

Consolidated Financial Report

for the First Six Months of the Fiscal Year Ending October 31, 2024 (Japanese GAAP)

June 14, 2024

Company name: PARK24 CO., LTD. Code number: 4666 Representative: Koichi Nishikawa, President Inquiries: Takao Miki, Director, Senior Corporate Officer, Senior General Manager of Corporate Planning Division	Stock listing: Prime Market of TSE URL : https://www.park24.co.jp/en TEL : +81-3-6747-8120 : June 14, 2024 : – : Yes : Yes, only in Japanese (For institutional investors and analysts)
--	---

Scheduled day of submission of a financial report
 Scheduled day of commencing dividend payment
 Preparation of supplementary financial data
 Information meeting for financial results to be held

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

1. Overview of the First Six Months of Fiscal Year Ending October 31, 2024 (November 1, 2023 – April 30, 2024)

(1) Consolidated Operating Results (Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 30, 2024	175,875	12.0	16,654	10.3	14,998	30.5	9,009	12.9
April 30, 2023	157,078	15.6	15,097	171.7	11,493	191.0	7,979	-

(Note) Comprehensive income: Six months ended April 30, 2024: 9,724 million yen 1.8%
 Six months ended April 30, 2023: 9,550 million yen –%

	Net income per share	Net income per share after dilution
Six months ended	Yen	Yen
April 30, 2024	52.83	48.29
April 30, 2023	46.80	42.56

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of April 30, 2024	310,816	68,275	22.0
As of October 31, 2023	308,157	58,416	18.9

(Reference) Equity: As of April 30, 2024: 68,225 million yen
 As of October 31, 2023: 58,364 million yen

2. Dividend status

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of term	Annual
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
October 31, 2023	–	0.00	–	0.00	0.00
October 31, 2024	–	0.00			
Fiscal year ending October 31, 2024(Forecasts)			–	5.00	5.00

(Notes) Revisions to dividend projection published most recently: None

3. Consolidated Forecasts for the Fiscal Year ending October 31, 2024 (November 1, 2023 - October 31, 2024)

(The percentages indicate the rates of increase or decrease compared with the same period of the previous year)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent		Net income per share
Full year	million yen	%	million yen	%	million yen	%	million yen	%	yen
	357,000	8.1	35,000	9.4	31,000	12.0	20,000	14.0	117.23

(Notes) Revisions to consolidated results projection published most recently: None

(Notes)

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

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial statement :No

(3) Changes in accounting policies and changes or restatement of accounting estimates

- 1) Changes in accounting policies caused by revision of accounting standards :No
- 2) Changes in accounting policies other than 1) :No
- 3) Changes in accounting estimates :No
- 4) Restatement :No

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	Six Months ended April 30, 2024	171,048,369 shares	Fiscal year ended October 31, 2023	171,048,369 shares
2) Number of treasury stock at the end of the period	Six Months ended April 30, 2024	455,030 shares	Fiscal year ended October 31, 2023	528,494 shares
3) Average number of shares during the term (consolidated cumulative period)	Six Months ended April 30, 2024	170,547,727 shares	Six Months ended April 30, 2023	170,519,895 shares

*** Quarterly financial statements are not subject to quarterly review by certified public accountants or auditors**

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

The 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. Qualitative Data, Financial Statements and Other Information (4) Information on the future outlook, including consolidated business performance forecasts".

1. Qualitative Data, Financial Statements and Other Information	4
(1) Qualitative data on the consolidated financial results	4
(2) Overview of financial position.....	6
(3) Cash flow situation.....	6
(4) Information on the future outlook, including consolidated business performance forecasts.....	7
2. Consolidated Financial Statements and Notes.....	8
(1) Consolidated balance sheet	8
(2) Consolidated statements of profit and loss, and comprehensive income.....	10
(3) Consolidated statement of cash flows.....	12
(4) Matters Related to Summary Information (Notes).....	13
(Note on going concern assumptions).....	13
(Note when there is a considerable change in the amount of shareholders' equity).....	13
(Additional Information).....	13
(Segment information).....	13

1. Qualitative Data, Financial Statements and Other Information

(1) Qualitative data on the consolidated financial results

To achieve its medium-term business growth strategy; “expansion and seamless connection of our four networks (people, cars, communities and parking facilities)”, the Group is focusing on "accelerating network expansion" and "facilitating the evolution of services" in the fiscal year ending October 31, 2024. To accelerate network expansion, the Group aims to expand its revenue base by developing new sites in the Parking Business. In the Mobility Business, the Group aims to increase the number of vehicles, Times CAR rental sites, and Times CAR members. Evolution of services is our effort to achieve further growth by pursuing convenience so that we continue to be the choice of customers, and by implementing digitalization to build robust infrastructure enabling the creation and provision of new services.

During the first six months of the consolidated fiscal year under review, Parking Business Japan and Mobility Business performed well. In Parking Business International, parking operation remained robust except for certain areas where parking operation was weaker than expected. The Group's operating results in the first six months under review are as follows.

(Unit: million yen)

	Six months ended April 30, 2023	Six months ended April 30, 2024	YoY change	
			Amount	%
Net sales	157,078	175,875	18,796	12.0%
Operating profit	15,097	16,654	1,556	10.3%
Recurring profit	11,493	14,998	3,505	30.5%
Profit attributable to owners of parent	7,979	9,009	1,029	12.9%

Results by business segment (including intersegment sales) are as follows.

Parking Business Japan

Parking operation performed well. The Group expanded its operations while maintaining profitability by leveraging the expertise it accumulated in selective development. In the first six months under review, the Group developed 666 parking facilities. As part of its efforts to facilitate the evolution of services, it is working to expand car-number-recognition camera-assisted parking sites, and in doing so build next-generation parking services that enable easier entry, exit and settlement. Results in the six months under review reflecting these initiatives are as follows.

- Results

(Unit: million yen)

	Six months ended April 30, 2023	Six months ended April 30, 2024	YoY change	
			Amount	%
Net sales	81,581	88,159	6,577	8.1%
Operating profit	17,601	19,243	1,642	9.3%

- Expansion of the networks

	As of October 31, 2023	As of April 30, 2024	Vs. the previous fiscal year	
			Number	%
Number of Times PARKING facilities (Sites)	17,639	17,999	360	2.0%
Number of Times PARKING spaces (Spaces)	576,262	604,236	27,974	4.9%

Total number of parking sites* (Sites)	25,379	25,646	267	1.1%
Total number of parking spaces* (Spaces)	761,654	790,648	28,994	3.8%

*The number of sites/spaces in the monthly parking and facility management services is included.

Parking Business International

In the United Kingdom, among the regions in which the Group operates, parking operation progressed steadily. In Australia, parking operation was weaker than expected especially in urban areas. In other regions, parking operation performed well.

The Group promoted the development of short-term contract parking facilities (Localized Times PARKING) suited for demand for parking facilities in each region, based on the strategy of "small, dispersed and dominant" used in the Parking Business Japan. Through this, it has optimized the business portfolio which concentrated heavily on large and long-term contract parking facilities, aiming to reduce business risk. Also, the Group took steps to improve the profitability of existing parking sites by instituting measures according to regional characteristics and utilizing the parking site operation management system. Additionally, the Group is working to improve customer convenience and satisfaction by evolving services including measures to facilitate cashless payments. Results in the first six months under review are as follows.

* The consolidation period of overseas subsidiaries for the six months of the fiscal year ending October 31, 2023 is from October 1, 2022 to March 31, 2023, and that for the fiscal year ending October 31, 2024 is from October 1, 2023 to March 31, 2024.

- Results

(Unit: million yen)

	Six months ended April 30, 2023	Six months ended April 30, 2024	YoY change	
			Amount	%
Net sales	32,775	38,464	5,689	17.4%
Operating loss*	△884	△1,211	△326	—

*Amortization of goodwill includes minus 637 million yen for the six months ended October 31, 2023 and minus 696 million yen for the six months ended October 31, 2024.

- Expansion of the networks

	As of October 31, 2023	As of April 30, 2024	Vs. the previous fiscal year	
			Number	%
Number of Localized Times PARKING sites (Sites)	1,348	1,459	111	8.2%
Number of Localized Times PARKING spaces (Spaces)	52,598	56,864	4,266	8.1%
Total number of parking sites* (Sites)	2,586	2,682	96	3.7%
Total number of parking spaces* (Spaces)	538,161	536,832	-1,329	-0.2%

*The number of sites/spaces in the monthly parking and facility management services is included.

Mobility Business

The number of Times CAR members and the use of cars grew steadily due to the increase in the recognition of Times

CAR through the continuous implementation of promotions, increased convenience as a result of improved member programs and the enhanced user interface of applications, and the implementation of campaigns and other programs aimed at facilitating use. During the first six months under review, the Group increased 4,316 vehicles and 2,074 Times CAR rental sites. Usage fees per vehicle rose, as did the number of vehicles, as the Group expanded its fleet and rental sites based on demand and regional characteristics. In addition, in response to the high price of crude oil and soaring prices, we revised distance-based charges for Times CAR and subscription fees for the Safe Compensation Service, in February 2024. Results in the first six months under review are as follows.

- Results

(Unit: million yen)

	Six months ended April 30, 2023	Six months ended April 30, 2024	YoY change	
			Amount	%
Net sales	45,333	52,022	6,689	14.8%
Operating profit	5,685	7,181	1,495	26.3%

- Expansion of the networks

	As of October 31, 2023	As of April 30, 2024	Vs. the previous fiscal year	
			Number	%
Number of vehicles (Units)	60,047	64,363	4,316	7.2%
Number of Times CAR rental sites (Sites)	16,017	18,091	2,074	12.9%
Number of members (Thousand people)	2,423	2,693	269	11.1%

(2) Overview of financial position

The Group's financial position at the end of the first six months under review is as shown below.

	As of October 31, 2023	As of April 30, 2024	Change
Total assets (Million yen)	308,157	310,816	2,658
Interest-bearing liabilities (Million yen)	170,724	162,643	-8,080
Total shareholders' equity (Million yen)	70,301	79,446	9,145
Shareholders' equity ratio (%)	22.8	25.6	2.7
Net D/E ratio* (Times)	1.38	1.19	-0.19

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

(3) Cash flow situation

The cash flow situation by category for the first six months under review was as follows.

(Unit: million yen)

	Six months ended April 30, 2023	Six months ended April 30, 2024	Change
Cash flows from operating activities	24,353	28,467	4,113
Cash flows from investing activities	-10,111	-14,638	-4,527
Free cash flow	14,241	13,828	-413
Cash flows from financing activities	-14,600	-20,362	-5,761
Cash and cash equivalents at end of period	84,805	67,425	-17,379

(4) Information on the future outlook, including consolidated business performance forecasts

The consolidated earnings forecasts for the fiscal year ending October 31, 2024 have not been changed from the figures announced on December 14, 2023 in the Consolidated Financial Report for the Fiscal Year Ended October 31, 2023.

2. Consolidated Financial Statements and Notes

(1) Consolidated balance sheet

(Unit: million yen)

	As of October 31,2023	As of April 30,2024
Asset		
Current assets		
Cash and deposits	73,957	68,115
Notes and accounts receivable -trade	23,624	24,132
Inventories	2,044	2,164
Other	34,454	35,058
Allowance for doubtful accounts	-745	-859
Total current assets	133,335	128,611
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,608	28,150
Machinery, equipment and vehicles, net	32,548	35,965
Land	24,899	24,899
Leased assets, net	7,592	8,325
Right of use assets, net	20,049	22,123
Other, net	7,467	8,943
Total property, plant and equipment	121,167	128,408
Intangible assets		
Goodwill	18,117	17,997
Contract-based intangible assets	6,545	6,645
Other	7,392	7,861
Total intangible assets	32,055	32,504
Investments and other assets	21,425	21,178
Total non-current assets	174,647	182,091
Deferred assets	174	113
Total assets	308,157	310,816
Liabilities		
Current liabilities		
Short-term borrowings	3,154	1,710
Current portion of long-term borrowings	28,257	18,064
Lease liabilities	10,742	10,379
Income taxes payable	6,119	4,401
Provision for bonuses	3,390	2,611
Other	52,258	56,669
Total current liabilities	103,922	93,835
Non-current liabilities		
Bonds with share acquisition rights	42,310	42,310
Long-term borrowings	68,204	67,979
Lease liabilities	18,055	22,200
Deferred tax liabilities	1,709	1,737
Asset retirement obligations	9,722	9,805
Other	5,817	4,672
Total non-current liabilities	145,818	148,705
Total liabilities	249,741	242,540

(Unit: million yen)

	As of October 31,2023	As of April 30,2024
Net assets		
Shareholders' equity		
Share capital	32,739	32,739
Capital surplus	28,326	28,326
Retained earnings	10,491	19,462
Treasury shares	-1,255	-1,081
Total shareholders' equity	70,301	79,446
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	118	139
Deferred gains or losses on hedges	23	17
Revaluation reserve for land	-1,035	-1,035
Foreign currency translation adjustment	-8,099	-7,203
Remeasurements of defined benefit plans	-2,943	-3,139
Total accumulated other comprehensive income	-11,936	-11,221
Share acquisition rights	51	49
Total net assets	58,416	68,275
Total liabilities and net assets	308,157	310,816

(2) Consolidated statements of profit and loss, and comprehensive income

(Consolidated statement of profit and loss of the first six months of fiscal 2024)

(Unit: million yen)

	Six months ended April 30, 2023 (November 1, 2022- April 30, 2023)	Six months ended April 30, 2024 (November 1, 2023- April 30, 2024)
Net sales	157,078	175,875
Cost of sales	115,463	129,823
Gross profit	41,614	46,051
Selling, general and administrative expenses	26,517	29,397
Operating profit	15,097	16,654
Non-operating income		
Void ticket	87	87
Foreign exchange gains	-	449
Profit from redemption	276	-
Other	166	163
Total non-operating income	530	700
Non-operating expenses		
Interest expenses	1,917	1,874
Expense incurred for evacuation of parking facilities	143	151
Foreign exchange losses	1,737	-
Other	336	330
Total non-operating expenses	4,135	2,356
Recurring profit	11,493	14,998
Extraordinary income		
Gain on sale of investment securities	979	1
Total extraordinary income	979	1
Extraordinary losses		
Impairment losses	-	74
Loss on retirement of non-current assets	141	99
Loss on valuation of investment securities	-	48
Other	0	-
Total extraordinary losses	141	222
Profit before income taxes	12,331	14,777
Income taxes - current	4,657	4,143
Income taxes - deferred	-306	1,623
Total income taxes	4,351	5,767
Profit	7,979	9,009
Profit attributable to owners of parent	7,979	9,009

(Consolidated statement of comprehensive income of the first six months of fiscal 2024)

(Unit: million yen)

	Six months ended April 30, 2023 (November 1, 2022- April 30, 2023)	Six months ended April 30, 2024 (November 1, 2023- April 30, 2024)
Profit	7,979	9,009
Other comprehensive income		
Valuation difference on available-for-sale securities	14	21
Deferred gains or losses on hedges	1	-6
Foreign currency translation adjustment	1,628	895
Remeasurements of defined benefit plans, net of tax	-73	-195
Total other comprehensive income	1,570	714
Comprehensive income	9,550	9,724
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	9,550	9,724

(3) Consolidated statement of cash flows

(Unit: million yen)

	Six months ended April 30, 2023 (November 1, 2022- April 30, 2023)	Six months ended April 30, 2024 (November 1, 2023- April 30, 2024)
Cash flows from operating activities		
Profit before income taxes	12,331	14,777
Depreciation	14,880	16,027
Impairment losses	-	74
Amortization of goodwill	637	696
Interest expenses	1,917	1,874
Loss on retirement of non-current assets	141	99
Loss (gain) on sale of investment securities	-979	-1
Loss (gain) on valuation of investment securities	-	48
Decrease (increase) in trade receivables	584	-349
Decrease (increase) in inventories	2,272	1,463
Increase (decrease) in trade payables	7	158
Increase (decrease) in provision for bonuses	43	-780
Other, net	2,274	-96
Subtotal	34,110	33,993
Interest and dividends received	7	42
Interest paid	-1,927	-1,875
Income taxes paid	-7,836	-3,693
Net cash provided by (used in) operating activities	24,353	28,467
Cash flows from investing activities		
Purchase of property, plant and equipment	-8,896	-10,364
Proceeds from sale of property, plant and equipment	3	0
Proceeds from sale of investment securities	1,063	2
Purchase of intangible assets	-910	-1,671
Payments for asset retirement obligations	-114	-214
Other, net	-1,257	-2,390
Net cash provided by (used in) investing activities	-10,111	-14,638
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-0	-1,495
Repayments of long-term borrowings	-15,535	-10,613
Repayments of lease liabilities	-6,561	-8,252
Proceeds from issuance of bonds with share acquisition rights	34,911	-
Payments for redemption of bonds with share acquisition rights	-27,413	-
Purchase of treasury shares	-0	-
Dividends paid	-1	-
Net cash provided by (used in) financing activities	-14,600	-20,362
Effect of exchange rate change on cash and cash equivalents	98	660
Net increase (decrease) in cash and cash equivalents	-259	-5,873
Cash and cash equivalents at beginning of period	85,065	73,299
Cash and cash equivalents at end of period	84,805	67,425

(4) Matters Related to Summary Information (Notes)

[Note on going concern assumptions]

Not applicable.

[Note when there is a considerable change in the amount of shareholders' equity]

Not applicable.

[Additional Information]

The Company and its domestic consolidated subsidiaries have shifted from a consolidated taxation system to a group tax sharing system from the first quarter of the current fiscal year. Accordingly, the accounting treatment and disclosures of the corporation income tax and the local corporation income tax as well as tax effect will be prescribed in accordance with the "Practical Solution on the Accounting and Disclosure Under the Group Tax Sharing System" ASBJ PITF No. 42 (August 12, 2021).

[Segment information]

I. First six months of fiscal 2023 (from November 1, 2022 to April 30, 2023)

Information on sales and profits or losses by reported segment

(Unit: million yen)

	Reported segment				Adjustment (Note) 2	Amount on consolidated profit and loss statement (Note) 3
	Parking Business Japan	Parking Business International (Note) 1	Mobility Business	Total		
Sales						
Sales from contracts with customers	72,877	31,627	44,111	148,616	—	148,616
Other sales (Note) 4	6,184	1,147	1,130	8,462	—	8,462
Sales to external customers	79,062	32,775	45,241	157,078	—	157,078
Internal sales or amount of transfer between segments	2,519	—	92	2,611	-2,611	—
Total	81,581	32,775	45,333	159,690	-2,611	157,078
Segment profit (loss)	17,601	-884	5,685	22,402	-7,304	15,097

(Notes)

1. The segment profit (loss) of minus 884 million yen in Parking Business International includes an amortization of goodwill of minus 637 million yen.
2. Adjustment in segment profit (loss) is a company-wide expenses that are not allocated to each reported segment. Those expenses are relating to the administration division, including the general affairs department.
3. Segment profit is adjusted in accordance with operating profit in the consolidated profit and loss statement.
4. Other sales is rental income and others, based on accounting standards for lease transactions.

II. First six months of fiscal 2024 (from November 1, 2023 to April 30, 2024)

Information on sales and profit or loss by reported segment

(Unit: million yen)

	Reported segments				Adjustment (Note) 2	Amount on consolidated profit and loss statement (Note) 3
	Parking Business Japan	Parking Business International (Note)1	Mobility Business	Total		
Sales						
Sales from contracts with customers	79,098	37,506	50,587	167,192	—	167,192
Other sales (Note) 4	6,406	958	1,318	8,683	—	8,683
Sales to external customers	85,504	38,464	51,906	175,875	—	175,875
Internal sales or amount of transfer between segments	2,654	—	116	2,770	-2,770	—
Total	88,159	38,464	52,022	178,646	-2,770	175,875
Segment profit (loss)	19,243	-1,211	7,181	25,213	-8,559	16,654

(Notes)

1. The segment profit (loss) of minus 1,211 million yen in Parking Business International includes an amortization of goodwill of minus 696 million yen.
2. Adjustment in segment profit (loss) is a company-wide expenses that are not allocated to each reported segment. Those expenses are relating to the administration division, including the general affairs department.
3. Segment profit is adjusted in accordance with operating profit in the consolidated profit and loss statement.
4. Other sales is rental income and others, based on accounting standards for lease transactions.