

October 13, 2004

Corporate Name: PARCO Co., Ltd.
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Dissolution of Subsidiary

PARCO Co., Ltd. decided to dissolve its consolidated subsidiaries Mainichi Newspapers Culture City Co., Ltd., and J Foods Co., Ltd., at its Board of Directors meeting on October 13, 2004 as outlined below.

I. Dissolution of Mainichi Newspapers Culture City Co., Ltd.

1. Reasons for dissolution

PARCO and Mainichi Newspapers established Mainichi Newspapers Culture City in September 1995 as a joint venture intended to provide learning opportunities as society grows in maturity and the need for lifetime learning increases. Culture schools were established within PARCO stores. However, it was decided to dissolve Mainichi Newspapers Culture City due to changes in the business environment and other factors.

2. Company overview

Name	Mainichi Newspapers Culture City Co., Ltd.
Location	15-1 Udagawa-cho, Shibuya-ku, Tokyo
President	Takuhiko Matsunaga
Capital	30 million yen (70% equity contribution from PARCO)
Business	Management of culture schools

II. Dissolution of J Foods Co., Ltd.

1. Reasons for dissolution

J Foods developed the “Don-pachi” stores. As part of the reorganization of the PARCO Group’s businesses, in March 2004, PARCO decided to sell the Don-pachi business and dissolve J Foods.

2. Company overview

Name	J Foods Co., Ltd.
Location	15-1 Udagawa-cho, Shibuya-ku, Tokyo
President	Mitsuo Murakami
Capital	30 million yen (wholly owned by PARCO)
Business	Management of restaurants

III. Schedule

The dissolution and liquidation of the two aforementioned companies will follow the schedule outlined below.

October 13, 2004: Date for dissolution

December 29, 2004: Date planned for completion of liquidation

IV. Impact on PARCO

The estimated losses from the dissolution of the aforementioned two companies were posted on financial statements by the end of the previous consolidated accounting period (the fiscal year ending February 2004). The impact on the current consolidated fiscal year (the fiscal year ending February 2005) will be minimal, and it has not had an impact on earnings forecasts.