	Subtotal	¥ 281	¥ 81	¥ 199
Securities whose carrying amount does not exceed cost	Equity securities	—	—	—
	Bonds	—	—	—
	Other	—	—	—
	Subtotal	¥ —	¥ —	¥ —
Total		¥ 281	¥ 81	¥ 199

Classification	Type	Thousands of U.S. dollars		
		Carrying amount	Cost	Difference
Securities whose carrying amount exceeds cost	Equity securities	\$ 1,827	\$ 530	\$ 1,296
	Bonds	—	—	—
	Other	—	—	—
	Subtotal	\$ 1,827	\$ 530	\$ 1,296
Securities whose carrying amount does not exceed cost	Equity securities	—	—	—
	Bonds	—	—	—
	Other	—	—	—
	Subtotal	\$ —	\$ —	\$ —
Total		\$ 1,827	\$ 530	\$ 1,296

Derivatives transactions

1. Derivatives transactions to which hedge accounting was not applied

Fiscal years ended October 31, 2024 and 2025

Not applicable.

2. Derivatives transactions to which hedge accounting was applied

(1) Currency-related transactions

As of October 31, 2024

Hedge accounting method	Type of transaction	Major hedged item	Millions of yen		
			Notional amount	Due after one year	Fair value
Integrated treatment of interest rate and currency swaps (<i>tokurei-shori</i> and <i>furiate-shori</i>)	Interest rate and currency swaps Pay fixed and receive floating Pay JPY and receive USD	Long-term borrowings	¥10,619	¥10,619	(Note)

Note: As interest rate and currency swaps that qualify for the integrated treatment are accounted for in an integrated manner with long-term borrowings as hedged items, their fair values are included in the fair values of the relevant long-term borrowings.

As of October 31, 2025

Hedge accounting method	Type of transaction	Major hedged item	Millions of yen		
			Notional amount	Due after one year	Fair value
Integrated treatment of interest rate and currency swaps (<i>tokurei-shori</i> and <i>furiate-shori</i>)	Interest rate and currency swaps Pay fixed and receive floating Pay JPY and receive USD	Long-term borrowings	¥10,619	¥10,619	(Note)

Hedge accounting method	Type of transaction	Major hedged item	Thousands of U.S. dollars		
			Notional amount	Due after one year	Fair value
Integrated treatment of interest rate and currency swaps (<i>tokurei-shori</i> and <i>furiate-shori</i>)	Interest rate and currency swaps Pay fixed and receive floating Pay JPY and receive USD	Long-term borrowings	\$68,909	\$68,909	(Note)

Note: As interest rate and currency swaps that qualify for the integrated treatment are accounted for in an integrated manner with long-term borrowings as hedged items, their fair values are included in the fair values of the relevant long-term borrowings.

(2) Interest rate-related transactions

As of October 31, 2024

Hedge accounting method	Type of transaction	Major hedged item	Millions of yen		
			Notional amount	Due after one year	Fair value
Standard treatment	Interest rate swaps Pay fixed and receive floating	Long-term borrowings	¥7,080	¥7,080	¥29

As of October 31, 2025

Hedge accounting method	Type of transaction	Major hedged item	Millions of yen		
			Notional amount	Due after one year	Fair value
Standard treatment	Interest rate swaps Pay fixed and receive floating	Long-term borrowings	¥12,580	¥11,205	¥81

Hedge accounting method	Type of transaction	Major hedged item	Thousands of U.S. dollars		
			Notional amount	Due after one year	Fair value
Standard treatment	Interest rate swaps Pay fixed and receive floating	Long-term borrowings	\$81,635	\$72,712	\$528

Retirement benefits

1. Overview of retirement benefit plans adopted by the Group

The Group has adopted a lump-sum retirement payment plan and a pension plan mainly as funded defined benefit plans.

Certain consolidated subsidiaries in Japan apply the simplified method for calculation of retirement benefits.

Additional employee retirement benefits, which are not included in the scope of retirement benefit liability based on actuarial calculation in accordance with the retirement benefit accounting, might be paid in certain circumstances.

In the fiscal year ended October 31, 2025, NATIONAL CAR PARKS LIMITED, a consolidated subsidiary of the Company, has dissolved its defined benefit corporate pension fund. Accordingly, the Company has recorded a loss arising from this dissolution as loss on termination of retirement benefit plan under extraordinary losses.

2. Defined benefit plan

(1) Reconciliation of beginning and ending balances of retirement benefit obligations

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Beginning balance of retirement benefit obligation	¥ 11,799	¥ 12,874	\$ 83,549
Decrease due to dissolution of defined benefit corporate pension fund	—	(5,837)	(37,878)
Service cost	1,013	1,086	7,052
Interest cost	327	82	534
Actuarial loss (gain)	340	(606)	(3,933)
Retirement benefits paid	(606)	(287)	(1,866)
Ending balance of retirement benefit obligation	¥ 12,874	¥ 7,313	\$ 47,456

(2) Reconciliation of beginning and ending balances of plan assets

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Beginning balance of plan assets	¥ 12,442	¥ 13,764	\$ 89,324
Decrease due to dissolution of defined benefit corporate pension fund	—	(5,751)	(37,323)
Expected return on plan assets	314	67	437
Actuarial gain (loss)	631	(5)	(32)
Contributions by the Company	982	1,227	7,966
Retirement benefits paid	(606)	(287)	(1,866)
Ending balance of plan assets	¥ 13,764	¥ 9,015	\$ 58,506

(3) Reconciliation of ending balances of retirement benefit obligations and plan assets, net defined benefit liability and net defined benefit asset recorded in consolidated balance sheets

As of October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Funded retirement benefit obligation	¥ 12,874	¥ 7,313	\$ 47,456
Plan assets at fair value	(13,764)	(9,015)	(58,506)
	¥ (890)	¥ (1,702)	\$ (11,049)
Net liability (asset) presented in the consolidated balance sheets	(890)	(1,702)	(11,049)
Retirement benefit liability	—	—	—
Retirement benefit asset	(890)	(1,702)	(11,049)
Net liability (asset) presented in the consolidated balance sheets	¥ (890)	¥ (1,702)	\$ (11,049)

(4) Components of retirement benefit expenses

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Service cost	¥ 1,013	¥ 1,086	\$ 7,052
Interest cost	327	82	534
Expected return on plan assets	(314)	(67)	(437)
Amortization of actuarial loss	(47)	(113)	(736)
Retirement benefit expense	¥ 979	¥ 988	\$ 6,412

Note: Other than the retirement benefit expense listed above, the Company recorded loss on termination of retirement benefit plan of ¥3,350 million (\$21,740 thousand) under extraordinary losses in the fiscal year ended October 31, 2025.

(5) Remeasurements of defined benefit plans (before income taxes and tax effect) under other comprehensive income

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Actuarial loss (gain)	¥ 43	¥ 3,485	\$ 22,616

(6) Remeasurements of defined benefit plans (before income taxes and tax effect) under accumulated other comprehensive income

As of October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Unrecognized actuarial loss (gain)	¥ (457)	¥ 1,031	\$ 6,692

(7) Plan assets

(i) Major components of plan assets

Plan assets by major category as a percentage of total plan assets are as follows:

As of October 31,	2024	2025
Life insurance company general accounts	100.0%	100.0%

(ii) Method of determining long-term expected rate of return on plan assets

In determining the long-term expected rate of return on plan assets, the Company considers the current and projected allocations of plan assets as well as the current and future expected long-term rates of return on various assets that constitute the plan assets.

(8) Actuarial assumptions

Major actuarial assumptions

Fiscal year ended October 31,	2024	2025
Discount rates	1.2–5.0%	2.0%
Expected long-term rates of return on plan assets	0.9%	0.8%

Note: As the Company has adopted a retirement benefit point system, an assumed wage increase rate is not used to determine retirement benefit obligations.

3. Defined contribution plan

Contributions to defined contribution plans of certain consolidated subsidiaries for the fiscal years ended October 31, 2024 and 2025 were ¥488 million and ¥544 million (\$3,533 thousand), respectively.

Stock option plans

Stock options

1. Amount recorded as expenses for stock options and line items
Not applicable.

2. Amount recorded as gain on forfeiture of unexercised stock options

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Non-operating income (Other)	¥ 1	¥ 0	\$ 6

3. Description, scale and changes in stock options

(1) Description of stock options

	Share acquisition rights resolved by the Board of Directors on November 30, 2018	Share acquisition rights resolved by the Board of Directors on February 28, 2019
Classification and number of grantees	56 employees of the Company 135 employees of subsidiaries of the Company	3 directors of the Company 2 corporate officers of the Company 11 directors of subsidiaries of the Company
Class and number of shares granted (Note 1)	289,000 shares of common stock	294,000 shares of common stock
Grant date	December 25, 2018	March 25, 2019
Vesting conditions	A grantee shall be a director or a corporate officer or an employee of the Company or a subsidiary of the Company at the time of exercising the stock options.	(Note 2)
Requisite service period	December 25, 2018 through December 31, 2020	Not specified.
Exercise period	January 1, 2021 through December 31, 2026	April 1, 2021 through March 31, 2027

Notes 1. The number of stock options is translated into the number of shares.

2. The exercise conditions for the share acquisition rights resolved on February 28, 2019 are as follows:

- (i) If the closing price of the Company's common stock on a financial instruments exchange exceeds ¥5,000 (\$32.45) at least once during the period from the commencement date of the exercise period of the share acquisition rights to the expiration date, the holder of the share acquisition rights must exercise all remaining share acquisition rights within one year from the date on which the closing price first exceeds ¥5,000 (\$32.45).
- (ii) If the closing price of the Company's common stock on a financial instruments exchange falls below ¥1,000 (\$6.49) at least once during the period from the commencement date of the exercise period of the share acquisition rights to the expiration date, the holder of the share acquisition rights must exercise all remaining share acquisition rights by the expiration date of the exercise period.

(2) Scale and changes in stock options

Stock options that existed during the fiscal year ended October 31, 2025 are included, and the number of stock options is translated into the number of shares.

(i) Number of stock options

	Share acquisition rights resolved by the Board of Directors on November 30, 2018	Share acquisition rights resolved by the Board of Directors on February 28, 2019
Before vesting (shares)		
At October 31, 2024	—	—
Granted	—	—
Forfeited	—	—
Vested	—	—
Outstanding balance	—	—
After vesting (shares)		
At October 31, 2024	247,000	294,000
Vested	—	—
Exercised	—	—
Forfeited	5,000	—
Outstanding balance	242,000	294,000

(ii) Unit price information

	Share acquisition rights resolved by the Board of Directors on November 30, 2018	Share acquisition rights resolved by the Board of Directors on February 28, 2019
Exercise price	¥3,025 (\$19.63)	¥2,622 (\$17.01)
Average stock price at the time of exercise	—	—
Fair value at the grant date	¥187.36 (\$1.22)	¥10.97 (\$0.07)

4. Method for estimating the number of stock options vested

The Company adopts a method by which only the number of stock options actually forfeited is reflected because it is difficult to reasonably estimate the number of stock options to be forfeited in the future.

Restricted stock compensation

1. Amount recorded as expenses for restricted stock compensation and line item

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Selling, general and administrative expenses	¥ 102	¥ 151	\$ 985

2. Description, scale and changes in restricted stock compensation

(1) Description of restricted stock compensation

	Restricted stock compensation granted in February 2024	Restricted stock compensation granted in February 2025
Classification and number of grantees	4 directors of the Company 4 corporate officers of the Company 7 directors of subsidiaries of the Company	2 directors of the Company 5 corporate officers of the Company 7 directors of subsidiaries of the Company
Class and number of shares granted	73,464 shares of common stock	75,801 shares of common stock
Grant date	February 22, 2024	February 27, 2025
Restricted transfer period	From the date of grant until the point immediately after the resignation or retirement from the position of director etc. of the Company or a subsidiary of the Company for justifiable reasons	
Conditions for lifting the restriction on transfer	The restriction on transfer of all the granted shares will be lifted at the end of the restriction period, provided that the relevant director, etc. has continuously held the position of director etc. of the Company or its subsidiary from the commencement date of the execution of duties until immediately before the end of the first ordinary general meeting of shareholders to be held after that date.	

(2) Scale and changes in restricted stock compensation

(i) Number of shares

	Restricted stock compensation granted in February 2024	Restricted stock compensation granted in February 2025
Before restriction on transfer is lifted (shares)		
At October 31, 2024	73,464	—
Granted	—	75,801
Forfeited	1,675	1,512
After restriction on transfer is lifted	—	—
At October 31, 2025	71,789	74,289

(ii) Unit price information

	Restricted stock compensation granted in February 2024	Restricted stock compensation granted in February 2025
Fair value at the grant date	¥1,857.5	¥2,085.0 (\$13.53)

3. Method for estimating fair value

In order to eliminate arbitrariness, the price is set as the closing price of the Company's stock on the Tokyo Stock Exchange on the business day prior to the date of the Board of Directors' resolution.

Tax effect accounting

1. Significant components of deferred tax assets and liabilities

As of October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Deferred tax assets:			
Accrued enterprise tax and business office tax	¥ 458	¥ 721	\$ 4,680
Provision for bonuses	1,046	982	6,374
Excess of tax depreciation over book depreciation	475	432	2,809
Deferred tax assets for land revaluation	316	326	2,116
Asset retirement obligations	2,607	2,895	18,792
Tax loss carryforward	16,605	18,072	117,275
Impairment losses	2,611	2,664	17,292
Other	4,107	5,209	33,806
Subtotal of deferred tax assets	¥ 28,229	¥ 31,305	\$ 203,148
Less valuation allowance for tax loss carryforwards (Note)	(16,491)	(18,070)	(117,262)
Less valuation allowance for future deductible temporary differences	(5,406)	(6,207)	(40,279)
Subtotal of valuation allowance	¥ (21,897)	¥ (24,277)	\$ (157,542)
Total deferred tax assets	¥ 6,332	¥ 7,027	\$ 45,606
Deferred tax liabilities:			
Asset retirement costs corresponding to asset retirement obligations	¥ (1,576)	¥ (1,755)	\$ (11,390)
Intangible assets	(1,111)	(463)	(3,004)
Other	(316)	(463)	(3,006)
Total deferred tax liabilities	¥ (3,004)	¥ (2,681)	\$ (17,401)
Net deferred tax assets (liabilities)	¥ 3,327	¥ 4,346	\$ 28,204

Notes 1. The valuation allowance has increased by ¥2,379 million (\$15,442 thousand) primarily due to the recognition of a valuation allowance for tax loss carryforwards by a consolidated subsidiary.

2. Amounts of tax loss carryforwards and their deferred tax assets by expiration date

As of October 31, 2024		(Millions of yen)						
Classification	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total	
Tax loss carryforward (a)	¥ –	¥ –	¥ 0	¥ –	¥ –	¥ 16,605	¥ 16,605	
Valuation allowance	–	–	–	–	–	16,491	16,491	
Deferred tax assets	¥ –	¥ –	¥ 0	¥ –	¥ –	¥ 114	¥ (b) 114	

(a) Tax loss carryforward is obtained by multiplying the statutory effective tax rate.

(b) Deferred tax assets of ¥114 million have been recognized against tax loss carryforward of ¥16,605 million (obtained by multiplying the statutory effective tax rate). The deferred tax assets of ¥114 million have been recognized for a portion of tax loss carryforward of ¥16,605 million (obtained by multiplying the statutory effective tax rate) of consolidated subsidiaries. As the Company has estimated that the tax loss carryforward for which the deferred tax assets is recognized is recoverable based on the estimated future taxable income, a valuation allowance was not recognized.

As of October 31, 2025		(Millions of yen)						
Classification	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total	
Tax loss carryforward (c)	¥ –	¥ –	¥ –	¥ –	¥ –	¥ 18,072	¥ 18,072	
Valuation allowance	–	–	–	–	–	18,070	18,070	
Deferred tax assets	¥ –	¥ –	¥ –	¥ –	¥ –	¥ 1	¥ (d) 1	

		(Thousands of U.S. dollars)						
Classification	Within 1 year	Over 1 to 2 years	Over 2 to 3 years	Over 3 to 4 years	Over 4 to 5 years	Over 5 years	Total	
Tax loss carryforward (c)	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 117,275	\$ 117,275	
Valuation allowance	–	–	–	–	–	117,262	117,262	
Deferred tax assets	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 12	\$ (d) 12	

- (c) Tax loss carryforward is obtained by multiplying the statutory effective tax rate.
- (d) Deferred tax assets of ¥1 million (\$12 thousand) have been recognized against tax loss carryforward of ¥18,072 million (\$117,275 thousand; obtained by multiplying the statutory effective tax rate). The deferred tax assets of ¥1 million (\$12 thousand) have been recognized for a portion of tax loss carryforward of ¥18,072 million (\$117,275 thousand; obtained by multiplying the statutory effective tax rate) of consolidated subsidiaries. As the Company has estimated that the tax loss carryforward for which the deferred tax assets is recognized is recoverable based on the estimated future taxable income, a valuation allowance was not recognized.

2. Reconciliations of any significant difference between the effective statutory tax rate and the actual effective tax rate after applying the tax effect accounting

Fiscal year ended October 31,	2024	2025
Effective statutory tax rate	30.6 %	30.6 %
Adjustments:		
Changes in valuation allowance	6.8 %	8.5 %
Tax rate differences with consolidated subsidiaries	3.8 %	5.2 %
Other	1.1 %	(1.0) %
Actual effective tax rate after applying tax effect accounting	42.3 %	43.3 %

3. Accounting for corporate income tax and local corporate income tax or tax effect accounting for these taxes
The Company and its domestic consolidated subsidiaries have adopted the group tax sharing system. With regard to accounting for corporate income tax and local corporate income tax and accounting for and disclosure of tax effect accounting, the Group has applied the “Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System” (PITF No. 42, August 12, 2021).
4. Adjustment to deferred tax assets and liabilities due to changes in income tax rates
Following the enactment of the Act for Partial Amendment to the Income Tax Act, etc. (Act No. 13 of 2025) in the Japanese Diet session on March 31, 2025, a special defense surtax will be imposed from the fiscal year starting on or after April 1, 2026. Accordingly, the effective statutory tax rate used to calculate deferred tax assets and liabilities for temporary differences expected to be eliminated in or after the fiscal year starting on November 1, 2026, has changed from 30.6% to 31.5%. As a result of this change, deferred tax assets (net of deferred tax liabilities) increased by ¥47 million (\$308 thousand) whereas income taxes - deferred decreased by ¥47 million (\$308 thousand) for the fiscal year ended October 31, 2025.

Asset retirement obligations

Asset retirement obligations that are recorded on the consolidated balance sheets

1. Overview of asset retirement obligations
Asset retirement obligations are recorded based upon estimated future restoration obligations pursuant to parking sites rental agreements.
2. Method for measuring the asset retirement obligations
The period of use is estimated individually on an obligation-by-obligation basis (mainly 15 years), whereas the discount rates are determined to be consistent with the period of use estimated at the time of acquisition of the asset.
3. Changes in total asset retirement obligations

Fiscal year ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Beginning balance	¥ 9,722	¥ 9,469	\$ 61,449
Increase resulting from acquisition of property and equipment	442	644	4,181
Increase due to change in estimate	—	363	2,362
Unwinding of discount over passage of time	160	151	986
Decrease due to fulfilment of asset retirement obligations	(915)	(315)	(2,050)
Other increases (decreases)	59	(83)	(542)
Ending balance of asset retirement obligations	¥ 9,469	¥ 10,230	\$ 66,386

4. Changes in estimate for asset retirement obligations
In the fiscal year ended October 31, 2025, the Company changed its estimate for asset retirement obligations that had been recorded as future restoration obligations pursuant to a properties lease agreement as it obtained new relevant information.

As a result of this change in estimate, asset retirement obligations increased ¥363 million (\$2,362 thousand).

Properties for lease

The Group owns parking facilities (including land) for lease in Tokyo, Kanagawa and other areas.

The carrying amount on the consolidated balance sheets, changes during the period, and fair value of such properties for are as follows.

Fiscal years ended October 31,		Millions of yen		Thousands of U.S. dollars
		2024	2025	2024
Carrying amount	Beginning balance	¥ 31,509	¥ 30,279	\$ 196,490
	Changes during period	(1,230)	(216)	(1,407)
	Ending balance	¥ 30,279	¥ 30,062	\$ 195,082
Fair value at end of period		¥ 53,390	¥ 56,267	\$ 365,138

Notes 1. The carrying amounts on the consolidated balance sheet are presented at cost net of accumulated depreciation and accumulated impairment losses.

2. The fair values at end of period were established by the Company primarily in accordance with the Real Estate Appraisal Standards with adjustment to reflect official indices.

Revenues and expenses related to properties for lease were as follows:

Fiscal years ended October 31,		Millions of yen		Thousands of U.S. dollars
		2024	2024	2025
Properties for lease	Lease revenue	¥ 4,441	¥ 4,877	\$ 31,650
	Lease expenses	1,530	1,560	10,125
	Difference	¥ 2,910	¥ 3,316	\$ 21,524

Revenue recognition

1. Information on disaggregated revenue from contracts with customers

The information on disaggregated revenue from contracts with customers is stated in Notes to Consolidated Financial Statements, “*Segment information*.”

2. Basic information in understanding revenue from contracts with customers

Basic information in understanding revenue from contracts with customers is stated in Notes to Consolidated Financial Statements, “*Significant accounting policies for preparation of consolidated financial statements*, 5. Accounting policies, (6) Recognition criteria for significant revenues and expenses.”

3. Information on the reconciliation of satisfaction of performance obligations under contracts with customers and cash flows arising from such contracts, and the amount and timing of revenue expected to be recognized in subsequent fiscal years from contracts with customers that existed as of October 31, 2024 and 2025

(1) Balance of contract liabilities

Fiscal year ended October 31, 2024	Millions of yen	
	Beginning balance	Ending balance
Receivables arising from contracts with customers	¥ 23,624	¥ 27,022
Contract liabilities	717	412

Fiscal year ended October 31, 2025	Millions of yen	
	Beginning balance	Ending balance
Receivables arising from contracts with customers	¥ 27,022	¥ 30,902
Contract liabilities	412	363

	Thousands of U.S. dollars	
	Beginning balance	Ending balance
Receivables arising from contracts with customers	\$ 175,357	\$ 200,538
Contract liabilities	2,676	2,357

The above balances of contract liabilities represent the balances of points awarded to customers for which performance obligations have not yet been satisfied as of the end of the period. Contract liabilities are reversed upon recognition of revenue.

Of the revenue recognized for the fiscal year ended October 31, 2024, the amount included in the beginning balance of contract liabilities was ¥717 million.

Of the revenue recognized for the fiscal year ended October 31, 2025, the amount included in the beginning balance of contract liabilities was ¥412 million (\$2,676 thousand).

(2) Transaction price allocated to the remaining performance obligations

As there were no significant transactions for which an individual estimated contract period exceeds one year, the Group has applied the practical expedient and omitted the disclosure of remaining performance obligations.

In addition, there was no significant consideration from contracts with customers that was not included in the transaction price.

Segment information

1. Overview of reportable segments

The Company's reportable segments are components of the Group for which discrete financial information is available and which is regularly examined by the Board of Directors to determine the allocation of management resources and evaluate performance. The Company's three separate reportable segments are Parking Business Japan, Mobility Business, and Parking Business International. Main services of each reportable segment are as follows.

Reportable Segment	Main Services
Parking Business Japan	Operations relating to management and operation of parking sites in Japan
Mobility Business	Automobile-related operations relating to rental, car sharing and road assistance service
Parking Business International	Operations relating to management and operation of parking sites overseas

2. Method of calculating net sales, profits or losses, assets, liabilities and other flows by reportable segment

The accounting treatment for reportable segments is generally consistent with the descriptions in Notes to Consolidated Financial Statements "Significant accounting policies for preparation of consolidated financial statements." Profits of the reportable segments are the figures based on operating profit. The Company does not allocate assets and liabilities to reportable segments. However, depreciation related to unallocated assets is allocated to each reportable segment based on reasonable allocation criteria.

From the fiscal year ended October 31, 2025, in light of changes in the business structure aimed at the Group's sustainable growth, we have revised the allocation method for certain corporate expenses and changed the method of measuring profit or loss for each reportable segment to more appropriately reflect segment performance. Segment information for the fiscal year ended October 31, 2024 reflects this change in measurement method.

3. Information on sales, profits or losses and other items by reportable segment and disaggregated revenue

Fiscal year ended October 31, 2024

	Reportable segment					(Millions of yen)	
	Parking Business Japan	Mobility Business	Parking Business International	Total	Adjustment (Note 1)	Amount on consolidated statement of income (Note 2)	
Net sales							
Revenue from contracts with customers	¥ 163,623	¥ 109,033	¥ 80,520	¥ 353,177	¥ –	¥ 353,177	
Other revenues (Note 3)	13,081	2,763	1,890	17,735	–	17,735	
Sales to external customers	¥ 176,704	¥ 111,796	¥ 82,411	¥ 370,913	¥ –	¥ 370,913	
Intersegment sales or transfers	5,598	262	–	5,860	(5,860)	–	
Total	¥ 182,302	¥ 112,058	¥ 82,411	¥ 376,773	¥ (5,860)	¥ 370,913	
Segment profit (loss)	¥ 36,460	¥ 15,901	¥ (967)	¥ 51,394	¥ (12,696)	¥ 38,697	
Other items							
Depreciation (Note 4)	¥ 8,370	¥ 9,563	¥ 14,770	¥ 32,704	¥ 1,093	¥ 33,798	
Amortization of goodwill	–	–	1,426	1,426	–	1,426	

Notes: 1. Adjustments to segment profit (loss) are corporate expenses that are not allocated to any reportable segment. Corporate expenses mainly consist of expenses related to administrative divisions such as general affairs that do not belong to any reportable segment.

2. Segment profit (loss) is adjusted with operating profit in the consolidated statements of income.

3. Other revenues include lease revenue based on the "Accounting Standard for Lease Transactions."

4. Depreciation includes amortization of long-term prepaid expenses.

Fiscal year ended October 31, 2025

							(Millions of yen)
	Reportable segment				Adjustment (Note 1)	Amount on consolidated statement of income (Note 2)	
	Parking Business Japan	Mobility Business	Parking Business International	Total			
Net sales							
Revenue from contracts with customers	¥ 179,693	¥ 125,094	¥ 82,312	¥ 387,100	¥ –	¥ 387,100	
Other revenues (Note 3)	13,941	3,064	2,061	19,067	–	19,067	
Sales to external customers	¥ 193,635	¥ 128,158	¥ 84,373	¥ 406,168	¥ –	¥ 406,168	
Intersegment sales or transfers	6,786	348	0	7,134	(7,134)	–	
Total	¥ 200,421	¥ 128,506	¥ 84,373	¥ 413,302	¥ (7,134)	¥ 406,168	
Segment profit (loss)	¥ 37,548	¥ 14,888	¥ (1,398)	¥ 51,037	¥ (13,475)	¥ 37,561	
Other items							
Depreciation (Note 4)	¥ 10,273	¥ 11,208	¥ 12,269	¥ 33,750	¥ 1,632	¥ 35,383	
Amortization of goodwill	–	–	1,423	1,423	–	1,423	

(Thousands of U.S. dollars)						
	Reportable segment				Adjustment (Note 1)	Amount on consolidated statement of income (Note 2)
	Parking Business Japan	Mobility Business	Parking Business International	Total		
Net sales						
Revenue from contracts with customers	\$ 1,166,084	\$ 811,773	\$ 534,151	\$ 2,512,009	\$ –	\$ 2,512,009
Other revenues (Note 3)	90,473	19,885	13,375	123,734	–	123,734
Sales to external customers	\$ 1,256,557	\$ 831,658	\$ 547,527	\$ 2,635,743	\$ –	\$ 2,635,743
Intersegment sales or transfers	44,038	2,260	0	46,298	(46,298)	–
Total	\$ 1,300,596	\$ 833,919	\$ 547,527	\$ 2,682,042	\$ (46,298)	\$ 2,635,743
Segment profit (loss)	\$ 243,660	96,613	(9,077)	331,196	\$ (87,445)	\$ 243,750
Other items						
Depreciation (Note 4)	\$ 66,665	\$ 72,732	\$ 79,622	\$ 219,019	\$ 10,594	\$ 229,613
Amortization of goodwill	–	–	9,240	9,240	–	9,240

- Notes: 1. Adjustments to segment profit (loss) are corporate expenses that are not allocated to any reportable segment. Corporate expenses mainly consist of expenses related to administrative divisions such as general affairs that do not belong to any reportable segment.
2. Segment profit (loss) is adjusted with operating profit in the consolidated statements of income.
3. Other revenues include lease revenue based on the “Accounting Standard for Lease Transactions.”
4. Depreciation includes amortization of long-term prepaid expenses.

Related information on reportable segments

Fiscal year ended October 31, 2024

1. Information by product or service

This information is omitted because similar information has already been disclosed in segment information.

2. Information by region

(1) Net sales

					(Millions of yen)
Japan		U.K.		Other	Total
¥	288,501	¥	46,334	¥	36,077
				¥	370,913

(2) Property, plant, and equipment

					(Millions of yen)
Japan		Australia		Other	Total
¥	106,725	¥	20,018	¥	6,861
				¥	133,604

3. Information by major customer

This information is omitted because no external customer accounts for 10% or more of net sales in the consolidated statement of income.

Fiscal year ended October 31, 2025

1. Information by product or service

This information is omitted because similar information has already been disclosed in segment information.

2. Information by region

(1) Net sales

					(Millions of yen)
Japan		U.K.		Other	Total
¥	321,794	¥	48,558	¥	35,815
				¥	406,168

(Thousands of U.S. dollars)

Japan		U.K.		Other	Total
\$	2,088,216	\$	315,110	\$	232,416
				\$	2,635,743

(2) Property, plant, and equipment

					(Millions of yen)
Japan		Australia		Other	Total
¥	131,281	¥	17,972	¥	6,631
				¥	155,886

(Thousands of U.S. dollars)

Japan		Australia		Other	Total
\$	851,925	\$	116,631	\$	43,034
				\$	1,011,592

3. Information by major customer

This information is omitted because no external customer accounts for 10% or more of net sales in the consolidated statement of income.

Disclosure of impairment loss on non-current assets by reportable segment

Fiscal year ended October 31, 2024

(Millions of yen)

	Reportable segment				Total
	Parking Business Japan	Mobility Business	Parking Business International	Total	
Impairment losses	¥ 27	¥ 7	¥ 2,795	¥ 2,831	¥ 2,831

Fiscal year ended October 31, 2025

(Millions of yen)

	Reportable segment				Total
	Parking Business Japan	Mobility Business	Parking Business International	Total	
Impairment losses	¥ 44	¥ 10	¥ 2,486	¥ 2,541	¥ 2,541

(Thousands of U.S. dollars)

	Reportable segment				Total
	Parking Business Japan	Mobility Business	Parking Business International	Total	
Impairment losses	\$ 290	\$ 66	\$ 16,132	\$ 16,489	\$ 16,489

Amortization and unamortized balance of goodwill by reportable segment

Fiscal year ended October 31, 2024

(Millions of yen)

	Reportable segment				Total
	Parking Business Japan	Mobility Business	Parking Business International	Total	
Ending balance	¥ –	¥ –	¥ 17,391	¥ 17,391	¥ 17,391

Fiscal year ended October 31, 2025

(Millions of yen)

	Reportable segment				Total
	Parking Business Japan	Mobility Business	Parking Business International	Total	
Ending balance	¥ –	¥ –	¥ 16,350	¥ 16,350	¥ 16,350

(Thousands of U.S. dollars)

	Reportable segment				Total
	Parking Business Japan	Mobility Business	Parking Business International	Total	
Ending balance	\$ –	\$ –	\$ 106,105	\$ 106,105	\$ 106,105

Note: Amortization of goodwill is omitted because the similar information has already been disclosed in segment information.

Information on gain on bargain purchase by reportable segment

Fiscal year ended October 31, 2024

Not applicable.

Fiscal year ended October 31, 2025

Not applicable.

Related parties

Related-party transactions

Transactions between the Company filing consolidated financial statements and related parties

Directors and other officers and major shareholders (limited to individuals) of the Company filing consolidated financial statements

Fiscal year ended October 31, 2024

Not applicable.

Fiscal year ended October 31, 2025

Not applicable.

Per share information

Fiscal years ended October 31,	Yen		U.S. dollars
	2024	2025	2025
Net assets per share	¥ 457.79	¥ 575.07	\$ 3.73
Basic earnings per share	109.20	93.28	0.61
Diluted earnings per share	99.81	85.29	0.55

Note: Basis for calculation of both basic and diluted earnings per share is as follows:

Basic earnings per share:

Fiscal years ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Profit attributable to owners of parent	¥ 18,625	¥ 15,917	\$ 103,293
Profit attributable to common shareholders of parent	18,625	15,917	103,293

Fiscal years ended October 31,	Thousands of shares	
	2024	2025
Weighted average number of shares of common stock	170,570	170,643

Diluted earnings per share:

Fiscal years ended October 31,	Millions of yen		Thousands of U.S. dollars
	2024	2025	2025
Adjustment to profit attributable to owners of parent	¥ —	¥ —	\$ —

Fiscal years ended October 31,	Thousands of shares	
	2024	2025
Increase in shares of common stock	16,036	15,992
[of which: bonds with share acquisition rights]	[16,036]	[15,992]
Summary of potential shares not included in the calculation of diluted earnings per share due to their anti-dilutive effect	—	—

Significant subsequent events

Transactions under common control

Additional acquisition of shares in subsidiary

On November 4, 2025, the Company received notification from Development Bank of Japan Inc. (“DBJ”) that it would exercise its right (the “Put Option”) to sell all of its shares of MEIF II CP Holdings 2 Limited (“CP2”), a consolidated subsidiary of the Company, to the Company. Upon receipt of this notification, the Company and TIMES24 CO., LTD. (“TIMES24”), which operates the Parking Business International within the PARK24 Group, resolved at meetings of their Boards of Directors to proceed with the additional acquisition of CP2 shares (the “Additional Acquisition”), and completed the acquisition on December 10, 2025.

1. Overview of transaction

(1) Name of the company and business description

Corporate name: MEIF II CP Holdings 2 Limited

Business description: Operation of parking sites overseas

(2) Date of business combination

December 10, 2025

(3) Legal form of business combination

Acquisition of shares from non-controlling shareholders

(4) Name of the company after combination

No change

(5) Other transaction overview

In pursuit of the Group’s long-term growth, the Company commenced operations in the U.K. in 2017 by jointly acquiring, together with DBJ, all issued shares of CP2, the pure holding company of NATIONAL CAR PARKS LIMITED, which operates a parking business in the U.K. Pursuant to the shareholders’ agreement entered between DBJ and the Company, DBJ exercised its Put Option. Accordingly, TIMES24, which operates the Group’s Parking Business International, acquired all shares of CP2 held by DBJ (49%).

As Times24 already held 51% of CP2’s shares through its U.K. subsidiary, PARK24 INTERNATIONAL LIMITED, this Additional Acquisition made CP2 a wholly owned subsidiary of Times24.

2. Overview of accounting treatment

Based on the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures” (ASBJ Guidance No. 10, January 16, 2019), the transaction will be accounted for as a transaction with non-controlling shareholders under common control.

3. Details of additional acquisition of subsidiary shares

Consideration: Cash and deposits

Acquisition cost: ¥29,282 million (\$190,022 thousand)

4. Changes in capital surplus related to transactions with non-controlling shareholders

(1) Major factor for changes in capital surplus

Additional acquisition of subsidiary shares

(2) Decrease in capital surplus due to transaction with non-controlling shareholders

¥29,282 million (\$190,022 thousand)

Significant borrowings

At the Board of Directors meeting held on November 17, 2025, the Company resolved to raise funds through borrowings for the purpose of investing in growth initiatives and addressing financing events scheduled under the FY2027 Medium-term Management Plan. The borrowings were executed on November 28, 2025.

Financial institution	Amount of borrowings		Borrowing date	Borrowing period	Applicable interest rate	Collateral
	Millions of yen	Thousands of U.S. dollars				
Sumitomo Mitsui Banking Corporation (Note)	¥	20,000	\$	129,785		
The 77 Bank, Ltd.		2,000		12,978	5 years	
The Nanto Bank, Ltd.		1,000		6,489		
Resona Bank, Ltd.		5,000		32,446		
Mizuho Bank, Ltd.		4,500		29,201	November 28, 2025	Base rate (fixed) + spread
The Bank of Kyoto, Ltd.		500		3,244		
The Bank of Nagoya, Ltd.		500		3,244		
Joyo Bank, Ltd.		500		3,244	4 years	
The Nishi-Nippon City Bank, Ltd.		500		3,244		
The Hokuriku Bank, Ltd.		500		3,244		
Total		35,000		227,125	—	—

Note: This loan utilizes positive impact finance, a form of sustainability finance. Sumitomo Mitsui Banking Corporation will qualitatively and quantitatively assess our projects that positively impact society concerning environmental, social, and safety issues.

Commencement of administration proceedings by a U.K. subsidiary

NATIONAL CAR PARKS LIMITED (“NCP”), an overseas consolidated subsidiary of PARK24 CO., LTD., which operates car parking services in the U.K., resolved at a meeting of its Board of Directors held on March 16, 2026 (local time) to commence administration proceedings (the “Administration”), a procedure pursuant to the UK Insolvency Act. On the same date, NCP submitted a Notice of Appointment of Administrators to the High Court of Justice of England and Wales.

1. Reasons for the Administration

NCP operates pay-as-you-go and monthly contract parking services throughout the U.K. Since joining our Group in 2017, NCP has been positioned as an important operating subsidiary supporting our Group’s long-term growth.

From 2020 onwards, however, NCP experienced a decline in demand due to the impact of the COVID-19 pandemic, and the subsequent recovery in utilization remained subdued. In addition, operating costs continued to increase as a result of elevated energy prices following the situation in Ukraine and persistently high inflation in the U.K., leading to rising inflation-linked rent payment obligations. To address the slower post-pandemic recovery in demand, NCP pursued new car park developments to support revenue growth, while also implementing cost-reduction measures such as workforce restructuring. Notwithstanding these efforts, structural losses continued. Furthermore, with significant rent payments falling due at the end of March 2026, its cash-flow position tightened and it became increasingly difficult to secure the necessary funding.

In light of these circumstances, and after considering various financing options including potential asset disposals, NCP determined that no prospect of improvement in its cash-flow position could be identified. Accordingly, with the aim of protecting creditors’ economic interests through the preservation of the value of the business and its assets, NCP’s Board of Directors resolved to place NCP into the Administration, an insolvency procedure under the laws of England and Wales.

The Company will continue to cooperate in good faith regarding the orderly conduct of the Administration.

2. Overview of the subsidiary filing the Administration

(1) Name	NATIONAL CAR PARKS LIMITED
(2) Address	The Bailey, 16 Old Bailey, London, England EC4M 7EG
(3) Representative	Hideyuki Nagahiro, Chairperson & Director
(4) Business description	Operation of parking sites in the U.K.
(5) Share capital	GBP 692 thousand (as of January 31, 2026)
(6) Date of establishment	January 3, 1931
(7) Major shareholders and shareholding ratio	TIMES24 CO., LTD.: 100%

3. Schedule of the Administration

Date of the Board of Directors’ resolution: March 16, 2026 (local time)

Filing date: March 16, 2026 (local time)

4. Impact of the Administration on profit or loss

The impact on our financial results for the fiscal year ending October 31, 2026, is currently under assessment.

Changes in and liquidation of specified subsidiaries

The Company resolved at a meeting of the Board of Directors held on March 17, 2026 to implement Members' Voluntary Liquidation ("MVL"), a solvent liquidation procedure pursuant to the U.K. Insolvency Act 1986, in respect of PARK24 INTERNATIONAL LIMITED ("P24 INT") and MEIF II CP HOLDINGS 2 LIMITED ("CP2"), both intermediate holding companies of our Group in the U.K. As a result of these changes (liquidation), TIMES24 UK LIMITED and S&K CAR PARK MANAGEMENT LTD, which are consolidated subsidiaries of CP2, will be reorganized to become direct subsidiaries of TIMES24 CO., LTD.

1. Reasons for the changes and liquidation

As part of the "Review of Overseas Businesses" outlined in the FY2027 Medium-term Management Plan, we reviewed all strategic options for the U.K. business, primarily led by TIMES24 CO., LTD., which succeeded the Parking Business International from us. Based on a comprehensive assessment of the development status of U.K.-based localized Times PARKING sites through the end of February 2026, we concluded that further investment would not be economically viable.

Subsequently, as announced in the press release dated March 16, 2026, titled "Notice Concerning the Commencement of Administration Proceedings by U.K. Subsidiary," NATIONAL CAR PARKS LIMITED, which operates car parking services in the U.K., commenced Administration, a procedure pursuant to the U.K. Insolvency Act.

In light of these circumstances, we have determined to proceed with the liquidation of P24 INT and CP2, which serve as intermediate holding companies of our Group in the U.K.

2. Overview of the subsidiaries subject to the changes and liquidation

(1) Name	PARK24 INTERNATIONAL LIMITED
(2) Address	The Bailey, 16 Old Bailey, London, England EC4M 7EG
(3) Representative	Kenichi Sasaki, Chairperson & Director
(4) Business description	Intermediate holding company in the U.K.
(5) Share capital	GBP 626,716 thousand (as of January 31, 2026)
(6) Date of establishment	July 20, 2017
(7) Major shareholders and shareholding ratio	TIMES24 CO., LTD.: 100%

(1) Name	MEIF II CP HOLDINGS 2 LIMITED
(2) Address	The Bailey, 16 Old Bailey, London, England EC4M 7EG
(3) Representative	Kenichi Sasaki, Chairperson & Director
(4) Business description	Intermediate holding company in the U.K.
(5) Share capital	GBP 499,470 thousand (as of January 31, 2026)
(6) Date of establishment	March 1, 2007
(7) Major shareholders and shareholding ratio	PARK24 INTERNATIONAL LIMITED: 51% TIMES24 CO., LTD.: 49%

3. Schedule of the changes and liquidation

We will commence the liquidation procedures in accordance with applicable local laws and regulations. However, the specific timing of the completion of the liquidation has not yet been determined at this time.

4. Impact of the changes and liquidation on profit or loss

The impact on our financial results for the fiscal year ending October 31, 2026, is currently under assessment.

Sale of shares of a consolidated subsidiary

The Company resolved at a meeting of the Board of Directors held on March 19, 2026 to sell all shares of TIMES24 SINGAPORE PTE. LTD. (the “Sale”). TIMES24 SINGAPORE PTE. LTD. (“T24 SG”) is a second-tier subsidiary of the Company. As a result of the Sale, T24 SG will be excluded from the scope of our consolidation.

1. Reasons for the Sale

To achieve group-wide long-term growth, we established the parking business in Singapore in 2017 by acquiring 80.0% of the outstanding shares of SECURE PARKING SINGAPORE PTE. LTD. (“SP SG”), a company engaged in the parking business in the country. In 2018, the remaining outstanding shares were acquired to convert SP SG into a wholly owned subsidiary. In 2022, SP SG changed its trade name to T24 SG and rebranded its parking services from “Secure Parking” to “Times,” and has worked to expand the business and earnings.

Singapore, which has already established its Electronic Road Pricing (ERP) system, plans to transition to ERP 2.0, in which all vehicles must be equipped with an on-board unit by January 2027. Consequently, it will be necessary for parking operators to respond to parking charging systems that are compatible with ERP 2.0 and make the required investments.

From the perspective of strategic fit and return on investment, we have decided to implement the Sale in order to withdraw from the parking business in Singapore.

2. Name of the transferee receiving the shares

Re Sustainability Solutions Pte Ltd

3. Schedule of the Sale

April 20, 2026

4. Overview of the subsidiary

(1) Name	TIMES24 SINGAPORE PTE. LTD.
(2) Business description	Operation of parking sites in Singapore
(3) Business relationship with the Company	Not applicable

5. Number of shares to be sold, sale price, gain/loss on sale, and number of shares held after the Sale

(1) Number of shares to be sold	5,221,500 shares of common stock
(2) Sale price	The sale price has not been disclosed at the request of the transferee and due to confidentiality obligations under the share transfer agreement. However, it was determined through negotiations with the transferee following a fair process, and we believe that it represents a fair value.
(3) Gain/loss on sale	Currently under assessment.
(4) Number of shares held after the Sale	0 shares (voting rights ownership ratio: 0.0%)

Annexed Consolidated Schedules

Annexed consolidated schedule of corporate bonds

(Millions of yen, unless otherwise stated)

Issuer	Issue name	Issue date	Beginning balance	Ending balance	Rate (%)	Collateral	Redemption date
PARK24 CO., LTD.	Euro-yen Zero Coupon Convertible Bonds due 2025 (bonds with share acquisition rights)	October 29, 2018	¥7,310 [7,310]	–	–	Unsecured	October 29, 2025
PARK24 CO., LTD.	Euro-yen Zero Coupon Convertible Bonds Subject to Call due 2028 (bonds with share acquisition rights)	February 24, 2023	¥35,000	¥35,000	–	Unsecured	February 24, 2028
Total	–	–	¥42,310 [7,310]	¥35,000	–	–	–

(Thousands of U.S. dollars, unless otherwise stated)

Issuer	Issue name	Issue date	Beginning balance	Ending balance	Rate (%)	Security	Redemption date
PARK24 CO., LTD.	Euro-yen Zero Coupon Convertible Bonds due 2025 (bonds with share acquisition rights)	October 29, 2018	\$47,436 [47,436]	–	–	Unsecured	October 29, 2025
PARK24 CO., LTD.	Euro-yen Zero Coupon Convertible Bonds Subject to Call due 2028 (bonds with share acquisition rights)	February 24, 2023	\$227,125	\$227,125	–	Unsecured	February 24, 2028
Total	–	–	\$274,561 [47,436]	\$227,125	–	–	–

Notes 1. The figures in square brackets represent the current portion.

2. The description of bonds with share acquisition rights is as follows:

Issue name	Euro-yen Zero Coupon Convertible Bonds due 2025 (bonds with share acquisition rights)	Euro-yen Zero Coupon Convertible Bonds Subject to Call due 2028 (bonds with share acquisition rights)
Shares to be issued	Common stock	Common stock
Share acquisition right issue price	Gratis issue	Gratis issue
Share issue price	¥3,823.8 (\$24.81)	¥2,471 (\$16.03)
Total issue amount	¥7,310 million (\$47,436 thousand)	¥35,000 million (\$227,125 thousand)
Total amount of shares issued upon exercise of share acquisition rights	–	–
Grant percentage of share acquisition rights (%)	100	100
Exercise period of share acquisition rights	November 12, 2018 through October 15, 2025	March 10, 2023 through February 10, 2028

Note: When a bondholder of the bonds with share acquisition rights exercises the rights, it shall be deemed that the bondholder has made a request for paying in the full amount to be paid in upon exercise of the share acquisition rights in lieu of redemption of the full amount of the bonds.

3. The redemption schedule after the consolidated balance sheet date is as follows:

(Millions of yen)											
Within 1 year		Over 1 to 2 years		Over 2 to 3 years		Over 3 to 4 years		Over 4 to 5 years		Over 5 years	
¥	–	¥	–	¥	35,000	¥	–	¥	–	¥	–
(Thousands of U.S. dollars)											
Within 1 year		Over 1 to 2 years		Over 2 to 3 years		Over 3 to 4 years		Over 4 to 5 years		Over 5 years	
\$	–	\$	–	\$	227,125	\$	–	\$	–	\$	–

Annexed consolidated schedule of borrowings

(Millions of yen, unless otherwise stated)					
Category	Balance as of November 1, 2024		Balance as of October 31, 2025		Average interest rate (%)
Short-term borrowings	¥	1,471	¥	2,358	3.90
Current portion of long-term borrowings		395		8,099	1.31
Current portion of lease liabilities		10,845		10,213	3.22
Long-term borrowings (excluding current portion)		67,822		94,724	2.48
Lease liabilities (excluding current portion)		21,138		22,248	3.37
Total	¥	101,673	¥	137,645	–
(Thousands of U.S. dollars, unless otherwise stated)					
Category	Balance as of November 1, 2024		Balance as of October 31, 2025		Average interest rate (%)
Short-term borrowings	\$	9,549	\$	15,305	3.90
Current portion of long-term borrowings		2,566		52,563	1.31
Current portion of lease liabilities		70,377		66,279	3.22
Long-term borrowings (excluding current portion)		440,121		614,697	2.48
Lease liabilities (excluding current portion)		137,176		144,376	3.37
Total	\$	659,790	\$	893,221	–

Notes: 1. Average interest rate represents the weighted-average rate applicable to the ending balances of borrowings.

2. The repayment schedule of long-term borrowings and lease liabilities (excluding the current portion) after the consolidated balance sheet date is as follows:

(Millions of yen)						
	Over 1 to 2 years		Over 2 to 3 years		Over 3 to 4 years	
Long-term borrowings	¥	25,724	¥	8,000	¥	8,000
Lease liabilities		8,137		6,270		4,494
(Thousands of U.S. dollars)						
	Over 1 to 2 years		Over 2 to 3 years		Over 3 to 4 years	
Long-term borrowings	\$	166,936	\$	51,914	\$	51,914
Lease liabilities		52,805		40,688		29,164

Annexed consolidated schedule of asset retirement obligations

This information is omitted because the same information has already been disclosed in Notes to Consolidated Financial Statements, “Asset retirement obligations.”

Independent Auditor's Report

The Board of Directors
PARK24 Co., Ltd.

The Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of PARK24 Co., Ltd. and its consolidated subsidiaries (the Group), which comprise the consolidated balance sheet as at October 31, 2025, and the consolidated statements of income, comprehensive income, changes in net assets, and cash flows for the year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at October 31, 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Japan, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

1. We draw attention to "Significant subsequent events" in the notes to the consolidated financial statements, which describe that NATIONAL CAR PARKS LIMITED, a consolidated subsidiary of the Company, resolved at a meeting of its Board of Directors held on March 16, 2026 to commence administration proceedings under the UK Insolvency Act.
2. We draw attention to "Significant subsequent events" in the notes to the consolidated financial statements, which describe that the Company resolved at a meeting of the Board of Directors held on March 17, 2026 to implement Members' Voluntary Liquidation, a solvent liquidation procedure under the UK Insolvency Act, in respect of PARK24 INTERNATIONAL LIMITED and MEIF II CP HOLDINGS 2 LIMITED, both consolidated subsidiaries of the Company.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of goodwill and contract-related intangible assets attributable to PARK24 INTERNATIONAL LIMITED	
Description of Key Audit Matter	Auditor's Response
The Company recognized goodwill of ¥6,926 million and contract-related intangible assets of ¥1,852 million attributable to PARK24 INTERNATIONAL LIMITED, its consolidated subsidiary, on the consolidated balance sheet as of October 31, 2025. As described in "Significant accounting estimates" in the notes to consolidated financial statements, the Company identified an indication of impairment of certain asset groups to which the goodwill and contract-related intangible assets were allocated due to the deterioration of profitability resulting from changes in the business environment. The future cash flows expected to be generated from the continuing use of the asset groups were estimated based on the business plan approved by the Board of Directors, while the cash flows beyond the period covered by the business plan were estimated based on the corresponding growth rate. As described in "Significant accounting estimates" in the notes to the consolidated financial statements, the following significant assumptions were used to estimate the undiscounted future cash flows: the number and gross profit of Times PARKING sites in operation that are included in the parking sites within the UK, all of which constituted a basis for the business plan; and the growth rate beyond the period covered by the business plan. The aforementioned significant assumptions are subject to uncertainty and require management's judgment. We therefore have determined that this is a key audit matter.	We performed the following audit procedures to examine the valuation of goodwill and contract-related intangible assets attributable to PARK24 INTERNATIONAL LIMITED, among others: • In order to evaluate the appropriateness of the assessment of the indication and recognition of impairment, we compared business plans used for the valuation for prior fiscal years with actual results, and if there was any deviation, analyzed the factors behind the deviation. • We compared the historical number of Times PARKING sites in operation with the number of sites recorded in the accounting system. • We compared the period for which the future cash flows were estimated with the remaining economic useful lives of the primary assets. • We assessed whether the estimated future cash flows were consistent with the business plan approved by the Board of Directors. • In order to evaluate the significant assumptions made by management for the number and gross profit of Times PARKING sites, and the growth rate used for the period beyond the business plan, we compared these figures to available external data and performed trend analysis based on historical data. • We made our own estimates of future cash flows by incorporating specific uncertainties and assessed how the impairment assessment would be impacted.

Valuation of goodwill attributable to PARK24 AUSTRALIA PTY LTD	
Description of Key Audit Matter	Auditor's Response
The Company recognized goodwill of ¥4,705 million attributable to PARK24 AUSTRALIA PTY LTD, its consolidated subsidiary, on the consolidated balance sheet as of October 31, 2025. As described in “Significant accounting estimates” in the notes to the consolidated financial statements, the Company identified an indication of impairment of the cash-generating unit to which the goodwill was allocated due to the deterioration of profitability resulting from changes in the business environment. However, the Company recognized no impairment loss because the sum of the discounted future cash flows to be generated from the relevant cash-generating unit exceeded the carrying amount of the said cash-generating unit. The future cash flows expected to be generated from continuing use of the cash-generating unit were estimated based on the business plan approved by the Board of Directors, while the cash flows beyond the period covered by the business plan were estimated based on the corresponding growth rate. As described in “Significant accounting estimates” in the notes to consolidated financial statements, the following significant assumptions were used to estimate the discounted future cash flows: the number of Times PARKING sites and similar parking sites, the gross profit of the parking sites under lease contracts, included in the parking sites within Australia and New Zealand, both of which constituted a basis for the business plan; and the growth rate beyond the period covered by the business plan. The aforementioned significant assumptions are subject to uncertainty and require management's judgment. We therefore have determined that this is a key audit matter.	We performed the following audit procedures to examine the valuation of goodwill attributable to PARK24 AUSTRALIA PTY LTD, among others: • In order to evaluate the appropriateness of the assessment of the indication and recognition of impairment, we compared business plans used for the valuation for prior fiscal years with actual results, and if there was any deviation, analyzed the factors behind the deviation. • We assessed whether the estimated future cash flows were consistent with the business plan approved by the Board of Directors. • In order to evaluate the significant assumptions made by management for the number of Times PARKING sites and similar parking sites, the gross profit of the parking site under lease contracts, and the growth rate used for the period beyond the business plan, we compared these figures to available external data and performed trend analysis based on historical data. • We made our own estimates of future cash flows by incorporating specific uncertainties and assessed how the impairment assessment would be impacted. • For discount rates, we evaluated the adequacy of the method of discount rate calculation using valuation specialists from our network firm, and also compared the input data with the specialists' own estimates based on external data.

Other Information

The other information comprises the information included in the Annual Report that contains audited consolidated financial statements, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for preparation and disclosure of the other information. The Audit and Supervisory Committee is responsible for overseeing the Group's reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management, the Audit and Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern and disclosing, as required by accounting principles generally accepted in Japan, matters related to going concern.

The Audit and Supervisory Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation in accordance with accounting principles generally accepted in Japan.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Supervisory Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Supervisory Committee with a statement that we have complied with the ethical requirements regarding independence that are relevant to our audit of the consolidated financial statements in Japan, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied to reduce threats to an acceptable level.

From the matters communicated with the Audit and Supervisory Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Convenience Translation

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended October 31, 2025 are presented solely for convenience. Our audit also included the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 6 to the consolidated financial statements.

Fee-related Information

The fees for the audits of the financial statements of PARK24 Co., Ltd. and its subsidiaries and other services provided by us and other EY member firms for the year ended October 31, 2025 are 289 million yen and 16 million yen, respectively.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Ernst & Young ShinNihon LLC
Tokyo, Japan

April 20, 2026

Chihiro Yasunaga

Designated Engagement Partner
Certified Public Accountant

Kenji Sato

Designated Engagement Partner
Certified Public Accountant