



Consolidated Financial Report for the Fiscal Year Ended October 31, 2015(Japanese GAAP)

December 15, 2015

Company name: PARK24 Co., Ltd. Stock listing: TSE
Code number: 4666 URL: <http://www.park24.co.jp>
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Scheduled day of annual shareholders' meeting: January 27, 2016
Scheduled day of commencing dividend payment: January 28, 2016
Scheduled day of submission of a financial report: January 28, 2016
Preparation of Supplementary Financial Data: ☒ Yes / None
Information meeting for financial results to be held: ☒ Yes / None (for analysts and institutional investors)

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

1. Consolidated business results for the fiscal year ended October 31, 2015 (November 1, 2014– October 31,2015)

(1) Consolidated results of operations

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

	Net sales		Operating profit		Recurring profit		Net income	
Year Ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
October 31,2015	179,698	7.6	18,730	6.7	18,589	6.2	11,549	11.2
Year Ended October 31,2014	167,022	7.5	17,554	(10.0)	17,509	(10.2)	10,388	(7.8)

(Note) Comprehensive income: Fiscal year ended October 31, 2015: 11,632million yen(10.3%)

Fiscal year ended October 31, 2014: 10,542million yen(-8.8%)

	Net income per share	Net income per share after dilution	Return on equity	Ratio of recurring profit to total assets	Ratio of operating profit to net sales
Year Ended	Yen	Yen	%	%	%
October 31,2015	79.45	75.01	18.5	13.2	10.4
Year Ended October 31,2014	71.66	67.63	18.2	13.4	10.5

(Reference) Equity in net income of affiliates: Fiscal year ended October 31, 2015 : 28million yen

Fiscal year ended October 31, 2014 : 51million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net asset per share
Year Ended	Million yen	Million yen	%	Yen
October 31,2015	145,462	65,882	44.9	449.33
Year Ended October 31,2014	135,293	60,190	44.2	411.86

(Reference) Shareholders' equity: As of October 31, 2015 :65,361million yen

As of October 31, 2014 : 59,790million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investment activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
Year Ended	Million yen	Million yen	Million yen	Million yen
October 31,2015	35,155	(24,627)	(6,162)	20,063
Year Ended October 31,2014	33,101	(22,930)	(9,799)	15,693

2. Dividend status

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of Q1	End of Q2	End of Q3	End of term	Annual			
Year Ended October 31, 2014	Yen —	Yen 0.00	Yen -	Yen 50.00	Yen 50.00	Million yen 7,258	% 69.8	% 12.7
Year Ended October 31, 2015	—	0.00	-	55.00	55.00	8,000	69.2	12.8
Year Ending October 31, 2016 (Forecasts)				60.00	60.00		-	

3. Projections of consolidated business results for the Fiscal Year Ending October 31, 2016

(from November 1, 2015 to October 31, 2016)

(The full-year percentages indicate the rates of increase or decrease compared with the previous year, the percentages for the six months period are comparisons with the same period of the previous year.)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending April 30, 2016	92,000	6.2	9,100	14.8	9,000	13.5	5,800	18.2	39.87
Year Ending October 31, 2016	192,000	6.8	21,200	13.2	21,000	13.0	13,500	16.9	92.80

*Notes

(1) Changes in important subsidiaries during the term: No
New: -- company () Eliminated: -- company ()

(2) Changes in accounting policies and changes or restatement of accounting estimates
1) Changes in accounting policies caused by revision of accounting standards.: Yes
2) Changes in accounting policies other than 1): None
3) Changes in accounting estimates: None
4) Restatement: None

(3) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	As of October 31, 2015:	145,468,004 shares	As of October 31, 2014:	145,171,904 shares
2) Number of treasury stock at the end of the period	As of October 31, 2015:	1,117 shares	As of October 31, 2014:	977 shares
3) Average number of shares during the term (consolidated cumulative period)	Fiscal year ended October 31, 2015:	145,364,271 shares	Fiscal year ended October 31, 2014:	144,957,889 shares

* Statement Relating to the Execution Status for Audit Procedures

This financial summary falls outside the scope of audit procedures based on the stipulations of the Financial Instruments and Exchange Act. The audit procedures for financial statements based on the stipulations of said Act were not completed at the time this financial summary was disclosed.

* Explanations and other special notes concerning the appropriate use of business performance forecasts

The consolidated and non-consolidated business performance forecasts given in this document are based on assumptions, prospects, and future business plans, currently available on the date this document was published. Actual results may differ from these forecasts for a variety of reasons.

For other matters relating to the forecasts, please refer to "1. Analysis of Operating Results and Financial Position (1) Review and Results of Operations".

1. Analysis of Operating Results and Financial Position

(1) Review and Results of Operations

(i) Operating results for the fiscal year under review

During the consolidated fiscal year under review, 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, which had remained weak because of a delay in the recovery after the consumption tax hike and a rise in prices on the back of the weak yen, showed signs of gradually bottoming out.

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.

As a result, in the fiscal year under review, the Group posted net sales of 179,698 million yen (up 7.6% year on year), operating profit of 18,730 million yen (up 6.7%) and recurring profit of 18,589 million yen (up 6.2%). Net income stood at 11,549 million yen (up 11.2%).

Results by business segment are as follows:

<Parking Business>

The Group improved the area-based system, according to which 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 through the establishment of 10 office locations during the term (29 office locations at the end of the fiscal year under review), and it reinforced its system for capturing demand for the contracted operation of large-scale parking facilities mainly from government and medical corporations. Consequently, the number of Times parking facilities managed at the end of the fiscal year under review was 14,987, up 7.1% from the end of the previous fiscal year, and the number of parking spaces was 499,473, up 6.1%. The total number of parking facilities managed, including monthly parking and facility management services, rose 6.4% from the end of the previous fiscal year, to 16,414, and the total number of parking spaces managed increased 5.8%, to 609,479. By utilizing this structure, the Group also focused on area-oriented management measures such as the revision of parking fees and associations with stores in areas surrounding parking facilities. As a result, net sales in this segment (including intersegment sales) stood at 134,348 million yen (up 5.3% year on year), and operating profit amounted to 23,044 million yen (down 2.4%).

<Mobility Business>

The Group has been striving to create a user-friendly environment for users to actively use more than 39,000 Times Car vehicles, primarily by promoting consultation sales to corporations through the analysis of the company car usage situation, introducing PitGo, a simple car rental service, and reducing non-operating hours by improving maintenance functions.

Looking at the car sharing service, membership of which exceeded 540,000 (414,965 at the end of the previous fiscal year), weekday utilization grew in association with the installation of cars at key transportation connection points, such as stations where Shinkansen bullet trains stop and airports and an increase in usage by corporate members. In addition, a fall in gasoline prices and improved fuel consumption due to the recommendation of eco-driving also contributed to revenues.

As a result, the total number of vehicles in the Mobility Business segment at the end of the fiscal year under review rose 7.4% from the end of the previous fiscal year, to 39,020 (of which the number of vehicles in the car sharing service was 13,149). Net sales in the segment (including intersegment sales) reached 45,506 million yen (increasing 15.1% year on year) and operating profit was 2,843 million yen (up 69.8% year on year).

(ii) Outlook for next term

Although corporate business confidence and the employment situation are recovering moderately, the outlook for the economy remains unclear.

In this environment, the Group will expand business bases and further segment area-based operations in the Parking Business. The Group will also focus on sales to large corporations and administrative and medical corporations. In the Mobility Business, the Group will seek to expand the scale of the car sharing service and increase the service's earnings power. The Group will also integrate the car sharing service and the rent-a-car service to diversify sales channels and improve service levels and customer retention.

Through these initiatives, at the end of October 2016, we expect to have 536,000 Times parking spaces under management and 43,000 Times Car vehicles (including 16,000 vehicles for the car sharing service). In the fiscal year ending October 31, 2016, the Group expects to increase both sales and profits, posting net sales of 192,000 million yen, an operating profit of 21,200 million yen, a recurring profit of 21,000 million yen, and net income of 13,500 million yen.

(2) Analysis of the consolidated financial position

(i) Assets, liabilities and net assets

Total assets at the end of the fiscal year under review rose 10,168 million yen from the end of the previous fiscal year, to 145,462 million yen. The rise was primarily attributable to an increase of 4,370 million yen in cash and deposits, an increase of 1,176 million yen in notes and accounts receivable-trade and an increase of 3,974 million yen in machinery, equipment and vehicles.

Total liabilities increased 4,476 million yen, to 79,580 million yen. Major contributing factors included an increase of 5,071 million yen in long-and short-term loans payable and decreases of 911 million yen in accounts payable-other and 1,195 million yen in liability for retirement benefits due to the revision of accounting standards.

Net assets rose 5,691 million yen, to 65,882 million yen as a result of an increase of 881 million yen in retained earnings at the beginning of the term due to the revision of the accounting standard for retirement benefits as mentioned in the section on total liabilities, an increase of 11,549 million yen due to the posting of net income, and a decrease of 7,258 million yen due to dividend payments out of retained earnings.

(ii) Cash flows

The balance of cash and cash equivalents at the end of the fiscal year under review increased 4,370 million yen from the end of the previous consolidated fiscal year, to 20,063 million yen.

The cash-flow situation by category for the fiscal year was as follows:

(Net cash from operating activities)

Net cash provided by operating activities increased 2,053 million yen from a year ago, to 35,155 million yen. The major positive factor was the total of depreciation and amortization and impairment loss and income before income taxes and minority interests of 38,926 million yen, offsetting the major negative factor of income taxes paid of 5,873 million yen.

(Net cash from investing activities)

Net cash used in investing activities was 24,627 million yen (up 1,696 million yen year on year). This figure primarily reflects purchases of property, plant, and equipment of 20,452 million yen associated with the acquisition of vehicles for rent mainly in the rent-a-car service, the opening of Times parking facilities and long-term prepaid expenses of 3,222 million yen.

(Net cash from financing activities)

Net cash used in financing activities was 6,162 million yen (down 3,636 million yen year on year). This was attributable primarily to dividend payments of 7,251 million yen, repayment of long-term loans payable of 5,278 million yen, and repayments of lease obligations of 4,259 million yen, offsetting proceeds from long-term loans payable of 11,150 million yen and proceeds from issuance of common stock of 256 million yen.

(Changes in cash flow-related indicators)

	October 2015 Year end	October 2014 Year end	October 2013 Year end
Shareholders' equity ratio (%)	45.7%	45.1%	44.0
Market capitalization-based shareholders' equity ratio (%)	254.4%	179.7%	218.5
Number of years for debt redemption (Years)	1.5	1.4	1.8
Interest coverage ratio (Times)	544.0	326.1	129.9

(Note) Shareholders' equity ratio: Shareholders' equity / Total assets

Market-capitalization-based shareholders' equity ratio: Market capitalization / Total assets

Number of years for debt redemption: Interest-bearing debt / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest payments

* Each indicator is calculated based on consolidated financial data.

* Market capitalization is calculated by multiplying the term-end closing share price by the term-end number of shares issued (after treasury stock deduction).

* Operating cash flow is cash flow from operating activities of the statement of consolidated cash flow.

* Interest bearing debt includes all interest bearing debt posted in the consolidated balance sheet.

* Interest payments are the amount of payments of interest included in the statement of consolidated cash flow.

(3) Basic policy of profit distribution and dividend for the term under review

With respect to profit distribution, we place priority on enhancing our corporate value through earnings growth. Our basic policy under this concept is to secure internal reserves as future investment funds and to return surplus funds to shareholders primarily in the forms of dividends.

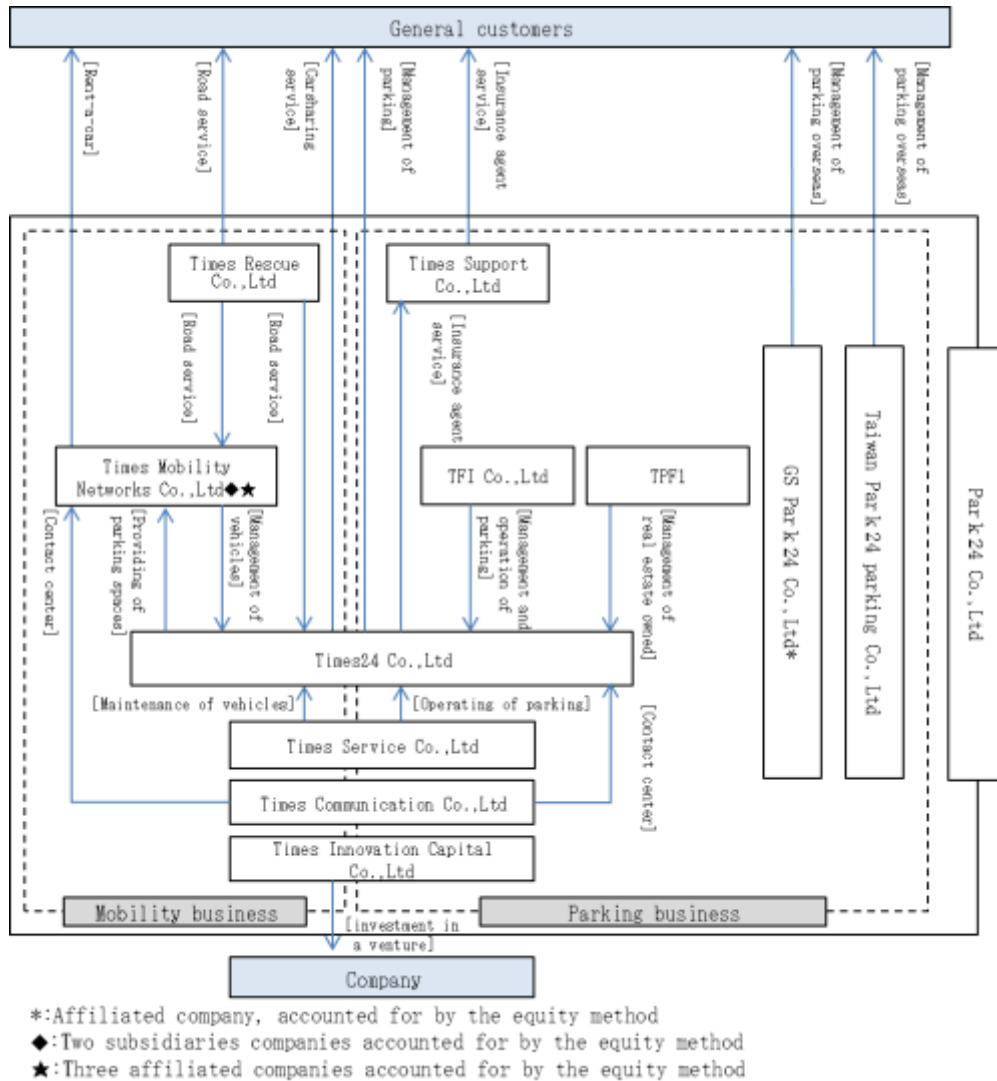
We will allocate internal reserves for research and development and for capital expenditure to create a new automobile society and maximize corporate value. To this end, we will consider potential alliances and make timely investments.

Under our basic policy, we will not pay an interim dividend but will pay a year-end dividend of 55 yen per share for the fiscal year under review. The dividend payout ratio will be 69.2%.

2. Status of the PARK24 Group

The Group (the Company and its affiliates) consists of the Company, 11 consolidated subsidiaries, two non-consolidated subsidiaries, and four affiliates. The Group manages and operates parking facilities, rents and trades vehicles, and develops related businesses.

The following chart shows the businesses of Group companies and relations among them:



The businesses of the Group are as follows:

- Parking Business:** The Group provides pay-by-the-hour and pay-by-the-month parking facilities services under sublease agreements for renting idle land lots from landowners and administration trustee agreements for managing parking facilities on behalf of their owners. The Group also manages and operates incidental facilities of parking facilities.
- Mobility Business:** The Group provides rent-a-car service at its rent-a-car premises nationwide and operates and seeks to expand car-sharing service to promote new methods of using cars. It also provides road assistance service for handling car accidents and trouble.

3. Management Policy

(1) Basic management policy

The basic policy of the Park24 Group is to play a role in the creation of a new motoring society that is safe, secure, and comfortable under the slogan of “People, Cars, Communities, and (Times).” Based on this policy, we will create new value in the motoring society by expanding our network of parking facilities and mobility businesses and harness our management resources.

The Group will respond to the trust and expectations of all stakeholders by sustaining overall growth and fulfilling its corporate social responsibility through the activities described above.

(2) Targeted management indices

The Group believes that its main business challenge is achieving and ensuring strong growth and profitability. It places the utmost emphasis on the rate of growth in recurring profit and strives to maintain double-digit growth.

(3) Medium-term business strategies

The Park24 Group aims to continue to expand Times parking facilities that form the platform for its services and establish mobility networks to achieve sustained growth.

In the Parking Business, we will establish a network of sites combining many ST (Standard Times) facilities, which are extremely convenient for drivers, and TPS (Times Partner Service) facilities, which is a market with growth potential, to strengthen areas in which we are dominant, aiming to achieve 18,000 Times parking facilities with 600,000 parking spaces by fiscal 2017.

In the Mobility Business, we will continue to deploy vehicles to Times parking facilities for the Times Car PLUS car-sharing service and establish an environment in which people can use cars if they go to a Times parking facility.

We will also expand and improve the member organization of the Times Club points program as a program that links the Parking Business and the Mobility Business. Through expansion of the service menu and establishment of infrastructure, we will offer members a wider range of our services and develop an environment in which Times Points are saved and spent.

(4) Issues to be Addressed

The issues to be addressed to realize a comfortable automotive society and ensure the sustainable growth of the Group are detailed below.

(i) Building a network of traffic infrastructure services

We aim to build a network of highly convenient and environmentally friendly traffic infrastructure services to establish a society where cars can be used with peace of mind anytime and anywhere, without on-street parking.

(ii) Evolving the Times brand

In addition to well-known Times parking facilities which have become synonymous with hourly parking facilities, by expanding the Times Car RENTAL service and the Times Car PLUS car sharing service in the Mobility Business, and enhancing supplementary services including road services that respond to the diverse needs of drivers, we will strive to evolve Times from a parking facility brand to a traffic infrastructure services brand.

(iii) Expanding the network of Times parking facilities

While taking into account shifts in supply and demand, we will spread out the deployment of a large number of Standard Times (ST) locations, which offer exceptional convenience for drivers, as well as Times Partner Service (TPS) locations, which exhibit significant room for market growth. In doing so, we will expand the size of the Times parking facility services that form the Group's operating base.

(iv) Expanding the car sharing market

To expand the car sharing market, a new means of mobility in Japan, we will work to actively deploy car sharing vehicles to Times parking facilities and develop an environment where members can use cars as if they were their own across Japan.

(v) Promoting the development of high added value in the services we offer

Through the utilization of IT, such as the use of cars compatible with information and communication systems and the diversification of payment operations through support for electronic money and various cards, we are promoting efforts to offer highly-convenient services to customers.

(vi) Improved efficiency through the optimum allocation and integration of management resources

Through the optimum allocation and integration of management resources including people, goods, money and information, we will strive to boost efficiency and productivity while bolstering the financial standing of the Group as a whole.

4. Basic concept of the selection of accounting standards

The Group intends to prepare consolidated financial statements under the Japanese standards in the immediate future, taking into consideration the period comparability of consolidated financial statements and comparability with other companies.

The Group plans to respond appropriately to the application of the international accounting standards, taking into account the situation in Japan and overseas, among other factors.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	As of October 31, 2014 Previous consolidated fiscal year	As of October 31, 2015 Consolidated fiscal year
Assets		
Current assets:		
Cash and deposits	15,709	20,079
Notes and accounts receivable–trade	7,313	8,490
Inventories	767	889
Prepaid expenses	7,593	7,952
Deferred tax assets	1,075	1,249
Other	2,764	2,336
Allowance for doubtful accounts	(74)	(68)
Total current assets	35,148	40,928
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	21,447	22,118
Accumulated depreciation	(9,323)	(10,198)
Buildings and structures, net	12,124	11,919
Machinery, equipment and vehicles	49,114	54,488
Accumulated depreciation	(20,939)	(22,338)
Machinery, equipment and vehicles, net	28,175	32,150
Tools, furniture and fixtures	12,875	13,925
Accumulated depreciation	(9,384)	(10,270)
Tools, furniture and fixtures, net	3,491	3,654
Land	24,303	24,303
Lease assets	26,836	30,825
Accumulated depreciation	(13,131)	(17,364)
Lease assets, net	13,705	13,461
Construction in progress	705	1,161
Total property, plant and equipment	82,505	86,651
Intangible assets:		
Goodwill	693	540
Other	1,461	1,615
Total intangible assets	2,155	2,155
Investments and other assets		
Investment securities	2,275	2,409
Long-term prepaid expenses	7,308	7,519
Lease and guarantee deposits	3,603	3,819
Net defined benefit asset	—	98
Deferred tax assets	1,500	1,055
Other	811	838
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	15,484	15,726
Total noncurrent assets	100,145	104,533
Total assets	135,293	145,462

(Unit: million yen)

	As of October 31, 2014 Previous consolidated fiscal year	As of October 31, 2015 Consolidated fiscal year
Liabilities		
Current liabilities:		
Notes and accounts payable–trade	617	543
Short-term loans payable	1,100	300
Current portion of long-term loans payable	5,135	6,512
Lease obligations	3,966	3,966
Accounts payable–other	6,208	5,296
Accrued expenses	3,435	3,931
Income taxes payable	3,725	4,509
Provision for bonuses	1,289	1,526
Provision for directors' bonuses	84	93
Notes payable–facilities	3,595	3,142
Other	3,116	3,397
Total current liabilities	32,274	33,219
Noncurrent liabilities:		
Bonds with subscription rights to shares	21,000	21,000
Long-term loans payable	7,287	11,781
Lease obligations	7,971	7,648
Net defined benefit liability	1,195	—
Asset retirement obligations	4,247	4,617
Other	1,125	1,313
Total noncurrent liabilities	42,828	46,360
Total liabilities	75,103	79,580
Net Assets		
Shareholders' equity:		
Capital stock	8,219	8,377
Capital surplus	9,972	10,130
Retained earnings	42,842	48,013
Treasury stock	(1)	(1)
Total shareholders' equity	61,032	66,520
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	97	130
Revaluation reserve for land	(1,052)	(1,052)
Foreign currency translation adjustments	13	53
Remeasurements of defined benefit plans	(300)	(290)
Total other accumulated comprehensive income	(1,241)	(1,158)
Subscription rights to shares	399	520
Total net assets	60,190	65,882
Total liabilities and net assets	135,293	145,462

(2) Consolidated Profit and Consolidated Loss Statement and Comprehensive Income

Consolidated Profit and Consolidated Loss Statement

(Unit: million yen)

	From November 1, 2013 to October 31, 2014 Previous consolidated fiscal year	From November 1, 2014 to October 31, 2015 Consolidated fiscal year
Net sales	167,022	179,698
Cost of sales	122,930	132,992
Gross profit	44,091	46,706
Selling, general and administrative expenses	26,537	27,975
Operating income	17,554	18,730
Non-operating income:		
Interest income	1	1
Dividend income	8	6
Equity in earnings of affiliates	51	28
Penalty income charged to customers for cancellation of parking facilities	122	—
Void ticket	169	164
Foreign exchange gains	80	35
Other	108	154
Total non-operating income	542	391
Non-operating expenses:		
Interest expenses	96	68
Expense incurred for evacuation of parking facilities	425	387
Other	66	76
Total non-operating expenses	587	532
Recurring income	17,509	18,589
Extraordinary loss:		
Loss on retirement of noncurrent assets	44	38
Impairment loss	341	57
Loss on sales of investment securities	—	8
Total extraordinary loss	385	103
Income before income taxes and minority interests	17,123	18,486
Income taxes—current	6,696	7,132
Income taxes—deferred	39	(195)
Total income taxes	6,735	6,936
Income before minority interests	10,388	11,549
Net income	10,388	11,549

Consolidated Statement of Comprehensive Income

(Unit: million yen)

	From November 1, 2013 to October 31, 2014 Previous consolidated fiscal year	From November 1, 2014 to October 31, 2015 Consolidated fiscal year
Income before minority interests	10,388	11,549
Other comprehensive income		
Valuation difference on available-for-sale securities, before tax	27	32
Foreign currency translation adjustment, before tax	31	15
Remeasurements of defined benefit plans, net of tax	—	9
Share of other comprehensive income of associates accounted for using equity method	95	24
Total other comprehensive income	154	83
Comprehensive income	10,542	11,632
(Comprehensive income attributable to)		
Owners of the parent	10,542	11,632

(3) Consolidated Statements of Shareholders' Equity

Previous consolidated fiscal year (from November 1, 2013 to October 31, 2014)

(Unit: million yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance At Beginning Of The Fiscal Year	7,675	9,428	47,878	(9,343)	55,639
Cumulative effects of changes in accounting policies					
Restated balance	7,675	9,428	47,878	(9,343)	55,639
Net Increase/Decrease During The Fiscal Year					
Net Share Issues	543	543			1,087
Cash Dividends			(5,773)		(5,773)
Net Income			10,388		10,388
Acquisition Of The Treasury Stock				(309)	(309)
Disposition Of The Treasury Stock			(9,651)	9,651	-
Net changes of items other than shareholders' equity					
Total Of Increase/Decrease During The Fiscal Year	543	543	(5,036)	9,341	5,393
Balance At The End Of The Fiscal Year	8,219	9,972	42,842	(1)	61,032

	Other Accumulated Comprehensive Income				Subscription Rights To Share	Total Net Assets
	Valuation Difference On Available-for-sale Securities	Revaluation Reserve For Land	Foreign Currency Translation Adjustments	Remeasurements Of Defined Benefit Plans		
Balance At Beginning Of The Fiscal Year	70	(1,052)	(113)	-	425	54,968
Cumulative effects of changes in accounting policies						
Restated balance	70	(1,052)	(113)	-	425	54,968
Net Increase/Decrease During The Fiscal Year						
Net Share Issues						1,087
Cash Dividends						(5,773)
Net Income						10,388
Acquisition Of The Treasury Stock						(309)
Disposition Of The Treasury Stock						-
Net changes of items other than shareholders' equity	27	-	127	(300)	(25)	(170)
Total Of Increase/Decrease During The Fiscal Year	27	-	127	(300)	(25)	(170)
Balance At End Of The Fiscal Year	97	(1,052)	13	(300)	399	60,190

Consolidated fiscal year under review (from November 1, 2014 to October 31, 2015)

(Unit: million yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance At Beginning Of The Fiscal Year	8,219	9,972	42,842	(1)	61,032
Cumulative effects of changes in accounting policies			881		881
Restated balance	8,219	9,972	43,723	(1)	61,913
Net Increase/Decrease During The Fiscal Year					
Net Share Issues	158	158			316
Cash Dividends			(7,258)		(7,258)
Net Income			11,549		11,549
Acquisition Of The Treasury Stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total Of Increase/Decrease During The Fiscal Year	158	158	4,290	(0)	4,607
Balance At End Of The Fiscal Year	8,377	10,130	48,013	(1)	66,520

	Other Accumulated Comprehensive Income				Subscription Rights To Share	Total Net Assets
	Valuation Difference On Available-for-sale Securities	Revaluation Reserve For Land	Foreign Currency Translation Adjustments	Remeasurements Of Defined Benefit Plans		
Balance At Beginning Of The Fiscal Year	97	(1,052)	13	(300)	399	60,190
Cumulative effects of changes in accounting policies						881
Restated balance	97	(1,052)	13	(300)	399	61,071
Net Increase/Decrease During The Fiscal Year						
Net Share Issues						316
Cash Dividends						(7,258)
Net Income						11,549
Acquisition Of The Treasury Stock						(0)
Net changes of items other than shareholders' equity	32	-	40	9	120	203
Total Of Increase/Decrease During The Fiscal Year	32	-	40	9	120	4,810
Balance At End Of The Fiscal Year	130	(1,052)	53	(290)	520	65,882

(4) Statements of consolidated cash flows

(Unit: million yen)

	From November 1, 2013 to October 31, 2014 Previous consolidated fiscal year	From November 1, 2014 to October 31, 2015 Consolidated fiscal year
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	17,123	18,486
Depreciation and amortization	18,470	20,383
Impairment loss	341	57
Increase (decrease) in provision for retirement benefits	17	—
Increase (decrease) in provision for directors' retirement benefits	(278)	—
Interest and dividends income	(9)	(8)
Interest expenses	96	68
Loss on retirement of noncurrent assets	44	38
Decrease (increase) in notes and accounts receivable—trade	(601)	(1,175)
Decrease (increase) in inventory	2,458	2,484
Increase (decrease) in notes and accounts payable—trade	125	(74)
Decrease (increase) in accounts receivable—other	(711)	(50)
Decrease (increase) in prepaid expenses	(576)	(357)
Increase (decrease) in accounts payable—other	1,846	(99)
Increase (decrease) in notes payable—facilities	591	(573)
Others, net	1,747	1,906
Subtotal	40,684	41,085
Interest and dividends income received	9	8
Interest expenses paid	(101)	(64)
Income taxes paid	(7,491)	(5,873)
Net cash provided by (used in) operating activities	33,101	35,155
Net cash provided by (used in) investment activities:		
Payments into time deposits	(16)	(16)
Proceeds from withdrawal of time deposits	16	16
Purchase of property, plant and equipment	(17,360)	(20,452)
Proceeds from sales of property, plant and equipment	59	35
Purchase of intangible assets	(678)	(616)
Purchase of sales of investment securities	(500)	(51)
Purchase of long-term prepaid expenses	(3,310)	(3,222)
Others, net	(1,140)	(321)
Net cash provided by (used in) investment activities	(22,930)	(24,627)

(Unit: million yen)

	From November 1, 2013 to October 31, 2014 Previous consolidated fiscal year	From November 1, 2014 to October 31, 2015 Consolidated fiscal year
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	(50)	(800)
Proceeds from long-term loans payable	7,400	11,150
Repayment of long-term loans payable	(7,866)	(5,278)
Repayments of lease obligations	(4,084)	(4,259)
Proceeds from issuance of common stock	887	256
Purchase of Treasury Shares	(309)	(0)
Cash dividends paid	(5,777)	(7,251)
Others, net	—	21
Net cash provided by (used in) financing activities	(9,799)	(6,162)
Effect of exchange rate change on cash and cash equivalents	11	6
Net increase (decrease) in cash and cash equivalents	382	4,370
Cash and cash equivalents at beginning of period	15,310	15,693
Cash and cash equivalents at end of period	15,693	20,063

(5) Notes to Consolidated Financial Statements

(Note on going concern assumptions)

Not applicable

(Material matters as base in preparation of consolidated financial statements)

1.Scope of Consolidation

Number of consolidated subsidiaries: 11

Times24 Co., Ltd.

Times Service Co., Ltd.

Times Communication Co., Ltd.

TPF-1 Limited

Taiwan Park24 Parking Co., Ltd. (Taiwan)

Times Mobility Networks Co., Ltd.

Times Support Co., Ltd.

TPF-3 Limited

Times Rescue Co., Ltd.

TFI Co.,Ltd.

Times Innovation Capital Co.,Ltd.

Additions (Increased by establishment): 1

Times Innovation Capital Co.,Ltd.

Number of non-consolidated subsidiaries: 2

Times Mobility Fukuoka Corporation
Times Mobility Oita Corporation

The total assets, net sales, net income/loss (commensurate with the equity held by the Group), and retained surplus (commensurate with the equity held by the Group) of the two non-consolidated subsidiaries were all small amounts, and the effects on the consolidated financial statements were minor.

2. Matters related to application of the equity method

Number of equity method non-consolidated subsidiaries: 2

Times Mobility Fukuoka Corporation
Times Mobility Oita Corporation

Number of affiliated equity method companies: 4

GS Park24 Co., Ltd. (South Korea)
MAZDA Mobility Saitama Corporation
MAZDA Mobility Koshin Corporation
MAZDA Mobility Nishi Shikoku Corporation

We apply the equity method to the financial statements of the equity method subsidiaries and affiliates based on their provisional settlements of accounts made on the consolidated closing date.

3. Matters related to the closing date etc. of the consolidated subsidiaries

The fiscal year ends of consolidated subsidiaries other than TFI Co., Ltd. and Taiwan Park24 Parking Co., Ltd. (Taiwan) are the same as the consolidated fiscal year end. The fiscal year ends of TFI Co., Ltd. and Taiwan Park24 Parking Co., Ltd. (Taiwan) are March 31 and September 30, respectively. With respect to the preparation of consolidated financial statements, TFI Co., Ltd. uses financial statements for provisional settlement as of October 31, and Taiwan Park24 Parking Co., Ltd. (Taiwan) uses financial statements as of the fiscal year end, and an adjustment is made for important transactions undertaken in the period up to the end of the consolidated fiscal year.

4. Matters related to the accounting standards

(1) Important appraisal standards and appraisal method for assets

A. Short-term investment securities

(a) Other securities

Securities with a market price

We adopt the market value method based on market prices on the closing date of the consolidated accounting period. (Variances from the valuation at term end are all included directly in capital; costs of products sold during the term are calculated using the moving average method.)

Securities without a market price:

We adopt the cost method based on the moving average method.

B. Inventories

(a) Merchandise

The cost method from the individual method (Balance sheet values are written down in accordance with falls in profitability.)

(b) Supplies

The last purchase method (Balance sheet values are written down in accordance with falls in profitability.)

(2) Important method of depreciation of fixed assets

A. Property, plant and equipment

(a) Property, plant and equipment other than leased assets

We adopt the fixed rate method. However, we adopt the straight line method for buildings (excluding equipment attached to buildings) acquired on and after April 1, 1998

Major useful lives:

Buildings: Six to 50 years

Structures: Ten to 45 years

(b) Leased assets

Leased assets relating to finance lease transactions without the transfer of ownership

We adopt the straight line method. The lease period is set to durable years, and the residual value is set to zero.

B. Intangible assets

We adopt the fixed amount method. However, for software used by the Company, we adopt the fixed amount method based on the usable period within the Company (five years)

C. Long-term prepaid expenses

We adopt primarily the fixed amount method.

(3) Important standards for appropriation of allowances

A. Allowance for doubtful accounts

To prepare for losses incurred by defaults on accounts receivable, etc., given the loan loss ratio for general credits and the individual collectability for specific credits such as doubtful debts, etc., we post the estimated uncollectible amount

B. Provision for bonuses

The amount expected to be paid as bonuses is posted for the payment of bonuses

C. Provision for directors' bonuses

The amount expected to be paid as directors' bonuses is posted for the payment of directors' bonuses.

(4) Accounting method for retirement benefits

A. Accounting method of attributing expected benefit to periods

As a method of attributing expected benefits to periods before the end of the fiscal year under review, the straight-line basis is used to calculate retirement benefit obligations.

B. Accounting method for actuarial gains and losses

Actuarial gains and losses are amortized using the straight-line method over a certain period (five years) within the average remaining working lives of the employees at the time of occurrence from the following fiscal year.

C. Use of a simple method at small companies etc.

As a method for calculating net defined benefit liability and retirement benefit expenses, certain consolidated subsidiaries employ a simple method where the amount payable for voluntary retirement associated with retirement benefits at the end of the fiscal year is deemed retirement benefit obligations.

(5) Matters related to the amortization of goodwill

Goodwill is amortized equally over ten years.

(6) Scope of funds for consolidated cash flow statement

Funds (cash and cash equivalents) in the consolidated cash flow statement consist of cash on hand, liquid deposits and short-term investments that can be readily converted into cash with a low risk of fluctuations in

value, and with a redemption date within three months of the acquisition date.

(7) Other important matters for production of the consolidated financial statements

Accounting treatment of consumption tax

We adopt the net of tax method for consumption tax.

(Changes in accounting principles)

From the end of the fiscal year under review, the Accounting Standard for Retirement Benefits (ASBJ Statement No. 26 on May 17, 2012) and the Guideline on Accounting Standard for Retirement Benefits (ASBJ Guideline No. 25 on May 17, 2012; hereinafter the "Guideline on Retirement Benefits") are applied (excluding the provisions set forth in the main text of Paragraph 35 of the Accounting Standard for Retirement Benefits and Paragraph 67 of the Guidance on Retirement Benefits). With their application, the amount obtained by subtracting plan assets from retirement benefit obligations is recorded as net defined benefit liability, and unrecognized actuarial gains and losses are recorded as net defined benefit liability.

As the application of the Accounting Standard for Retirement Benefits etc. follows the transitional treatment as provided for in Paragraph 37 of the Accounting Standard for Retirement Benefits, we have made an adjustment for the amount affected by the change to the remeasurements of the defined benefit plans in accumulated other comprehensive income at the end of the fiscal year under review.

As the application of the Accounting Standard for Retirement Benefits, etc. follows the transitional treatment as provided for in Paragraph 37 of the Accounting Standard for Retirement Benefits, we have made an adjustment for the amount affected by the change in the calculation methods of retirement benefit obligations and service costs to retained earnings at the beginning of the fiscal year under review.

As a result, 1,195 million yen of for retirement benefits at the beginning of the fiscal year under review declined, while investments and other assets (asset for retirement benefits) and retained earnings increased 172 million yen and 881 million yen, respectively. The impact on operating profit, recurring profit and income before income taxes for the fiscal year under review is negligible.

(Additional information)

(1) Impact from changes in the income tax rate, etc.

With the official introduction of the Act for Partial Amendment of the Income Tax Act, etc. (Act No. 9 of 2015) and the Act for Partial Amendment of the Local Tax Act, etc. (Act No. 2 of 2015) on March 31, 2015, it has been decided that corporate tax rates will be lowered from a consolidated fiscal year beginning on or after April 1, 2015. As a result, the effective statutory tax rate used in calculating deferred tax assets and liabilities has changed from the 35.6% levied to date to 33.1% with respect to the temporary difference that is expected to be eliminated in the consolidated fiscal year beginning November 1, 2015. The effective statutory tax rate used for the temporary difference that is expected to be eliminated in the consolidated fiscal year beginning November 1, 2016 will be 32.3%. The impact of these changes in tax rates is negligible.

(Notes to consolidated balance sheet)

1 Breakdown of inventories

(Unit: million yen)

	As of October 31, 2014 Previous consolidated fiscal year	As of October 31, 2015 Consolidated fiscal year
Merchandise	42	92
Supplies	725	796
Total	767	889

2 Pledged assets

Fiscal year ended October 31, 2014

10 million yen in investments in securities are deposited as security for business dealings.

Fiscal year ended October 31, 2015

10 million yen in investments in securities are deposited as security for business dealings.

3 Shares of non-consolidated subsidiaries and affiliated companies

(Unit: million yen)

	As of October 31, 2014 Previous consolidated fiscal year	As of October 31, 2015 Consolidated fiscal year
Investment securities (shares):	1,466	1,520

- 4 The land for business purposes is revalued, and the resulting variance is posted in net assets under the Act on Revaluation of Land (No. 34 promulgated on March 31, 1998) and the Law to Amend the Act on Revaluation of Land (promulgated on March 31, 1999).

• Method of revaluation

The value of land is based on the price calculated according to the method determined by the Director General of the Tax Administration Agency and announced for determining land prices that form the basis for calculating the taxable value of land value tax pursuant to Article 16 of the Land Value Tax Law (Land No. 69 of 1991) stipulated in Article 2, Item 4 of the Order for Enforcement on the Act on Revaluation of Land (Government Order No. 119 promulgated on March 31, 1998). Reasonable adjustments, including price adjustments by depth, are made to the value.

- Date of revaluation: October 31, 2000

(Unit: million yen)

	As of October 31, 2014 Previous consolidated fiscal year	As of October 31, 2015 Consolidated fiscal year
Variance between the market value of revalued land at the end of the term and the book value after revaluation	20	48

(Notes to statement of consolidated cash flow)

- 1 Relationship between cash and cash equivalents at the end of the fiscal year and amounts in accounts in the consolidated balance sheet

	(Unit: million yen)	
	From November 1, 2013 to October 31, 2014 Previous consolidated fiscal year	From November 1, 2014 to October 31, 2015 Consolidated fiscal year
Cash and deposits	15,709	20,079
Time deposits whose deposit terms exceed three months	(16)	(16)
Cash and cash equivalents	15,693	20,063

(Deferred tax accounting)

1 Breakdown of deferred tax assets and deferred tax liabilities by source

(Unit: million yen)

	From November 1, 2013 to October 31, 2014 Previous consolidated fiscal year	From November 1, 2014 to October 31, 2015 Consolidated fiscal year
Deferred tax assets		
Current assets		
Business tax and business office tax payable	311	404
Provision for bonuses	459	495
Other	304	350
Total current assets	1,075	1,249
Noncurrent assets		
Net defined benefit liability	437	-
One-time write-off of assets	128	96
Over Depreciation	350	379
Deferred tax assets related to revaluation	374	339
Asset retirement obligations	1,503	1,441
Other	712	671
Subtotal	3,508	2,928
Provision for valuation	(935)	(894)
Total noncurrent assets	2,572	2,033
Total deferred tax assets	3,647	3,283
Deferred tax liabilities		
Noncurrent liabilities		
Net defined benefit asset	-	(25)
Valuation difference on securities	(53)	(62)
Removal costs for asset retirement obligations	(979)	(916)
Other	(45)	(14)
Subtotal	(1,079)	(1,018)
Total deferred tax liabilities	(1,079)	(1,018)
Net deferred tax assets	2,568	2,264

(Note) Net deferred tax assets in the previous fiscal year and fiscal year under review are included in the following items on the consolidated balance sheet:

(Unit: million yen)

	From November 1, 2013 to October 31, 2014 Previous consolidated fiscal year	From November 1, 2014 to October 31, 2015 Consolidated fiscal year
Current assets - Deferred tax assets	1,075	1,249
Noncurrent assets - Deferred tax assets	1,500	1,055
Noncurrent liabilities - Deferred tax liabilities	7	40

2 Breakdown of difference between the legally effective tax rate and the actual effective tax rate after applying tax effect accounting by major cause

	(%)	
	As of October 31, 2014 Previous consolidated fiscal year	As of October 31, 2015 Previous consolidated fiscal year
Legally effective tax rate	38.0	35.6
(Adjustment)		
Provision for valuation	0.6	0.2
Non-taxable items such as entertainment expenses	0.5	0.4
Residence tax on a per capita basis	0.5	0.4
Effect of tax rate change	0.4	0.1
Utilization of tax loss carryforward	(1.4)	-
Other	0.7	0.8
Effective tax rate after applying tax effect accounting	39.3	37.5

(Segment information)

Segment information

1. Overview of reported segments

The business of the Company is categorized into two reported segments by service: the Parking Business and the Mobility Business. Separate financial information is available for each of the reported segments in accordance with the constituent units of the Company and the Group, and the Board of Directors reviews each reported segment regularly to determine the distribution of management resources and to evaluate financial results.

The following is a description of each reported segment:

(1) Parking Business: Operations relating to management and operation of parking sites

(2) Mobility Business: Automobile-related operations relating to the rent-a-car service, car sharing service, and road assistance service

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

The accounting treatment for reported segments is generally similar to the descriptions under “important matters for production of the consolidated financial statements.” Profits of reported segments are figures based on operating profit. The Company does not allocate assets and liabilities to reported segments.

3. Information on sales, profits or losses and other flows by reported segment

Previous consolidated fiscal year (from November 1, 2013 to October 31, 2014)

(Unit: million yen)

	Reported segment			Adjustment (Note) 1	Amount on consolidated profit and loss statement (Note) 2
	Parking Business	Mobility Business	Total		
Sales					
Sales to external customers	127,516	39,505	167,022	-	167,022
Internal sales or amount of transfer between segments	102	31	134	(134)	-
Total	127,619	39,537	167,157	(134)	167,022
Segment profit (loss)	23,614	1,053	24,668	(7,114)	17,554
Others					
Depreciation	5,720	9,676	15,396	672	16,069
Amortization of long-term prepaid expenses	2,025	375	2,400	-	2,400

(Note) 1. An adjustment of minus ¥7,114 million in segment profit (loss) includes an amortization of goodwill of minus ¥356 million (amortized balance: ¥693 million) and Company-wide expenses of ¥6,757 million. Company-wide expenses are mainly expenses that do not belong to either of the reported segments. Those expenses are relating to the administration division, including the general affairs department.

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

Consolidated fiscal year under review (from November 1, 2014 to October 31, 2015)

(Unit: million yen)

	Reported segment			Adjustment (Note) 1	Amount on consolidated profit and loss statement (Note) 2
	Parking Business	Mobility Business	Total		
Sales					
Sales to external customers	134,266	45,431	179,698	-	179,698
Internal sales or amount of transfer between segments	81	74	156	(156)	-
Total	134,348	45,506	179,854	(156)	179,698
Segment profit (loss)	23,044	2,843	25,887	(7,156)	18,730
Others					
Depreciation	6,226	10,723	16,950	749	17,700
Amortization of long-term prepaid expenses	2,315	366	2,682	-	2,682

(Note) 1. An adjustment of minus ¥7,156 million in segment profit (loss) includes an amortization of goodwill of minus ¥153 million (amortized balance: ¥540 million) and Company-wide expenses of ¥7,002 million. Company-wide expenses are mainly expenses that do not belong to either of the reported segments. Those expenses are relating to the administration division, including the general affairs department.

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

Relevant information

Previous consolidated fiscal year (from November 1, 2013 to October 31, 2014) and Consolidated fiscal year under review (from November 1, 2014 to October 31, 2015)

1. Information according to product and service

Similar information is disclosed in Segment Information, and a statement is therefore omitted.

2. Information according to region

(1) Net sales

Net sales in Japan to external customers account for more than 90% of the total net sales in the consolidated profit and loss statement, and a statement is therefore omitted.

(2) Property, plant and equipment

Property, plant and equipment in Japan account for more than 90% of the total property, plant and equipment in the consolidated balance sheets and a statement is therefore omitted.

3. Information according to major customer

No external customer accounts for more than 10% of net sales on the consolidated profit and loss statement, and a statement is therefore omitted.

Information concerning impairment loss of noncurrent assets according to reported segment

Previous consolidated fiscal year under review (from November 1, 2013 to October 31, 2014)

(Unit: million yen)

	Reported segment			Total
	Parking Business	Mobility Business	Total	
Impairment loss	35	305	341	341

(note) The amount for the Mobility Business includes a goodwill impairment loss of 304 million yen.

Consolidated fiscal year under review (from November 1, 2014 to October 31, 2015)

(Unit: million yen)

	Reported segment			Total
	Parking Business	Mobility Business	Total	
Impairment loss	57	-	57	57

Information concerning amortization of goodwill and amortized balance according to reported segment

Previous consolidated fiscal year (from November 1, 2013 to October 31, 2014) and Consolidated fiscal year under review (from November 1, 2014 to October 31, 2015)

Related information is described in the segment information section, and the information is omitted here.

Information concerning gain on negative goodwill according to reported segment

Previous consolidated fiscal year (from November 1, 2013 to October 31, 2014) and Consolidated fiscal year under review (from November 1, 2014 to October 31, 2015)

Not applicable

(Per share information)

	From November 1, 2013 to October 31, 2014 Previous consolidated fiscal year	From November 1, 2014 to October 31, 2015 Consolidated fiscal year
Shareholders' equity per share	411.86 yen	449.33 yen
Net income per share	71.66yen	79.45yen
Net income per share after adjustment of latent shares	67.63yen	75.01yen

(Note) The grounds for the calculation of Net income per share and Net income per share after adjustment of latent shares are as follows:

Item	From November 1, 2013 to October 31, 2014 Previous consolidated fiscal year	From November 1, 2013 to October 31, 2014 Consolidated fiscal year
Net income per share		
Net income (million yen)	10,388	11,549
Amounts not associated with common shares (million yen)	-	-
Net income associated with common shares (million yen)	10,388	11,549
Average number of shares issued during the term (thousand shares)	144,957	145,364
Net income per share after adjustment of latent shares		
Adjustment to net income (million yen)	-	-
Increase in common shares(thousand shares)	8,651	8,605
[Of which, equity warrants] (thousand shares)	(686)	(615)
[Of which, bonds with warrants] (thousand shares)	(7,964)	(7,989)
Summary of latent shares not included in the calculation of net income per share after adjustment of latent shares as they do not have a dilution effect	Stock options pursuant to the provisions of Articles 236, 238, and 240 of the Companies Act (Subscription rights to shares) (Resolution of the Board of Directors' meeting held on July 16, 2013) Number of warranted shares: 964,700 shares Exercise price: 1,884 yen	-

(Significant subsequent events)

Not applicable