

Consolidated Financial Report for
the First Quarter of the Fiscal Year Ending October 31, 2018
(Japanese GAAP)

February 28, 2018

Company name: PARK24 Co., Ltd. Stock listing: TSE
Code number: 4666 URL: <http://www.park24.co.jp/en/>
Representative: Koichi Nishikawa, President
Inquiries: Kenichi Sasaki, Director, General Manager of Corporate Planning Division
TEL: +81-3-3213-8900
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Preparation of Supplementary Financial Data for Quarterly Financial Results Yes / None
Information meeting for quarterly financial results to be held Yes / None

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

1. Overview of the First Quarter of Fiscal Year Ending October 31, 2018 (November 1, 2017– January 31, 2018)

(1) Operating results for the three months period ended January 31 (Figures in percentages denote the year-on-year change)

	Net sales		Operating profit		Recurring profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
2018	72,547	43.9	5,028	17.9	4,976	14.3	3,234	12.6
2017	50,404	7.7	4,263	-13.5	4,353	-10.6	2,872	-10.2

(Note) Comprehensive income: Term ended January 31, 2018: 4,775 million yen (57.3%)
Term ended January 31, 2017: 3,034 million yen (-2.8%)

	Net income per share	Net income per share after dilution
	Yen	Yen
2018	22.04	20.89
2017	19.61	18.57

(2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
Q1 of Fiscal 2018	256,643	73,218	28.3
Fiscal 2017	256,341	78,804	30.5

(Reference) shareholders' equity: Term ended January 31, 2018: 72,516 million yen
Fiscal 2017: 78,113 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 2017	—	0.00	—	70.00	70.00
Fiscal 2018	—				
Fiscal 2018 (projection)		0.00	—	70.00	70.00

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

3. Projections of consolidated business results for the term ending October 31, 2018

(from November 1, 2017 to October 31, 2018)

(The full-year percentages indicate the rates of increase or decrease compared with the previous year, the percentages for the first half 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Interim	139,000	29.4	9,100	6.3	8,800	3.1	5,500	-1.9	37.19
Full year	290,000	24.5	22,500	9.7	22,500	10.9	14,000	4.2	94.28

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

*Notes

(1) Changes in important subsidiaries during the term: No
 Changes in specified subsidiaries that lead to a change in the scope of consolidation during the term under review
 New: -- company (-)
 Eliminated: -- company (-)

(2) Adoption of simplified accounting methods and: : special accounting treatment: No
 (Note) Adoption of simplified accounting methods or accounting methods unique to the preparation of quarterly consolidated financial statements

(3) Changes in accounting principles and procedures and the method of presentation
 1) Changes associated with the revision of accounting principles, etc.: No
 2) Change other than 1): No
 3) Changes in accounting estimates: No
 4) Restatement: No
 (Note) For details, please refer to “Changes in accounting policies and changes or restatement of accounting estimates” on p.4 of accompanying materials.

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of the term (including treasury stock)	First quarter ended January 2018:	146,764,635 shares	Fiscal year ended October 2017:	146,722,835 shares
2) Number of treasury stock at the end of the term	First quarter ended January 2018:	1,245 shares	Fiscal year ended October 2017	1,185 shares
3) Average number of shares during the term (consolidated cumulative period)	First quarter ended January 2018:	146,725,116 shares	First quarter ended January 2017:	146,477,251 shares

(* Status of a quarterly review)

This financial summary does not need to undergo a quarterly review under the Financial Instruments and Exchange Act. The quarterly consolidated financial statements have been under review at the time of the announcement of this financial summary.

(* Statement regarding the proper use of financial forecasts and other special remarks)

Forward-looking statements such as the forecasts for operating results contained in this material are based on currently available information that the Company has obtained and certain assumptions that the Company deems reasonable, and therefore, actual results may differ materially from the forecasts due to various factors. For assumptions used for the forecasts and cautions for the use of forecasts, please refer to “1. Qualitative Information on Results for the First Quarter, (4) Information on the future outlook, including consolidated business performance forecasts” on page 5 of accompanying materials.

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1. Qualitative Information on Results for the First Quarter

(1) The consolidated Operating results

During the first quarter of the consolidated fiscal year ending October 31, 2018 (November 1, 2017 to January 31, 2018,) the Japanese economy continued on a gradual recovery trajectory due to improvements in corporate incomes and a recovery in personal consumption. However, the future of the economy remains uncertain amid uncertainty about the global economy, reflecting policy trends and geopolitical risks overseas.

In this environment, the Group has sought to achieve a comfortable automobile society by aiming to expand existing services and create new services. And, the Group has focused on building a business foundation of overseas parking operators who joined the Group last year.

Although our group businesses were deteriorated by record snowfall in January, as a result, in the first quarter under review the Group posted net sales of 72,547 million yen (up 43.9% year on year), operating profit of 5,028 million yen (up 17.9% year on year) and recurring profit of 4,976 million yen (up 14.3%), and profit attributable to owners of parent stood at 3,234 million yen (up 12.6%).

Results by business segment are as follows:

<Parking Business>

The Group has strived to develop new parking through comprehensive community-based sales activities, realize early profitability of it, develop parking by providing consulting services to major companies and also expand its business foundations such as B-Times, a parking site matching and reservation service. On the other hand, the Group has been seeking to enhance customer convenience. As part of business to help stores around Times parking draw customers, the Group has started the new services such as "Times Pay," a payment service that was launched on a full-scale basis last year, responding to diversified means of payments including electric money.

As a result, the numbers of Times parking facilities and parking spaces managed at the end of the term under review were 17,129, up 1.7% from the end of the previous fiscal year, and 565,830, up 2.6%, respectively. The total number of parking sites managed, including monthly parking and facility management services, rose 1.6% from the end of the previous fiscal year, to 18,550, and the total number of parking spaces managed increased 2.6%, to 701,387. Net sales in this segment (including intersegment sales) stood at 38,246 million yen (rising 6.3% year on year), and operating profit amounted to 6,415 million yen (up 3.0%).

<Parking Business Overseas>

Last year, overseas parking business operators in five countries, namely Australia, New Zealand, the U.K., Singapore, and Malaysia, were added to the Group. Going forward, the Group aims to reinforce the business bases of the operators and roll out parking services that customers can use in a safe, secure and convenient manner, as in Japan. The Group is also determined to combine the parking service network in individual countries with knowhow and management ability accumulated in Japan.

As a result, the numbers of overseas parking sites and parking spaces managed at the end of the fiscal year under review were 2,277, up 3.2% from the end of the previous fiscal year, and 567,117, up 3.6% respectively, and the total numbers of parking sites and parking spaces managed worldwide were 20,827, up 1.8% and 1,268,504, up 3.0% respectively.

Sales in this segment (including intersegment sales) stood at 16,788 million yen (increasing 2,600.7% year on year), and operating profit was 507 million yen (up 978.8%).

<Mobility Business>

By opening stores in locations that are easy for customers to access and providing car models suited to their needs, and enhancing the commitment to the expansion of "Pitto Go Delivery," the Group has been developing an environment where users can feel greater affinity with the Group's rent-a-car service.

With regard to the car sharing service, the Group continued from the previous consolidated fiscal year to aggressively develop stations and sought to expand services for corporate clients. In addition, the Group has committed itself to creating an environment where people can move without stress, through installations of vehicles in tourist spots and participation in social experiments in individual locales.

As a result, the number of stations at the end of the fiscal year under review was 10,257 and the number of vehicles distributed was 20,454 units (up 1.9% and 2.1% respectively in comparison to the end of the previous fiscal year), and the number of car sharing members also increased 4.0% from the end of the previous fiscal year, to 939,877.

As a result, the total number of vehicles in the Mobility Business segment at the end of the fiscal year under

review fell 0.4% from the end of the previous fiscal year, to 48,787. Net sales in the segment (including intersegment sales) reached 17,569 million yen (increasing 26.9% year on year). On the other hand, operating income was 516 million yen (increasing 1.2% year on year).

(2) The consolidated financial position

Total assets at the end of the fiscal year under review rose 301 million yen from the end of the previous fiscal year, to 256,643 million yen. The main changes in assets were increases of cash and deposits of 2,728 million yen, other current assets including accounts receivable-other of 1,554 million yen, goodwill of 543 million yen and decreases of notes and accounts receivable of 924 million yen and property, plant and equipment including machinery, equipment and vehicles (net value) of 3,574 million yen.

Total liabilities increased 5,888 million yen, to 183,425 million yen. Main changes in liabilities were increases of short and long-term loans payable of 9,767 million yen, other current liabilities including deposits of 487 million yen, and decreases of income taxes payable by 3,245 million yen, provision for bonuses of 740 million yen.

Net assets fell 5,586 million yen, to 73,218 million yen, as a result of increases of 3,234 million yen in retained earnings due to the posting of a profit attributable to owners of parent and 1,388 million yen in foreign currency translation adjustments, and a decrease of 10,270 million yen due to dividend payments out of retained earnings.

(3) The consolidated cash flow condition

The balance of cash and cash equivalents at the end of the fiscal year under review increased 2,779 million yen from the end of the previous consolidated fiscal year, to 20,554 million yen.

The cash-flow situation by category for the fiscal year was as follows:

(Net cash from operating activities)

Net cash provided by operating activities increased 4,856 million yen year on year, to 11,870 million yen. This primarily reflected the total of depreciation and amortization and income before income taxes and minority interests of 11,732 million yen and income taxes paid of 4,142 million yen.

(Net cash from investing activities)

Net cash used in investing activities was 7,235 million yen (cash outflows decreased 13,698 million yen year on year). This figure primarily reflects purchases of property, plant, and equipment of 6,162 million yen associated with the opening of Times parking facilities and the acquisition of vehicles for service, and long-term prepaid expenses of 915 million yen.

(Net cash from financing activities)

Net cash used in financing activities was 1,882 million yen (up 15,353 million yen year on year). This was chiefly attributable to dividend payments of 10,272 million yen and the repayment of long term loans payable of 1,229 million yen and 1,163 million yen repayment for lease obligations which offset a net increase of 10,803 million yen in short-term loans payable.

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

The consolidated earnings forecasts for the fiscal year ending October 31, 2018 have not been changed from the figures announced on December 14, 2017 in the Consolidated Financial Report for the Fiscal Year Ended October 31, 2017.

2. Quarterly Consolidated Financial Statements
(1) Quarterly consolidated balance sheets

(Unit: million yen)

	As of October 31, 2017 Fiscal 2017 Summary	As of January 31, 2018 Q1 of Fiscal 2018
Assets		
Current assets:		
Cash and deposits	18,152	20,880
Notes and accounts receivable-trade	15,250	14,326
Inventories	1,468	1,483
Other	24,434	25,988
Allowance for doubtful accounts	(207)	(223)
Total current assets	59,097	62,455
Noncurrent assets:		
Property, plant and equipment:		
Buildings and structures, net	15,491	15,696
Machinery, equipment and vehicles, net	43,747	40,205
Land	24,454	24,516
Lease assets, net	18,576	18,544
Other, net	13,271	13,004
Total property, plant and equipment	115,541	111,967
Intangible assets:		
Goodwill	59,750	60,294
Other	2,770	2,787
Total intangible assets	62,521	63,081
Investments and other assets		
Net defined benefit asset	700	714
Other	18,480	18,424
Total Investments and other assets	19,181	19,139
Total noncurrent assets	197,244	194,187
Total assets	256,341	256,643
Liabilities		
Current liabilities:		
Notes and accounts payable-trade	713	711
Current portion of convertible bonds	19,970	19,970
Short-term loans payable	43,767	54,646
Income taxes payable	4,974	1,728
Provision for bonuses	1,752	1,011
Provision	327	510
Other	42,537	43,025
Total current liabilities	114,043	121,604
Noncurrent liabilities:		
Long-term loans payable	40,699	39,588
Net defined benefit liabilities	155	165
Provision Asset retirement obligations	6,202	6,253
Other	16,435	15,813
Total noncurrent liabilities	63,493	61,820
Total liabilities	177,536	183,425

	As of October 31, 2017 Fiscal 2017 Summary	As of January 31, 2018 Q1 of Fiscal 2018
Net Assets		
Shareholders' equity:		
Capital stock	9,549	9,580
Capital surplus	11,302	11,333
Retained earnings	57,898	50,862
Treasury stock	(1)	(2)
Total shareholders' equity	78,748	71,774
Other accumulated comprehensive income:		
Valuation difference on available-for-sale securities	141	134
Deferred gains or losses on hedges	(76)	(71)
Revaluation reserve for land	(1,052)	(1,052)
Foreign currency translation adjustments	674	2,062
Remeasurements of defined benefit plans	(324)	(331)
Total other accumulated comprehensive income	(635)	741
Subscription rights to shares	299	288
Minority interests	392	413
Total net assets	78,804	73,218
Total liabilities and net assets	256,341	256,643

(2) Quarterly consolidated statements of profit and loss and comprehensive income
(Consolidated profit and loss statement)
(First quarter of Fiscal 2018)

(Unit: million yen)

	From November 1, 2016 to January 31, 2017 Q1 of Fiscal 2017	From November 1, 2017 to January 31, 2018 Q1 of Fiscal 2018
Net sales:	50,404	72,547
Cost of sales	37,503	55,894
Gross profit	12,901	16,652
Selling, general and administrative expenses	8,637	11,624
Operating income	4,263	5,028
Non-operating income:		
Interest income	0	0
Dividend income	2	2
Void ticket	43	48
Foreign exchange gains	124	4
Other	19	135
Total non-operating income	190	191
Non-operating expenses:		
Interest expenses	16	164
Share of loss of entities accounted for using equity method	13	2
Expense incurred for evacuation of parking facilities	57	36
Other	13	40
Total non-operating expenses	100	243
Recurring income	4,353	4,976
Income before income taxes and minority interests	4,353	4,976
Income taxes-current	1,170	1,396
Income taxes-deferred	310	188
Total income taxes	1,481	1,584
Net income	2,872	3,391
Profit attributable to non-controlling interests	—	157
Profit attributable to owners of parent	2,872	3,234

(Consolidated statement of comprehensive income)
(First quarter of Fiscal 2018)

(Unit: million yen)

	From November 1, 2016 to January 31, 2017 Q1 of Fiscal 2017	From November 1, 2017 to January 31, 2018 Q1 of Fiscal 2018
Income before minority interests	2,872	3,391
Other comprehensive income		
Valuation difference on available-for-sale securities	26	(7)
Deferred gains or losses on hedges	—	4
Foreign currency translation adjustments	50	1,386
Remeasurements of defined benefit plans	27	(7)
Share of other comprehensive income of associates accounted for using equity method	58	7
Total other comprehensive income	162	1,383
Comprehensive income	3,034	4,775
(Breakdown)		
Comprehensive income attributable to owners of the parent	3,034	4,611
Comprehensive income attributable to non- controlling interests	—	163

(3) Quarterly consolidated statements of cash flow

(Unit: million yen)

	From November 1, 2016 to January 31, 2017 Q1 of Fiscal 2017	From November 1, 2017 to January 31, 2018 Q1 of Fiscal 2018
Net cash provided by (used in) operating activities:		
Income before income taxes and minority interests	4,353	4,976
Depreciation and amortization	5,612	6,756
Interest and dividends income	(3)	(3)
Interest expenses	16	164
Decrease (increase) in notes and accounts receivable-trade	(241)	1,120
Decrease (increase) in inventory	1,191	3,140
Increase (decrease) in notes and accounts payable-trade	69	(54)
Decrease (increase) in accounts receivable-other	196	233
Decrease (increase) in prepaid expenses	560	900
Increase (decrease) in accounts payable-other	75	1,444
Increase (decrease) in notes payable-facilities	113	(90)
Others, net	(434)	(2,438)
Subtotal	11,509	16,149
Interest and dividends income received	3	3
Interest expenses paid	(14)	(139)
Income taxes paid	(4,484)	(4,142)
Net cash provided by (used in) operating activities	7,013	11,870
Net cash provided by (used in) investment activities:		
Purchase of property, plant and equipment	(4,495)	(6,162)
Proceeds from sales of property, plant and equipment	0	8
Purchase of intangible assets	(243)	(242)
Purchase of investments in subsidiaries resulting in change in scope of consolidation	(15,276)	—
Purchase of long-term prepaid expenses	(791)	(915)
Others, net	(127)	76
Net cash provided by (used in) investment activities	(20,933)	(7,235)
Net cash provided by (used in) financing activities:		
Net increase (decrease) in short-term loans payable	25,000	10,803
Proceeds from long-term loans	—	63
Repayment of long-term loans payable	(1,250)	(1,229)
Repayments of lease obligations	(960)	(1,163)
Proceeds from issuance of common stock	206	50
Purchase of treasury stock	—	(0)
Cash dividends paid	(9,524)	(10,272)
Cash dividends paid to non-controlling shareholders	—	(135)
Net cash provided by (used in) financing activities	13,471	(1,882)
Effect of exchange rate change on cash and cash equivalents	34	26
Net increase (decrease) in cash and cash equivalents	(414)	2,779
Cash and cash equivalents at beginning of period	19,461	17,775
Cash and cash equivalents at end of period	19,046	20,554

(4) Notes to Quarterly Consolidated Financial Statements

[Note on going concern assumptions]

Not applicable.

[Segment information]

I. First quarter of fiscal 2017 (from November 1, 2016 to January 31, 2017)

Information on sales and profits or losses by reported segment

(Unit: million yen)

	Reported segments				Adjustment (Note) 1	Amount on consolidated profit and loss statement (Note) 2
	Parking Business In Japan	Parking Business Overseas	Mobility Business	Total		
Sales						
Sales to external customers	35,945	621	13,837	50,404	—	50,404
Internal sales or amount of transfer between segments	29	—	13	42	(42)	—
Total	35,975	621	13,850	50,447	(42)	50,404
Segment profit (loss)	6,229	47	509	6,786	(2,523)	4,263

(Note) 1 An adjustment of minus 2,523 million yen in segment profit (loss) includes an amortization of goodwill of minus 38 million yen, and Company-wide expenses of minus 2,484 million yen. Company-wide expenses are mainly expenses that do not belong to either of the reported segments. Those expenses are relating to the administration division, including the general affairs department.

2 Segment profit (loss) is adjusted in accordance with operating income in the consolidated profit and loss statement.

II. First quarter of fiscal 2018 (from November 1, 2017 to January 31, 2018)

1. Information on sales and profits or losses by reported segment

(Unit: million yen)

	Reported segments				Adjustment (Note) 1	Amount on consolidated profit and loss statement (Note) 2
	Parking Business In Japan	Parking Business Overseas	Mobility Business	Total		
Sales						
Sales to external customers	38,211	16,788	17,547	72,547	—	72,547
Internal sales or amount of transfer between segments	35	—	22	57	(57)	—
Total	38,246	16,788	17,569	72,605	(57)	72,547
Segment profit (loss)	6,415	507	516	7,438	(2,410)	5,028

(Note)

1. An adjustment of minus 2,410 million yen in segment profit (loss) includes an amortization of goodwill of minus 38 million yen, and Company-wide expenses of minus 2,372 million yen. Company-wide expenses are mainly expenses that do not belong to either of the reported segments. Those expenses are relating to the administration division, including the general affairs department.

2. The segment profit of 507 million yen in Parking Business Overseas includes an amortization of goodwill of minus 752 million yen. Amortized goodwill includes a tentatively calculated amount related to the business combination conducted in the previous consolidated fiscal year under review

3. Segment profit (loss) is adjusted in accordance with operating profit in the consolidated profit and loss

statement.

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

Not applicable.