



May 1, 2021

For Immediate Release

Corporate Name	PARK24 CO., LTD.
Shares Listed	First Section of TSE : 4666 (Ticker Symbol: PKCOY)
Representative	Koichi Nishikawa Representative Director; President
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Notice Regarding the UK Subsidiary Filing a Restructuring Plan

PARK24 CO., LTD. ("the Company") announces that the Board of Directors of National Car Parks Limited ("NCP") the consolidated subsidiary of the Company in the United Kingdom, resolved on April 30, 2021 local time to launch a restructuring plan procedure under Part 26A of the English Companies Act 2006. A practice statement letter in relation to the restructuring plan was sent to NCP's creditors and filed with a local court ("the Court") following the resolution.

1. Background behind the filing

The Company made NCP, which manages parking facilities in the UK, a Group company in August 2017. Since then, The Company has been strengthening NCP's corporate governance and developing a system to expand its business. The Company has also been taking steps to promptly expand its earnings at an early stage.

NCP has suffered an immediate and prolonged business disruption as a result of the onset of the COVID-19 pandemic in early 2020; due to the pandemic having significantly decreased consumer activity, including travel, retail and commuting to the workplace. In light of this, the demand for parking facilities has decreased significantly, in large part due to legal and regulatory restrictions, and official governmental guidance.

In this environment, NCP has undertaken a number of cost reduction initiatives, including consensual deals with its landlords to reduce its rent, downsizing its labor force and taking advantage of government schemes, and proactively reviewing its operating model and methods of managing parking facilities to maximize efficiencies. However, earnings remain weak, and the business environment is expected to remain uncertain for some time to come.

Considering this, the Board of Directors of NCP has resolved to file a restructuring plan under Part 26A of the UK's Companies Act 2006 ^{*1} to promptly and drastically change the structure of the business. In the restructuring plan, NCP will continue its current business under the control of existing management, and will seek to carry out radical structural reform, rebase rent, and exit unprofitable parking facilities in cooperation with landowners.

Note that the restructuring plan will only affect the business of NCP in the UK and will have no effect on business in other countries and regions where the Group has operations, including Japan.

The Company has consistently supported NCP throughout the challenge of the COVID-19 pandemic and continues to support NCP to strengthen its overall financial position and support its working capital needs going forwards as the Company believes that implementation of the restructuring plan will clear path for NCP to significantly improve the medium to long-term profitability of the business through a rationalization of NCP's lease portfolio.

NCP will strive to enhance its corporate value by reviewing its business portfolio and improving customers' journeys, which includes the development of Japanese Times Parking, whose characteristics include "short-term contracts, small and dominant" and cashless payments using applications.

The Company believes that the business structure reform and the expansion of NCP's Parking Business fits with the Group slogan, "We make life better. Continuously inventing new forms of comfort and convenience," and will improve mobility society in the UK.

(Note 1) The restructuring plan procedure was introduced in June 2020, as the new Part 26A of the UK Companies Act 2006. The restructuring plan procedure enables companies to strongly and effectively restructure themselves. In this process, creditors are classified into multiple classes according to the restructuring plan. The process is supervised by the court, and the court approves the proposal through votes and consent obtained at a creditors' meeting, convened by the court. If 75% or more of a class of creditors vote in favor of the proposal, the court will make the proposal application mandatory in other classes as well, and the plan will be established.

2. Total liabilities (as of the end of February 2021)

239 million pounds (about 36 billion yen)

3. Overview of the subsidiary

(1) Company name	National Car Parks Limited
(2) Address	Saffron Court, 14b St Cross Street, London EC1N 8XA
(3) Date of Establishment	January 3, 1931
(4) Representative	CEO Jonathan Scott
(5) Business	Management of parking facilities in the UK
(6) Capital	692 thousand pounds
(7) Issued and outstanding shares	6,920,093
(8) Major shareholder and shareholding ratio	MEIF II CP Holdings 2 Limited 100.0%

(9) Relationship with the Company	Capital relationship		The Company holds 51% of MEIF II CP Holdings 2 Limited.			
	Personal relationship		Three directors of the Company concurrently serve as directors, and one corporate officer of the Company is dispatched as a director.			
	Business Relationship		None			
(10) Operating results and financial position for last three years						
	September 2018 (18 months)		September 2019		September 2020	
	Million pounds	Million yen	Million pounds	Million yen	Million pounds	Million yen
Net assets	140	20,781	118	15,716	-140	-19,005
Total assets	856	127,067	817	108,422	96	12,991
Net assets per share *2	20	3,003	17	2,271	-20	-2,746
Net sales	326	48,552	227	31,860	134	18,466
Operating profit (loss)	-17	-2,542	-11	-1,498	-106	-14,603
Recurring profit (loss)	-17	-2,487	-10	-1,414	-111	-15,308
Net profit (loss)	-25	-3,673	-20	-2,862	-257	-35,383
Net income (loss) per share *2	-4	-531	-3	-414	-37	-5,113
Dividend per share	-	-	-	-	-	-
Parking Sites (Unit: sites)	-	579	-	579	-	581
Parking Spaces (Unit: spaces)	-	222,367	-	223,050	-	222,359

(Note 2) Unit: Pounds/Yen

4. The Company's receivables from NCP

The Company has no receivables from NCP as of March 31, 2021.

5. Appraisal value of the stock

The Company has already posted a loss on the valuation of the NCP stock. The valuation of the NCP stock is zero yen.

6. Outlook and the effect on the Company's results

The restructuring plan will be determined through a court supervised process; the first court hearing is currently anticipated to take place in late May and a second hearing in late June.

The Company will monitor the progress of the restructuring plan. If any information to be disclosed arises regarding the effects of the restructuring plan on the Company's results, including the results in the fiscal year ending October 31, 2021, the Company will disclose it promptly.