

Consolidated Financial Report

for the First Nine Months of the Fiscal Year Ending October 31, 2022 (Japanese GAAP)

September 14, 2022

Company name: PARK24 Co., Ltd. Code number: 4666 Representative: Koichi Nishikawa, President Inquiries: Kenichi Sasaki, Director, Senior Executive Corporate Officer	Stock listing: Prime Market of TSE URL : https://www.park24.co.jp/en TEL : +81-3-6747-8120 : September 14, 2021 : – : Yes : Yes, only in Japanese (For institutional investors and analysts)
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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 Nine Months of Fiscal Year Ending October 31, 2022 (November 1, 2021 – July 31, 2022)

(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	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
July 31, 2022	211,030	14.7	11,963	–	9,363	–	2,313	–
July 31, 2021	184,028	-8.2	-9,918	–	-12,374	–	-12,692	–

(Note) Comprehensive income: Term ended July 31, 2022: 307 million yen –%
 Term ended July 31, 2021: -15,377 million yen –%

	Net income per share	Net income per share after dilution
Nine months ended	Yen	Yen
July 31, 2022	14.45	13.67
July 31, 2021	-82.14	–

(Note) Net income per share after dilution for the nine months ended July 31, 2021 is not shown in the table above because net income per share was negative although there are residual shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of July 31, 2022	316,520	41,844	13.2
As of October 31, 2021	319,628	16,432	5.1

(Reference) Shareholders' equity: As of July 31, 2022: 41,782 million yen
 As of October 31, 2021: 16,369 million yen

2. Dividend status

	Dividend per share				
	End of 1Q	End of 2Q	End of 3Q	End of term	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2021	–	0.00	–	0.00	0.00
Fiscal 2022	–	0.00	–		
Fiscal 2022 (forecasts)				0.00	0.00

(Note) Revisions to dividend projection published most recently: No

3. Consolidated Forecasts for the Fiscal Year ending October 31, 2022 (November 1, 2021 - October 31, 2022)

(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
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	288,000	14.7	18,000	—	14,000	—	4,000	—
								24.58

(Note) Revisions to consolidated results projection published most recently: Yes

For details regarding revision of consolidated results forecasts, please refer to the "Notice Regarding Revision to Full-Year Consolidated Results Forecasts for the Fiscal Year Ending October 31, 2022" published today.

*Notes

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

(2) Adoption of specific accounting methods for preparing the quarterly consolidated financial statements :No

(3) 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) :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)	As of nine months ended July 31, 2022	171,048,369 Shares	As of fiscal year ended October 31, 2021	155,048,369 Shares
2) Number of treasury stock at the end of the period	As of nine months ended July 31, 2022	528,434 Shares	As of fiscal year ended October 31, 2021	528,313 Shares
3) Average number of shares during the term (consolidated cumulative period)	Nine months ended July 31, 2022	160,087,764 Shares	Nine months ended July 31, 2021	154,509,447 Shares

* 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. Qualitative Data, Financial Statements and Other Information (3) Information on the future outlook, including consolidated business performance forecasts".

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1. Qualitative Data, Financial Statements and Other Information

(1) Qualitative data on the consolidated financial results

During the first nine months of the fiscal year ending October 31, 2022 (November 1, 2021, to July 31, 2022), the outlook for the global economy grew uncertain particularly due to the impact of surges in energy and raw material prices caused by the prolonged conflict between Russia and Ukraine, while many countries were on track to recover from the COVID-19 pandemic. Activities in the Japanese economy resumed moderately at the beginning of the fiscal year under review thanks to a low level of new COVID-19 cases. However, the number of new COVID-19 cases began spiking again in January 2022, and the nationwide enforcement of the Priority Preventive Measures resulted in another slowdown in the economic recovery. Subsequently, the Priority Preventive Measures were lifted in March, albeit negative factors such as the continued supply restrictions partially remained, and economic activity has been recovering moderately.

In this environment, the Group set the goal of achieving absolute profitability, while assuming that the impact of COVID-19 will continue to a certain extent in the fiscal year under review, and is working to strengthen its business base to make it profitable even under such circumstances and to develop a foundation for future growth.

In terms of financial results, both operations in Japan and overseas were significantly affected by restrictions on activities due to COVID-19 during the second quarter of the fiscal year under review; however, all businesses recovered steadily in the third quarter.

As a result, in the first nine months of the consolidated fiscal year under review, the Group posted net sales of 211,030 million yen (up 14.7% year on year), an operating profit of 11,963 million yen (operating loss of 9,918 million yen in the same period of the previous year), and a recurring profit of 9,363 million yen (recurring loss of 12,374 million yen in the same period of the previous year). Profit attributable to owners of parent stood at 2,313 million yen (loss attributable to owners of parent of 12,692 million yen in the same period of the previous year).

Results by business segment are as follows:

Parking Business Japan

The traffic volume rose to a near pre-COVID-19 level at the beginning of the fiscal year under review thanks to a continuous decrease in new COVID-19 cases, and occupancy rates remained steady. In mid-January 2022, the Priority Preventive Measures took effect across Japan in response to a spike in COVID-19 cases, causing a fall in traffic volume and occupancy rates. A recovery has been achieved since the Priority Preventive Measures were lifted in March. Subsequently, a resurgence of COVID-19 cases that began in early July affected occupancy rates; however, this was less significant than the impact sustained during the Priority Preventive Measures due to the absence of activity restrictions.

The Company continues to reduce unprofitable parking sites and carefully selects and develops sites capable of turning a profit while being affected by COVID-19 in an effort to streamline the business. In addition, as part of efforts to improve profitability going forward, the Company is diversifying payment methods using applications and other means, and is building a next-generation parking service that enables easier entry and exit of parking spaces.

As a result, in the first nine months of the consolidated fiscal year under review, the numbers of Times PARKING sites and parking spaces managed were 17,488 (-2.2% of the end of the previous fiscal year), and 552,229 (-1.8% of the end of the previous fiscal year). The total number of parking sites managed, including monthly parking and facility management services, was 25,345 (-0.8% of the end of the previous fiscal year), and the total number of parking spaces managed was 736,323 (-1.3% of the end of the previous fiscal year). Net sales in this segment (including intersegment sales) stood at 117,787 million yen (+4.8% year on year), and operating profit amounted to 24,883 million yen (+81.7% year on year).

Parking Business International

The consolidation period in other countries during the first nine months of the fiscal year under review was from October 1, 2021, to June 30, 2022. Among countries in which the Group operates businesses, occupancy rates in Australia remained strong since February as the city lockdown and activity restrictions enforced at the beginning of the fiscal year under review were gradually eased. Occupancy rates resumed in the UK in line with a recovery in people flow following the lifting of regulations in England in February 2022, despite activity regulations such as stay-at-home advisory issued in December 2021. In other countries, the overall business was stable during the first nine months of the

fiscal year under review despite the impact of COVID-19 resurgence remaining in some regions.

In new parking site development as part of business restructuring, the Group developed short-term contract parking sites, "Localized Times PARKING", in line with the conditions in each country based on the "small, distributed, and dominant" features of Times PARKING in Japan. In the UK, the Group reduced cost by terminating contracts and revising rents through individual negotiations with land owners. In other countries, the Group aggressively worked to reduce the parking site management cost by, for instance, raising operation and maintenance efficiency to develop leaner business operations.

As a result, in the first nine months of the consolidated fiscal year under review, the numbers of overseas parking sites and parking spaces managed were 2,341 (+5.8% of the end of the previous fiscal year), and 562,240 (-4.9% of the end of the previous fiscal year). The total numbers of parking sites and parking spaces managed worldwide were 27,686 (-0.3% of the end of the previous fiscal year), and 1,298,563 (-2.9% of the end of the previous fiscal year). Net sales in this segment (including intersegment sales) were 41,118 million yen (+49.1% year on year). Operating loss was 4,652 million yen (operating loss of 12,624 million yen in the same period of the previous year).

Mobility Business

In the Times CAR (combination of car sharing and rental car services) segment, the operation of the Mobility Business vehicles remained steady at the beginning of the fiscal year under review as in the case of Parking Business Japan. However, the strong impact of the Priority Preventive Measures taken nationwide in mid-January 2022 in response to a resurgence in COVID-19 caused the occupancy rate to remain low. While the business recovered steadily after the Priority Preventive Measures were lifted in March, another rise in COVID-19 that began in early July affected the use of vehicles, particularly in corporate use, although less significantly than the impact during the period when the Priority Preventive Measures were in effect.

In this condition, the Group sold vehicles ahead of schedule and worked on building an operation system to meet demand more flexibly in light of the environment surrounding the used car market during the first nine months of the fiscal year under review. More specifically, the Group has been building an operation system to provide the optimal number of vehicles for consumer demand through a variable model (renting out multiple vehicles from a single parking space) of the mobility service, Times CAR. In addition, the Group opened 480 renting stations to strengthen the network and added functions to the Times CAR mobile application to allow the user to use the service from reservation to unlocking and locking of a car and payment without presenting a membership card in an effort to raise user convenience. The Group also worked to improve marketing for companies, distributed service coupons, implemented promotional campaigns, and took other steps to maximize profitability per vehicle through promoting use of the service.

As a result, in the first nine months of the consolidated fiscal year under review, the total number of vehicles in Mobility Business as a whole was 53,481 units (+1.8% of the end of the previous fiscal year), and the number of members was 1,940,396 (+12.5% of the end of the previous fiscal year). With regard to the number of vehicles, the Group plans to maintain the level at the end of the fiscal year ended October 31, 2021, and increase the occupancy rate per vehicle during the fiscal year under review. Net sales of this segment (including intersegment sales) were 55,781 million yen (up 17.6% year on year), and operating profit was 1,296 million yen (operating loss of 1,288 million yen in the same period of the previous year).

(2) Qualitative data on the consolidated financial position

(i) Assets, liabilities and net assets

Total assets at the end of the first nine months of the fiscal year under review decreased 3,107 million yen from the end of the previous fiscal year, to 316,520 million yen. The main changes in assets were an increase of 3,111 million yen in intangible assets including goodwill and a decrease of 6,670 million yen in property, plant, and equipment including lease assets.

Total liabilities decreased 28,520 million yen, to 274,675 million yen. The decrease was caused primarily by long- and short-term borrowings of 23,725 million yen and lease obligations of 4,680 million yen.

Net assets increased 25,412 million yen to total 41,844 million yen as a result chiefly of an increase of 25,136 million yen in share capital and capital surplus received by issuing new shares offered internationally, an increase of 2,313 million yen from net income attributable to owners of parent and a decrease of 1,473 million yen in re-measurements of defined benefit plans.

< Issuance of new shares through an overseas offering >

The Group had set a medium- to long-term growth target, the expansion and seamless connection of four networks," prior to the breakout of COVID-19 and maintained this policy through the pandemic.

The Group performance turned a profit in each quarter from the fourth quarter of the fiscal year ended October 31, 2021, after serious damage suffered due to the pandemic, and all businesses are on a recovery trend.

On April 12, 2022, the Group passed a resolution to issue new shares through an overseas offering for the purpose of making flexible growth investments and consistently implementing medium- to long-term growth targets in expectation of a full recovery in all businesses in the coming months. Approximately 10 billion yen will be appropriated for the development of mobile applications to increase the convenience of services provided by the Group and operation efficiency required for seamless networks, and investment in digital technologies, including reforms of business infrastructure system, and approximately 15 billion yen for the purchase of Mobility Business vehicles (including electric cars) required for the expansion of Mobility services among the "expansion of four networks."

The shareholder's equity as of the end of the first nine months of the fiscal year under review was 52,595 million yen, and the equity ratio was 16.6% respectively.

(ii) Cash flow condition

The balance of cash and cash equivalents at the end of the first nine months under review decreased 7,754 million yen from the end of the previous consolidated fiscal year, to 84,041 million yen. The cash flow situation by category for the first nine months under review was as follows:

(Net cash from operating activities)

Net cash provided by operating activities decreased 8,535 million yen year on year, to 15,289 million yen. This primarily reflected the total of profit before income taxes and depreciation of 30,561 million yen, a decrease of accounts payable of 5,528 million yen, an increase in prepaid expenses of 4,993 million yen, and an increase in trade receivables of 4,459 million yen.

(Net cash from investing activities)

Net cash used in investing activities increased 911 million yen year on year, to 12,542 million yen. This was mainly attributable to capital expenditures for Times PARKING and purchase of Mobility vehicles.

(Net cash from financing activities)

Net cash used in financing activities was 12,002 million yen (increased 32,013 million yen year on year). This was attributable primarily to proceeds from issuance of shares, which were more than offset by expenditure for the repayments of long-term borrowings and lease obligations.

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

The Group has revised the consolidated financial forecasts for the fiscal year ending October 31, 2022, announced on December 15, 2021, taking into account the business environment and other factors affecting the Group and its business during the first nine months of the fiscal year under review. For details, please refer to the "Notice Regarding Revision to Full-Year Consolidated Results Forecasts for the Fiscal Year Ending October 31, 2022" published today.

2. Consolidated Financial Statements and Notes

(1) Consolidated balance sheet

(Unit: million yen)

	As of October 31, 2021	As of July 31, 2022
Assets		
Current assets		
Cash and deposits	92,044	84,308
Notes and accounts receivable - trade	18,605	23,526
Inventories	1,997	2,187
Other	27,778	29,991
Allowance for doubtful accounts	-1,242	-1,264
Total current assets	139,183	138,747
Non-current assets		
Property, plant and equipment, net		
Buildings and structures, net	30,407	29,552
Machinery, equipment and vehicles, net	32,902	31,066
Land	25,746	25,747
Leased assets, net	10,336	8,050
Right of use assets, net	22,388	20,515
Other, net	6,046	6,223
Total property, plant and equipment	127,827	121,156
Intangible assets		
Goodwill	17,005	18,506
Contract-based intangible assets	9,196	9,801
Other	4,975	5,981
Total intangible assets	31,177	34,289
Investments and other assets		
Other	21,439	21,997
Total investments and other assets	21,439	21,997
Total non-current assets	180,445	177,443
Deferred assets	–	328
Total assets	319,628	316,520
Liabilities		
Current liabilities		
Notes and accounts payable - trade	560	640
Short-term borrowings	16,034	17,157
Current portion of long-term borrowings	30,533	21,045
Lease obligations	12,058	10,849
Income taxes payable	3,163	4,739
Provision for bonuses	2,196	1,350
Other	53,362	51,314
Total current liabilities	117,910	107,098
Non-current liabilities		
Bonds with share acquisition rights	35,000	35,000
Long-term borrowings	111,989	96,628
Lease obligations	22,679	19,206
Retirement benefit liability	22	–
Asset retirement obligations	9,453	9,494
Deferred tax liabilities	1,618	1,746
Other	4,523	5,500
Total non-current liabilities	185,285	167,577
Total liabilities	303,195	274,675

(Unit: million yen)

	As of October 31, 2021	As of July 31, 2022
Net assets		
Shareholders' equity		
Share capital	20,171	32,739
Capital surplus	15,758	28,326
Retained earnings	-9,498	-7,214
Treasury shares	-1,255	-1,255
Total shareholders' equity	25,175	52,595
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	130	116
Deferred gains or losses on hedges	-82	-58
Revaluation reserve for land	-1,035	-1,035
Foreign currency translation adjustment	-5,954	-6,496
Remeasurements of defined benefit plans	-1,864	-3,338
Total accumulated other comprehensive income	-8,806	-10,812
Share acquisition rights	63	62
Total net assets	16,432	41,844
Total liabilities and net assets	319,628	316,520

(2) Consolidated statements of profit and loss, and comprehensive income
(Consolidated statement of profit and loss for the nine months of Fiscal 2022)

(Unit: million yen)

	Nine months ended July 31, 2021 (November 1, 2020- July 31, 2021)	Nine months ended July 31, 2022 (November 1, 2021- July 31, 2022)
Net sales	184,028	211,030
Cost of sales	157,104	162,293
Gross profit	26,924	48,736
Selling, general and administrative expenses	36,842	36,773
Operating loss	-9,918	11,963
Non-operating income		
Interest income	8	7
Dividend income	8	9
Parking penalty income	2	5
Void ticket	148	143
Subsidy income related to cashlessness	2	—
Subsidy income for labor costs	1,022	125
Gain on lease cancellations	798	0
Other	332	400
Total non-operating income	2,324	691
Non-operating expenses		
Interest expenses	2,428	2,477
Share of loss of entities accounted for using equity method	158	—
Foreign exchange losses	36	282
Expense incurred for evacuation of parking facilities	377	323
Depreciation	13	—
Commission fee	1,598	1
Other	167	207
Total non-operating expenses	4,780	3,291
Recurring profit (loss)	-12,374	9,363
Extraordinary income		
Gain on sales of non-current assets	82	0
Gain on sales of investment securities	—	20
Gain on reversal of share acquisition rights	89	—
Total extraordinary income	172	20
Extraordinary losses		
Loss on retirement of non-current assets	39	61
Impairment loss	59	—
Loss on temporary closure	331	—
Business restructuring expenses	90	—
Loss on lease contracts	—	1,544
Total extraordinary losses	520	1,605
Profit (loss) before income taxes	-12,723	7,778
Income taxes - current	1,997	6,597
Income taxes - deferred	-2,028	-1,132
Total income taxes	-31	5,465
Income (loss)	-12,692	2,313
Income (loss) attributable to owners of parent	-12,692	2,313

(Consolidated statement of comprehensive income for the nine months of Fiscal 2022)

	(Unit: million yen)	
	Nine months ended July 31, 2021 (November 1, 2020- July 31, 2021)	Nine months ended July 31, 2022 (November 1, 2021- July 31, 2022)
Loss	-12,692	2,313
Other comprehensive income		
Valuation difference on available-for-sale securities	4	-14
Deferred gains or losses on hedges	15	24
Foreign currency translation adjustment	-1,877	-541
Accumulated adjustments for retirement benefits	-848	-1,473
Share of other comprehensive income of entities accounted for using equity method	20	-
Total other comprehensive income	-2,685	-2,005
Comprehensive income	-15,377	307
Comprehensive income attributable to owners of parent	-15,377	307

(3) Consolidated statement of cash flows

	(Unit: million yen)	
	Nine months ended July 31, 2021 (November 1, 2020- July 31, 2021)	Nine months ended July 31, 2022 (November 1, 2021- July 31, 2022)
Cash flows from operating activities		
Profit (loss) before income taxes	-12,723	7,778
Depreciation	24,743	22,783
Impairment loss	59	-
Amortization of goodwill	831	893
Interest and dividend income	-16	-16
Interest expenses	2,428	2,477
Loss (gain) on sales of non-current assets	-82	-0
Loss on retirement of non-current assets	39	61
Decrease (increase) in trade receivables	-2,046	-4,459
Decrease (increase) in inventories	4,254	3,384
Increase (decrease) in trade payables	66	47
Decrease (increase) in accounts receivable - other	708	345
Decrease (increase) in prepaid expenses	2,001	-4,993
Increase (decrease) in accounts payable - other	-508	-5,528
Increase (decrease) in accrued expenses	8,466	-2,942
Notes payable, other	53	191
Other, net	1,829	105
Subtotal	30,104	20,126
Interest and dividends received	16	16
Interest paid	-2,233	-2,954
Income taxes refund (paid)	-4,062	1,899
Net cash provided by (used in) operating activities	23,825	15,289
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	-9,030	-9,612
Proceeds from sales of property, plant and equipment	140	12
Purchase of intangible assets	-1,569	-1,989
Purchase of long-term prepaid expenses	-830	-738
Payments for investments in capital	-111	-
Other, net	-230	-214
Net cash provided by (used in) investing activities	-11,631	-12,542
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-9,662	-277
Proceeds from long-term borrowings	49,609	182
Repayments of long-term borrowings	-9,060	-25,920
Repayments of lease obligations	-10,931	-10,747
Proceeds from issuance of shares	60	24,766
Purchase of treasury shares	-0	-0
Dividends paid	-3	-6
Net cash provided by (used in) financing activities	20,011	-12,002
Effect of exchange rate change on cash and cash equivalents	1,076	1,501
Net increase (decrease) in cash and cash equivalents	33,281	-7,754
Cash and cash equivalents at beginning of period	55,269	91,795
Cash and cash equivalents at end of period	88,550	84,041

(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.]

Capital stock and capital surplus increased by 12,568 million yen each due to the issuance of new shares by subscription in overseas markets with a payment date of April 27, 2022. As a result, common stock and capital surplus amounted to 32,739 million yen and 28,326 million yen, respectively, in the first nine months of the fiscal year under review.

[Changes in accounting policies]

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has decided to apply the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020; hereinafter the "Revenue Recognition Accounting Standard"), etc. from the beginning of the first quarter of the fiscal year ending October 31, 2022 (hereinafter the "period under review") and recognizes revenue from goods or services which the Company promised to provide at an amount expected to be received in exchange for the goods or services at the time when control over the promised goods or services has been transferred to a customer.

Accordingly, the Company has applied the Revenue Recognition Accounting Standard to its own membership point program, which awards points to customers when it provides relevant services. While the Company previously recognized revenue when it provided services, it has changed the way in which it recognizes revenue by recognizing the points awarded as a performance obligation and allocating the transaction price based on the independent selling price, which is determined in consideration of expected expiration of the points in the future and other factors.

The application of the Revenue Recognition Accounting Standard, etc. follows the transitional treatment prescribed in the proviso of Paragraph 84 of the Revenue Recognition Accounting Standard. The cumulative effect of retrospectively applying the new accounting policy for the periods prior to the beginning of the period under review is added to or subtracted from retained earnings at the beginning of the period under review, so that the new accounting policy is applied from the beginning balance of the period under review. However, in accordance with the method prescribed in Paragraph 86 of the Revenue Recognition Accounting Standard, the new accounting policy is not retrospectively applied to the contracts for which substantially all revenue arising from them was recognized prior to the beginning of the period under review under the previously applied treatment. In addition, in accordance with the method prescribed as the alternate (1) in Paragraph 86 of the Revenue Recognition Accounting Standard, modifications to the contracts that had been made prior to the beginning of the period under review are accounted for based on terms and conditions that reflect all the modifications, and the resulting cumulative effect is added to or subtracted from retained earnings at the beginning of the period under review.

As a result of applying the new accounting policy, net sales for the period under review decreased by 346 million yen, cost of sales decreased by 254 million yen and operating profit, recurring profit, and profit before income taxes decreased by 91 million yen, respectively. In addition, retained earnings at the beginning of the period under review decreased by 29 million yen.

Note that, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the Accounting Standards for Quarterly Financial Statements (ASBJ Statement No. 12, March 31, 2020), the Company has not included information on disaggregated revenue from contracts with customers for the nine months ended July 31, 2021.

(Application of Accounting Standard for Measurement of Fair Value, etc.)

The Company has adopted the Accounting Standard for Measurement of Fair Value (ASBJ Statement No. 30, July 4, 2019.) and others from the beginning of the first quarter of the fiscal year under review, as stipulated in Paragraph 19 of the Accounting Standard for Fair Value Calculation and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). In accordance with the transitional treatment, the new accounting policies established by the Accounting Standard for Fair Value Calculation will be applied prospectively. There is no impact on the quarterly consolidated financial statements.

[Additional Information]

There has been no significant change in the assumptions, including the timing of convergence of COVID-19, described in [Additional Information] of the annual securities report for the previous fiscal year (only in Japanese).

(Segment Information)

[Segment Information]

I. Nine months of fiscal 2021 (from November 1, 2020 to July 31, 2021)

1. Information on sales and profit or loss by reported segment

(Unit: million yen)

	Reported segments				Adjustment (Note) 2	Amount on consolidated profit (loss) statement (Note) 3
	Parking Business Japan	Parking Business International (Note) 1	Mobility Business	Total		
Sales						
Sales to external customers	109,115	27,582	47,330	184,028	—	184,028
Internal sales or amount of transfer between segments	3,307	—	99	3,407	-3,407	—
Total	112,423	27,582	47,429	187,435	-3,407	184,028
Segment profit (loss)	13,691	-12,624	-1,288	-221	-9,697	-9,918

(Notes)

1. The segment profit (loss) of minus 12,624 million yen in Parking Business International includes an amortization of goodwill of minus 831 million yen.
2. An 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 (loss) is adjusted in accordance with operating profit in the consolidated loss statement.

2. Information about impairment loss for non-current assets or goodwill, etc., by reported segment

(Significant impairment loss for non-current assets)

The Company recognized an impairment loss for parking facilities in the Parking Business Japan segment and Parking Business International segment.

The amount of the impairment loss recognized in the first nine months of the consolidated FY2022 is 58 million yen for the Parking Business Japan segment and 0 million yen for the Parking Business International segment.

II. First nine months of fiscal 2022 (from November 1, 2021 to July 31, 2022)

1. Information on sales and profit or loss by reported segment and revenue breakdown information

(Unit: million yen)

	Reported segments				Adjustment (Note) 2	Amount on consolidated profit (loss) statement (Note) 3
	Parking Business Japan	Parking Business International (Note) 1	Mobility Business	Total		
Sales						
Sales from contracts with customers	105,353	39,453	54,143	198,949	—	198,949
Other sales	8,873	1,665	1,541	12,080	—	12,080
Sales to external customers	114,226	41,118	55,684	211,030	—	211,030
Internal sales or amount of transfer between segments	3,560	—	96	3,656	-3,656	—
Total	117,787	41,118	55,781	214,687	-3,656	211,030
Segment profit (loss)	24,883	-4,652	1,296	21,527	-9,564	11,963

(Notes)

1. The segment profit (loss) of minus 4,652 million yen in Parking Business International includes an amortization of goodwill of minus 893 million yen.
 2. An 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 (loss) is adjusted in accordance with operating profit (loss) in the consolidated profit (loss) statement.
2. Information about impairment loss for non-current assets or goodwill, etc., by reported segment
Not applicable.
3. Matters related to changes in reportable segments, etc.
As described in "Changes in accounting policies," the Company has changed its accounting method for revenue recognition by applying the Accounting Standard for Revenue Recognition, etc., from the beginning of the first quarter of the fiscal year under review, and has therefore changed the calculation method of profit or loss by business segment in the same manner.
As a result of this change, compared with the previous method, net sales and segment profit of "Parking Business Japan" decreased 95 million yen and segment profit increased 159 million yen, and net sales and segment profit of "Mobility Business" decreased 250 million yen in the third quarter of the current fiscal year.