



Dec 15, 2020

For Immediate Release

Corporate Name PARK24 CO., LTD.
Shares Listed First Section of TSE : 4666 (Ticker Symbol: PKCOY)
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Notice of Difference Between Consolidated Operating Results Forecast and Actual Results, and Recognition of Extraordinary Loss

PARK24 Co., Ltd. (“the Company”) announces the difference between the financial results for the fiscal year ended October 31, 2020 released today and the forecast previously announced on June 15, 2020, and the recognition of an extraordinary loss for the period.

1. Differences between forecast for consolidated financial results for the fiscal year ending October 31, 2020 and actual results (November 1, 2019 – October 31, 2020)

| | Net sales | Operating profit or loss | Recurring profit or loss | Profit or loss attributable to owners of parent | Profit or loss per share |
|---|------------------------|--------------------------|--------------------------|---|--------------------------|
| Previous forecast (A) | Million yen 263,000 | Million yen -24,200 | Million yen -25,000 | Million yen -25,500 | Yen -164.94 |
| Actual results (B) | 268,904 | -14,698 | -15,168 | -46,652 | -302.00 |
| Change (B – A) | 5,904 | 9,501 | 9,831 | -21,152 | -137.06 |
| Change (%) | 2.2% | – | – | – | – |
| (Reference) Results in the previous fiscal year (the fiscal year ended October 31, 2019) | 317,438 | 22,322 | 21,566 | 12,348 | 79.79 |

2. Reason for the difference

During the consolidated fiscal year ended October 31, 2020, the business environment surrounding the Company remained extremely severe due to the spread of COVID-19. Given this situation, the Company revised its financial results forecast on June 15, 2020.

Meanwhile, net sales during the period turned out to be higher than previously expected thanks to the sale of vehicles used in Mobility Business making greater progress than expected. The Company posted operating and recurring losses for the period, although neither were as significant as originally anticipated, reflecting successful initiatives to take measures for unprofitable sites while instituting strict cost reduction measures

targeting management, maintenance and personnel expenses across the business segments. Meanwhile, the loss attributable to owners of parent was considerably greater than previously expected, reflecting the extraordinary loss of 34,043 million yen as discussed in 3. Details of Extraordinary Losses below.

3. Details of Extraordinary Losses

As COVID-19 persists worldwide, we have carefully reviewed business at overseas subsidiaries, such as Secure Parking Pty Ltd (in Australia and New Zealand) and National Car Parks Limited (in UK). Consequently, the Company has posted a 24,229 million yen impairment loss for goodwill and contract-related intangible assets, based on its judgment that it is unlikely to recoup the investments in line with originally expectations at the time of acquisition, based on their abilities to generate excess profit.

The Company has posted another 7,709 million yen impairment loss associated with noncurrent assets in Japan and overseas mainly on some parking facilities and right of use assets, etc. for the same reason as described above. Meanwhile, the Company posted a loss on the temporary closing of stores and business restructuring expenses associated with overseas subsidiaries. Consequently, the extraordinary loss amounted to 34,043 million yen in total.

Further details are discussed below:

| | | (Million yen) |
|---|--|---------------|
| | | Amount |
| Impairment loss | | 31,938 |
| | Goodwill and Contract-based intangible assets | 24,229 |
| | Goodwill | 19,378 |
| | Contract-based intangible assets | 4,850 |
| | Non-current assets (Some parking facilities and Right of use assets, etc.) | 7,709 |
| Loss on temporary closure of parking facilities, etc. | | 790 |
| Business restructuring expenses | | 272 |
| Other | | 1,041 |
| Total of Extraordinary losses | | 34,043 |