

Consolidated Financial Report for the Fiscal Year Ended October 31, 2019(Japanese GAAP)

December 16, 2019

Company name: PARK24 CO., LTD. Stock listing : TSE
 Code number: 4666 URL : <https://www.PARK24.co.jp/en/>
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Scheduled day of annual shareholders' meeting : January 30, 2020
 Scheduled day of commencing dividend payment : January 31, 2020
 Scheduled day of submission of a financial report : January 31, 2020
 Preparation of supplementary financial data : ☒ Yes / None
 Information meeting for financial results to be held : ☒ Yes / None (for analysts and institutional investors)

1. Consolidated business results for the fiscal year ended October 31, 2019 (November 1, 2018– October 31, 2019)

(1) Consolidated results of operations (Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
October 31, 2019	317,438	6.3	22,322	-1.0	21,566	-4.3	12,348	-10.9
October 31, 2018	298,517	28.1	22,539	9.9	22,532	11.1	13,851	3.1

(Note) Comprehensive income: Fiscal year ended October 31, 2019: 7,720million yen -38.4%
 Fiscal year ended October 31, 2018: 12,541million yen -13.1%

	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
Fiscal year ended	Yen	Yen	%	%	%
October 31, 2019	79.79	75.28	13.4	7.5	7.0
October 31, 2018	91.88	84.44	16.1	8.3	7.6

(Reference) Equity in net income of affiliates : Fiscal year ended October 31, 2019: 9million yen
 Fiscal year ended October 31, 2018: -19million yen

(Note) The provisional accounting treatment for a business combination that took place in the first quarter of FY2018, was finalized. Accordingly, consolidated operating results are calculated based on figures that reflect a significant review of the initially allocated amounts of acquisition costs.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net asset per share
	Million yen	Million yen	%	Yen
As of October 31, 2019	293,097	90,791	30.8	585.37
As of October 31, 2018	283,171	94,847	33.3	610.01

(Reference) Shareholders' equity: As of October 31, 2019 : 90,407million yen
 As of October 31, 2018 : 94,321million 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
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
October 31, 2019	45,695	-49,454	-782	24,664
October 31, 2018	53,476	-43,095	1,754	29,785

2. Dividend status

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1Q	2Q	3Q	4Q	Annual			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
October 31, 2018	—	0.00	—	70.00	70.00	10,823	76.2	12.3
October 31, 2019	—	0.00	—	70.00	70.00	10,811	87.7	11.7
Fiscal year ending October 31, 2020 (Forecasts)	—	0.00	—	70.00	70.00		65.6	

3. Projections of consolidated business results for the Fiscal Year Ending October 31, 2020 (from November 1, 2019 to October 31, 2020)

(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, 2019	159,700	3.6	10,100	1.3	9,600	0.8	6,100	39.47
Year Ending October 31, 2019	333,000	4.9	26,700	19.6	25,500	18.2	16,500	106.73

*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 :None

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 Oct 31, 2019:	154,974,269	As of Oct 31, 2018:	154,623,769
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2) Number of treasury stock at the end of the period

As of Oct 31, 2019:	528,203	As of Oct 31, 2018:	1,323
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3) Average number of shares during the term (consolidated cumulative period)

Fiscal year ended Oct 31, 2019:	154,754,796	Fiscal year ended Oct 31, 2018:	150,759,537
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* This financial summary falls outside the scope of audit procedures of certified public accountant or audit corporation

* 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. Summary of Operating Results, Financial Position, and Cash Flow".

1. Summary of Operating Results, Financial Position, and Cash Flow

(1) Consolidated operating results

During the consolidated fiscal year ended October 31, 2019, although the Japanese economy maintained a high level of corporate earnings and employment conditions, it is showing some signs of weakness recently. Overseas, the economic outlook became increasing uncertain, given concerns over the direction of trade friction due to US trade and monetary policies and the Brexit issue, among other matters.

In this environment, the PARK24 GROUP companies (the “Group”) redefined and renewed its corporate identity (corporate philosophy and slogan, etc.) and brand identity before celebrating the 50th anniversary of its founding in 2021 and relocated in May 2019 its head office to Gotanda (Tokyo), where its business started. The Group reaffirmed the spirit of taking on challenges and made a new step toward sustainable growth.

In all its services, the Group sought to expand the 4 networks of people (members), cars (mobility), communities (destinations) and parking in pursuit of the new Group philosophy, “We create new forms of comfort and convenience by responding to the needs of today and anticipating the needs of tomorrow,” and sought to create new services that connect those networks seamlessly, while simultaneously taking steps to develop its business foundation in Japan and abroad.

While the Group’s parking facilities and vehicles, etc. suffered slight damage as a result of natural disasters such as Typhoon No. 19, the impact of this damage was limited.

As a result, during the fiscal year under review, the Group recorded Net sales of 317,438 million yen (up 6.3% year on year), Operating profit of 22,322 million yen (down 1.0%), Recurring profit of 21,566 million yen (down 4.3%), and net income attributable to owners of parent of 12,348 million yen (down 10.9%).

New Group Philosophy

We create new forms of comfort and convenience by responding to the needs of today and anticipating the needs of tomorrow.

PARK24 GROUP provides comfort and convenience in forms both familiar and entirely new. We help to make urban environments and the lives of people living and working in them richer and pleasanter. We listen carefully to our customers to create services that meet the needs of the times and enhance sustainability. This thinking underpins all our interactions with all our stakeholders.

In response to the consumption tax hike that took effect on October 1, 2019, the Group took the latest consumption tax hike as an opportunity to clarify the service fees and consumption tax in the Parking Business and unified the concept and display of prices as a combination of the fee and consumption tax. This is in contrast to the past, when the Group absorbed part of the tax increase through corporate efforts while maintaining parking rates in units of 100 yen. The Group began to revise the parking rates on October 1.

In the Mobility Business, with the start of Times CAR on a full-scale basis on October 1, 2019, the Group established a Times CAR fee structure for Times CAR and car sharing services are shifting to the Times CAR fee structure. Rent-a-car services will also gradually shift to the Times Car fee structure, but part of the services will remain based on the current fee structure.

Results by business segment are as follows:

Parking Business in Japan

The Group sought an expansion in scale by developing highly profitable parking through operation proposal marketing and community-based attentive marketing activities to companies that hold parking facilities while at the same time seeking to achieve early profitability at newly developing parking facilities. The Group also worked to strengthen the profit base and improve the profitability of parking by focusing on the expansion and promotion of use of Times BUSINESS CARD (credit card for exclusive use by corporate customers), improving the convenience of Times Club members and other users, promoting the installation of new Times Tower payment machines that support

diverse payment methods and promoting the establishment of community networks through expansion in the scale of the Times PAY cashless payment service, which is part of the business that supports stores operating around Times PARKING sites from the perspectives of customer attraction and business. The Group is also gradually replacing Times PARKING signboards with ones featuring the new service logo as a result of the corporate identity renewal. Its response to the consumption tax hike from October 1, 2019 is as described earlier and, as of October 31, 2019, parking rates had been changed at around one-third of Times PARKING sites and the changes are expected to be more or less completed by the end of December 2019.

As a result, the number of Times PARKING sites and parking spaces managed in Japan was 18,908 (107.5% of that at the end of the previous fiscal year) and 604,413 (104.1% of that at the end of the previous fiscal year), and the total number of parking spaces managed in Japan, including monthly parking and facility management services, was 20,337 (107.1% of that at the end of the previous fiscal year), and the total number of parking spaces managed in all parking services were 755,809 (104.3% of that at the end of the previous fiscal year).

Net sales in this segment (including intersegment Net sales) was 165,997 million yen (up 5.7% year on year) and Operating profit was 27,300 million yen million (up 1.5% year on year).

Parking Business Overseas

The Group strengthened its business foundation to establish a new system that enables it to implement growth strategies, not only by improving the governance system and IT environment in each country and region, but also through other initiatives such as the strengthening of sales personnel and improvement of the parking operation system. In addition, the Group is in the process of gradually integrating technologies and know-how related to parking facility management cultivated in Japan with those of other countries and working to maximize the profitability of its overseas parking facilities.

As a result, the total number of parking sites operated at the end of the fiscal year under review was 2,631 (107.1% of that at the end of the previous fiscal year) and the total number of parking sites operated was 665,774 (102.8% of that at the end of the previous fiscal year). The total number of parking sites operated worldwide, including Japan, was 22,968 (107.1% of that at the end of the previous fiscal year) and the total number of parking sites operated was 1,421,583 (103.6% of that at the end of the previous fiscal year).

The Net sales of this segment (including intersegment Net sales) was 65,976 million yen (down 3.4% year on year) and the operating loss was 992 million yen (compared with an operating loss of 879 million yen 1 year earlier).

Mobility Business

In its rent-a-car services, the Group rationalized the deployment of vehicles to tap into growing private demand while at the same time strengthening services, including renewing foreign language-based reservation websites to meet growing inbound demand.

In its car sharing services, the Group aggressively deployed vehicles and sought to expand services for corporate customers. In addition, the Group has been creating an environment where people can move without stress through a range of initiatives including an increase in the placement of vehicles in transport hubs such as stations served by the shinkansen and major stations in a variety of regions, and development of tourism promotion-oriented car sharing in collaboration with governments and railway companies.

In addition, starting from this fiscal year, the Group stepped up expansion of “Times CAR,” a new form of mobility service that will make the mobility environment more convenient and comfortable and that can meet all mobility needs. “Times CAR” is a new kind of mobility service that combines the strengths of the unattended car sharing service with the manned rent-a-car service and it will help develop an environment for achieving travel via optimal means that suits the purposes of customers. In connection with this initiative, the Group established a Times CAR fee structure as

explained earlier and Times CAR services are now also available at many rent-a-car stores.

Since November 1, 2019, Times Mobility CO., LTD., a new company formed through the integration of rent-a-car service business entities and car sharing service business entities, has been operating the Mobility Business in order to promptly provide customers with high-quality services that are more convenient and easier to use. This will further drive the development of the Times CAR.

As a result, the Station of car sharing services at the end of the fiscal year under review was 12,643 stations (111.8% of that at the end of the previous fiscal year), the number of vehicles deployed was 27,096 (115.6% of that at the end of the previous fiscal year), and the number of car sharing members was 1,305,324 (118.8% of that at the end of the previous fiscal year).

As mentioned above, the total number of vehicles in the Mobility Business as a whole at the end of the fiscal year under review was 57,716 units, up 105.7% from the end of the previous fiscal year (of which, the number of vehicles in the rent-a-car service was 30,620 units). The Net sales of this business (including intersegment Net sales) was 85,847 million yen, up 16.8% from the end of the previous fiscal year, and the Operating profit was 9,112 million yen, up 32.9% from the end of the previous fiscal year.

(2) Overview of financial position during the fiscal year under review

Total assets at the end of the fiscal year under review amounted to 293,097 million yen, an increase of 9,925 million yen from the end of the previous fiscal year. This is primarily a result of an increase in property, plant and equipment including buildings and structures-net of 14,998 million yen, an increase in current assets including accounts receivable-trade of 2,299 million yen, a decrease in goodwill of 4,954 million yen and a decrease in contract-based intangible assets of 4,408 million yen.

Total liabilities increased 13,981 million yen from the end of the previous fiscal year, to 202,305 million yen. Major contributing factors included an increase in current liabilities including short-term loans payable of 7,314 million yen and increase in noncurrent liabilities including long-term loans payable of 6,666 million yen.

Net assets decreased 4,055 million yen, to 90,791 million yen, mainly as a result of an increase of 12,348 million yen due to the posting of a profit attributable to owners of parent, a decrease in foreign currency translation adjustment of 4,735 million yen and a decrease of 10,823 million yen due to dividend payments from retained earnings.

(3) Overview of cash flow during the fiscal year under review

Cash and cash equivalents at the end of the fiscal year under review amounted to 24,664 million yen, a decrease of 5,120 million yen from the end of the previous fiscal year.

The status of cash flow by category at the end of the fiscal year under review was as follows:

(Cash flow from operating activities)

Net cash provided by operating activities decreased 7,781 million yen year on year, to 45,695 million yen. This primarily reflected the total of depreciation, amortization of goodwill, and profit before income taxes of 50,361 million yen and income taxes paid of 9,107 million yen.

(Cash flow from investing activities)

Net cash used in investing activities was 49,454 million yen (cash outflow increased 6,358 million yen year on year). This was chiefly attributable to the expenditure of 42,845 million yen for the acquisition of property, plant and equipment associated with construction expenses of the new head office, the opening of Times PARKING facilities and the purchase of vehicles for service, and the purchase of long-term prepaid expenses of 4,313 million yen

(Cash flow from financing activities)

Net cash used in financing activities was 782 million yen (cash outflow increased 2,536 million yen year on year). This was largely a result of a net increase in long-term loans payable of 12,463 million yen, a net increase in short-term loans payable of 4,334 million yen, repayments of lease obligations of 5,806 million yen and dividend payments of 10,821 million yen.

(Changes in cash flow-related indicators)

	FY Ended Oct. 2019	FY Ended Oct. 2018	FY Ended Oct. 2017
Equity ratio (%)	33.3	34.1	30.7
Market value equity ratio (%)	134.8	162.2	149.8
Number of years for debt redemption (years)	3.1	2.3	3.2
Interest coverage ratio (times)	60.2	65.8	117.4

(Note) Shareholders' equity ratio: shareholders' equity divided by total assets

Market value equity ratio: market capitalization divided by total assets

Number of years for debt redemption: interest-bearing debts divided by cash flow from operating activities

Interest coverage ratio: cash flow from operating activities divided by interest payment

* All of the indicators are calculated based on consolidated financial data.

* Market capitalization is calculated by multiplying the closing stock price at the end of the fiscal year by the number of shares outstanding (after subtracting treasury shares).

* The cash flow from operating activities used in the calculations is the cash flow from operating activities in the consolidated statement of cash flow.

* Interest-bearing debt includes all interest-bearing liabilities that are posted on the consolidated balance sheet.

* The interest payment represents the amount of interest expenses paid presented in the consolidated statement of cash flow.

(4) Outlook for the future

While corporate earnings and employment conditions are expected to remain buoyant, uncertainty about economic conditions abroad, fluctuations in the financial and capital markets, and other downside risks to the world's economy are a cause for concern.

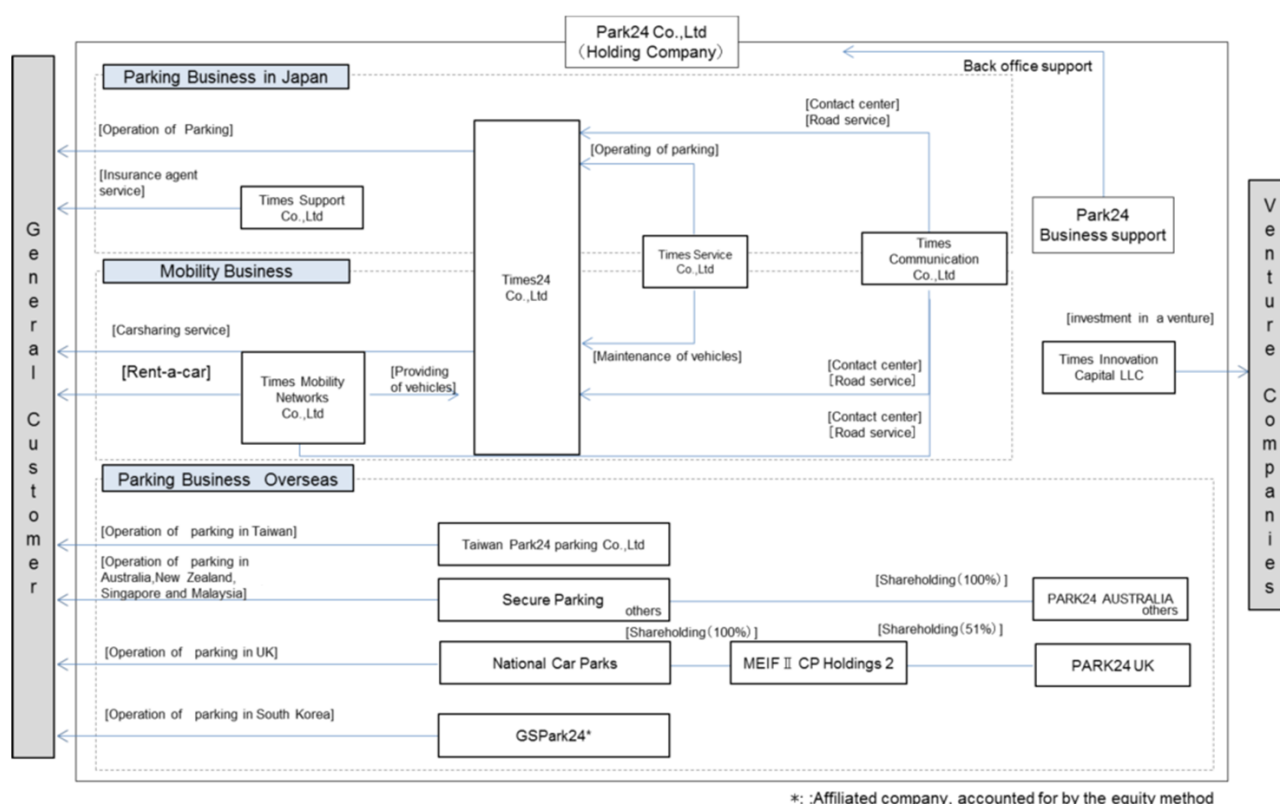
In this environment, the Group will work to strengthen the profit base and improve profitability in the Parking Business in Japan by expanding its parking sites through proposal-based sales to corporate customers and community-based, attentive marketing activities and by enhancing and expanding the services it offers. In the Parking Business Overseas, the Group will continue to focus on developing and strengthening its business base and on improving and increasing profitability through business expansion. In addition, the Group will continue to expand the scale of its Mobility Business while promoting the use of the services by corporate customers and boosting sales to raise its earning power and service levels. Meanwhile, in the Mobility Business, the Group will seek to strengthen profitability and improve the level of service by powerfully promoting its new mobility service "Times CAR."

Through such efforts, the Group expects that, at the end of October 2020, the number of Times PARKING spaces in operation will be 634,513 and that the number of Times CAR vehicles will be 61,000 (including 30,000 vehicles for the car sharing service). In the fiscal year ending October 31, 2020, the Group projects gains in sales and profits, with net sales of 333,000 million yen, operating profit of 26,700 million yen, recurring profit of 25,500 million yen, and profit attributable to owners of parent of 16,500 million yen.

2. Status of the PARK24 Group

The Group (the Company and its affiliates) consists of the Company, 94 consolidated subsidiaries and one affiliate. The Group manages and operates parking facilities, rents and trades vehicles, and develops related businesses.

The business lines of the Group are as follows.



- Parking Business in Japan

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 as well as by using parking facilities owned by the Group. The Group also manages and operates incidental facilities of parking facilities.

-Parking Business Overseas:

The Group provides pay-by-the-hour and pay-by-the-month parking facilities services under sublease agreements and trustee agreements for managing parking facilities in a total of 7 countries comprising Taiwan, South Korea, Australia, New Zealand, the United Kingdom, Singapore and Malaysia.

-Mobility Business:

We are promoting “Times CAR” in nationwide that combine the strengths of car sharing service and rent-a-car service. And same time, 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

Park24 Group’s philosophy is “We create new forms of comfort and convenience by responding to the needs of today and anticipating the needs of tomorrow.” Park24 Group provides comfort and convenience in forms both familiar and entirely new. We help to make urban environments and the lives of people living and working in them richer and pleasanter. We listen carefully to our customers to create services that meet the needs of the times and enhance sustainability.

(2) Targeted management indices

We recognize that, to create comfortable services that meet the needs of the times and enhance sustainability, it is important to expand the scale of each business and enhance and develop services and we believe that our main business challenge is achieving and ensuring strong growth and profitability. Accordingly, we place the utmost emphasis on the rate of growth in recurring profit and strive to maintain double-digit sustainable growth.

(3) Medium-term business strategies

Park24 Group's business environment is experiencing major changes with the emergence of new mobility concepts and rapid advances in technological innovation, including the shift from ownership to usage, automotive IoT applications, variations in vehicle fuel, and autonomous driving. Looking to the future of the mobility society, the Group will further expand its four networks of people (members), cars (mobility), communities(destinations) and parking facilities, and seamlessly connect these through the enhancement of services, thereby creating comfortable services that meet the needs of the times and enhancing sustainability both in Japan and other parts of the world.

In the Parking Business, the Group will pursue expansion of its parking network by steadily developing parking facilities while at the same time working to develop parking services that deliver greater levels of comfort.

In the Mobility Business, the Group will push ahead with the integration of the rent-a-car and car sharing services to establish Times CAR, an extremely convenient new mobility service that allows customers to rent the type of car they want to rent when and where they want to rent it for as long as they want to rent it. The Group will also pursue expansion of the mobility network by increasing the number of mobility vehicles and the number of rental sites.

In the communities that are our customers' destinations, we will increase the number of affiliated stores offering the "Times PAY" cashless payment service, with the aim of delivering comfort to both affiliated stores and customers and expanding our network of communities (destinations).

To make services even more convenient for members through the seamless connection of cars (mobility), communities (destinations) and parking services respectively, we will focus on strengthening "soft" aspects through the development of apps, etc. We will also seek expansion in the scale of both corporate and private members by enhancing service convenience.

In overseas business, we welcomed Secure Parking and National Car Parks to the Group in FY2017 and began laying the foundations to provide new mobility services on a global scale. By combining each company's parking networks with the Group's parking business and mobility business knowhow and management capabilities built up in Japan, we will pursue expansion in business scale and enhancement of services to deliver the same level of comfort overseas as in Japan.

The Park24 Group will aim for sustainable growth to become the world's No. 1 in terms of services as well as earnings as a corporate group that provides mobility services on a global scale. We will also endeavor to enhance our corporate value by fulfilling our corporate social responsibility and repay the trust and meet the expectations of all stakeholders.

(4) Issues to be Addressed

The issues to be addressed to realize the new Group philosophy: "We create new forms of comfort and convenience by responding to the needs of today and anticipating the needs of tomorrow" are detailed below.

(i) Expanding the four networks

The Group will provide customers with an environment in which they can use the Group services more comfortably by expanding the scale of its four networks: people (members), cars(mobility), towns (destinations) and parking facilities. To this end, besides strengthening development capabilities and service proposal capabilities within each network, the Group will also promote utilization of ICT in areas such as business data analysis and data marketing.

(ii) Connecting the four networks seamlessly

The Group will provide customers with a comfortable environment for navigating and using the Group's services by seamlessly connecting the four networks. To do this, we will promote activities such as the design of services based on marketing and the development of high value-added services using ICT.

(iii) Providing stable services

The Group recognizes that parking services and mobility services are social infrastructure. To ensure that each service can be provided in a stable manner, we will build an operating structure that allows Group services to be centrally managed and will also enact strict rules in order to maintain quality.

The Group also provides services to its customers through IT systems. Accordingly, we will work to ensure stable operation by making sufficient investment in IT systems and developing and recruiting human resources with IT skills.

(iv) Expanding business globally

The Group expanded its parking business to Asia in 2006 and to Oceania and Europe through M&A in 2017. At Secure Parking and National Car Parks, which joined the Group in 2017, we will instill the Group philosophy and seek to develop a shared awareness for the achievement of sustainable growth. The Group also recognizes that developing and strengthening its business foundation and improving and enhancing profitability through expansion are issues that need to be urgently addressed. We will address these issues by making significant improvements to the parking facility management and operation structure, entering new markets through the rollout of new services and pursuing other initiatives.

(v) Strengthening corporate governance

We believe that strengthening corporate governance as part of moves to strengthen the management basis is important in order to realize improvement in the Group's corporate value through sustainable growth. We are, therefore, seeking to build a structure for accurate and speedy decision-making and business execution and an appropriate supervision and monitoring structure. Meanwhile, to further strengthen the effectiveness of corporate governance from the viewpoint of soundness and fairness, we will also endeavor to improve our self-purification ability by thoroughly implementing risk management, internal controls, and compliance initiatives across the Group, which will, in turn, help us to gain more trust from stakeholders.

(vi) Developing diverse human resources and creating an environment in which employees have job satisfaction

The Group creates a great deal of value in the form of the services its employees provide to its customers and believes that the development and recruitment of talent and the creation of an environment in which employees feel job satisfaction is essential for its sustainable development. In an age of discerning customers, employees are valuable management resources which determine a company's competitiveness and the Group will, therefore, endeavor to develop and recruit human resources based on respect for diversity, in line with its human resources vision "human resources that can fully demonstrate their individuality and completely fulfil their expected roles while at the same time continuously developing their skills."

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

(million yen)

	As of October 31, 2018	As of October 31, 2019
Assets		
Current assets		
Cash and deposits	30,081	24,881
Notes and accounts receivable - trade	15,584	18,175
Inventories	1,592	1,590
Prepaid expenses	16,326	16,192
Other	8,945	13,970
Allowance for doubtful accounts	-218	-198
Total current assets	72,311	74,611
Non-current assets		
Property, plant and equipment		
Buildings and structures	36,433	52,812
Accumulated depreciation	-17,824	-19,029
Buildings and structures, net	18,609	33,783
Machinery, equipment and vehicles	84,716	87,086
Accumulated depreciation	-32,767	-31,282
Machinery, equipment and vehicles, net	51,948	55,803
Tools, furniture and fixtures	43,637	41,838
Accumulated depreciation	-37,039	-33,558
Tools, furniture and fixtures, net	6,597	8,279
Land	24,764	25,888
Leased assets	51,806	56,955
Accumulated depreciation	-34,355	-39,906
Leased assets, net	17,451	17,049
Construction in progress	8,244	1,810
Total property, plant and equipment	127,616	142,615
Intangible assets		
Goodwill	42,331	37,377
Contract-based intangible assets	18,148	13,739
Other	2,946	3,624
Total intangible assets	63,426	54,741
Investments and other assets		
Investment securities	1,905	1,866
Long-term prepaid expenses	8,810	9,331
Leasehold and guarantee deposits	5,328	5,334
Deferred tax assets	3,134	3,658
Other	651	939
Allowance for doubtful accounts	-13	-1
Total investments and other assets	19,816	21,129
Total non-current assets	210,859	218,485
Total assets	283,171	293,097

(million yen)

	As of October 31, 2018	As of October 31, 2019
Liabilities		
Current liabilities		
Notes and accounts payable - trade	518	819
Short-term loans payable	5,824	9,610
Current portion of long-term loans payable	2,731	8,468
Lease obligations	5,578	5,385
Accounts payable - other	9,537	11,984
Accrued expenses	14,465	14,230
Income taxes payable	5,641	4,395
Provision for bonuses	2,283	2,318
Provision for bonuses for directors (and other officers)	90	160
Notes payable - facilities	6,063	4,766
Other	11,173	9,081
Total current liabilities	63,907	71,222
Non-current liabilities		
Bonds with share acquisition rights	35,000	35,000
Long-term loans payable	64,849	70,698
Lease obligations	10,301	10,217
Retirement benefit liability	201	385
Asset retirement obligations	5,664	8,779
Deferred tax liabilities	3,338	2,393
Other	5,060	3,608
Total non-current liabilities	124,416	131,082
Total liabilities	188,324	202,305
Net assets		
Shareholders' equity		
Capital stock	19,754	20,087
Capital surplus	15,341	15,674
Retained earnings	61,480	63,004
Treasury shares	-2	-1,255
Total shareholders' equity	96,573	97,511
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	110	140
Deferred gains or losses on hedges	-52	-143
Revaluation reserve for land	-1,052	-1,052
Foreign currency translation adjustment	-148	-4,883
Remeasurements of defined benefit plans	-1,110	-1,163
Total accumulated other comprehensive income	-2,252	-7,103
Share acquisition rights	251	163
Non-controlling interests	275	220
Total net assets	94,847	90,791
Total liabilities and net assets	283,171	293,097

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(million yen)

	Fiscal year ended October 31, 2018	Fiscal year ended October 31, 2019
Net sales	298,517	317,438
Cost of sales	226,234	239,346
Gross profit	72,283	78,092
Selling, general and administrative expenses	49,743	55,770
Operating profit	22,539	22,322
Non-operating income		
Interest income	14	11
Dividend income	8	8
Share of profit of entities accounted for using equity method	—	9
Penalty income charged to customers for cancellation of parking facilities	728	15
Void ticket	204	196
Foreign exchange gains	9	8
Subsidy income	—	92
Other	557	316
Total non-operating income	1,521	658
Non-operating expenses		
Interest expenses	814	759
Share of loss of entities accounted for using equity method	19	—
Expense incurred for evacuation of parking facilities	423	419
Other	272	236
Total non-operating expenses	1,529	1,414
Recurring profit	22,532	21,566
Extraordinary losses		
Loss on retirement of non-current assets	16	114
Impairment loss	62	186
Loss on valuation of investment securities	559	191
Head office transfer cost	—	696
Loss on disaster	125	—
Expense for changing brand	—	1,031
Total extraordinary losses	764	2,220
Profit before income taxes	21,767	19,345
Income taxes - current	8,081	7,487
Income taxes - deferred	-477	-713
Total income taxes	7,603	6,774
Profit	14,163	12,570
Profit attributable to non-controlling interests	312	222
Profit attributable to owners of parent	13,851	12,348

Consolidated Statement of Comprehensive Income

(million yen)

	Fiscal year ended October 31, 2018	Fiscal year ended October 31, 2019
Profit	14,163	12,570
Other comprehensive income		
Valuation difference on available-for-sale securities	-31	29
Deferred gains or losses on hedges	23	-91
Foreign currency translation adjustment	-841	-4,838
Remeasurements of defined benefit plans, net of tax	-785	-53
Share of other comprehensive income of entities accounted for using equity method	12	102
Total other comprehensive income	-1,621	-4,850
Comprehensive income	12,541	7,720
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,235	7,498
Comprehensive income attributable to non-controlling interests	306	222

(3) Consolidated Statements of Shareholders' Equity

Fiscal year ended October 31, 2018

(million yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of current period	9,549	11,302	57,898	-1	78,748
Changes of items during period					
Issuance of new shares	219	219			439
Conversion of convertible bond-type bonds with subscription rights to shares	9,984	9,984			19,969
Dividends of surplus			-10,270		-10,270
Profit attributable to owners of parent			13,851		13,851
Purchase of treasury stock				-0	-0
Additional purchase of shares of subsidiaries		-6,081			-6,081
Change in ownership interest of parent due to transactions with non-controlling interests		-83			-83
Net changes of items other than shareholders' equity					
Total changes of items during period	10,204	4,039	3,581	-0	17,824
Balance at end of current period	19,754	15,341	61,480	-2	96,573

	Other Accumulated Comprehensive Income					Subscription Rights To Share	Non-controlling shareholders' equity	Total Net Assets
	Valuation Difference On Available-for-sale Securities	Deferred gains or losses on hedges	Revaluation Reserve For Land	Foreign Currency Translation Adjustments	Remeasurements Of Defined Benefit Plans			
Balance at beginning of current period	141	-76	-1,052	674	-324	299	392	78,804
Changes of items during period								
Issuance of new shares								439
Conversion of convertible bond-type bonds with subscription rights to shares								19,969
Dividends of surplus								-10,270
Profit attributable to owners of parent								13,851
Purchase of treasury shares								-0
Additional purchase of shares of subsidiaries								-6,081
Change in ownership interest of parent due to transactions with non-controlling interests								-83
Net changes of items other than shareholders' equity	-31	23	—	-822	-785	-48	-117	-1,782
Total changes of items during period	-31	23	—	-822	-785	-48	-117	16,042
Balance at end of current period	110	-52	-1,052	-148	-1,110	251	275	94,847

Previous consolidated fiscal year (from November 1, 2018 to October 31, 2019)

(million yen)

	Shareholders' Equity				
	Capital Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total Shareholders' Equity
Balance at beginning of current period	19,754	15,341	61,480	-2	96,573
Changes of items during period					
Issuance of new shares	332	332			665
Dividends of surplus			-10,823		-10,823
Profit attributable to owners of parent			12,348		12,348
Purchase of treasury shares				-1,252	-1,252
Net changes of items other than shareholders' equity					
Total changes of items during period	332	332	1,524	-1,252	937
Balance at end of current period	20,087	15,674	63,004	-1,255	97,511

	Other Accumulated Comprehensive Income					Subscripti on Rights To Share	Non- controlling sharehold ers' equity	Total Net Assets
	Valuation Difference On Availabe- for-sale Securities	Deferred gains or losses on hedges	Revaluati on Reserve For Land	Foreign Currency Translation Adjustme nts	Remeasu rements Of Defined Benefit Plans			
Balance at beginning of current period	110	-52	-1,052	-148	-1,110	251	275	94,847
Changes of items during period								
Issuance of new shares								665
Dividends of surplus								-10,823
Profit attributable to owners of parent								12,348
Purchase of treasury shares								-1,252
Net changes of items other than shareholders' equity	29	-91	—	-4,735	-53	-88	-54	-4,993
Total changes of items during period	29	-91	—	-4,735	-53	-88	-54	-4,055
Balance at end of current period	140	-143	-1,052	-4,883	-1,163	163	220	90,791

(4) Statements of consolidated cash flows

(million yen)

	Fiscal year ended October 31, 2018	Fiscal year ended October 31, 2019
Cash flows from operating activities		
Profit before income taxes	21,767	19,345
Depreciation	28,091	31,016
Impairment loss	62	186
Amortization of goodwill	2,545	2,429
Increase (decrease) in retirement benefit liability	-49	117
Interest and dividend income	-22	-20
Interest expenses	814	759
Loss on retirement of non-current assets	16	114
Head office transfer cost	—	696
Expense for changing brand	—	1,031
Loss (gain) on valuation of investment securities	559	191
Decrease (increase) in notes and accounts receivable - trade	9	-2,868
Decrease (increase) in inventories	5,631	7,676
Increase (decrease) in notes and accounts payable - trade	-657	306
Decrease (increase) in accounts receivable - other	-498	-3,285
Decrease (increase) in prepaid expenses	-1,333	-516
Increase (decrease) in accounts payable - other	1,778	608
Increase (decrease) in accrued expenses	1,939	675
Notes payable, other	-641	1,236
Other	1,117	-4,161
Subtotal	61,129	55,541
Interest and dividend income received	22	20
Interest expenses paid	-812	-759
Income taxes paid	-6,863	-9,107
Net cash provided by (used in) operating activities	53,476	45,695
Cash flows from investing activities		
Payments into time deposits	-6	-6
Proceeds from withdrawal of time deposits	6	6
Purchase of property, plant and equipment	-37,882	-42,845
Proceeds from sales of property, plant and equipment	14	13
Purchase of intangible assets	-877	-1,760
Payments for asset retirement obligations	-274	-242
Purchase of investment securities	-200	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-19	—
Purchase of long-term prepaid expenses	-3,673	-4,313
Payments for investments in capital	—	-295
Other	-184	-8
Net cash provided by (used in) investing activities	-43,095	-49,454

(million yen)

	Fiscal year ended October 31, 2018	Fiscal year ended October 31, 2019
Cash flows from financing activities		
Proceeds from issuance of bonds with share acquisition rights	35,000	—
Net increase (decrease) in short-term loans payable	-33,547	4,334
Proceeds from long-term loans payable	27,000	15,127
Repayments of long-term loans payable	-4,372	-2,664
Repayments of lease obligations	-5,802	-5,806
Proceeds from issuance of common shares	341	549
Purchase of treasury stock	-0	-1,252
Cash dividends paid	-10,275	-10,821
Dividends paid to non-controlling interests	-237	-248
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-6,352	—
Net cash provided by (used in) financing activities	1,754	-782
Effect of exchange rate change on cash and cash equivalents	-124	-579
Net increase (decrease) in cash and cash equivalents	12,010	-5,120
Cash and cash equivalents at beginning of period	17,775	29,785
Cash and cash equivalents at end of period	29,785	24,664

- (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

All subsidiaries are consolidated.

Number of consolidated subsidiaries: 94

Times24 CO., LTD.

Times Service CO., LTD.

Times Communication CO., LTD.

Times Mobility Networks CO., LTD.

Times Support CO., LTD.

Times Innovation Capital LLC.

PARK24 Business Support CO., LTD.

PARK24 TAIWAN CO., LTD. (Taiwan)

TFI CO., LTD.

PARK24 AUSTRALIA PTY. LTD.

PARK24 SINGAPORE PTE. LTD.

PARK24 MALAYSIA Sdn. BHD.

Periman PTY. LTD.

Auspark Holdings PTY. LTD.

Secure Parking PTY. LTD.

Secure Parking Singapore PTE. LTD.

Secure Parking Corporation Sdn. BHD.

PARK24 UK Limited

MEIF II CP Holdings 2 Limited

National Car Parks Limited

Other consolidated subsidiaries: 74

Times Mobility Networks CO., LTD. changed its name to Times Mobility CO., LTD. on November 1, 2019.

2.Number of affiliated equity method companies: 1

GS PARK24 CO., LTD.(South Korea)

For companies accounted for using the equity method, financial statements based on the provisional settlement of accounts made on the date of consolidated settlement of accounts are used.

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

The consolidated subsidiaries whose account settlement dates differ from the consolidated settlement date are as follows.

Company Name	Day of settlement of accounts
TFI CO., LTD.	March 31 *1
PARK24 SINGAPORE PTE. LTD.	March 31 *2
Secure Parking Singapore PTE. LTD.	March 31 *2
PARK24 TAIWAN CO., LTD. (Taiwan)	September 30 *3
PARK24 AUSTRALIA PTY. LTD.	September 30 *3
Periman PTY. LTD.	September 30 *3
Auspark Holdings PTY. LTD.	September 30 *3
Secure Parking PTY. LTD. and its 4 subsidiaries	September 30 *2
PARK24 UK Limited	September 30 *3
MEIF II CP Holdings 2 Limited	September 30 *3
MEIF II CP Holdings 3 Limited and its subsidiaries 66	September 30 *3
EMPARK UK Limited	December 31 *2
PARK24 MALAYSIA Sdn. BHD.	December 31 *2
Secure Parking Corporation Sdn. Bhd. and its subsidiaries 2	December 31 *2

*1 The financial statements prepared on the basis of a provisional closing of accounts, which was in compliance with

the standard settlement of accounts, as of the consolidated balance sheet date are used in preparing the consolidated financial statements.

- *2 The financial statements prepared on the basis of a provisional closing of accounts, which was in compliance with the standard settlement of accounts, as of September 30, 2019 are used in preparing the consolidated financial statements. The necessary adjustments are made on consolidation for material transactions that occurred between September 30, 2019 and the consolidated balance sheet date.
- *3 The financial statements prepared as of the end of the fiscal years of these consolidated subsidiaries are used, and necessary adjustments are made on consolidation for material transactions that occurred between the end of the fiscal years of these consolidated subsidiaries and the consolidated balance sheet date.

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. and the overseas consolidated subsidiaries mainly use the straight-line method.

Major useful lives:

Buildings: 6 to 50 years

Structures: 10 to 46 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)

The straight-line method is used.

Major useful lives are as follows.

Software: Five years

Contract-related intangible assets: Two to 57 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) Standard for translation of significant foreign-currency-denominated assets or liabilities into Japanese yen

Foreign-currency-denominated money claims and liabilities are translated into Japanese yen at the spot exchange rates in effect as of the consolidated balance sheet date, and the foreign exchange differences are scored as gains/losses. Meanwhile, the assets and liabilities of overseas subsidiaries, etc. are translated into Japanese yen at the spot exchange rates in effect as of the account settlement dates, and earnings and costs are converted into Japanese yen using the average market price during the period, and the translation difference is accounted for by including the amounts in the total valuation and translation adjustments account and non-controlling interests in net assets.

(6) Amortization Method and Period of Goodwill

Goodwill is equally amortized over the period of its effect

(7) Important hedge accounting method

A. Hedge accounting method

Deferred hedge accounting is used. To hedge of the risk of exchange rate fluctuations, designation accounting (furiate-shori) is applied if the requirements for the designation accounting are met. For interest rate swaps, special treatment is applied in cases where the requirements for the special treatment are met. B. Hedging instruments and hedge items

Hedging instruments • • • Interest rate swaps, currency swaps

Hedge items • • • Borrowings, interest rates of borrowings

C. Hedging policy

To avoid the risk of interest rate and exchange rate fluctuations of borrowings, interest rate and currency swaps are used. In addition, to avoid the risk of interest rate fluctuations, interest rate swaps are used.

D. Hedging effectiveness evaluation method

The effectiveness of hedging is assessed by the correlation between the change in the aggregated amount of cash flow of the hedging instruments and the change in the aggregated amount of cash flow of the hedged items. The effectiveness evaluation is omitted for interest rate swaps to which special treatment may be applied.

(8) The scope of Funds reported on the consolidated cash flow statement

Cash and cash equivalents in the consolidated statements of cash flows are cash on hand, deposits that can be withdrawn at any time, and easily convertible into cash and consists of short-term investments with original maturities of three months or less from the acquisition date, which are subject to insignificant risk of changes in value.

(9) 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.

(Application of "Partial Amendments to Accounting Standard for Tax Effect Accounting")

The Company has applied "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018) from the beginning of the consolidated fiscal year under review. Accordingly, deferred tax assets have been classified as investment and other assets, and deferred tax liabilities have been classified as non-current liabilities. Consequently, the 1,690 million yen in deferred tax assets posted under current assets in the consolidated balance sheets in the previous fiscal year is now included in the 3,134 million yen in deferred tax assets posted under investments and other assets.

(Notes to consolidated balance sheet)

1 Breakdown of inventories

(million yen)

	As of October 31, 2018	As of October 31, 2019
Merchandise	429	315
Supplies	1,162	1,274
Total	1,592	1,590

2 Pledged assets and secured liability

(million yen)

	As of October 31, 2018	As of October 31, 2019
Investment securities (claims):	10	10

3 Shares of non-consolidated subsidiaries and affiliated companies

(million yen)

	As of October 31, 2018	As of October 31, 2019
Investment securities (shares):	1,032	1,144

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

(million yen)

	As of October 31, 2018	As of October 31, 2019
Variance between the market value of revalued land at the end of the term and the book value after revaluation	216	302

Although the revalued land includes rental property, etc., this disclosure is omitted due to the immateriality of the total amount of the rental property, etc.

5 Change in the purpose of ownership of property, plant and equipment

Previous consolidated fiscal year (as of October 31, 2018)

In the rent-a-car business, used vehicles are sold as part of the operating cycle. Accordingly, property, plant and equipment of 5,768 million yen was reclassified and presented under inventories (merchandise) in FY2018. The balance of property, plant and equipment at the end of the year was 126 million yen.

Current Consolidated fiscal year (as of October 31, 2019)

In the rent-a-car business, used vehicles are sold as part of the operating cycle. Accordingly, property, plant and equipment of 7,706 million yen was reclassified and presented under inventories (merchandise) in FY2019. The balance of property, plant and equipment at the end of the year was 34 million yen.

(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

	(million yen)	
	Fiscal year ended October 31, 2018	Fiscal year ended October 31, 2019
Cash and deposits	30,081	24,881
Time deposits whose deposit terms exceed three months	-6	-6
Deposits with withdrawal limits	-290	-210
Cash and cash equivalents	29,785	24,664

(Deferred tax accounting)

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

	(million yen)	
	As of October 31, 2018	As of October 31, 2019
Deferred tax assets		
Business tax and business office tax payable	462	426
Provision for bonuses	698	713
Lump sum depreciable assets	52	137
Depreciation in excess of allowable limit	445	459
Deferred tax assets related to revaluation	322	322
Asset retirement obligations	1,562	2,474
Other	1,329	1,686
Subtotal	4,873	6,220
Provision for valuation	-761	-751
Total deferred tax assets	4,112	5,468
Deferred tax liabilities		
Valuation difference on securities	-48	-61
Removal costs for asset retirement obligations	-862	-1,703
Intangible assets	-3,315	-2,365
Other	-90	-73
Total deferred tax liabilities	-4,317	-4,203
Net deferred tax assets (liabilities)	-204	1,264

- 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, 2018	As of October 31, 2019
Legally effective tax rate	30.9%	30.6%
(Adjustment)		
Provision for valuation	0.5%	0.5%
Non-taxable items such as entertainment expenses	0.2%	0.2%
Residence tax on a per capita basis	0.5%	0.6%
Goodwill amortization	3.6%	3.7%
Tax rate differences related to overseas subsidiaries	-0.4%	-0.4%
Loss brought forward	-0.7%	—%
Tax credit	-0.2%	-1.2%
Other	0.5%	1.0%
Effective tax rate after applying tax effect accounting	34.9%	35.0%

(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 in Japan, the Parking Business Overseas 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 in Japan: Operations relating to management and operation of parking sites in Japan
- (2) Parking Business Overseas: Operations relating to management and operation of parking sites overseas
- (3) 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

For the fiscal year ended October 31, 2018

	Reported segments				Adjustment (Note) 1	(million yen) Amount on consolidated profit and loss statement (Note) 2
	Parking Business	Parking Business Overseas	Mobility Business	Total		
Sales						
Sales to external customers	156,818	68,290	73,408	298,517	—	298,517
Internal sales or amount of transfer between segments	188	—	96	285	-285	—
Total	157,006	68,290	73,505	298,802	-285	298,517
Segment profit (loss)	26,906	-879	6,858	32,885	-10,345	22,539
Others						
Depreciation	6,449	3,633	13,869	23,953	900	24,854
Amortization of long-term prepaid expenses	2,739	4	493	3,237	—	3,237

(Notes)

- 1. An adjustment of -10,345 million yen in segment profit (loss) includes an amortization of goodwill of minus 153 million yen (unamortized balance: 79 million yen) and Company-wide expenses of 10,192 million yen. Company-wide expenses are mainly expenses relating to the administration division, including the general affairs department, which do not belong to either of the reported segments.
- 2. The loss of 879 million yen of the Parking Business Overseas under Segment profit (loss) includes amortization of goodwill of -2,260 million yen (unamortized balance: 42,252 million yen). In addition, the provisional accounting treatment for a business combination was finalized and the result is calculated based on figures that reflect a significant review of the initially allocated amounts of acquisition costs.
- 3. Mobility Business of 6,858 million yen in segment profit (loss) includes the amortization of goodwill of minus 131 million yen.
- 4. Segment profit (loss) is adjusted in accordance with operating profit on the consolidated profit and loss statement.

For the fiscal year ended October 31, 2019

	Reported segments				Adjustment (Note) 1	(million yen) Amount on consolidated profit and loss statement (Note) 2
	Parking Business	Parking Business Overseas	Mobility Business	Total		
Sales						
Sales to external customers	165,733	65,976	85,728	317,438	—	317,438
Internal sales or amount of transfer between segments	263	—	118	382	-382	—
Total	165,997	65,976	85,847	317,821	-382	317,438
Segment profit (loss)	27,300	-992	9,112	35,420	-13,098	22,322
Others						
Depreciation	6,586	4,490	15,220	26,296	1,323	27,620
Amortization of long-term prepaid expenses	2,773	9	612	3,395	—	3,395

(Notes)

1. An adjustment of minus 13,098 million yen in segment profit (loss) includes an amortization of goodwill of minus 78 million yen and Company-wide expenses of 13,020 million yen. Company-wide expenses are mainly expenses relating to the administration division, including the general affairs department, which do not belong to either of the reported segments.
2. The loss of 992 million yen of the Parking Business Overseas under Segment profit (loss) includes amortization of goodwill of - 2,304 million yen
3. Segment profit (loss) is adjusted in accordance with operating profit on the consolidated profit and loss statement.

[Relevant information]

Previous consolidated fiscal year (from November 1, 2017 to October 31, 2018)

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

(million yen)

Dominant	Overseas	Total
230,227	68,290	298,517

(2) Property, plant and equipment

(million yen)

Dominant	Overseas	Total
113,441	14,175	127,616

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 (from November 1, 2018 to October 31, 2019)

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

(million yen)

Dominant	Overseas	Total
251,462	65,976	317,438

(2) Property, plant and equipment

(million yen)

Dominant	Overseas	Total
130,333	12,282	142,615

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]

For the fiscal year ended October 31, 2018

(million yen)

	Reported segment				Total
	Parking Business In Japan	Parking Business Overseas	Mobility Business	Total	
Impairment loss	62	—	—	62	62

For the fiscal year ended October 31, 2019

(million yen)

	Reported segment				Total
	Parking Business In Japan	Parking Business Overseas	Mobility Business	Total	
Impairment loss	26	160	—	186	186

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

Previous consolidated fiscal year (from November 1, 2017 to October 31, 2018)

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

Consolidated fiscal year under review (from November 1, 2018 to October 31, 2019)

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, 2017 to October 31, 2018)

Not applicable

Consolidated fiscal year under review (from November 1, 2018 to October 31, 2019)

Not applicable

(Per share information)

	Fiscal year ended October 31, 2018	Fiscal year ended October 31, 2019
Shareholders' equity per share	610.01yen	585.37yen
Net income per share	91.88yen	79.79yen
Net income per share after adjustment of latent shares	84.44yen	75.28yen

(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	Fiscal year ended October 31, 2018	Fiscal year ended October 31, 2019
Net income per share		
Net income (million yen)	13,851	12,348
Net income associated with common shares (million yen)	13,851	12,348
Average number of shares issued during the term (thousand shares)	150,759	154,754
Net income per share after adjustment of latent shares		
Increase in common shares(thousand shares)	13,278	9,278
[Of which, equity warrants] (thousand shares)	(492)	(180)
[Of which, bonds with warrants] (thousand shares)	(12,786)	(9,097)
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)

Not applicable