

Consolidated Financial Report

for the First Six Months of the Fiscal Year Ending October 31, 2023 (Japanese GAAP)

June 14, 2023

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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

: June 14, 2023
 : –
 : Yes
 : Yes, only in Japanese (For institutional
 investors and analysts)

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

1. Overview of the First Six Months of Fiscal Year Ending October 31, 2023 (November 1, 2022 – April 30, 2023)

(1) Consolidated Operating Results

(Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
April 30, 2023	157,078	15.6	15,097	171.7	11,493	191.0	7,979	–
April 30, 2022	135,891	11.5	5,556	–	3,948	–	-630	–

(Note) Comprehensive income: Term ended April 30, 2023: 9,550 million yen –%
 Term ended April 30, 2022: -2,746 million yen –%

	Net income per share	Net income per share after dilution
Three months ended	Yen	Yen
April 30, 2023	46.80	42.56
April 30, 2022	-4.08	–

(Note) Although there are residual shares, net income per share after dilution is not stated in the table above due to net loss per share for the quarter.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of April 30, 2023	310,419	49,592	16.0
As of October 31, 2022	307,626	40,042	13.0

(Reference) Shareholders' equity: As of April 30, 2023: 49,530 million yen
 As of October 31, 2022: 39,980 million yen

2. Dividend status

	Dividend per share				
	End of Q1	End of Q2	End of Q3	End of term	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2022	–	0.00	–	0.00	0.00
Fiscal 2023	–	0.00			
Fiscal 2023 (forecasts)			–	0.00	0.00

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

3. Consolidated Forecasts for the Fiscal Year ending October 31, 2023 (November 1, 2022 - October 31, 2023)

(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	326,000	12.3	31,500	52.4	25,500	50.3	14,500	485.4
								85.03

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

For more details, please refer to the "Notice of Difference between Forecasts and Actual Results of First Six Months of Fiscal Year Ending October 31, 2023, Posting of Non-operating Expenses (Exchange Loss) and Revision of Full-year Business Results Forecast" announced separately today.

*Notes

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

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

2) Changes in accounting policies other than 1) :No

3) Changes in accounting estimates :No

4) Restatement :No

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the period (including treasury stock)	Six Months ended April 30, 2023	171,048,369 Shares	Fiscal year ended October 31, 2022	171,048,369 Shares
2) Number of treasury stock at the end of the period	Six Months ended April 30, 2023	528,494 Shares	Fiscal year ended October 31, 2022	528,434 Shares
3) Average number of shares during the term (consolidated cumulative period)	Six Months ended April 30, 2023	170,519,895 Shares	Six Months ended April 30, 2022	154,785,209 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".

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

1. Qualitative Data, Financial Statements and Other Information

(1) Qualitative data on the consolidated financial results

During the first six months of the fiscal year ending October 31, 2023 (November 1, 2022, to April 30, 2023), the outlook for the global economy remained uncertain, notwithstanding the easing impact of COVID-19, chiefly because of surging resource and energy prices attributable to the prolonged conflict between Russia and Ukraine, price rises around the world, and dramatic fluctuations in foreign exchange rates linked to fiscal tightening in major countries. The Japanese economy exhibited signs of a recovery mainly in consumer spending and corporate capital investment amid the shift towards anti-infection measures including the progress of vaccination and economic activity in the endemic COVID-19 era despite the new wave of COVID-19 infections during the first three months of the fiscal year under review, and the increased price of goods following rapid rises in resources prices and the depreciation of the yen.

In this environment, the Group worked to expand individual businesses to return to a growth track as it works to achieve its medium-term business target of expanding and seamlessly connecting the four networks of people, vehicles, towns and parking facilities. In addition, the Group advocates the promotion of its digital strategy as a policy for promoting seamless integration more strongly for the acceleration of growth investments. Regarding people (or members) which are one of the four networks, the medium-term target of 10 million Times CLUB members was reached in January 2023.

In terms of financial results, business was generally strong both in Japan and overseas, thanks to effects of measures continued from the previous fiscal year and improvements in the external environment.

As a result, in the first six months of the consolidated fiscal year under review, the Group posted net sales of 157,078 million yen (+15.6% year on year), an operating profit of 15,097 million yen (+171.7% year on year). Recurring profit was 11,493 million yen (+191.0% year on year) due to the posting of non-operating expense (foreign exchange losses) of 1,737 million yen as a result of a foreign exchange revaluation of foreign currency denominated loans, and profit attributable to owners of parent stood at 7,979 million yen (loss attributable to owners of parent of 630 million yen in the same period of the previous year).

Results by business segment are as follows:

Parking Business Japan

While new COVID-19 infections again increased temporary during the first three months of the fiscal year under review, no activity restrictions were imposed. Throughout the first six months of the fiscal year, business performance remained robust.

During the pandemic, the Group conducted selective development limited to parking facilities that would likely turn profitable. Leveraging its expertise in this area, the Group is now conducting business development suited to the conditions in different areas to increase the number of profitable parking facilities. As a result, during the first six months of the fiscal year under review, 504 new parking facilities were opened. Aiming to improve convenience, the Group is also working to build next-generation parking services that increase the ease of entry and exit of vehicles and payments. These include a development for parking which monitors and controls vehicle entry and exit by camera, for partner services (services for the management of parking lots attached to facilities), and cashless payments through the diversification of means of clearing and settlement.

As a result, in the first six months of the consolidated fiscal year under review, the numbers of Times PARKING facilities and parking spaces managed were 17,509 (+0.6% of the end of the previous fiscal year), and 568,820 (+3.0% of the end of the previous fiscal year). The total number of parking facilities managed, including monthly parking and facility management services, was 25,277 (+0.1% of the end of the previous fiscal year), and the total number of parking spaces managed was 753,574 (+2.8% of the end of the previous fiscal year). Net sales in this segment (including intersegment sales) stood at 81,581 million yen (+5.5% year on year), and operating profit amounted to 17,601 million yen (+14.7% year on year).

Parking Business International

Among the regions in which the Group operates businesses, parking facility operations were generally strong in the United Kingdom. In Australia, the alert level was raised in Queensland following an increase in new COVID-19 infections in November 2022, but this had a limited impact. Parking facility operations were healthy. In other regions, performance was bullish, particularly in Taiwan.

In addition, the Group has reviewed the business portfolio which concentrated heavily on large and long-term contract parking facilities to reduce business risk and make it profitable as quickly as possible by developing short-term contract parking facilities optimally suited for demand for parking facilities in each country based on the strategy of minimization, diversification, and domination used in the Parking Business in Japan. Also, as an initiative improving customer convenience and satisfaction, the Group has continuously facilitated cashless payments, whose ubiquity has rapidly increased during the COVID-19 pandemic.

As a result, in the first six months of the consolidated fiscal year under review, the numbers of overseas parking facilities and parking spaces managed were 2,383 (+0.8% of the end of the previous fiscal year), and 535,374 (-4.4%

of the end of the previous fiscal year). The total numbers of parking facilities and parking spaces managed worldwide were 27,660 (+0.2% of the end of the previous fiscal year), and 1,288,948 (-0.3% of the end of the previous fiscal year). Net sales in this segment (including intersegment sales) were 32,775 million yen (+27.8% year on year). Operating loss was 884 million yen (operating loss of 3,437 million yen in the same period of the previous year).

(Note)The results of Parking Business International for the six months of the consolidated fiscal year under review are the results of overseas consolidated subsidiaries for the period from October 1, 2022 to March 31, 2023.

Mobility Business

In the Times CAR (combining car rental and car Sharing services) segment, the number of members and the use of cars grew steadily, and usage fee sales per vehicle were strong. This was attributable to efforts to capitalize on surging consumer demand for leisure travel, corporate demand for business travel, and other trends, by means such as increasing the number of vehicles and appropriately deploying vehicles to track demand trend, and to campaigns held to stimulate both consumer and corporate demand. During the first six months of the fiscal year under review, the Group increased 3,528 vehicles and opened 895 new renting sites, thereby making steady progress towards the expansion of the network.

As a result, in the first six months of the consolidated fiscal year under review, the total number of vehicles in Mobility Business as a whole was 56,590 units (+6.6% of the end of the previous fiscal year), 15,027 rental sites, (+6.3% of the end of the previous fiscal year), and the number of Members was 2,181,431 (+6.9% of the end of the previous fiscal year). The Net sales of this segment (including intersegment sales) was 45,333 million yen (+28.1% year on year), and the operating profit was 5,685 million yen (operating loss of 98 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 six months of the fiscal year under review increased 2,792 million yen from the end of the previous fiscal year, to 310,419 million yen. Main changes in assets were increases of 3,106 million yen in current assets including other current assets and 428 million yen in investments and other assets, and a decrease of 714 million yen in property, plant and equipment including right of use assets.

Total liabilities decreased 6,757 million yen from the end of the previous fiscal year to 260,826 million yen. This decrease was caused primarily by a decline of 4,421 million yen in non-current liabilities including long-term borrowings and a decrease of 2,336 million yen in current liabilities including the current portion of long-term borrowings.

Net assets increased 9,550 million yen from the end of the previous fiscal year to 49,592 million yen. This is primarily a result of 7,979 million yen posted as profit attributable to owners of parent and 1,628 million yen as foreign currency translation adjustment.

(ii) Cash flow condition

The balance of cash and cash equivalents at the end of the first six months under review decreased 259 million yen from the end of the previous consolidated fiscal year, to 84,805 million yen. The cash flow situation by category for the first six months under review was as follows:

(Net cash from operating activities)

Net cash provided by operating activities increased 19,368 million yen year on year, to 24,353 million yen. This primarily reflected the total of profit before income taxes and depreciation of 27,211 million yen, an increase of 2,311 million yen in accounts payable – other and a decrease of 2,272 million yen in inventory, which was partly offset by income taxes paid of 7,836 million yen.

(Net cash from investing activities)

Net cash used in investing activities increased 2,576 million yen year on year, to 10,111 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 14,600 million yen (increased 7,186 million yen year on year). This was attributable primarily to proceeds from the issuance of bonds with share acquisition rights, which were more than offset by expenditure for the redemption of bonds with share acquisition rights and 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, 2023, announced on December 15, 2022, taking into account the business environment and other factors affecting the Group and its business during the first six months of the fiscal year under review. For more details, please refer to the “Notice of Difference between Forecasts and Actual Results of First Six Months of Fiscal Year Ending October 31, 2023, Posting of Non-operating Expenses (Exchange Loss) and Revision of Full-year Business Results Forecast” announced separately today.

2. Consolidated Financial Statements and Notes

(1) Consolidated balance sheet

(Unit: million yen)

	As of October 31,2022	As of April 30,2023
Assets		
Current assets		
Cash and deposits	85,781	85,614
Notes and accounts receivable -trade	20,783	20,202
Inventories	2,497	2,761
Other	29,890	33,421
Allowance for doubtful accounts	-1,138	-1,078
Total current assets	137,814	140,920
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	28,986	28,745
Machinery, equipment and vehicles, net	28,761	30,343
Land	25,747	25,747
Leased assets, net	7,410	6,905
Right of use assets, net	21,288	19,165
Other, net	5,463	6,036
Total property, plant and equipment	117,658	116,943
Intangible assets		
Goodwill	18,147	17,327
Contract-based intangible assets	9,453	9,459
Other	6,457	7,306
Total intangible assets	34,058	34,093
Investments and other assets	17,796	18,225
Total non-current assets	169,513	169,262
Deferred assets	297	236
Total assets	307,626	310,419
Liabilities		
Current liabilities		
Notes and accounts payable - trade	650	651
Short-term borrowings	17,309	17,172
Current portion of long-term borrowings	16,001	10,863
Lease obligations	11,047	9,791
Income taxes payable	7,302	4,791
Provision for bonuses	2,446	2,487
Other	45,929	52,593
Total current liabilities	100,687	98,351
Non-current liabilities		
Bonds with share acquisition rights	35,000	42,310
Long-term borrowings	96,398	85,970
Lease obligations	19,158	17,414
Asset retirement obligations	9,474	9,580
Deferred tax liabilities	1,658	1,659
Other	5,207	5,541
Total non-current liabilities	166,897	162,475
Total liabilities	267,584	260,826

(Unit: million yen)

	As of October 31,2022	As of April 30,2023
Net assets		
Shareholders' equity		
Share capital	32,739	32,739
Capital surplus	28,326	28,326
Retained earnings	-7,050	929
Treasury shares	-1,255	-1,255
Total shareholders' equity	52,758	60,738
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	120	135
Deferred gains or losses on hedges	-27	-26
Revaluation reserve for land	-1,035	-1,035
Foreign currency translation adjustment	-9,117	-7,488
Remeasurements of defined benefit plans, net of tax	-2,719	-2,792
Total accumulated other comprehensive income	-12,778	-11,207
Share acquisition rights	62	62
Total net assets	40,042	49,592
Total liabilities and net assets	307,626	310,419

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

(Consolidated statement of profit and loss First six months of Fiscal 2023)

(Unit: million yen)

	Six months ended April 30, 2022 (November 1, 2021- April 30, 2022)	Six months ended April 30, 2023 (November 1, 2021- April 30, 2023)
Net sales	135,891	157,078
Cost of sales	106,207	115,463
Gross profit	29,684	41,614
Selling, general and administrative expenses	24,128	26,517
Operating profit	5,556	15,097
Non-operating income		
Profit from redemption	-	276
Other	515	253
Total non-operating income	515	530
Non-operating expenses		
Interest expenses	1,639	1,917
Foreign exchange losses	121	1,737
Other	361	480
Total non-operating expenses	2,122	4,135
Recurring profit	3,948	11,493
Extraordinary income		
Gain on sale of investment securities	-	979
Other	0	-
Total extraordinary income	0	979
Extraordinary losses		
Loss on retirement of non-current assets	36	141
Other	1,499	0
Total extraordinary losses	1,536	141
Profit before income taxes	2,413	12,331
Income taxes - current	4,159	4,657
Income taxes - deferred	-1,115	-306
Total income taxes	3,044	4,351
Profit	-630	7,979
Profit attributable to owners of parent	-630	7,979

(Consolidated statement of profit and loss First six months of Fiscal 2023)

(Unit: million yen)

	Six months ended April 30, 2022 (November 1, 2021- April 30, 2022)	Six months ended April 30, 2023 (November 1, 2021- April 30, 2023)
Profit	-630	7,979
Other comprehensive income		
Valuation difference on available-for-sale securities	-8	14
Deferred gains or losses on hedges	45	1
Foreign currency translation adjustment	-789	1,628
Remeasurements of defined benefit plans, net of tax	-1,362	-73
Total other comprehensive income	-2,115	1,570
Comprehensive income	-2,746	9,550
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	-2,746	9,550

(3) Consolidated statement of cash flows

(Unit: million yen)

	Six months ended January 31, 2022 (November 1, 2021- April 30, 2022)	Six months ended April 30, 2023 (November 1, 2022- April 30, 2023)
Cash flows from operating activities		
Profit before income taxes	2,413	12,331
Depreciation	15,212	14,880
Amortization of goodwill	579	637
Loss on retirement of non-current assets	36	141
Loss (gain) on sale of investment securities	-	-979
Decrease (increase) in trade receivables	-289	584
Decrease (increase) in inventories	2,081	2,272
Increase (decrease) in trade payables	-33	7
Decrease (increase) in accounts receivable - other	550	-581
Decrease (increase) in prepaid expenses	-2,914	-1,005
Increase (decrease) in accounts payable - other	-6,972	2,311
Increase (decrease) in accrued expenses	-5,081	1,204
Notes installment payable, other	34	115
Other, net	840	2,191
Subtotal	6,457	34,110
Interest and dividends received	8	7
Interest paid	-1,654	-1,927
Income taxes refund (paid)	173	-7,836
Net cash provided by (used in) operating activities	4,985	24,353
Cash flows from investing activities		
Payments into time deposit	-6	-6
Proceeds from withdrawal of time deposits	6	6
Purchase of property, plant and equipment	-5,556	-8,896
Proceeds from sale of property, plant and equipment	7	3
Purchase of intangible assets	-1,338	-910
Proceeds from sale of investment securities	-	1,063
Purchase of long-term prepaid expenses	-482	-1,048
Other, net	-164	-323
Net cash provided by (used in) investing activities	-7,535	-10,111
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	-44	-0
Proceeds from long-term borrowings	121	-
Repayments of long-term borrowings	-25,585	-15,535
Proceeds from issuance of bonds with share acquisition rights	-	34,911
Payments for redemption of bonds with share acquisition rights	-	-27,413
Repayments of lease liabilities	-7,032	-6,561
Proceeds from issuance of shares	25,134	-
Purchase of treasury shares	-0	-0
Dividends paid	-6	-1
Net cash provided by (used in) financing activities	-7,414	-14,600
Effect of exchange rate change on cash and cash equivalents	1,042	98

(Unit: million yen)

	Six months ended January 31, 2022 (November 1, 2021- April 30, 2022)	Six months ended April 30, 2023 (November 1, 2022- April 30, 2023)
Net increase (decrease) in cash and cash equivalents	-8,922	-259
Cash and cash equivalents at beginning of period	91,795	85,065
Cash and cash equivalents at end of period	82,872	84,805

(4) Matters Related to Summary Information (Notes)

[Note on going concern assumptions]

Not applicable.

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

Not applicable.

[Additional Information]

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]

I. First six months of fiscal 2022 (from November 1, 2021 to April 30, 2022)

Information on sales and profits or losses by reported segment

(Unit: million yen)

	Reported segment				Adjustment (Note) 2	Amount on consolidated profit and loss statement (Note) 3
	Parking Business Japan	Parking Business International (Note) 1	Mobility Business	Total		
Sales						
Sales from contracts with customers	69,071	24,498	34,294	127,864	—	127,864
Other sales	5,857	1,143	1,026	8,027	—	8,027
Sales to external customers	74,929	25,641	35,320	135,891	—	135,891
Internal sales or amount of transfer between segments	2,384	—	60	2,445	-2,445	—
Total	77,314	25,641	35,381	138,337	-2,445	135,891
Segment profit (loss)	15,340	-3,437	-98	11,803	-6,247	5,556

(Notes)

1. The segment profit(loss) of minus 3,437 million yen in Parking Business International includes an amortization of goodwill of minus 579 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 is adjusted in accordance with operating profit in the consolidated profit and loss statement.
4. Other sales is rental income based on accounting standards for lease transactions, etc.

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

Information on sales and profit or loss by reported segment

(Unit: million yen)

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

(Notes)

1. The segment profit (loss) of minus 884 million yen in Parking Business International includes an amortization of goodwill of minus 637 million yen.
2. 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 is adjusted in accordance with operating profit in the consolidated profit and loss statement.
4. Other sales is rental income based on accounting standards for lease transactions, etc.