



Consolidated Financial Report for the Fiscal Year Ended October 31, 2016(Japanese GAAP)

December 15, 2016

Company name: PARK24 Co., Ltd. Stock listing: TSE
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Scheduled day of annual shareholders' meeting: January 26, 2017
Scheduled day of commencing dividend payment: January 27, 2017
Scheduled day of submission of a financial report: January 27, 2017
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, 2016 (November 1, 2015– October 31,2016)

(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 31,2016	194,398	8.2	21,453	14.5	21,164	13.9	13,963	20.9
Year Ended October 31,2015	179,698	7.6	18,730	6.7	18,589	6.2	11,549	11.2

(Note) Comprehensive income: Fiscal year ended October 31, 2016: 13,566million yen(16.6%)

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

	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 31,2016	95.75	90.36	20.2	14.2	11.0
Year Ended October 31,2015	79.45	75.01	18.5	13.2	10.4

(Reference) Equity in net income of affiliates: Fiscal year ended October 31, 2016 : 28million yen

Fiscal year ended October 31, 2015 : 28million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net asset per share
Year Ended	Million yen	Million yen	%	Yen
October 31,2016	152,939	73,270	47.7	497.87
Year Ended October 31,2015	145,462	65,882	44.9	449.33

(Reference) Shareholders' equity: As of October 31, 2016 :72,905million yen

As of October 31, 2015 :65,361million 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 31,2016	39,627	(27,148)	(13,036)	19,461
Year Ended October 31,2015	35,155	(24,627)	(6,162)	20,063

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 31,2015	Yen —	Yen 0.00	Yen -	Yen 55.00	Yen 55.00	Million yen 8,000	% 69.2	% 12.8
Year Ended October 31,2016	—	0.00	-	65.00	65.00	9,518	67.9	13.7
Year Ending October 31,2017 (Forecasts)		0.00		70.00	70.00		64.1	

3. Projections of consolidated business results for the Fiscal Year Ending October 31, 2017

(from November 1, 2016 to October 31, 2017)

(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 30,2017	107,000	14.2	9,600	0.7	9,500	2.1	6,500	8.1	44.39
Year Ending October 31,2017	232,000	19.3	24,200	12.8	24,000	13.4	16,000	14.6	109.27

*Notes

(1) Changes in important subsidiaries during the term: None
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 31,2016:	146,434,035 shares	As of October 31,2015:	145,468,004 shares
2) Number of treasury stock at the end of the period	As of October 31,2016:	1,185 shares	As of October 31,2015:	1,117 shares
3) Average number of shares during the term (consolidated cumulative period)	Fiscal year ended October 31,2016:	145,840,386 shares	Fiscal year ended October 31,2015:	145,364,271 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 saw continued improvement in the employment and income environment thanks to the government's economic policies and the Bank of Japan's monetary policies. However, the U.K.'s exit from the EU and the forecast of a downturn in the Chinese economy as well as the decline of the foreign exchange and stock markets due to a sense of uncertainty over overseas economies led to continued uncertainty about the future, along with weak consumer confidence.

Furthermore, the Group worked to enhance convenience for customers by such means as implementing rigorous management initiatives suited to the unique characteristics of each parking facility according to data analysis, which included making changes in fee systems and accepting diverse means of settlement, which included introducing electric money and a card that enables corporate customers to pay in arrears, not only for parking in Times parking facilities but also for the use of the rent-a-car service and car sharing service.

As a result, in the fiscal year under review, the Group posted net sales of 194,398 million yen (up 8.2% year on year), operating profit of 21,453 million yen (up 14.5%) and recurring profit of 21,164 million yen (up 13.9%). Profit attributable to owners of parent stood at 13,963 million yen (up 20.9%).

Results by business segment are as follows:

<Parking Business>

The Group has built close relationships with land owners and has been seeking to gain dominance in parking facilities through comprehensive, community-based development and sales by increasing its office locations and making consultation sales to major companies.

Furthermore, the Group worked to enhance convenience for customers by such means as implementing rigorous management initiatives suited to the unique characteristics of each parking facility according to data analysis, which included making changes in fee systems and selling parking tickets to neighborhood stores, and accepting diverse means of settlement, which included introducing electric money and a card that enables corporate customers to pay in arrears, not only for parking in Times parking facilities but also for the use of the rent-a-car service and car sharing service.

Consequently, the number of Times parking facilities managed at the end of the fiscal year under review was 15,792, up 5.4% from the end of the previous fiscal year, and the number of parking spaces was 531,135, up 6.3%. The total number of parking facilities managed, including monthly parking and facility management services, rose 4.6% from the end of the previous fiscal year, to 17,171, and the total number of parking spaces managed increased 6.0%, to 645,849. Net sales in this segment (including intersegment sales) stood at 142,241 million yen (up 5.9% year on year), and operating profit amounted to 24,980 million yen (up 8.4% year on year).

<Mobility Business>

To develop an environment where users can feel greater affinity with the Group's rent-a-car service, the Group expanded the customer base of its simplified rent-a-car service, PitGo, by mainly offering the service to the members of Times Club, the Group's point program. PitGo is a service whereby car sharing members are able to rent cars by simply placing their membership card on a scanner at rent-a-car premises. In the car sharing service, which now has over 710,000 members (compared to 549,058 members as at the end of the previous consolidated fiscal year), the weekday operation ratio is rising, reflecting an increase in the number of corporate members who use the service as a result of the Group's ongoing initiatives to distribute cars at key transportation connection points other than Times parking facilities, such as stations and airports, and increase stations through alliances with convenience stores as well as the promotion of the multi-function card that includes the additional function for the use of parking facilities. In addition, the improvement of the safety equipment of vehicles was emphasized to create an environment that prevents accidents.

As a result, the total number of vehicles in the Mobility Business segment at the end of the fiscal year under review rose 10.1% from the end of the previous fiscal year, to 42,943 (of which the number of vehicles in the car

sharing service was 16,252). Net sales in the segment (including intersegment sales) reached 52,300 million yen (increasing 14.9% year on year) and operating profit was 4,457 million yen (up 56.8% year on year).

(ii) Outlook for next term

Although the economic and monetary policies of the government and the Bank of Japan were implemented, the outlook for the economy remains unclear because of the unstable conditions of the Japanese economy and a spreading sense of uncertainty regarding overseas economies.

In this environment, the Group will have comprehensive, community-based sales activities with the continuous expansion of its business bases in the parking business. The Group will also focus on sales to corporations and public institutions/medical corporations as well as increasing corporate customers with the card exclusively for corporations offering the function of the cashless use of our parking and other services, and through the development of tools for the improvement of user services. In the Mobility Business, the group will seek to improve service levels and increase the service's earnings power and diversity sales channels through the review of vehicle equipment to decrease accidents and the expansion of the member organization, as well as the integration of the rent-a-car service and car sharing services. In addition, for the fiscal year ending October 31, 2016, the Group will expand its business into five overseas countries, including Australia. The Company will aim to achieve a "comfortable automobile society" on a global scale as a global player in the parking and mobility businesses with a presence in the Asia and Oceania region, including Japan.

Through these initiatives, at the end of October 2017, we expect to have 577,000 Times parking spaces under management and 48,600 Times Car vehicles (including 20,000 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 232,000 million yen, an operating profit of 24,200 million yen, a recurring profit of 24,000 million yen, and net income of 16,000 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 7,476 million yen from the end of the previous fiscal year, to 152,939 million yen. This primarily reflected increases of 4,374 million yen in machinery, equipment and vehicles (net), mainly the acquisition of vehicles, and 945 million yen in lease and guarantee deposits.

Total liabilities increased 88 million yen, to 79,668 million yen. Major contributing factors included increases of 934 million yen in notes payable-facilities and 273 million yen in lease obligations and a decrease of 1,512 million yen in the current portion of long-term loans payable (including loans planned to repay within a year) and a decrease of 1,030 million yen in convertible bonds with subscription rights to shares due to the exercise of the right to demand the conversion thereof.

Net assets rose 7,388 million yen, to 73,270 million yen, as a result of a 1,977 million yen increase in capital stock and capital surplus due to the exercise of the right to demand the conversion of convertible bonds with subscription rights to shares as stated in the item of the exercise of stock options and liabilities and an increase in retained earnings of 13,963 million yen due to the posting of profit attributable to owners of parent, among other increases, and a decrease of 8,000 million yen due to dividend payments from retained earnings.

(ii) Cash flows

The balance of cash and cash equivalents at the end of the fiscal year under review decreased 602 million yen from the end of the previous consolidated fiscal year, to 19,461 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 4,472 million yen from a year ago, to 39,627 million yen. This primarily reflected the total of depreciation and amortization and income before income taxes added

impairment loss and minority interests of 42,913 million yen and income taxes paid of 7,785 million yen.

(Net cash from investing activities)

Net cash used in investing activities was 27,148million yen (cash outflows increased 2,520 million yen year on year). This primarily reflected purchases of property, plant and equipment of 21,456 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 3,578 million yen.

(Net cash from financing activities)

Net cash used in financing activities was 13,036 million yen (up 6,873 million yen year on year). This was attributable primarily to dividend payments of 8,003 million yen, repayment of long-term loans payable of 6,512 million yen, and repayments of lease obligations of 4,294 million yen, offsetting proceeds from long-term loans payable of 5,000 million yen.

(Changes in cash flow-related indicators)

	October 2016 Year end	October 2015 Year end	October 2014 Year end
Shareholders' equity ratio (%)	48.7%	45.7%	45.1%
Market capitalization-based shareholders' equity ratio (%)	310.7%	254.4%	179.7%
Number of years for debt redemption (Years)	1.2	1.5	1.4
Interest coverage ratio (Times)	583.1	544.0	326.1

(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.

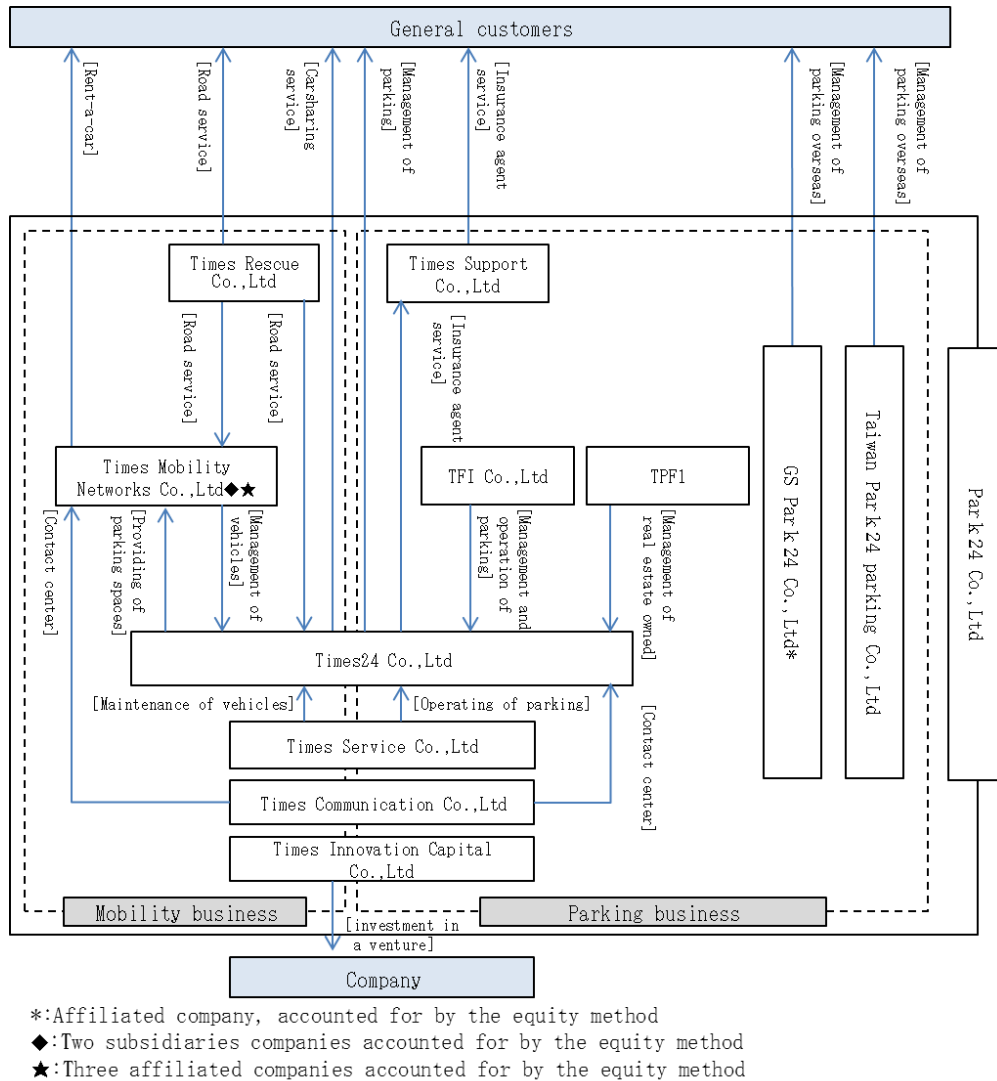
We will allocate internal reserves for research and development and for capital expenditure to create a new automobile society and maximize corporate value. To this end, we will consider potential alliances and make timely investments.

Under our basic policy, we will not pay an interim dividend but will pay a year-end dividend of 65 yen per share for the fiscal year under review. The dividend payout ratio will be 67.9%.

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 upmost emphasis on the rate of growth in recurring profit and strives to maintain double-digit growth.

(3) Medium-term business strategies

The 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 small sized and highly convenient for drivers, and TPS (Times Partner Service) facilities, which is a market with growth potential and having those facilities in dispersed area, to strengthen areas in which we are dominant and to expand Times hourly parking facilities. 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. In the rent-a-car service, we will create more convenient services for users.

In a new initiative, we will expand the organization and services of the Times Club membership points program that links the Parking Business and the Mobility Business. We will expand the menu of services of the Group that the members can use and will develop an environment in which the members can use the services and save and spend Times Points. In overseas operations, we will work to provide stable operations and expand parking services by combining the ability of Secure Parking, which became a Group company in December 2016, to develop operations overseas and the Group’s technological and management capabilities.

(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 strengthening facilities in the Times hourly parking business, the Times Car RENTAL rent-a-car service, and the Times Car PLUS car sharing service, the Group will evolve and expand its services, including Times Club, which provides money-saving, convenient membership services for drivers without any initial membership fees or annual membership fees. In this way, we will evolve the Times brand into a transportation infrastructure service brand that is indispensable to drivers.

(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) Expansion of the mobility market

The Company will expand its Times Car rent-a-car and car sharing services to help expand the "mobility market" in Japan, mitigate inconveniences in traveling, and develop an environment that ensures safe, secure, and convenient driving.

(v) Deepening and expanding parking services overseas

The Group will strengthen and expand its business foundation in the areas where it has already been operating, combining the ability of Secure Parking, which has become a Group company, to develop operations overseas and the Group's management capability.

(vi) 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.

(vii) 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.

5. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	As of October 31, 2015 Previous consolidated fiscal year	As of October 31, 2016 Consolidated fiscal year
Assets		
Current assets:		
Cash and deposits	20,079	19,477
Notes and accounts receivable–trade	8,490	8,815
Inventories	889	1,012
Prepaid expenses	7,952	8,589
Deferred tax assets	1,249	1,240
Other	2,336	2,963
Allowance for doubtful accounts	(68)	(74)
Total current assets	40,928	42,022
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	22,118	23,138
Accumulated depreciation	(10,198)	(11,090)
Buildings and structures, net	11,919	12,047
Machinery, equipment and vehicles	54,488	61,614
Accumulated depreciation	(22,338)	(25,089)
Machinery, equipment and vehicles, net	32,150	36,524
Tools, furniture and fixtures	13,925	14,918
Accumulated depreciation	(10,270)	(11,343)
Tools, furniture and fixtures, net	3,654	3,574
Land	24,303	24,303
Lease assets	30,825	35,255
Accumulated depreciation	(17,364)	(21,492)
Lease assets, net	13,461	13,762
Construction in progress	1,161	1,359
Total property, plant and equipment	86,651	91,573
Intangible assets:		
Goodwill	540	386
Other	1,615	2,061
Total intangible assets	2,155	2,447
Investments and other assets		
Investment securities	2,409	2,479
Long-term prepaid expenses	7,519	7,945
Lease and guarantee deposits	3,819	4,765
Net defined benefit asset	98	-
Deferred tax assets	1,055	1,180
Other	838	538
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	15,726	16,895
Total noncurrent assets	104,533	110,916
Total assets	145,462	152,939

(Unit: million yen)

	As of October 31, 2015 Previous consolidated fiscal year	As of October 31, 2016 Consolidated fiscal year
Liabilities		
Current liabilities:		
Notes and accounts payable–trade	543	562
Short-term loans payable	300	300
Current portion of long-term loans payable	6,512	4,850
Lease obligations	3,966	3,992
Accounts payable–other	5,296	5,415
Accrued expenses	3,931	4,287
Income taxes payable	4,509	4,602
Provision for bonuses	1,526	1,633
Provision for directors' bonuses	93	114
Notes payable–facilities	3,142	4,077
Other	3,397	3,520
Total current liabilities	33,219	33,357
Noncurrent liabilities:		
Bonds with subscription rights to shares	21,000	19,970
Long-term loans payable	11,781	11,931
Lease obligations	7,648	7,894
Asset retirement obligations	4,617	4,840
Other	1,313	1,674
Total noncurrent liabilities	46,360	46,310
Total liabilities	79,580	79,668
Net Assets		
Shareholders' equity:		
Capital stock	8,377	9,366
Capital surplus	10,130	11,119
Retained earnings	48,013	53,976
Treasury stock	(1)	(1)
Total shareholders' equity	66,520	74,461
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	130	87
Revaluation reserve for land	(1,052)	(1,052)
Foreign currency translation adjustments	53	(153)
Remeasurements of defined benefit plans	(290)	(438)
Total other accumulated comprehensive income	(1,158)	(1,556)
Subscription rights to shares	520	365
Total net assets	65,882	73,270
Total liabilities and net assets	145,462	152,939

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

Consolidated Profit and Consolidated Loss Statement

(Unit: million yen)

	From November 1, 2014 to October 31, 2015 Previous consolidated fiscal year	From November 1, 2015 to October 31, 2016 Consolidated fiscal year
Net sales	179,698	194,398
Cost of sales	132,992	141,349
Gross profit	46,706	53,048
Selling, general and administrative expenses	27,975	31,595
Operating income	18,730	21,453
Non-operating income:		
Interest income	1	1
Dividend income	6	7
Equity in earnings of affiliates	28	28
Void ticket	164	169
Compensation income	-	83
Foreign exchange gains	35	-
Other	154	92
Total non-operating income	391	382
Non-operating expenses:		
Interest expenses	68	68
Foreign exchange losses	-	139
Expense incurred for evacuation of parking facilities	387	415
Other	76	48
Total non-operating expenses	532	671
Recurring income	18,589	21,164
Extraordinary loss:		
Loss on retirement of noncurrent assets	38	30
Impairment loss	57	55
Loss on sales of investment securities	8	—
Total extraordinary loss	103	86
Income before income taxes and minority interests	18,486	21,078
Income taxes—current	7,132	7,173
Income taxes—deferred	(195)	(58)
Total income taxes	6,936	7,114
Income before minority interests	11,549	13,963
Net income	11,549	13,963

Consolidated Statement of Comprehensive Income

(Unit: million yen)

	From November 1, 2014 to October 31, 2015 Previous consolidated fiscal year	From November 1, 2015 to October 31, 2016 Consolidated fiscal year
Income before minority interests	11,549	13,963
Other comprehensive income		
Valuation difference on available-for-sale securities, before tax	32	(42)
Foreign currency translation adjustment, before tax	15	(65)
Remeasurements of defined benefit plans, net of tax	9	(148)
Share of other comprehensive income of associates accounted for using equity method	24	(141)
Total other comprehensive income	83	(397)
Comprehensive income	11,632	13,566
(Comprehensive income attributable to)		
Owners of the parent	11,632	13,566

(3) Consolidated Statements of Shareholders' Equity

Previous consolidated fiscal year (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
Conversion of convertible bonds with subscription right					-
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
Conversion of convertible bonds with subscription right						-
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

Consolidated fiscal year under review (from November 1, 2015 to October 31, 2016)

(Unit: million yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance At Beginning Of The Fiscal Year	8,377	10,130	48,013	(1)	66,520
Net Increase/Decrease During The Fiscal Year					
Net Share Issues	473	473			947
Conversion of convertible bonds with subscription right	515	514			1,030
Cash Dividends			(8,000)		(8,000)
Net Income			13,963		13,963
Acquisition Of The Treasury Stock				(0)	(0)
Net changes of items other than shareholders' equity					
Total Of Increase/Decrease During The Fiscal Year	988	988	5,963	(0)	7,940
Balance At End Of The Fiscal Year	9,366	11,119	53,976	(1)	74,461

	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	130	(1,052)	53	(290)	520	65,882
Net Increase/Decrease During The Fiscal Year						
Net Share Issues						947
Conversion of convertible bonds with subscription right						1030
Cash Dividends						(8,000)
Net Income						13,963
Acquisition Of The Treasury Stock						(0)
Net changes of items other than shareholders' equity	(42)	-	(206)	(148)	(154)	(552)
Total Of Increase/Decrease During The Fiscal Year	(42)	-	(206)	(148)	(154)	7,388
Balance At End Of The Fiscal Year	87	(1,052)	(153)	(438)	365	73,270

(4) Statements of consolidated cash flows

(Unit: million yen)

	From November 1, 2014 to October 31, 2015 Previous consolidated fiscal year	From November 1, 2015 to October 31, 2016 Consolidated fiscal year
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	18,486	21,078
Depreciation and amortization	20,383	21,779
Impairment loss	57	55
Increase (decrease) in provision for directors' retirement benefits	-	(10)
Interest and dividends income	(8)	(9)
Interest expenses	68	68
Loss on retirement of noncurrent assets	38	30
Decrease (increase) in notes and accounts receivable-trade	(1,175)	(327)
Decrease (increase) in inventory	2,484	3,002
Increase (decrease) in notes and accounts payable-trade	(74)	19
Increase (decrease) in provision for retirement benefits	-	72
Decrease (increase) in accounts receivable-other	(50)	(225)
Decrease (increase) in prepaid expenses	(357)	(642)
Increase (decrease) in accounts payable-other	(99)	299
Increase (decrease) in notes payable-facilities	(573)	482
Others, net	1,906	1,798
Subtotal	41,085	47,471
Interest and dividends income received	8	9
Interest expenses paid	(64)	(67)
Income taxes paid	(5,873)	(7,785)
Net cash provided by (used in) operating activities	35,155	39,627
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	(20,452)	(21,456)
Proceeds from sales of property, plant and equipment	35	12
Purchase of intangible assets	(616)	(1,006)
Purchase of sales of investment securities	(51)	(248)
Proceeds from sales of investment securities	-	0
Purchase of long-term prepaid expenses	-	0
Others, net	(3,222)	(3,578)
Net cash provided by (used in) investment activities	(321)	(871)
Net cash provided by (used in) financing activities:	(24,627)	(27,148)

(Unit: million yen)

	From November 1, 2014 to October 31, 2015 Previous consolidated fiscal year	From November 1, 2015 to October 31, 2016 Consolidated fiscal year
Net increase (decrease) in short-term loans payable		
Proceeds from long-term loans payable	(800)	-
Repayment of long-term loans payable	11,150	5,000
Repayments of lease obligations	(5,278)	(6,512)
Proceeds from issuance of common stock	(4,259)	(4,294)
Purchase of Treasury Shares	256	774
Cash dividends paid	(0)	(0)
Others, net	(7,251)	(8,003)
Net cash provided by (used in) financing activities	21	-
Effect of exchange rate change on cash and cash equivalents	(6,162)	(13,036)
Net increase (decrease) in cash and cash equivalents	6	(45)
Cash and cash equivalents at beginning of period	4,370	(602)
Cash and cash equivalents at end of period	15,693	20,063
	20,063	19,461

(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.

TPF1 Limited

Taiwan Park24 Parking Co., Ltd. (Taiwan)

Times Mobility Networks Co., Ltd.

Times Support Co., Ltd.

TPF3 Limited

Times Rescue Co., Ltd.

TFI Co.,Ltd.

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)

(Application of the Accounting Standard for Business Combinations Etc.)

Starting the first quarter of the consolidated fiscal year under review, the Accounting Standard for Business Combinations (ASBJ Statement No. 21; September 13, 2013), the Accounting Standard for Consolidated Financial Statements (ASBJ Statement No. 22; September 13, 2013), and the Accounting Standard for Business Divestitures (ASBJ Statement No. 7; September 13, 2013) have been applied. Due to the application of these accounting standards, differences arising from changes in the Company's equity interests in the subsidiaries that the Company continues to control are recorded in capital surplus, and expenses related to acquisitions are recorded as expenses in the consolidated fiscal year when they are incurred. For business combinations implemented after the beginning of the first quarter, reviews of allocations of acquisition costs in provisional accounting are reflected in the quarterly consolidated financial statements for the quarters when the business combinations occur. In addition, the presentation of net income etc. has been changed, and the presentation of minority interests has been changed to non-controlling interests. To reflect these changes in presentation, the quarterly consolidated financial statements for the first quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been reclassified.

The application of the Accounting Standard for Business Combinations and other standards follows the transitional arrangements stipulated in Paragraph 58-2 (4) of the Accounting Standard for Business Combinations, Paragraph 44-5 (4) of the Accounting Standard for Consolidated Financial Statements, and Paragraph 57-4 (4) of the Accounting Standard for Business Divestitures. These standards are applied from the beginning of the first quarter and will be applied in the future.

This application of the accounting standards on earnings has no impact.

(Practical Solution on a Change in the Depreciation Method)

Following the revision to the Corporation Tax Act, the Company adopted the "Practical Solution on a Change in Depreciation Method Due to Tax Reform 2016" (ASBJ PITF No. 32, June 17, 2016) effective from the third quarter of this consolidated accounting term. It also changed the depreciation method for facilities attached to buildings and structures acquired on or after April 1, 2016, making the switch from the declining balance method to the straight line method.

The effect of the change on the Company's operating profit, recurring profit, and income before income taxes and minority interests for the first three quarters of the consolidated fiscal year under review is minimal.

(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. 15 of 2016) and the Act for Partial Amendment of the Local Tax Act, etc. (Act No. 13 of 2016) on March 28, 2016, it has been decided that corporate tax rates will be lowered from a consolidated fiscal year beginning on or after April 1, 2016. As a result, the effective statutory tax rate used in calculating deferred tax assets and liabilities has changed from the 32.3% levied to date to 30.9% with respect to the temporary difference that is expected to be eliminated in the consolidated fiscal year beginning November 1, 2016 and November 1, 2017. The effective statutory tax rate used for the temporary difference that is expected to be eliminated in the consolidated fiscal year beginning November 1, 2018 will be 30.6%. 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, 2015 Previous consolidated fiscal year	As of October 31, 2016 Consolidated fiscal year
Merchandise	92	115
Supplies	796	897
Total	889	1,012

2 Pledged assets

	As of October 31, 2015 Previous consolidated fiscal year	As of October 31, 2016 Consolidated fiscal year
Investment securities (claims):	10	10

3 Shares of non-consolidated subsidiaries and affiliated companies

(Unit: million yen)

	As of October 31, 2015 Previous consolidated fiscal year	As of October 31, 2016 Consolidated fiscal year
Investment securities (shares):	1,520	1,407

- 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, 2015 Previous consolidated fiscal year	As of October 31, 2016 Consolidated fiscal year
Variance between the market value of revalued land at the end of the term and the book value after revaluation	48	89

(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)	
	As of October 31, 2015 Previous consolidated fiscal year	As of October 31, 2016 Consolidated fiscal year
Cash and deposits	20,079	19,477
Time deposits whose deposit terms exceed three months	(16)	(16)
Cash and cash equivalents	20,063	19,461

(Deferred tax accounting)

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

(Unit: million yen)

	As of October 31, 2015 Previous consolidated fiscal year	As of October 31, 2016 Consolidated fiscal year
Deferred tax assets		
Current assets		
Business tax and business office tax payable	404	410
Provision for bonuses	495	507
Other	350	322
Total current assets	1,249	1,240
Noncurrent assets		
One-time write-off of assets	96	61
Over Depreciation	379	374
Deferred tax assets related to revaluation	339	322
Asset retirement obligations	1,441	1,472
Other	671	613
Subtotal	2,928	2,844
Provision for valuation	(894)	(802)
Total noncurrent assets	2,033	2,041
Total deferred tax assets	3,283	3,281
Deferred tax liabilities		
Noncurrent liabilities		
Net defined benefit asset	(25)	37
Valuation difference on securities	(62)	(38)
Removal costs for asset retirement obligations	(916)	(894)
Other	(14)	(8)
Subtotal	(1,018)	(903)
Total deferred tax liabilities	(1,018)	(903)
Net deferred tax assets	2,264	2,377

(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, 2014 to October 31, 2015 Previous consolidated fiscal year	From November 1, 2015 to October 31, 2016 Consolidated fiscal year
Current assets - Deferred tax assets	1,249	1,240
Noncurrent assets - Deferred tax assets	1,055	1,180
Noncurrent liabilities - Deferred tax liabilities	40	43

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, 2015 Previous consolidated fiscal year	As of October 31, 2016 Consolidated fiscal year
Legally effective tax rate	35.6	33.1
(Adjustment)		
Provision for valuation	0.2	(0.2)
Non-taxable items such as entertainment expenses	0.4	0.5
Residence tax on a per capita basis	0.4	0.4
Effect of tax rate change	0.1	0.7
Utilization of tax loss carryforward	(0.0)	(0.9)
Other	0.8	0.2
Effective tax rate after applying tax effect accounting	37.5	33.8

(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

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.

Consolidated fiscal year under review (from November 1, 2015 to October 31, 2016)

(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	142,142	52,255	194,398	-	194,398
Internal sales or amount of transfer between segments	98	45	144	(144)	-
Total	142,241	52,300	194,542	(144)	194,398
Segment profit (loss)	24,980	4,457	29,438	(7,985)	21,453
Others					
Depreciation	6,323	11,873	18,197	765	18,963
Amortization of long-term prepaid expenses	2,440	376	2,816	-	2,816

(Note) 1. An adjustment of minus ¥7,985 million in segment profit (loss) includes an amortization of goodwill of minus ¥153 million (amortized balance: ¥386 million) and Company-wide expenses of ¥7,831 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, 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.

Consolidated fiscal year under review (from November 1, 2015 to October 31, 2016)

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, 2014 to October 31, 2015)

(Unit: million yen)

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

Consolidated fiscal year under review (from November 1, 2015 to October 31, 2016)

(Unit: million yen)

	Reported segment			Total
	Parking Business	Mobility Business	Total	
Impairment loss	50	5	55	55

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

Previous consolidated fiscal year (from November 1, 2014 to October 31, 2015)

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

Consolidated fiscal year under review (from November 1, 2015 to October 31, 2016)

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, 2014 to October 31, 2015)

Not applicable

Consolidated fiscal year under review (from November 1, 2015 to October 31, 2016)

Not applicable

(Per share information)

	From November 1, 2014 to October 31, 2015 Previous consolidated fiscal year	From November 1, 2015 to October 31, 2016 Consolidated fiscal year
Shareholders' equity per share	449.33 yen	497.87yen
Net income per share	79.45yen	95.75yen
Net income per share after adjustment of latent shares	75.01yen	90.36yen

(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, 2014 to October 31, 2015 Previous consolidated fiscal year	From November 1, 2015 to October 31, 2016 Consolidated fiscal year
Net income per share		
Net income (million yen)	11,549	13,963
Amounts not associated with common shares (million yen)	-	-
Net income associated with common shares (million yen)	11,549	13,963
Average number of shares issued during the term (thousand shares)	145,364	145,840
Net income per share after adjustment of latent shares		
Adjustment to net income (million yen)	-	-
Increase in common shares(thousand shares)	8,605	8,695
[Of which, equity warrants] (thousand shares)	(615)	(688)
[Of which, bonds with warrants] (thousand shares)	(7,989)	(8,006)
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	-	-

(Significant subsequent events)

(Changes in important subsidiaries)

It has reached a definitive agreement in acquisition of 80% shares in Secure Parking Pty. Ltd (hereafter; Secure Parking Australia), Secure Parking Singapore Pty. Ltd (hereafter; Secure Parking Singapore), and Secure Parking Corporation Sdn.Bhd. (hereafter; Secure Parking Malaysia) to welcome the three entities into the Group, after the board meeting on December 7, 2016.

The Company has also reached a definitive agreement in shareholder deeds with 20% remaining shareholders for each of the three entities.

In addition, it was concurrently resolved to establish overseas holding companies in Australia, Singapore and Malaysia upon the said acquisition.

1. Purpose of the share acquisition

“Secure Parking” began parking business in Australia in 1979, is a global parking business group, operating in eleven nations worldwide with particular focus in Asia and Oceania regions. The Company will be welcoming “Secure Parking” businesses in five out of eleven nations, including Australia, New Zealand, the United Kingdom, Singapore and Malaysia (aggregate of 881 parking sites and 318,862 spaces) to the Group. Amongst the five nations, “Secure Parking” is the market leader in Australia, Singapore and Malaysia.

Through a consequence to formation of this international partnership, while the Group will become the largest parking business operator worldwide in number of operating parking sites, the Company will aim not only faster business development in the existing markets, but also entrance into new market / geographical areas by collaborating in development and in operation know-hows that both parties has developed thus far, and by leveraging the Company’s credibility, IT system such as online parking system “TONIC” and IT development capability, and the global development capability of “Secure Parking”. The Company also contemplates to begin mobility business that is currently operated in Japan by leveraging established parking business.

In addition, the Company will acquire 80% of the shares of Secure Parking companies in the target nations and will form a partnership with the remaining shareholders and management team to achieve the retention and strengthening of management and stabilized business management in efforts to generate increased synergies.

From the above, the Company will aim to undertake initiatives for achieving a “comfortable automobile society” around the world as a global player as well as the expansion of the area and scale through the purchase of shares for the subsidiary acquisition.

2. Overview of the company to be established

(i) Australia

Company name	Park24 Australia Pty Ltd (name subject to change)
Capital	AUD 149.4 million (Estimate)
Main business activities	Holding Company

(ii) Singapore

Company name	Park24 Singapore Pte Ltd (name subject to change)
Capital	AUD 56.0 million equivalent (Estimate)
Main business activities	Holding Company

(iii) Malaysia

Company name	Park24 Malaysia Sdn Bhd (name subject to change)
Capital	AUD 22.4 million equivalent (Estimate)
Main business activities	Holding Company

3. The date of subsidiary companies establishment

The companies will be established by the end of December, 2016.

4. Overview of target companies

(i) Auspark Holdings Pty. Ltd

Company name	Auspark Holdings Pty. Ltd
Address	NSW, Australia
Capital	AUD 200.0 as of June 30, 2016
Net assets	AUD 52.3 million as of June 30, 2016
Total assets	AUD 55.0 million as of June 30, 2016
Main business activities	Holding company of Secure Parking Pty. Ltd with 50% ownership

(ii) Periman Pty. Ltd

Company name	Periman Pty. Ltd
Address	NSW, Australia
Capital	AUD 2.0 as of June 30, 2016
Net assets	AUD 35.8 million as of June 30, 2016
Total assets	AUD 35.8 million as of June 30, 2016
Main business activities	Holding company of Secure Parking Pty. Ltd with 50% ownership

(iii) Secure Parking Pty Ltd

Company name	Secure Parking Pty Ltd
Address	NSW, Australia
Capital	AUD 4.0 as of June 30, 2016
Net assets (Consolidated)	AUD 20.9 million as of June 30, 2016
Total assets (Consolidated)	AUD 92.2 million as of June 30, 2016
Net sales (Consolidated)	AUD 274.8 million as of June 30, 2016 Consolidated fiscal year
Main business activities	Operation of car parkings in Australia, New Zealand and UK

(iv) Secure Parking Singapore Pte. Ltd.

Company name	Secure Parking Singapore Pte. Ltd.
Address	Singapore
Capital	AUD 6.5 million as of March 31, 2016
Net assets	AUD 8.6 million as of March 31, 2016
Total assets	AUD 34.9 million as of March 31, 2016
Net sales	AUD 49.1 million as of March 31, 2016 Consolidated fiscal year
Main business activities	Operation of car parkings in Singapore

(v) Secure Parking Corporation Sdn. Bhd.

Company name	Secure Parking Corporation Sdn. Bhd.
Address	Kuala Lumpur, Malaysia
Capital	MYR 3.0 million as of December 31, 2015
Net assets (Consolidated)	MYR 7.5 million as of December 31, 2015
Total assets (Consolidated)	MYR 31.9 million as of December 31, 2015
Net sales (Consolidated)	MYR 80.0 million as of December 31, 2015 Consolidated fiscal year
Main business activities	Operation of car parkings in Malaysia

Note 1) Although (iii) Secure Parking Pty Ltd. is a subsidiary held by (i) Auspark Holdings Pty Ltd. And (ii) Periman Pty Ltd., and will thus be indirectly acquired, it is the core operating company in Australia. Accordingly, an outline thereof is provided.

Note 2) In addition to those described above, six subsidiaries of Secure Parking Pty Ltd and two subsidiaries of Secure Parking Corporation Sdn. Bhd. will be indirectly acquired.

5. Name of the transferors of the shares to be acquired

Three individual shareholders: Brett Mathews, Garth Mathews, Winardi Pranatajaya

Four institutional shareholders: Ariadne Holdings Pty Ltd, Orion Development Pty Ltd,
Allenwood Investments Limited, Dekad Mutiara Sdn. Bhd.

6. Number of shares acquired, acquisition price and shares after owned

(i) Periman Pty. Ltd

Number of shares acquired	8 shares
Acquisition price	AUD 60.7 million
% owned voting rights post transaction	80.0%

* Periman Pty. Ltd is a holding company of Secure Parking Pty. Ltd and Auspark Holdings Pty. Ltd

(ii) Auspark Holdings Pty. Ltd

Number of shares acquired	160 shares
Acquisition price	AUD 88.7 million
% owned voting rights post transaction	80.0%

* Auspark Holdings Pty. Ltd will be held via Periman Pty. Ltd. Auspark Holdings Pty. Ltd is a holding company of Secure Parking Pty. Ltd with a sole purpose to own Secure Parking Pty. Ltd shares

(iii) Secure Parking Singapore Pte. Ltd

Number of shares acquired	4,177,200 shares
Acquisition price	AUD 56 million
% owned voting rights post transaction	80.0%

(iv) Secure Parking Corporation Sdn. Bhd

Number of shares acquired	2,400,000 shares
Acquisition price	AUD 22.4 million
% owned voting rights post transaction	80.0%

7. Timing for acquisition of shares of subsidiaries

The scheduled date is January 6, 2017.