

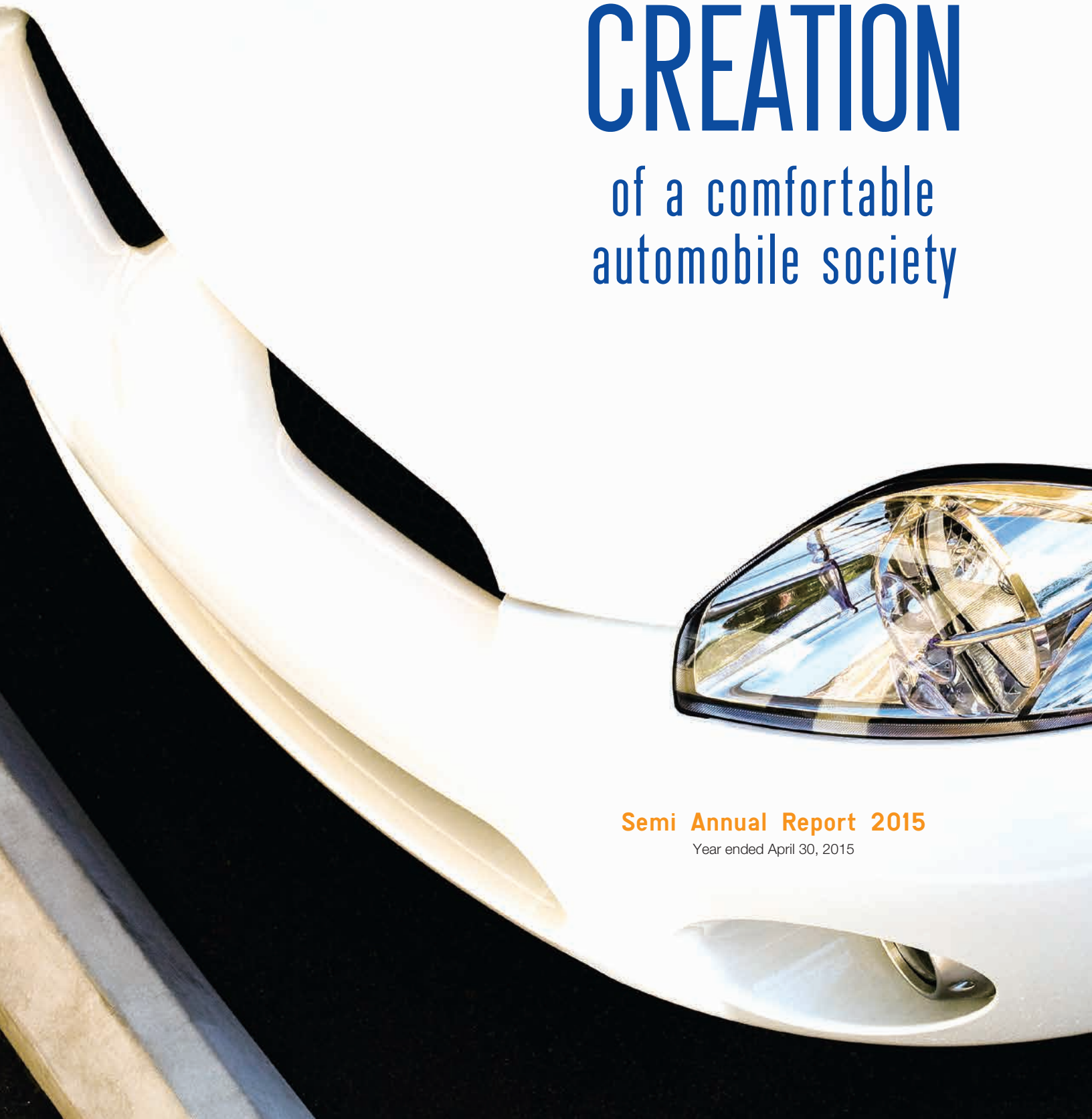
Park24 Co., Ltd.

CREATION

of a comfortable
automobile society

Semi Annual Report 2015

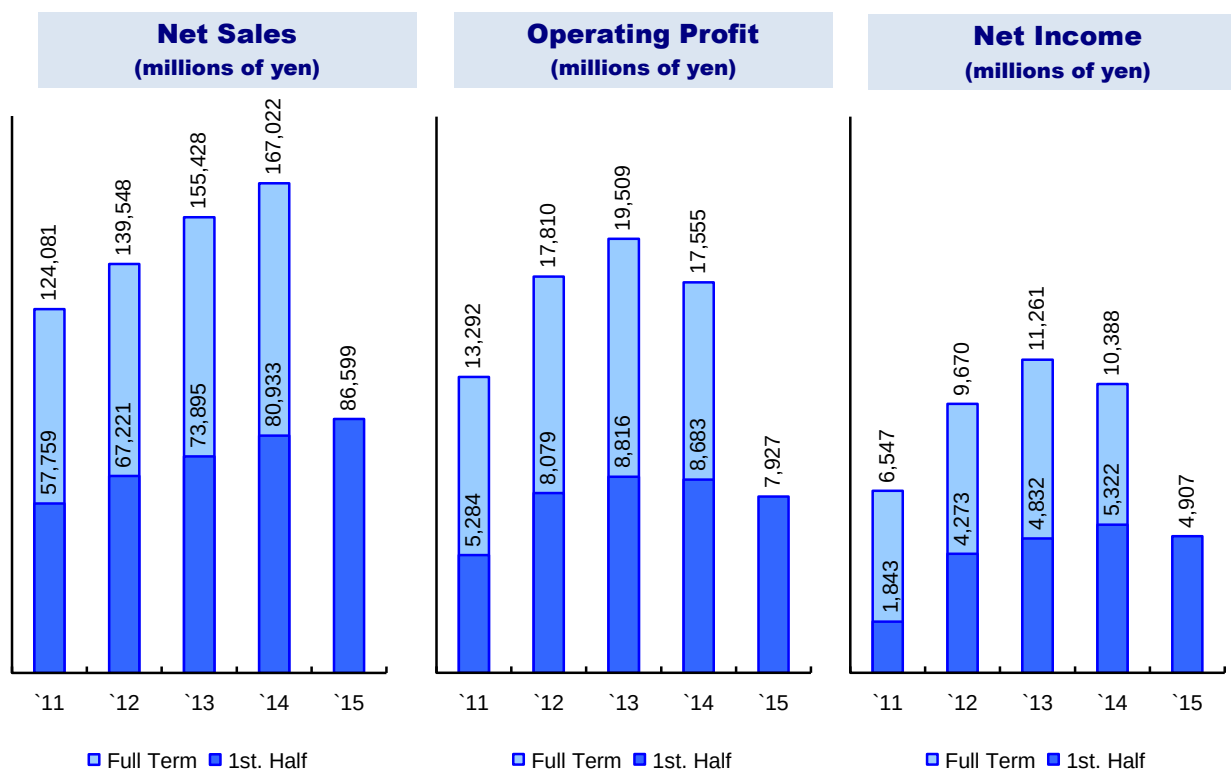
Year ended April 30, 2015



CONSOLIDATED FINANCIAL HIGHLIGHT (Unaudited)
For the six-month periods ended April 30, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note)
	2014	2015	2015
For the period:			
Net sales	¥ 80,933	¥ 86,599	\$ 727,722
Parking business	62,895	65,549	550,832
Mobility business	18,038	21,050	176,890
Operating profit	8,683	7,927	66,613
Net income	5,322	4,907	41,235
At the end of the period:			
Total Net Assets	¥ 60,190*	¥ 59,209	\$ 497,555
Total Assets	135,294*	134,166	1,127,445
Per share data (Yen and U.S. dollars) :			
Net income			
Basic	¥ 36.76	¥ 33.77	\$ 0.28
Diluted	34.66	31.90	0.27
Shareholders' equity	376.27*	404.59	3.40
Number of Times parking spaces	470,675*	492,619	
Number of employees:	2,010*	2,223	

*As of October 31, 2014



TO OUR SHAREHOLDERS

[Qualitative Data, Financial Statements and Other Information]

1. Qualitative data on the consolidated financial results

During the first six months of the consolidated fiscal year under review (from November 1, 2014 to April 30, 2015), the Japanese economy experienced a moderate recovery as a result of the impact of a number of policies implemented by the government and the Bank of Japan, in addition to improvements in corporate earnings and the employment environment. Personal spending remained weak, however, primarily because of a delay in the recovery after the consumption tax hike and a rise in prices on the back of the weak yen and other factors.

In this environment, the Group sought to achieve a comfortable automobile society by expanding its network of parking facilities and mobility services. Meanwhile, the Group sought to win over drivers by creating new services and promoting meticulous operations in response to a wide range of needs. As a result, in the first six months under review, the Group posted net sales of 86,598 million yen (up 7.0% year on year), operating profit of 7,926 million yen (down 8.7%) and recurring profit of 7,926 million yen (down 8.6%). Net income stood at 4,906 million yen (down 7.8%).

Results by business segment are as follows:

Parking Business

The Group improved the area-based system, where the development and management of parking facilities in an area is carried out as one unit, by developing it into a more sophisticated area-oriented system, and it reinforced its system for capturing demand for the contracted operation of large-scale parking facilities mainly from government and medical corporations. As a result, the development of parking facilities generally remained steady. Consequently, the numbers of Times parking facilities and parking spaces managed at the end of the term under review were 14,653, up 4.7% from the end of the previous fiscal year, and 492,619, up 4.7%, respectively. The total number of parking facilities managed, including monthly parking and facility management services, rose 4.4% from the end of the previous fiscal year, to 16,099, and the total number of parking spaces managed increased 4.4%, to 601,046. The Group also focused on the area-oriented system and adopted carefully crafted management measures. However, given the effects of the external environment, mainly reflecting a continued fall in traffic volume since the consumption tax hike in April 2014, net sales in this segment (including intersegment sales) stood at 65,587 million yen (rising 4.2% year on year), and operating profit amounted to 10,737 million yen (down 11.8%).

Mobility Business

In Times Car, the Group focused on corporate sales through consultation on the car usage situation and strove to reduce non-operating hours by improving its maintenance functions. It has also been striving to create a user-friendly environment, primarily by installing cars at key transportation connection points, such as stations where Shinkansen bullet trains stop and airports, and by introducing PitGo, a simple car rental service. Moreover, the Group has been taking new steps by using its business foundations, including the commencement of a demonstration experiment of a one-way sharing service in urban central areas using the TOYOTA i-Road, an ultra-compact electric car, and sales of used cars to private customers through its website.

As a result, the total number of vehicles in the Mobility Business segment at the end of the term under review rose 4.6% from the end of the previous fiscal year, to 37,990 (of which the number of vehicles in the car sharing service was 11,851). Net sales in the segment (including intersegment sales) reached 21,089 million yen (increasing 16.8% year on year) and operating profit was 610 million yen (compared with an operating loss of 112 million yen a year earlier).

2. Qualitative data on the consolidated financial position

(1) Financial position

(i) Assets, liabilities and net assets

Total assets at the end of the second quarter under review declined 1,127 million yen from the end of the previous fiscal year, to 134,166 million yen. This primarily reflected increases of 1,068 million yen in machinery, equipment and vehicles (net) and 450 million yen in investments and other assets, including long-term prepaid expenses, and decreases of 3,901 million yen in cash and deposits.

TO OUR SHAREHOLDERS

Total liabilities decreased 146 million yen, to 74,956 million yen. Major contributing factors included increases of 1,202 million yen in “Other,” including accounts payable-other, in current liabilities, and decreases of 657 million yen in income taxes payable and 1,195 million yen in liabilities related to retirement benefit obligations associated with a revision of the accounting standards.

Net assets fell 980 million yen, to 59,209 million yen, mainly reflecting an increase of 881 million yen in retained earnings at the beginning of the fiscal year associated with a revision of the accounting standards for retirement benefits, which is also mentioned in the above paragraph about liabilities, and an increase of 4,906 million yen from the recording of net income, and a decline of 7,258 million yen as a result of dividend payments.

(2) Cash flow condition

Cash and cash equivalents at the end of the first six months of the consolidated fiscal year under review fell 3,901 million yen from the end of the previous consolidated fiscal year, to 11,791 million yen.

The cash-flow situation by category for the six months was as follows.

(Net cash from operating activities)

Net cash provided by operating activities increased 1,292 million yen year on year, to 15,723 million yen. This primarily reflected the total of depreciation and amortization and income before income taxes and minority interests of 17,728 million yen and income taxes paid of 3,568 million yen.

(Net cash from investing activities)

Net cash used in investing activities was 10,625 million yen (cash outflows increased 1,322 million yen year on year). This primarily reflected purchases of property, plant and equipment of 8,304 million yen associated with the opening of Times parking facilities and the acquisition of vehicles for service, and the purchase of long-term prepaid expenses of 1,802 million yen.

(Net cash from financing activities)

Net cash used in financing activities was 9,016 million yen (cash outflows increased 783 million yen year on year). This was chiefly attributable to dividend payments of 7,240 million yen and the repayment of long-term loans payable of 2,735 million yen, offsetting a net increase in short-term loans payable of 1,600 million yen and proceeds from long-term loans payable of 1,150 million yen, and proceeds from the issuance of common stock of 224 million yen.

TO OUR SHAREHOLDERS

3. Qualitative data on the consolidated earnings forecasts

The consolidated earnings forecasts for the fiscal year ending October 31, 2015 have not been changed from the figures announced on December 15, 2014 in the Consolidated Financial Report for the Fiscal Year Ended October 2014.

4. Others

- (1) Important changes of subsidiaries during the term
(Change of specified subsidiaries that lead to a change in the scope of consolidation): None
- (2) Adoption of the simplified accounting methods and accounting methods specific
to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting principles and procedures and the presentation method, etc.
of consolidated financial statements: None

July 2015



Koichi Nishikawa
President and Representative Director

CONSOLIDATED BALANCE SHEETS (Unaudited)
As of April 30, 2015 and October 31, 2014

	Millions of yen		Thousands of U.S. dollars (Note 2)
	October 31	April 30	April 30
	2014	2015	2015
ASSETS			
Current assets:			
Cash on hand and in banks	¥ 15,709	¥ 11,808	\$ 99,227
Notes and accounts receivable, trade	7,338	7,453	62,630
Less: allowance for doubtful accounts	(74)	(72)	(605)
Inventories	768	838	7,042
Prepaid expenses	7,593	7,442	62,538
Deferred tax assets	1,075	1,108	9,311
Other current assets	2,740	2,879	24,193
Total current assets	35,149	31,456	264,336
Property, plant and equipment:			
Buildings and structures	21,448	21,953	184,479
Machinery and vehicles	49,115	51,730	434,706
Equipment, furniture and fixtures	12,876	13,515	113,571
Lease assets	26,836	29,326	246,437
Land	24,304	24,304	204,235
Construction-in-progress	705	994	8,353
	135,284	141,822	1,191,781
Less: accumulated depreciation	(52,778)	(57,226)	(480,890)
Total property, plant and equipment, net	82,506	84,596	710,891
Investments and other assets:			
Investment securities	2,275	2,350	19,748
Intangible assets	1,461	1,563	13,134
Goodwill	694	617	5,185
Long-term prepaid expenses	7,308	7,839	65,874
Lease deposits	3,604	3,741	31,437
Deferred tax assets	1,500	998	8,387
Other assets	812	1,021	8,579
Less: allowance for doubtful accounts	(15)	(15)	(126)
Total investments and other assets	17,639	18,114	152,218
Total assets	¥ 135,294	¥ 134,166	\$ 1,127,445

CONSOLIDATED BALANCE SHEETS (Unaudited)
As of April 30, 2015 and October 31, 2014

	Millions of yen		Thousands of U.S. dollars (Note 2)
	October 31	April 30	April 30
	2014	2015	2015
LIABILITIES AND NET ASSETS			
Current liabilities:			
Notes and accounts payable, trade	¥ 618	¥ 497	\$ 4,176
Short term borrowings	1,100	2,700	22,689
Current portion of long term debt	5,135	4,900	41,176
Current portion of lease obligation	3,966	4,094	34,403
Notes payable, other	3,595	3,373	28,345
Accounts payable, other	6,208	7,261	61,017
Accrued expenses	4,810	4,891	41,101
Accrued income taxes	3,726	3,068	25,782
Other current liabilities	3,117	3,345	28,109
Total current liabilities	32,275	34,129	286,798
Long-term liabilities:			
Long-term debt	28,288	26,938	226,370
Lease obligation	7,972	8,238	69,227
Net defined benefit liability	1,196	-	
Asset retirement obligations	4,248	4,412	37,075
Other long-term liabilities	1,125	1,240	10,420
Total long-term liabilities	42,829	40,828	343,092
Net Assets:			
Shareholders' equity:			
Common stock	8,219	8,357	70,227
Authorized :			
2014 and 2015 — 283,680,000 shares			
Issued and outstanding:			
2014 — 145,171,904 shares,			
2015 — 145,429,204 shares			
Capital surplus	9,972	10,110	84,958
Retained earnings	42,842	41,371	347,655
Treasury stock, at cost (2014 — 977 shares, 2015 — 977 shares)	(1)	(1)	(8)
	61,032	59,837	502,832
Accumulated other comprehensive income:			
Net unrealized gains on securities	97	117	983
Revaluation surplus for land	(1,053)	(1,052)	(8,840)
Foreign currency translation adjustment	14	130	1,092
Accumulated adjustments for retirement benefit	(300)	(251)	(2,109)
Total accumulated other comprehensive income	(1,242)	(1,056)	(8,874)
Stock acquisition rights	400	428	3,597
Total net assets	60,190	59,209	497,555
Total liabilities and net assets	¥ 135,294	¥ 134,166	\$ 1,127,445

CONSOLIDATED STATEMENT OF INCOME (Unaudited)
For the six-month periods ended April 30, 2014 and 2015

	Thousands of U.S. dollars (Note 2)	
	2014	2015
Net sales:	¥ 80,933	¥ 86,599
Cost of sales:	59,511	65,230
Gross profit	21,422	21,369
Selling, general and administrative expenses:	12,739	13,442
Operating profit	8,683	7,927
Other expenses (income):		
Interest expense	57	34
Interest and dividend income	(3)	(4)
Expenses incurred for evacuation of parking facilities	179	188
Penalty income charged to customers for cancellation of parking facilities	(37)	(16)
Equity in loss (earnings) of affiliates	(19)	9
Foreign exchange loss (gain)	(20)	(98)
Losses on disposal of property and equipments	23	22
Other, net	(149)	(104)
	31	31
Income before income taxes	8,652	7,896
Income taxes:		
Current	3,320	2,997
Deferred	10	(8)
	3,330	2,989
Income before minority interests	5,322	4,907
Minority interests in earnings of consolidated subsidiaries	-	-
Net income	¥ 5,322	¥ 4,907
	2014	2015
Per share of common stock :		
Net income	¥ 36.76	¥ 33.77
Basic	¥ 34.66	¥ 31.90
Diluted	¥ -	¥ -
Cash dividends		

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
For the six-month periods ended April 30, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2014	2015	2015
Income before minority interests	¥ 5,322	¥ 4,907	\$ 41,235
Other comprehensive income			
Net unrealized gains on securities	7	19	160
Foreign currency translation adjustments	6	44	370
Accumulated adjustments for retirement benefit	-	49	412
Share of other comprehensive gain in affiliated companies	59	73	613
Total other comprehensive income	72	185	1,555
Comprehensive income	¥ 5,394	¥ 5,092	\$ 42,790
Comprehensive income attribute to:			
Shareholders of PARK24 Co., Ltd.	¥ 5,394	¥ 5,092	\$ 42,790

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
For the six-month periods ended April 30, 2014 and 2015

	Millions of yen		Thousands of U.S. dollars (Note 2)
	2014	2015	2015
Cash flows from operating activities:			
Income before income taxes	¥ 8,652	¥ 7,896	\$ 66,353
Adjustments to reconcile income to net cash provided by operating activities:			
Depreciation and amortization	8,779	9,832	82,622
Retirement benefit costs	(7)	44	370
Officers' retirement benefit costs	(270)	-	-
Interest and dividend income	(3)	(4)	(34)
Interest expense	57	34	286
Losses on disposal of property and equipments	23	22	185
Changes in assets and liabilities:			
Notes and accounts receivable, trade	(80)	(121)	(1,017)
Inventories	1,034	1,211	10,176
Prepaid expenses	(89)	156	1,311
Notes and accounts payable, trade	200	(121)	(1,017)
Notes payable, property and equipment	(30)	(386)	(3,244)
Accounts payable, other	989	450	3,782
Other	(332)	310	2,605
Subtotal	18,923	19,323	162,378
Interest and dividend income received	3	4	33
Interest expense paid	(57)	(35)	(294)
Income taxes paid	(4,438)	(3,568)	(29,983)
Net cash provided by operating activities	14,431	15,724	132,134
Cash flows from investing activities:			
Increase in time deposits with deposit term of over three months	(6)	(6)	(50)
Decrease in time deposits with deposit term of over three months	6	6	50
Payments for purchase of property and equipment	(6,801)	(8,305)	(69,790)
Proceeds from sales of property and equipment	25	24	202
Payments of intangible assets	(216)	(287)	(2,412)
Payments for purchase of investment securities	(500)	-	-
Payment of long-term prepaid expenses	(1,463)	(1,802)	(15,143)
Other	(348)	(256)	(2,151)
Net cash used in investing activities	(9,303)	(10,626)	(89,294)
Cash flows from financing activities:			
Increase in short-term borrowings, net	3,000	1,600	13,445
Proceeds from long-term debt	1,400	1,150	9,664
Repayment of long-term debt	(5,583)	(2,735)	(22,983)
Repayment of lease obligations	(1,808)	(2,015)	(16,933)
Dividends paid	(5,768)	(7,241)	(60,849)
Proceeds from issuance of additional shares of common stock	836	225	1,891
Payments for purchase of treasury stock	(309)	-	-
Net cash provided by (used in) financing activities	(8,232)	(9,016)	(75,765)
Foreign currency translation adjustments on cash and cash equivalents	2	17	143
Net increase in cash and cash equivalents	(3,102)	(3,901)	(32,782)
Cash and cash equivalents at beginning of year	15,310	15,693	131,874
Cash and cash equivalents at end of year	¥ 12,208	¥ 11,792	\$ 99,092

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of presenting consolidated financial statements:

The accompanying consolidated financial statements of PARK 24 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, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Law of Japan.

Certain items presented in the consolidated financial statements submitted to the Director of the Kanto Finance Bureau in Japan have been reclassified in these accounts for the convenience of readers outside Japan.

The consolidated financial statements are not intended to present the consolidated financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Japan.

2. U.S. dollar amounts:

Amounts in U.S. dollars are included solely for the convenience of readers outside Japan. The rate of ¥119.00=U.S.\$1, the rate of exchange on April 30, 2015, has been used in translation. The inclusion of such amounts is not intended to imply that Japanese yen has been or could be readily converted, realized or settled in U.S. dollars at this or any other rate.

CORPORATE DATA

As of April 30, 2015

CORPORATE INFORMATION

Corporate Name

PARK24 Co., Ltd.

Stock Listing

First Section of the Tokyo Stock Exchange

Share Code (Ticker Symbol)

4666 (PKCOY)

Date of Founding

August 26, 1971

(Date of Establishment: February 3, 1973)

Paid-in Capital

¥8,357 million

Fiscal Year-end

October 31

Number of Employees

235 (2,223 on a consolidated basis)

Overview of Operations

Parking Business

Parking facility Operation Business

*Operation of Times parking facility (24-hour, unmanned
hourly parking facilities)*

Parking Facility Management and Other
Businesses

*Outsourced management of parking facility,
Operation of monthly parking facility, etc.*

Mobility Business

*Rent-a-car Service, Car Sharing Service,
Road Assistance Service*

Leading Banks

Sumitomo Mitsui Banking Corp.

Resona Bank, Ltd.

Mizuho Bank, Ltd.

The Bank of Tokyo-Mitsubishi UFJ, Ltd.

Mitsubishi UFJ Trust and Banking Corp.

Transfer Agent

Mitsubishi UFJ Trust and Banking Corp.

Accounting Auditor

Ernst & Young ShinNihon LLC

Group Main Company

Times24 Co., Ltd.

Times Service Co., Ltd.

Times Communication Co., Ltd.

Times Mobility Networks Co., Ltd.

Times Rescue Co., Ltd.

Times Support Co., Ltd.

Taiwan Park24 Parking Co., Ltd.

GS Park24 Co., Ltd. (Korea)

TPF1 Ltd.

BOARD OF DIRECTORS AND AUDITORS

Koichi Nishikawa

President and Representative Director

(Corporate Officer)

Kenichi Sasaki

Director

(Corporate Officer

General Manager of Corporate Planning Division)

Norifumi Kawakami

Director

(Corporate Officer

General Manager of Business Propulsion Division)

Keisuke Kawasaki

Director

Seishi Uenishi

Full-Time Corporate Auditor

Kyosuke Kano

Outside Corporate Auditor

Tsunekazu Takeda

Outside Corporate Auditor

CORPORATE OFFICERS

Shingo Kaneko

General Manager of Corporate Administration Division