



March 11, 2010

## For Immediate Release

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### **PARCO to acquire ownership of land and building containing Urawa PARCO**

PARCO Co., Ltd. ("PARCO") today announced that it has concluded a purchase agreement to acquire trust beneficiary rights owned by Japan Retail Fund Investment Corporation, which will give PARCO ownership rights with respect to the land and building containing Urawa PARCO. The details are as follows.

#### **1. Reason for acquisition**

The development of the land and building containing Urawa PARCO, which are located in the vicinity of Urawa Station in Saitama City and currently leased by PARCO, was originally conducted by means of a securitization scheme in which a trust was established and trust beneficiary rights were issued in respect of the assets. PARCO has decided to acquire these trust beneficiary rights.

Urawa PARCO is the largest single-building PARCO store. The building containing Urawa PARCO is a multifunctional complex in which the upper floors contain public-interest facilities such as a library, and PARCO positions Urawa PARCO as a key store in its Kanto Store Group.

The area in which the store is located was developed mainly by the prefectural and municipal governments. It has a host of commercial and public facilities, and contains numerous high-quality schools and other educational institutions, which together make it a prime residential environment. Like the rest of Saitama City, its population is increasing. A project is currently underway to elevate the tracks and platforms of Urawa Station, and as part of this project a pedestrian walkway connecting the east and west exits of the station is being constructed and the roads in the area are being improved. An urban redevelopment project is also underway. As a result, we expect that the market and surrounding environment in the area around Urawa Station will develop further in the future.

We believe that enhancing the competitiveness of Urawa PARCO is an important element in our drive to strengthen our operating foundation, and taking a medium to long-term perspective we decided to make this acquisition in order to steadily and promptly pursue the following restructuring initiatives.

- (1) Having ownership of Urawa PARCO will enable us to flexibly and effectively move forward with a store renewal that includes major renovation, in anticipation of the



expected completion in 2013 of the pedestrian walkway connecting the east and west exits of Urawa Station. The aim is to complete the task of developing the store as a multi-business, multi-functional base for the local community in the region of the train station

- (2) Having ownership of the store in addition to control over its operation and management will enable us to further improve the quality of its operation and ensure more effective use of operating budget

## 2. Details of assets being acquired

Name of property		Urawa PARCO
Address		11-1 Higashitakasago-cho, Urawa-ku, Saitama-shi, Saitama
Land	Use	Commercial
	Area	Land use right ( <i>shikichiken</i> ) for 708,441,837/1,000,000,000ths of the total area of 11,222.09m <sup>2</sup>
	Type of ownership right, etc.	Ownership (co-ownership – <i>kyoyushoyuken</i> )
Building	Floor area	Acquiring 55,332.71m <sup>2</sup> of the total floor area of 106,577.47m <sup>2</sup>
	Structure	The trust asset comprises all floors from the B1 floor to the 7th floor, and part of the B2 floor, of a steel-framed reinforced concrete structure consisting of 4 basement floors and 10 above-ground floors
	Date of completion of construction	September 26, 2007
	Type of ownership right, etc.	Ownership (sectional ownership – <i>kubunshoyuken</i> )
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Purchase price		¥26,100 million

## 3. Overview of seller

Name	Japan Retail Fund Investment Corporation (Stock code: 8953)
Address	20F, Tokyo Building, 2-7-3 Marunouchi, Chiyoda-ku, Tokyo
Name and title of representative	Yorishige Kondo, Executive Director
Contact	Mitsubishi Corp. – UBS Realty Inc. Fuminori Imanishi, Head of Retail Division
Address of contact	11F, Shin-Marunouchi Building, 1-5-1 Marunouchi, Chiyoda-ku, Tokyo

Main business	Investment management, mainly of “specified assets” as prescribed in Article 2-1 of the Law Concerning Investment Trusts and Investment Corporations of Japan
Connection with PARCO	None

**4. Schedule of acquisition**

Conclusion of purchase agreement	March 11, 2010
Date of transfer	March 17, 2010 (planned)

**5. Impact on earnings**

We plan to borrow the entire amount of funds required to acquire the trust beneficiary rights.

The acquisition of the trust beneficiary rights is projected to lead to an increase in operating income. We intend to determine the impact of the acquisition on our financial results for the fiscal year ending February 2011 and announce it along with the announcement of our financial results for the year ended February 2010, which is scheduled for April 7, 2010.

PARCO will, in principle, succeed to the existing real estate trust contract and building leasing agreement in respect of the assets being acquired.

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