

Translation: Please note that the following purports to be an accurate and complete translation of the original Japanese version prepared for the convenience of investors. However, in the case of any discrepancy between the translation and the Japanese original, the latter shall prevail.



July 15, 2025

For Immediate Release

Corporate Name	PARK24 CO., LTD.
Securities Code	4666, Prime Market of TSE (Ticker Symbol: PKCOY)
Representative	Koichi Nishikawa President and Representative Director, CEO
Contact	Takao Miki Director, Executive Corporate Officer, CFO (TEL: +81-3-6747-8120)

Notice Regarding Receipt of an Investigation Report from the Internal Investigation Committee

PARK24 CO., LTD. (the "Company") announced that it discovered significant inaccuracies in the previously reported numbers of U.K. TP (Times Parking) sites and spaces (the "Incident"), as stated in our May 30, 2025 notice ("Notice Regarding Postponement of Financial Results Announcement for the First Six Months of the FY2025 and Consideration of Application for Extension of Due Date for Submitting Semi-annual Report"). To investigate the cause of the Incident, we established an internal investigation committee composed mainly of independent outside directors, effective on the same day as the announcement. The committee has conducted a thorough review. We now announces that we have received an investigation report from the internal investigation committee today. Details are as follows.

1. Outline and results of investigations by the internal investigation committee

(1) Objectives

- 1) To investigate the facts of the Incident and their details
- 2) To examine whether similar incidents have occurred and establish the facts surrounding them
- 3) To analyze the causes of 1) and 2) and propose measures to prevent a recurrence

(2) Composition of the internal investigation committee

The committee consists of five directors of the Company, mainly including independent outside directors. To add expertise to the investigations, we have appointed lawyers from Hifumi Law as advisers and external experts with no conflict of interest with us.

Chairperson	Takashi Nagasaka	Independent Outside Director, Audit and Supervisory Committee Member
Committee member	Yoshimitsu Oura	Independent Outside Director
Committee member	Miho Niunoya	Independent Outside Director, Audit and Supervisory Committee Member
Committee member	Shoko Kuroki	Independent Outside Director
Committee member	Shingo Yamanaka	Director, Audit and Supervisory Committee Member
Adviser	Yu Yada	Lawyer, Certified Fraud Examiner (Hifumi Law)
Adviser	Yuka Matsubara	Lawyer (Hifumi Law)
Adviser	Haruki Shinoda	Lawyer (Hifumi Law)
Adviser	Kana Takahashi	Lawyer (Hifumi Law)

(3) Period: May 30, to July 11, 2025

(4) Period covered by the investigations: October 1, 2019 to May 29, 2025

(5) Methods:

Analysis and examination of relevant documents, etc., interviews with related persons, internal questionnaire, digital forensic survey, etc.

(6) Results

1) Summary of results

As shown in the tables below, there were discrepancies in the number of parking sites and spaces in each consolidated fiscal year. The discrepancies were 250 sites and 5,092 spaces, respectively, between the reported and actual figures for the cumulative total numbers of U.K. TP sites and spaces in operation, for the period up to the fiscal year ended October 31, 2024. No similar incidents were detected in the parallel investigations conducted into NATIONAL CAR PARKS LIMITED* ("NCP"), the consolidated subsidiary in the U.K. at which the Incident occurred, and individuals involved in the Incident.

*NCP is a Group company in the U.K. that was made into a subsidiary in August 2017 through the joint acquisition of all outstanding shares of MEIF II CP HOLDINGS 2 LIMITED, which held 100% of shares of NCP, by a local subsidiary established by the Company and a special purpose company established by Development Bank of Japan Inc.

	FY2020	FY2021	FY2022	FY2023	FY2024	Total
①Number of Sites Developed (Corrected)	5	37	113	193	115	463
②Number of Sites Developed (Uncorrected)	6	37	150	280	240	713
③Difference in Site Count (①-②)	-1	-	-37	-87	-125	-250
④Discrepancy Rate (③÷②)	-16.7%	-	-24.7%	-31.1%	-52.1%	-35.1%

	FY2020	FY2021	FY2022	FY2023	FY2024	Total
①Number of Spaces Developed (Corrected)	-	1,435	3,517	4,454	2,791	12,197
②Number of Spaces Developed (Uncorrected)	-	1,436	4,584	6,009	5,260	17,289
③Difference in Space Count (①-②)	-	-1	-1,067	-1,555	-2,469	-5,092
④Discrepancy Rate (③÷②)	-	-0.1%	-23.3%	-25.9%	-46.9%	-29.5%

2) Facts about the Incident

According to the investigation report, the following facts were found.

- At NCP, rules for counting U.K. TP sites were unclear, and the on-site and photographic verification of parking lot openings was inadequate.
- This situation enabled some staff members in charge of new development at U.K. TP to lodge inappropriate reports.
- The process of reporting the number of developed sites and spaces to the NCP Board was done entirely within the sales division, with no validation, etc. by other divisions.
- In addition to the above staff members, there were persons who recognized or who could have recognized the discrepancies from the announced numbers of U.K. TP sites and spaces in operation, but those persons did not take fundamental corrective actions for several years.
- There was an internal whistleblower report by NCP employees regarding the discrepancy in the number of U.K. TP sites and spaces in operation, but NCP did not handle it appropriately, and sufficient reports were not made to the Company.

3) Analysis of the cause of the Incident

In the investigation report, the following are pointed out as the causes and reasons for the occurrence of the Incident, and the delay in its detection and correction.

- NCP had an internal organizational culture in which employees were hesitant to express their opinions to their superiors. In this climate, multiple personnel involved in the development of U.K. TP had continued working without clear rules on counting of the number of sites and in other similar situations, under pressure to achieve the target number of sites.
- Regarding internal control, the three-lines of defense model at NCP was malfunctioning, and the number of U.K. TP sites was not checked in a cross-divisional manner.
- At the Company's division in charge, there were related persons who had found signs of the problem before the Incident was revealed. However, no measure had been taken to fundamentally correct the problem. Furthermore, the monitoring and internal audit mechanisms implemented via the parent company's organizational structure were not functioning as intended.
- Although the department in charge at the Company received from NCP a report that there were the discrepancies, it took time before the department began investigating and searching for the cause, partly due to a failure to appreciate the seriousness of the matter.
- Added to the above were the inadequacy of personnel rotation and training programs, among other problems, which had made it impossible to create opportunities to correct the problem organizationally.

2. Future actions

(1) Securities reports and financial reports, etc. for past fiscal years

We have submitted corrected versions of its past annual and quarterly reports to the Kanto Local Finance Bureau. We have also revised the financial results reports and quarterly financial reports, as well as our past earnings releases and quarterly financial summaries based on the findings of the internal investigation committee. For details, please refer to the disclosure " Notice Regarding Submission of Corrected Annual Securities Reports and Partial Corrections to Consolidated Financial Reports, etc., both for Previous Fiscal Years" dated July 15, 2025. The corrections have no impact on the consolidated or non-consolidated financial statements.

(2) Measures to prevent recurrence

We take the Incident seriously and will take the following measures to prevent a recurrence, based on the internal investigation committee's recommendations on recurrence prevention measures. We will continue to examine the effectiveness of the recurrence prevention measures and will make further improvements in its efforts to restore your trust.

1) Review of structure and organizations of Parking Business International

To strengthen the monitoring and assurance function concerning Parking Business International, we have made several changes effective July 15, 2025. These changes include the replacement of the director in charge of the overseas business of the PARK24 GROUP (the Company and affiliates), the restructuring of our Overseas Business Division of the Company, and changes in the board structure of all overseas subsidiaries including NCP.

In addition, we have built direct reporting lines between overseas subsidiaries and our finance division and legal affairs and compliance division of the Company, to enhance cooperation in financial reporting and legal compliance.

2) Strengthening of internal control

To strengthen internal control, we will apply the standards for the management of the number of parking sites, which were established in Japan, to other countries, while also reflecting the actual conditions of each country. We will also establish a validation process and will take other measures to clarify the rules and process

related to parking facility management.

We will also enhance personnel exchanges within our Group and build a rotation system for expatriates to revitalize the organization.

Further, to enhance the effectiveness of internal audits and the whistleblowing system, we will ensure the independence of internal audit divisions in the respective regions and strengthen their cooperation with our internal audit division, thus enhancing the effectiveness of internal audits across our Group. At the same time, to ensure that whistleblowing incidents that occur in each region will be reported to us appropriately and in a timely manner, we will strengthen the monitoring and assurance, such as by reviewing the frequency and methods of regular reporting on whistleblowing incidents to our legal affairs and compliance division as well as the system for the management of written reports.

3) Enhancing cooperation between the Audit and Supervisory Committee and the finance division

To ensure that risk information obtained by our finance division will be communicated to the Audit and Supervisory Committee in a timely manner and the Committee's check and the counterbalancing and assurance functions will be demonstrated effectively, we will create institutional opportunities for the finance division and the Committee to share information and exchange opinions regularly, among others, thus strengthening their cooperation.

We will steadily implement the above as effective measures to prevent a recurrence. At the same time, to strengthen these preventive measures on an ongoing basis, we will promote understanding of the business among officers and all employees of the Group, inform them thoroughly of the whistleblowing system, and provide them with compliance training and education, among other measures.

3. Impact on financial results

The Incident has no impact on our consolidated financial results for the fiscal year ending October 31, 2025. The impact is not included in the "Notice of Differences between Interim Forecasts and Actual Results, and Revised Full-Year Forecast for Fiscal Year Ending October 31, 2025" dated July 15, 2025.

4. Internal disciplinary actions

We take the Incident seriously and, to clarify management responsibility, will reduce the compensation of the officers involved as described below.

(1) Details of compensation reduction

• Director of NATIONAL CAR PARKS LIMITED	1 person	30% of monthly basic compensation
• Representative Director, Director, etc. of PARK24 CO., LTD. (Those serving concurrently as Directors of NATIONAL CAR PARKS LIMITED)	3 persons	30% of monthly basic compensation
• Director (excluding Outside Directors) of PARK24 CO., LTD.	1 person	10% of monthly basic compensation

(2) Target period

Three months starting from July 2025

(3) Other matters

Regarding the reduction in compensation, a recommendation was made today by the Nomination, Compensation and Governance Committee. The Representative Director, having a special interest in the matter,

did not participate in the vote. Based on this recommendation, the Board of Directors passed a resolution on the same day.

One Director of an overseas subsidiary, who had management responsibility for the Incident, has resigned.

[Reference]

May 30, 2025: Notice Regarding Postponement of Financial Results Announcement for the First Six Months of the FY2025 and Consideration of Application for Extension of Due Date for Submitting Semi-annual Report

<https://www.park24.co.jp/news/files/E-20250530.pdf>