



June 15, 2020

For Immediate Release

Corporate Name PARK24 CO., LTD.
 Shares Listed First Section of TSE : 4666 (Ticker Symbol: PKCOY)
 Representative Koichi Nishikawa
 President and Representative Director
 Contact Kenichi Sasaki
 Director, Senior Executive Corporate Officer,
 Director of Corporate Planning Division
 (TEL : +81-3-6747-8109)

Notice Regarding Differences between Forecast and Actual Results for First Half of Fiscal Year Ending October 31, 2020 and Revision to Full-Year Results and Dividend Forecasts

PARK24 CO., LTD. (“the Company”) announces the differences between the forecast for the consolidated financial results for the first half of the fiscal year ending October 31, 2020 that it reported on December 16, 2019, and the actual results that it has announced today.

In addition, the Company has decided to make downward revisions to the consolidated financial results forecast for the fiscal year ending October 31, 2020 and the dividend forecast, both of which were announced on December 16, 2019

1. Differences between forecast for consolidated financial results for first half of fiscal year ending October 31, 2020 and actual results (November 1, 2019 – April 30, 2020)

(a) Differences between consolidated financial results forecast and actual results

	Net sales	Operating profit	Recurring profit	Profit attributable to owners of parent	Profit per share
Previous forecast (A)	Million yen 159,700	Million yen 10,100	Million yen 9,600	Million yen 6,100	Yen 39.47
Actual results (B)	145,679	-1,229	-2,020	-2,589	-16.77
Change (B – A)	-14,021	-11,329	-11,620	-8,689	-56.24
Change (%)	-8.8%	-112.2%	-121.0%	-142.4%	-142.5%
(Reference) Actual results in the first half of the previous fiscal year (First half of fiscal year ended in October 31, 2019)	154,124	9,970	9,523	5,628	36.38

(b) Reason for differences

The actual results exceeded the forecast in the first quarter of the current fiscal year, reflecting the expansion of respective businesses and steady progress on measures taken in response to the consumption tax

hike in October 2019. Moving into the second quarter, however, businesses started to be affected globally as people refrained from going out and companies reduced sales activities to prevent the spread of COVID-19 (“the Infection”). The impact of the Infection became increasingly serious, leading to the implementation of a number of measures, such as the declaration of a state of emergency issued nationwide by the Japanese government, as well as lockdown measures enforced in some overseas countries where the Company operates services. In consideration of this situation, the Company reviewed and reduced expenses in all businesses on a Group-wide basis. However, net sales plummeted due to a sharp decline in the use of parking facilities and mobility services, and profit fell significantly below the previous forecast in all income levels.

2. Revisions to forecast for full-year consolidated financial results for fiscal year ending October 31, 2020 (November 1, 2019 – October 31, 2020)

(a) Revisions to consolidated financial results forecast

	Net sales	Operating profit and loss	Recurring profit and loss	Profit or loss attributable to owners of parent	Profit per share
Previous forecast (A)	Million yen 333,000	Million yen 26,700	Million yen 25,500	Million yen 16,500	Yen 106.73
Newly revised forecast (B)	263,000	-24,200	-25,000	-25,500	-164.94
Change (B – A)	-70,000	-50,900	-50,500	-42,000	-271.67
Change (%)	-21.0%	-190.6%	-198.0%	-254.5%	-254.5%
(Reference) Actual results in the previous fiscal year (Fiscal 2019)	317,438	22,322	21,566	12,348	79.79

(b) Reason for revisions

Concern is growing over the economic impact of the globally expanding Infection. Given this situation, the Group has been operating each service by prioritizing the prevention of the spread of the Infection and securing the safety of customers, employees and other stakeholders. From this perspective, the Company has not experienced any significant issues so far.

In May, the declaration of a state of emergency was lifted nationwide in Japan and lockdowns were relaxed in some overseas countries where the Company operates, resulting in the reopening of economic activities. However, the use of services is expected to remain low due to the continued avoidance of nonessential outings and the restrictions on movement as well as the reduction of business activities by companies, following the announcement of new lifestyles in consideration of the spread of the Infection.

With concern growing over the second wave of the Infection, forecasting how soon demand for parking facilities and mobility services will recover is extremely difficult. Therefore, to provide the financial results forecast for the current fiscal year, the Company preliminarily calculated the impact of the Infection, based on

the assumptions mentioned below for the six-month period of the second half, while also reflecting the recent trend in business performance. Then, it factored the impact into the initial projections.

Actual results may differ significantly from the above-mentioned forecast if businesses do not recover according to the assumptions made for the preliminary calculation.

[Assumptions for the preliminary calculation]

- Net sales
 - Decrease of approx. 70 billion yen in the fiscal year due to the COVID-19 impact
 - Sales in May (in April for the overseas business), in the second half, were approximately 50% of the initial forecast. A recovery of approx. 5 to 10% is expected monthly from June, reaching approx. 85% of the initial forecast in October, which is the end of the current fiscal year.
- Operating expenses
 - Decrease of approx. 19 billion yen through a decline in expenses due to decreased net sales (variable expenses) and the simultaneous implementation of a range of initiatives, such as improved efficiency in the management of expenses in each business unit and the aggressive reduction of internal costs.

3. Revisions to the dividend forecast for the fiscal year ending October 31, 2020

(a) Revisions to dividend forecasts

	Dividend per share (yen)		
	End of Q2	End of term	Annual
Previous forecast	Yen 0.00	Yen 70.00	Yen 70.00
Newly revised forecast	0.00	0.00	0.00
Actual results	—	—	—
Actual results in the previous fiscal year (Fiscal 2019)	0.00	70.00	70.00

(b) Reason for revisions

Boosting corporate value through growth in profitability is of primary importance to the Company. With this in mind, the Company's basic policy is to return surplus funds to shareholders mainly through dividend payments after reviewing the status of internal reserves from the perspective of investment capital, which is necessary for sustainable growth.

For the current fiscal year, as shown in the above revision to the financial results forecast, the impact of the spread of the Infection on the Group's businesses is significant to the extent that the Company expects a net loss for the first time since its listing. In this unprecedented business environment, securing liquidity on hand from the perspective of business continuity and stabilizing its financial base with an eye on recovery in profitability are urgent issues for the Company. Therefore, we regrettably determined that no dividends will be paid for the current fiscal year.

The Group will work to recover its business performance as soon as possible and appreciates the understanding and continued support of shareholders and investors.

(Note)

The estimated figures presented in this material were calculated based on the information available to the Company as of the announcement date of this material. Actual results may differ from the results forecast due to a variety of factors.