

Consolidated Financial Report for the Fiscal Year Ended October 31, 2014 (Japanese GAAP)

December 15, 2014

Company name: PARK24 Co., Ltd. Stock listing: TSE
Code number: 4666 URL: <http://www.park24.co.jp>
Representative: Koichi Nishikawa, President
Inquiries: Kenichi Sasaki, Director, General Manager of Corporate Management Department
TEL: +81-3-3213-8900

Scheduled day of annual shareholders' meeting: January 28, 2015
Scheduled day of commencing dividend payment: January 29, 2015
Scheduled day of submission of a financial report: January 29, 2015
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, 2014 (November 1, 2013– October 31, 2014)

(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, 2014	167,022	7.5	17,554	(10.0)	17,509	(10.2)	10,388	(7.8)
Year Ended October 31, 2013	155,428	11.4	19,509	9.5	19,508	12.7	11,261	16.5

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

Fiscal year ended October 31, 2013: 11,554million yen(25.1%)

	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, 2014	71.66	67.63	18.2	13.4	10.5
Year Ended October 31, 2013	78.11	75.22	22.1	16.0	12.6

(Reference) Equity in net income of affiliates: Fiscal year ended October 31, 2014 : 51million yen

Fiscal year ended October 31, 2013 : 34million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net asset per share
Year Ended	Million yen	Million yen	%	Yen
October 31, 2014	135,293	60,190	44.2	411.86
Year Ended October 31, 2013	126,574	54,968	43.1	377.91

(Reference) Shareholders' equity: As of October 31, 2014 : 59,790million yen

As of October 31, 2013 : 54,542million 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, 2014	33,101	(22,930)	(9,799)	15,693
Year Ended October 31, 2013	26,123	(17,477)	(5,416)	15,310

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 40.00	Yen 40.00	Million yen 5,773	% 51.2	% 11.3
Year Ended October 31, 2013	—	0.00	-	50.00	50.00	7,258	69.8	12.7
Year Ending October 31, 2015 (Forecasts)				50.00	50.00		-	

3. Projections of consolidated business results for the Fiscal Year Ending October 31, 2015

(from November 1, 2014 to October 31, 2015)

(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		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending April 30, 2015	86,000	6.3	8,200	(5.6)	8,100	(6.6)	5,000	(6.1)	34.40
Year Ending October 31, 2015	180,000	7.8	18,600	6.0	18,500	5.7	6,500	10.7	79.14

*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, 2014:	145,171,904 shares	As of October 31, 2013:	150,790,504 shares
2) Number of treasury stock at the end of the period	As of October 31, 2014:	977 shares	As of October 31, 2013:	6,460,897 shares
3) Average number of shares during the term (consolidated cumulative period)	Fiscal year ended October 31, 2014:	144,957,889 shares	Fiscal year ended October 31, 2013:	144,177,471 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 improvement in business sentiment primarily due to the government's economic stimulus measures and the BOJ's monetary easing, recovery in capital investment and employment, and moderately rising consumer prices. However the outlook remained uncertain given signs of weakness in personal consumption associated with the consumption tax hike and increases in prices of resources and energy due to the weak yen.

In this environment, the Group sought to achieve a comfortable automobile society and aimed to increase the number of parking facilities and parking spaces in the Parking Business, which is to serve as a revenue base. It also improved the quality of rent-a-car services while endeavoring to expand the size and profitability of the car sharing service in the Mobility Business. However, the business environment for both the Parking Business and the Mobility Business remained challenging, chiefly reflecting a sharp drop in traffic volume caused by record snowfall in February, a decline in consumer sentiment after the consumption tax hike, and a reduction in the use of automobiles due to higher gasoline prices.

As a result, in the fiscal year under review, the Group posted net sales of 167,022 million yen (up 7.5% year on year), operating profit of 17,554 million yen (down 10.0%) and recurring profit of 17,509 million yen (down 10.2%). Net income stood at 10,388 million yen (down 7.8%).

Results by business segment are as follows:

Parking Business

Parking facilities expanded steadily as a result of changing the sales structure to further segmented area-based development and management that allows the business to operate as one unit and capturing outsourcing demand among commercial facilities. As a result, the number of Times parking facilities and parking spaces managed at the end of the fiscal year under review were 13,994, up 9.6% from the end of the previous fiscal year, and 470,675, up 9.2%, respectively. The total number of parking facilities managed, including monthly parking and facility management services, rose 8.6% from the end of the previous fiscal year to 15,426, and the total number of parking spaces managed increased 7.7% to 575,976.

Efforts to improve profitability by utilizing this structure, which allowed the meticulous execution of operational measures that respond to not only the most recent usage data but also changes in the surrounding environment, were partially offset by deterioration in the external environment due to natural disasters and higher taxes, and net sales in this segment (including intersegment sales) stood at 127,619 million yen (increasing 4.5% year on year), and operating profit was 23,614 million yen (down 7.2%).

Mobility Business

Regarding the rent-a-car service, the Group sought to strengthen web-based reservations and corporate sales and to improve the quality of its customer service. In the car sharing service, the Group made progress in creating a user-friendly environment chiefly by improving the management system and increasing the number of stationed vehicles. As a result, the use of the service not only by individual customers but also by corporate customers increased. In addition, the Group reduced its vehicle maintenance costs and hours of down time by enhancing backyard functions.

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 36,317 (of which, the number of vehicles for the Times Car PLUS service was 10,061). Sales in the segment (including intersegment sales) reached 39,537 million yen (increasing 18.3% year on year), while the operating profit was 1,053 million yen (rising 57.6%).

(ii) Outlook for next term

Although companies' business confidence and employment situations are recovering moderately, the future of the economy, including trends in exchange rates and the momentum of personal spending following the consumption tax hike, remains unpredictable.

In this environment, the Group will expand business bases and promote further segmented area-based operations in the Parking Business. The Group will also promote sales to corporations, including administrative corporations 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 promote the integration of the car sharing service and the rent-a-car service to improve the service level and customer retention.

Through these initiatives, at the end of October 2015, we expect to have 503,675 Times parking spaces managed and 39,700 Times Car vehicles (including 13,000 vehicles for the car sharing service). In the fiscal year ending October 31, 2015, the Group expects to increase both sales and profits, posting net sales of 180,000 million yen, an operating profit of 18,600 million yen, a recurring profit of 18,500 million yen, and net income of 11,500 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 8,719 million yen from the end of the previous fiscal year, to 135,293 million yen. The increase was primarily attributable to an increase of 4,310 million yen in property, plant and equipment, including machinery, equipment and vehicles and lease assets, and an increase of 2,426 million yen in current assets, including notes and accounts receivable-trade and prepaid expenses.

Total liabilities increased 3,496 million yen, to 75,103 million yen. Major contributing factors included increases of 1,674 million yen in accounts payable-other, 883 million yen in lease obligations, and a decrease of 516 million yen in long- and short-term loans payable.

Net assets rose 5,222 million yen, to 60,190 million yen as a result of an increase in net income of 10,388 million yen and 1,087 million yen from the issuance of new shares through the exercise of stock options, which more than offset dividend payments of 5,773 million yen.

(ii) Cash flows

The balance of cash and cash equivalents at the end of the fiscal year under review increased 382 million yen from the end of the previous consolidated fiscal year, to 15,693 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 6,977 million yen from a year ago, to 33,101 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 35,935 million yen, offsetting the major negative factor of income taxes paid of 7,491 million yen.

(Net cash from investing activities)

Net cash used in investing activities was 22,930 million yen (up 5,453 million yen year on year). This figure primarily reflects purchases of property, plant, and equipment of 17,360 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 3,310 million yen.

(Net cash from financing activities)

Net cash used in financing activities was 9,799 million yen (up 4,383 million yen year on year). This was attributable primarily to dividend payments of 5,777 million yen, repayment of long-term loans payable of 7,866 million yen, and repayments of lease obligations of 4,084 million yen, offsetting proceeds from long-term loans payable of 7,400 million yen and proceeds from issuance of common stock of 887 million yen.

(Changes in cash flow-related indicators)

	October 2014 Year end	October 2013 Year end	October 2012 Year end
Shareholders' equity ratio (%)	45.1%	44.0	41.5
Market capitalization-based shareholders' equity ratio (%)	179.7%	218.5	167.6
Number of years for debt redemption (Years)	1.4	1.8	1.5
Interest coverage ratio (Times)	326.1	129.9	78.2

(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 and next term

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.

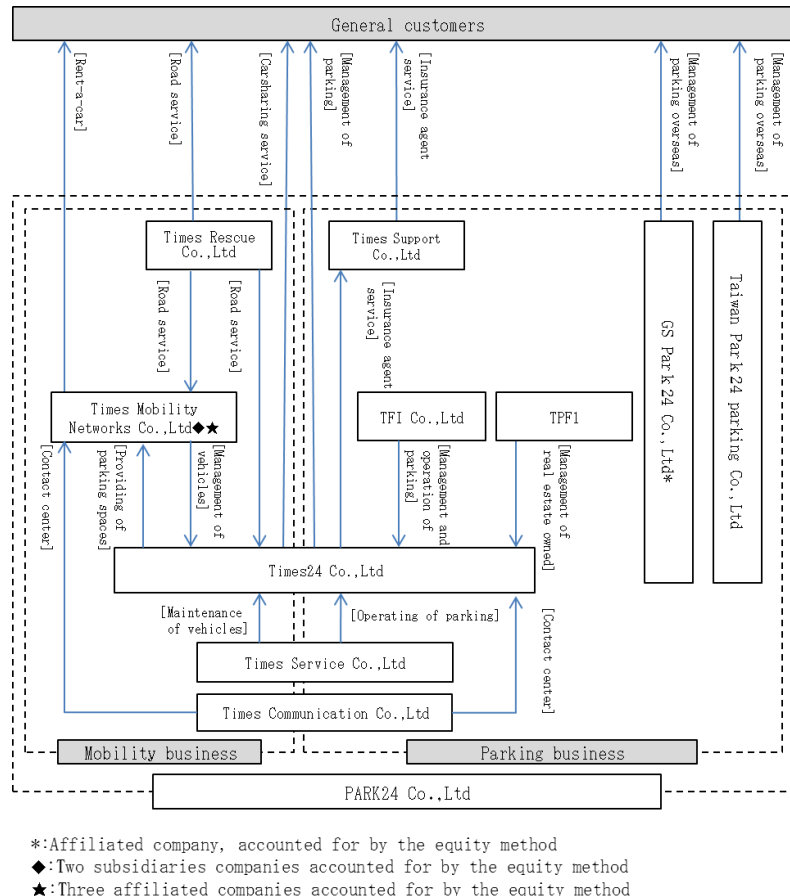
We will allocate internal reserves for research and development and for capital expenditure to create a new automobile society and maximize corporate value. To this end, we will consider potential alliances and make timely investments.

Under our basic policy, we will not pay an interim dividend but will pay a year-end dividend of 50yen per share for the fiscal year under review. The dividend payout ratio will be 69.8%. We also plan to pay a year-end dividend of 50 yen per share (with no interim dividend) for the next term. The dividend payout ratio will be 63.2 %.

2. Status of the PARK24 Group

The Group (the Company and its affiliates) consists of the Company, 10 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 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) Challenges

The Group is tackling the following challenges to create a comfortable automobile society and achieve continued growth.

(1) Further elevating the Times brand

Achieving early firm establishment of the Times Car RENTAL and Times Car PLUS services in the Mobility Business, we aim to promote the Times brand – to many drivers now a synonym for timed parking – from a parking space brand to a brand representing transportation infrastructure services.

(2) Optimizing the parking supply-demand balance

Aiming to create towns without street parking, we strive to optimize the supply-demand balance through the development of parking facilities geared to future supply-demand trends.

(3) Expanding network of Times parking facilities

To expand the network of Times parking facilities that forms the platform for the Group's services, we will establish a network of sites combining many Standard Times (ST) facilities, which are extremely convenient for drivers, and Times Partner Service (TPS) facilities, which is a market with growth potential, to strengthen areas in which we are dominant,

(4) Establishing the mobility network

We will establish a network of rent-a-car and car-sharing sites to respond to the diversifying needs of drivers and at the same time seek to develop an environment in which people can travel safely and securely, relying on incidental services such as road assistance services.

(5) Establishing the car sharing market

To establish a car sharing market that provides a new means of transportation in Japan, we aim at developing an environment in which people can use cars if they go to a Times parking facility by rigorously deploying vehicles for car sharing at Times parking facilities.

(6) Promoting high added value services

In response to developments such as highly safe, eco-friendly cars equipped with vehicle information and communication systems and the sophistication of means of settlement, we will introduce services that use IT networks for improved customer convenience.

(7) Fostering efficiency through optimal allocation and harmonization of management resources

We aim at strengthening the financial position of the Group by enhancing productivity through the optimal allocation and harmonization of management resources, including manpower, goods, capital and information.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheets

(Unit: million yen)

	As of October 31, 2013 Previous consolidated fiscal year	As of October 31, 2014 Consolidated fiscal year
Assets		
Current assets:		
Cash and deposits	15,326	15,709
Notes and accounts receivable–trade	6,710	7,313
Inventories	692	767
Prepaid expenses	7,014	7,593
Deferred tax assets	1,110	1,075
Other	1,893	2,764
Allowance for doubtful accounts	(24)	(74)
Total current assets	32,722	35,148
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures	20,548	21,447
Accumulated depreciation	(8,353)	(9,323)
Buildings and structures, net	12,194	12,124
Machinery, equipment and vehicles	43,270	49,114
Accumulated depreciation	(17,998)	(20,939)
Machinery, equipment and vehicles, net	25,271	28,175
Tools, furniture and fixtures	11,880	12,875
Accumulated depreciation	(8,655)	(9,384)
Tools, furniture and fixtures, net	3,224	3,491
Land	24,303	24,303
Lease assets	22,228	26,836
Accumulated depreciation	(9,601)	(13,131)
Lease assets, net	12,627	13,705
Construction in progress	574	705
Total property, plant and equipment	78,195	82,505
Intangible assets:		
Goodwill	1,355	693
Other	1,191	1,461
Total intangible assets	2,546	2,155
Investments and other assets		
Investment securities	1,589	2,275
Long-term prepaid expenses	6,577	7,308
Lease and guarantee deposits	3,202	3,603
Deferred tax assets	1,349	1,500
Other	405	811
Allowance for doubtful accounts	(14)	(14)
Total investments and other assets	13,110	15,484
Total noncurrent assets	93,852	100,145
Total assets	126,574	135,293

(Unit: million yen)

	As of October 31, 2013 Previous consolidated fiscal year	As of October 31, 2014 Consolidated fiscal year
Liabilities		
Current liabilities:		
Notes and accounts payable–trade	492	617
Short-term loans payable	1,150	1,100
Current portion of long-term loans payable	7,516	5,135
Lease obligations	3,604	3,966
Accounts payable–other	4,533	6,208
Accrued expenses	2,889	3,435
Income taxes payable	4,411	3,725
Provision for bonuses	1,139	1,289
Provision for directors' bonuses	102	84
Notes payable–facilities	3,015	3,595
Other	3,031	3,116
Total current liabilities	31,885	32,274
Noncurrent liabilities:		
Bonds with subscription rights to shares	21,000	21,000
Long-term loans payable	5,372	7,287
Lease obligations	7,450	7,971
Provision for retirement benefits	691	-
Provision for directors' retirement benefits	278	-
Net defined benefit liability	-	1,195
Asset retirement obligations	4,033	4,247
Other	894	1,125
Total noncurrent liabilities	39,721	42,828
Total liabilities	71,606	75,103
Net Assets		
Shareholders' equity:		
Capital stock	7,675	8,219
Capital surplus	9,428	9,972
Retained earnings	47,878	42,842
Treasury stock	(9,343)	(1)
Total shareholders' equity	55,639	61,032
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	70	97
Revaluation reserve for land	(1,052)	(1,052)
Foreign currency translation adjustments	(113)	13
Remeasurements of defined benefit plans	-	(300)
Total other accumulated comprehensive income	(1,096)	(1,241)
Subscription rights to shares	425	399
Total net assets	54,968	60,190
Total liabilities and net assets	126,574	135,293

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

Consolidated Profit and Consolidated Loss Statement

(Unit: million yen)

	From November 1, 2012 to October 31, 2013 Previous consolidated fiscal year	From November 1, 2013 to October 31, 2014 Consolidated fiscal year
Net sales	155,428	167,022
Cost of sales	111,784	122,930
Gross profit	43,643	44,091
Selling, general and administrative expenses	24,134	26,537
Operating income	19,509	17,554
Non-operating income:		
Interest income	1	1
Dividend income	5	8
Equity in earnings of affiliates	34	51
Penalty income charged to customers for cancellation of parking facilities	37	122
Void ticket	150	169
Foreign exchange gains	145	80
Other	183	108
Total non-operating income	558	542
Non-operating expenses:		
Interest expenses	207	96
Expense incurred for evacuation of parking facilities	269	425
Other	81	66
Total non-operating expenses	559	587
Recurring income	19,508	17,509
Extraordinary income:		
Gain on sales of noncurrent assets	112	-
Total extraordinary income	112	-
Extraordinary loss:		
Loss on retirement of noncurrent assets	27	44
Impairment loss	36	341
Expense for changing brand	931	-
Total extraordinary loss	994	385
Income before income taxes and minority interests	18,626	17,123
Income taxes—current	7,305	6,696
Income taxes—deferred	60	39
Total income taxes	7,365	6,735
Income before minority interests	11,261	10,388
Net income	11,261	10,388

Consolidated Statement of Comprehensive Income

(Unit: million yen)

	From November 1, 2012 to October 31, 2013 Previous consolidated fiscal year	From November 1, 2013 to October 31, 2014 Consolidated fiscal year
Income before minority interests	11,261	10,388
Other comprehensive income		
Valuation difference on available-for-sale securities, before tax	32	27
Foreign currency translation adjustment, before tax	79	31
Share of other comprehensive income of associates accounted for using equity method	181	95
Total other comprehensive income	293	(154)
Comprehensive income	11,554	10,542
(Comprehensive income attributable to)		
Owners of the parent	11,554	10,542

(3) Consolidated Statements of Shareholders' Equity

Previous consolidated fiscal year (from November 1, 2012 to October 31, 2013)

(Unit: million yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance At Beginning Of The Fiscal Year	7,435	9,188	41,653	(9,343)	48,934
Net Increase/Decrease During The Fiscal Year					
Net Share Issues	239	239			479
Cash Dividends			(5,035)		(5,035)
Net Income			11,261		11,261
Acquisition Of The Treasury Stock				(0)	(0)
Disposition Of The Treasury Stock			-	-	-
Net changes of items other than shareholders' equity					
Total Of Increase/Decrease During The Fiscal Year	239	239	6,225	(0)	6,704
Balance At End Of The Fiscal Year	7,675	9,428	47,878	(9,343)	55,639

	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	37	(1,052)	(375)	-	348	47,893
Net Increase/Decrease During The Fiscal Year						
Net Share Issues						479
Cash Dividends						(5,035)
Net Income						11,261
Acquisition Of The Treasury Stock						(0)
Disposition Of The Treasury Stock						-
Net changes of items other than shareholders' equity	32	-	261	-	76	370
Total Of Increase/Decrease During The Fiscal Year	32	-	261	-	76	7,074
Balance At End Of The Fiscal Year	70	(1,052)	(113)	-	425	54,968

Consolidated fiscal year under review (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
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 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
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)	5,222
Balance At End Of The Fiscal Year	97	(1,052)	13	(300)	399	60,190

(4) Statements of consolidated cash flows

(Unit: million yen)

	From November 1, 2012 to October 31, 2013 Previous consolidated fiscal year	From November 1, 2013 to October 31, 2014 Consolidated fiscal year
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	18,626	17,123
Depreciation and amortization	16,528	18,470
Impairment loss	36	341
Increase (decrease) in provision for retirement benefits	(109)	-
Increase (decrease) in provision for retirement benefits	-	17
Increase (decrease) in provision for directors' retirement benefits	16	(278)
Interest and dividends income	(7)	(9)
Interest expenses	207	96
Loss (gain) on sales of noncurrent assets	(112)	-
Loss on retirement of noncurrent assets	27	44
Decrease (increase) in notes and accounts receivable-trade	(949)	(601)
Decrease (increase) in inventory	1,137	2,458
Increase (decrease) in notes and accounts payable-trade	(651)	125
Decrease (increase) in accounts receivable-other	243	(711)
Decrease (increase) in prepaid expenses	(253)	(576)
Increase (decrease) in accounts payable-other	(769)	1,846
Increase (decrease) in notes payable-facilities	(490)	591
Others, net	1,860	1,747
Subtotal	35,339	40,684
Interest and dividends income received	8	9
Interest expenses paid	(201)	(101)
Income taxes paid	(9,023)	(7,491)
Net cash provided by (used in) operating activities	26,123	33,101
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	(13,906)	(17,360)
Proceeds from sales of property, plant and equipment	496	59
Purchase of intangible assets	(462)	(678)
Purchase of sales of investment securities	-	(500)
Proceeds from investment in securities	3	-
Purchase of long-term prepaid expenses	(3,308)	(3,310)
Others, net	(300)	(1,140)
Net cash provided by (used in) investment activities	(17,477)	(22,930)

(Unit: million yen)

	From November 1, 2012 to October 31, 2013 Previous consolidated fiscal year	From November 1, 2013 to October 31, 2014 Consolidated fiscal year
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	(7,263)	(50)
Proceeds from long-term loans payable	1,700	7,400
Repayment of long-term loans payable	(11,968)	(7,866)
Repayments of lease obligations	(3,282)	(4,084)
Proceeds from issuance of convertible bonds with subscription rights to shares	19,961	-
Proceeds from issuance of common stock	477	887
Purchase of Treasury Shares	-	(309)
Cash dividends paid	(5,041)	(5,777)
Net cash provided by (used in) financing activities	(5,416)	(9,799)
Effect of exchange rate change on cash and cash equivalents	52	11
Net increase (decrease) in cash and cash equivalents	3,281	382
Cash and cash equivalents at beginning of period	12,028	15,310
Cash and cash equivalents at end of period	15,310	15,693

(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: 10

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.

A decrease due to a merger : 1

ITS Business Aprication 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 a result, 1,195 million yen of net defined benefit liability was recorded at the end of the fiscal year under review, and accumulated other comprehensive income declined 300 million yen. Net assets per share decreased 2.07 yen.

(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. 10 of 2014) on March 31, 2014, the Special Corporate Tax for Reconstruction is no longer levied starting with the fiscal year that began on April 1, 2014.

As a result, the effective statutory tax rate used in calculating deferred tax assets and liabilities has changed from 38.0% levied to date to 35.6% with respect to the temporary difference that is expected to be eliminated in the consolidated fiscal year beginning November 1, 2014. The impact of this change is negligible.

(2) Abolition of directors' retirement benefits system

At the annual shareholders' meeting held on January 29, 2014, the Company resolved to make payments associated with the abolition of the directors' retirement benefits system. Under the resolution, the Company has disposed of all provision for officers' retirement benefits ("Provision" in noncurrent liabilities) and has included the unpaid amount of payments associated with the abolition in "Other" in noncurrent liabilities.

(Notes to consolidated balance sheet)

1 Breakdown of inventories

	(Unit: million yen)	
	As of October 31, 2013 Previous consolidated fiscal year	As of October 31, 2014 Consolidated fiscal year
Merchandise	45	42
Supplies	646	725
Total	692	767

2 Pledged assets

Fiscal year ended October 31, 2013

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

Fiscal year ended October 31, 2014

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, 2013 Previous consolidated fiscal year	As of October 31, 2014 Consolidated fiscal year
Investment securities (shares):	1,318	1,466

- 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)

v	As of October 31, 2013 Previous consolidated fiscal year	As of October 31, 2014 Consolidated fiscal year
Variance between the market value of revalued land at the end of the term and the book value after revaluation	12	20

(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, 2012 to October 31, 2013 Previous consolidated fiscal year	From November 1, 2013 to October 31, 2014 Consolidated fiscal year
Cash and deposits	15,326	15,709
Time deposits whose deposit terms exceed three months	(16)	(16)
Cash and cash equivalents	15,310	15,693

(Lease transactions)

- 1 Finance lease transactions without a transfer of ownership prior to the application of the Accounting Standards for Lease Transactions

The transactions are accounted for in a manner similar to accounting treatment for ordinary rental transactions. Details are as follows:

(As lessee)

- (1) Amounts equivalent to the acquisition price, total sum of depreciation, total sum of impairment losses, and balance at the end of the fiscal year of leased assets

(Unit: million yen)

	As of October 31, 2013 Previous consolidated fiscal year		
	Amount equivalent to acquisition price	Amount equivalent to total sum of depreciation	Amount equivalent to balance at the end of term
Parking facilities	1,397	1,353	44

(Unit: million yen)

	As of October 31, 2014 Consolidated fiscal year		
	Amount equivalent to acquisition price	Amount equivalent to total sum of depreciation	Amount equivalent to balance at the end of term
Parking facilities	1,387	1,387	-

- (2) Amount equivalent to balance of unearned lease fees at the end of term

(Unit: million yen)

	As of October 31, 2013 Previous consolidated fiscal year	As of October 31, 2014 Consolidated fiscal year
Amount equivalent to balance of unearned lease fees at the end of term		
Less than one year	136	-
Total	136	-

- (3) Lease fees paid, reversal of leased assets impairment account, amount equivalent to depreciation, amount equivalent to interest paid, and impairment loss

(Unit: million yen)

	From November 1, 2012 to October 31, 2013 Previous consolidated fiscal year	From November 1, 2013 to October 31, 2014 Consolidated fiscal year
Lease fees paid	473	136
Amount equivalent to depreciation cost	159	43
Amount equivalent to interest paid	7	1

- (4) Method of calculating amounts equivalent to depreciation cost and to interest

Method of calculating the amount equivalent to depreciation cost

The amount equivalent to depreciation cost for each term is calculated by the constant percentage method where the lease period is assigned to the effective life, and 10% is assigned to residual value, then the amount is multiplied by ten ninths

Method of calculating the amount equivalent to interest

While the disparity between the total sum of lease fees and the amount equivalent to the acquisition price of lease assets is set as the amount equivalent to interest, we adopt the interest method for distribution to the respective terms.

(Impairment loss)

There are no impairment losses allotted to leased assets.

2 Finance lease transactions

(As lessee)

Finance lease transactions without a transfer of ownership

(1) Details of lease assets

Property, plant and equipment

Primarily tools and equipment including equipment in the Parking Business

(2) Method of depreciating lease assets

The depreciation method is described in “4. Matters related to accounting standards, (2) Important method of depreciation of fixed assets” of “Material matters as base in preparation of consolidated financial statements.”

(Deferred tax accounting)

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

(Unit: million yen)

	From November 1, 2012 to October 31, 2013 Previous consolidated fiscal year	From November 1, 2013 to October 31, 2014 Consolidated fiscal year
Deferred tax assets		
Current assets		
Business tax and business office tax payable	419	311
Provision for bonuses	432	459
Other	257	304
Total current assets	1,110	1,075
Noncurrent assets		
Provision for retirement benefits	274	-
Net defined benefit liability	-	271
Provision for directors' retirement benefits	88	-
One-time write-off of assets	151	128
Over Depreciation	334	350
Deferred tax assets related to revaluation	374	374
Asset retirement obligations	1,428	1,503
Other	501	878
Subtotal	3,153	3,508
Provision for valuation	(835)	(935)
Total noncurrent assets	2,318	2,572
Total deferred tax assets	3,428	3,647
Deferred tax liabilities		
Noncurrent liabilities		
Valuation difference on securities	(38)	(53)
Removal costs for asset retirement obligations	(912)	(979)
Other	(20)	(45)
Subtotal	(971)	(1,079)
Total deferred tax liabilities	(971)	(1,079)
Net deferred tax assets	2,456	2,568

(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, 2012 to October 31, 2013 Previous consolidated fiscal year	From November 1, 2013 to October 31, 2014 Consolidated fiscal year
Current assets - Deferred tax assets	1,110	1,075
Noncurrent assets - Deferred tax assets	1,349	1,500
Noncurrent liabilities - Deferred tax liabilities	3	7

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, 2013 Previous consolidated fiscal year	As of October 31, 2014 Previous consolidated fiscal year
Legally effective tax rate	38.0	38.0
(Adjustment)		
Provision for valuation	0.0	0.6
Non-taxable items such as entertainment expenses	0.5	0.5
Residence tax on a per capita basis	0.4	0.5
Effect of tax rate change	0.0	0.4
Utilization of tax loss carryforward	-	(1.4)
Other	0.6	0.7
Effective tax rate after applying tax effect accounting	39.5	39.3

(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, 2012 to October 31, 2013)

(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	122,033	33,394	155,428	-	155,428
Internal sales or amount of transfer between segments	108	37	145	(145)	-
Total	122,142	33,431	155,574	(145)	155,428
Segment profit (loss)	25,434	668	26,103	(6,593)	19,509
Others					
Depreciation	5,151	8,547	13,699	618	14,318
Amortization of long-term prepaid expenses	1,869	341	2,210	-	2,210

(Note) 1. An adjustment of minus ¥6,593 million in segment profit (loss) includes an amortization of goodwill of minus ¥356 million (amortized balance: ¥1,355 million) and Company-wide expenses of ¥6,237 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, 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.

Relevant information

Previous consolidated fiscal year (from November 1, 2012 to October 31, 2013) and Consolidated fiscal year under review (from November 1, 2013 to October 31, 2014)

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, 2012 to October 31, 2013)

(Unit: million yen)

	Reported segment			Total
	Parking Business	Mobility Business	Total	
Impairment loss	36	0	36	36

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.

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

Previous consolidated fiscal year (from November 1, 2012 to October 31, 2013) and Consolidated fiscal year under review (from November 1, 2013 to October 31, 2014)

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, 2012 to October 31, 2013) and Consolidated fiscal year under review (from November 1, 2013 to October 31, 2014)

Not applicable

(Per share information)

	From November 1, 2012 to October 31, 2013 Previous consolidated fiscal year	From November 1, 2013 to October 31, 2014 Consolidated fiscal year
Shareholders' equity per share	377.91 yen	411.86 yen
Net income per share	78.11yen	71.66yen
Net income per share after adjustment of latent shares	75.22yen	67.63yen

(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, 2012 to October 31, 2013 Previous consolidated fiscal year	From November 1, 2013 to October 31, 2014 Consolidated fiscal year
Net income per share		
Net income (million yen)	11,261	10,388
Amounts not associated with common shares (million yen)	-	-
Net income associated with common shares (million yen)	11,261	10,388
Average number of shares issued during the term (thousand shares)	144,177	144,957
Net income per share after adjustment of latent shares		
Adjustment to net income (million yen)	23	-
Increase in common shares(thousand shares)	5,852	8,651
[Of which, equity warrants] (thousand shares)	(1,041)	(686)
[Of which, bonds with warrants] (thousand shares)	(4,811)	(7,964)
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 280-20 and 280-21 of the former Commercial Code (with warrants) (Resolution of the annual meeting of shareholders held on January 26, 2006) Number of warranted shares: 1,785,400 shares Exercise price: 2,138 yen 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: 989,200 shares Exercise price: 1,884 yen	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

5. Non-Consolidated Financial Statements

(1) Non-Consolidated Balance Sheet

(Unit: million yen)

	As of October 31, 2013 Previous fiscal year	As of October 31, 2014 Fiscal year
Assets		
Current assets:		
Cash and deposits	2,423	2,674
Accounts receivable—trade	7	8
Merchandise	13	13
Supplies	79	74
Prepaid expenses	288	351
Short-term loans receivable to subsidiaries and affiliates	21,019	25,728
Accounts receivable—other	2,305	2,718
Deferred tax assets	150	151
Other	7	27
Allowance for doubtful accounts	(2)	(3)
Total current assets	26,292	31,744
Noncurrent assets:		
Property, plant and equipment:		
Buildings, net	6,277	6,110
Structures, net	49	46
Machinery and equipment, net	158	132
Vehicles, net	6	3
Tools, furniture and fixtures, net	2,238	2,615
Land	23,064	23,064
Construction in progress	291	282
Total property, plant and equipment	32,084	32,254
Intangible assets:		
Software	962	1,228
Other	68	73
Total intangible assets	1,030	1,301
Investments and other assets		
Investment securities	247	790
Stocks of subsidiaries and affiliates	9,401	9,370
Investments in other securities of subsidiaries and affiliates	8	8
Lease and guarantee deposits	1,479	1,565
Deferred tax assets	1,027	1,022
Other	49	416
Allowance for doubtful accounts	(10)	(10)
Total investments and other assets	12,203	13,162
Total noncurrent assets	45,318	46,719
Total assets	71,611	78,464

(Unit: million yen)

	As of October 31, 2013 Previous fiscal year	As of October 31, 2014 Fiscal year
Liabilities		
Current liabilities:		
Notes Payable	20	24
Accounts payable	8	4
Short-term loans payable	1,230	1,230
Current portion of long-term loans payable	3,925	2,275
Accounts payable—other	298	358
Accrued expenses	768	897
Income taxes payable	157	51
Advances received	109	108
Deposits received	21	23
Provision for bonuses	158	190
Provision for directors' bonuses	75	60
Total current liabilities	6,771	5,224
Noncurrent liabilities:		
Bonds with subscription rights to shares	21,000	21,000
Long-term loans payable	1,062	5,837
Long-term lease and guarantee deposited	91	90
Provision for retirement benefits	107	115
Provision for directors' retirement benefits	209	-
Asset retirement obligations	160	163
Other	-	138
Total noncurrent liabilities	22,630	27,345
Total liabilities	29,402	32,569
Net Assets		
Shareholders' equity:		
Capital stock	7,675	8,219
Capital surplus		
Legal capital surplus	9,428	9,972
Total capital surplus	9,428	9,972
Retained earnings		
Legal retained earnings	82	82
Other retained earnings		
General reserve	19,592	19,592
Retained earnings brought forward	15,331	8,585
Total retained earnings	35,006	28,259
Treasury stock	(9,343)	(1)
Total shareholders' equity	42,766	46,450
Valuation and translation adjustments:		
Valuation difference on available-for-sale securities	69	97
Revaluation reserve for land	(1,052)	(1,052)
Total valuation and translation adjustments	(982)	(955)
Subscription rights to shares	425	399
Total net assets	42,209	45,894
Total liabilities and net assets	71,611	78,464

(2) Non-Consolidated Profit and Loss Statement

(Unit: million yen)

	From November 1, 2012 to October 31, 2013 Previous fiscal year	From November 1, 2013 to October 31, 2014 Fiscal year
Net sales	17,865	18,750
Cost of sales	2,721	3,031
Gross profit	15,143	15,718
Selling, general and administrative expenses	6,122	6,928
Operating income	9,020	8,790
Non-operating income:		
Interest and dividend income	77	72
Foreign exchange gains	137	69
Other	64	39
Total non-operating income	278	181
Non-operating expenses:		
Interest expenses	99	32
Other	46	9
Total non-operating expenses	145	41
Ordinary income	9,153	8,930
Extraordinary income:		
Gain on sales of noncurrent assets	112	-
Total extraordinary income	112	-
Extraordinary loss:		
Loss on retirement of non-current assets	-	28
Other	275	-
Total extraordinary losses	275	28
Income before income taxes	8,990	8,902
Income taxes—current	524	234
Income taxes—deferred	(54)	(10)
Total income taxes	469	223
Net income	8,520	8,678

(3) Non-Consolidated Statements of Shareholders' Equity

Previous non-consolidated fiscal year (from November 1, 2012 to October 31, 2013)

(Unit: million yen)

	Shareholders' Equity						
	Capital Stock	Capital Surplus	Retained Earnings			Treasury Stock	Total Shareholders' Equity
		Legal capital surplus	Retained Earnings	Other Retained Earnings			
				General Reserve	Retained Earnings Brought Forward		
Balance At Beginning Of The Fiscal Year	7,435	9,188	82	19,592	11,846	(9,343)	38,802
Net Increase/Decrease During The Fiscal Year							
Net Share Issues	239	239					479
Cash Dividends					(5,035)		(5,035)
Net Income					8,520		8,520
Acquisition Of The Treasury Stock						(0)	(0)
Disposition Of The Treasury Stock					-	-	-
Net changes of items other than shareholders' equity							
Total Of Increase/Decrease During The Fiscal Year	239	239	-	-	3,484	(0)	3,963
Balance At End Of The Fiscal Year	7,675	9,428	82	19,592	15,331	(9,343)	42,766

	Valuation And Translation Adjustments		Subscription Rights To Share	Total Net Assets
	Valuation Difference On Available-for-sale Securities	Revaluation Reserve For Land		
Balance At Beginning Of The Fiscal Year	38	(1,052)	348	38,137
Net Increase/Decrease During The Fiscal Year				
Net Share Issues				479
Cash Dividends				(5,035)
Net Income				8,520
Acquisition Of The Treasury Stock				(0)
Disposition Of The Treasury Stock				-
Net changes of items other than shareholders' equity	31	-	76	108
Total Of Increase/Decrease During The Fiscal Year	31	-	76	4,072
Balance At End Of The Fiscal Year	69	(1,052)	425	42,209

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

(Unit: million yen)

	Shareholders' Equity						Total Shareholders' Equity
	Capital Stock	Capital Surplus	Retained Earnings			Treasury Stock	
		Legal capital surplus	Retained Earnings	Other Retained Earnings			
				General Reserve	Retained Earnings Brought Forward		
Balance At Beginning Of The Fiscal Year	7,675	9,428	82	19,592	15,331	(9,343)	42,766
Net Increase/Decrease During The Fiscal Year							
Net Share Issues	543	543					1,087
Cash Dividends					(5,773)		(5,773)
Net Income					8,678		8,678
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	-	-	(6,746)	9,341	3,683
Balance At End Of The Fiscal Year	8,129	9,972	82	19,592	8,585	(1)	46,450

	Valuation And Translation Adjustments		Subscription Rights To Share	Total Net Assets
	Valuation Difference On Available-for-sale Securities	Revaluation Reserve For Land		
Balance At Beginning Of The Fiscal Year	69	(1,052)	425	42,209
Net Increase/Decrease During The Fiscal Year				
Net Share Issues				1,087
Cash Dividends				(5,773)
Net Income				8,678
Acquisition Of The Treasury Stock				(309)
Disposition Of The Treasury Stock				-
Net changes of items other than shareholders' equity	27	-	(25)	2
Total Of Increase/Decrease During The Fiscal Year	27	-	(25)	3,685
Balance At End Of The Fiscal Year	97	(1,052)	399	45,894