

February 24, 2010

For Immediate Release

Company Name: PARCO Co., Ltd.
Company Representative: Hidekazu Hirano,
President, Representative Executive Officer
Code Number: 8251, TSE 1st Section
Inquiries: Yuji Hirai,
Executive Officer & General Manager,
Corporate Planning Office

Closure of Oita PARCO

Following a meeting of the Board of Directors today (February 24, 2010), PARCO Co., Ltd. ("PARCO") announced its decision to terminate operations at Oita PARCO and close the store effective February 28, 2011 (planned). The details are as follows.

1. Overview of store to be closed

Name: Oita PARCO
Date of store opening: April 29, 1977
Address: 1-1-1 Funai-machi, Oita-shi, Oita
Store area: Approx. 15,000m²
Net sales: Approx. ¥4 billion (FY2009 estimate)
Date of store closure: February 28, 2011 (planned)

2. Reason for closure

It is now 33 years since Oita PARCO opened in April 1977 and the leasing agreement for the building is set to expire in April 2011.

During this period PARCO has been developing policies for raising profitability at Oita PARCO, such as enhancing sales and marketing capabilities and improving the efficiency of management methods. However, in the first half of the fiscal year to February 2010, PARCO recognized an impairment loss with respect to Oita PARCO.

Based on this, PARCO conducted a comprehensive review of the situation with respect to Oita PARCO, which focused on areas including changes in the commercial environment in which the store operates. As a result of this review, PARCO decided to close the store.

PARCO intends to record in advance in the fiscal year to February 2010 an extraordinary loss of around ¥0.3 billion in association with this store closure.

The ultimate impact of the closure on PARCO's net income for the fiscal year to February 2010 is currently being determined.

==Ends==