

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.



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For Immediate Release

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## Notice Regarding Differences between Forecast and Actual Results for the First Half of Fiscal Year Ending October 31, 2021 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, 2021 that it reported on December 15, 2020, 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, 2021 and the dividend forecast, both of which were announced on December 15, 2020.

### 1. Differences between forecast for consolidated financial results for the first half of fiscal year ending October 31, 2021 and actual results (November 1, 2020 – April 30, 2021)

#### (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 130,000	Million yen -500	Million yen -3,500	Million yen -2,500	Yen -16.18
Actual results (B)	121,865	-6,515	-8,998	-8,960	-57.99
Change (B – A)	-8,134	-6,015	-5,498	-6,460	-41.81
Change (%)	-6.3%	—	—	—	—
(Reference) Actual results in the first half of the previous fiscal year (First half of fiscal year ended in October 31, 2020)	145,679	-1,229	-2,020	-2,589	-16.77

#### (b) Reason for differences

At the beginning of the current fiscal year, results were in line with the forecasts, but in Japan, the declaration of a state of emergency in January curbed the movement of people, resulting in a decline in the occupancy of parking facilities and mobility services. Later, with the lifting of the state of emergency, traffic volume recovered gradually, but in April, it declined again due to the application of a state of quasi-emergency and the re-issuance of a state of emergency, and as a result, utilization of all services declined. As for the major overseas deployment countries, in Australia, regional lockdowns and restrictions on activities were sporadically implemented from the beginning of the fiscal year. In the UK, the re-issuance of lockdowns nationwide in December resulted in a significant drop in occupancy of parking facilities.

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, 2021 (November 1, 2020 – October 31, 2021)

### (a) Revisions to consolidated financial results forecast

	Net sales	Operating profit or loss	Recurring profit or loss	Profit or loss attributable to owners of parent	Profit per share
Previous forecast (A)	Million yen 282,000	Million yen 13,500	Million yen 8,500	Million yen 5,000	Yen 32.36
Newly revised forecast (B)	255,000	-3,500	-7,000	-9,500	-61.48
Change (B – A)	-27,000	-17,000	-15,500	-14,500	-93.84
Change (%)	-9.6%	—	—	—	—
(Reference) Actual results in the previous fiscal year (Fiscal 2020)	268,904	-14,698	-15,168	-46,652	-302.00

### (b) Reason for revisions

In the current situation where infections are spreading and prolonging worldwide, 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 Japan, a third state of emergency was declared in April, and although it is scheduled to be lifted at the end of June, we assume that the situation will remain uncertain. Overseas, in Australia, restrictions on movement and activities as well as lockdowns are still being issued intermittently by state and area, but occupancy of parking facilities is expected to recover gradually in the future. In the UK, as the lockdowns are being lifted in stages, we expect occupancy of parking facilities to recover to some extent.

In light of the above, the business environment is expected to improve with the start of vaccinations, but there are also concerns about the spread of new variants, and it is extremely difficult to predict when demand for parking service and mobility service will recover. However, based on the current business performance, the Company has estimated the impact of the infection based on assumptions for the six-month period of the second half of the fiscal year, and calculated the initial forecast by reflecting the actual results for the first half of the fiscal year and taking into account the impact for the second half of the fiscal year.

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. 27 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 80% of FY2019. A recovery of approx. 1 to 2% is expected monthly from June, reaching approx. 85% of FY2019 in October, which is the end of the current fiscal year.
- Operating expenses
  - Decrease of approx. 10 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, 2021

#### (a) Revisions to dividend forecasts

	Dividend per share (yen)		
	End of Q2	End of term	Annual
Previous forecast	Yen 0.00	Yen 5.00	Yen 5.00
Newly revised forecast	0.00	0.00	0.00
Actual results	—	—	—
Actual results in the previous fiscal year (Fiscal 2020)	0.00	0.00	0.00

#### (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. In this unprecedented business environment, as it is necessary to secure liquidity on hand and to stabilize its financial base with an eye on recovery in profitability, 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.