



October 1, 2010

## For Immediate Release

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### **PARCO to acquire ownership of land and building containing Ikebukuro PARCO annex P'PARCO**

PARCO Co., Ltd. ("PARCO") today announced that it has concluded a purchase agreement to acquire trust beneficiary rights of P'PARCO, as part of its strategy of innovating existing complexes, one of the strategies of PARCO's new medium-term business plan (FY2010-2012). This will give PARCO ownership rights with respect to the land and building containing P'PARCO. The details are as follows.

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

The land and building containing the Ikebukuro PARCO annex P'PARCO, which is currently leased by PARCO, were securitized in a 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.

This acquisition will enable Ikebukuro PARCO to establish stronger linkage between the main building and the annex and enhance its sales and marketing strength, as it seeks to constantly maintain its position as one of the most profitable, efficient and fashionable urban shopping complexes.

Ikebukuro PARCO, PARCO's first complex, opened in 1969 as one of the first urban shopping complexes in Japan. Since its opening, PARCO has continued to operate it as a highly efficient, highly profitable complex.

We believe that enhancing the sales and marketing strength of Ikebukuro 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 as we assessed that we must move forward with even more flexible renovation and aim to ensure even more stable operation of P'PARCO. The fact that we rate the project highly as a quality real estate investment also contributed to our decision.

We plan to renovate over 50% of the combined total floor area of P'PARCO and the main building by 2012, the final year of our medium-term business plan.

The funds being used to acquire the trust beneficiary rights of P'PARCO have been raised via an issue of unsecured convertible bonds with stock acquisition rights (issued September 9, 2010).

## 2. Details of assets being acquired

Name of property		P'PARCO
Address		1-50-35 Higashi-Ikebukuro, Toshima-ku, Tokyo
Land	Use	Commercial
	Area	1,115.22m <sup>2</sup>
	Type of ownership right, etc.	Ownership ( <i>shoyuken</i> )
Building	Floor area	9,417.51m <sup>2</sup>
	Structure	Steel-framed reinforced concrete structure (steel-framed structure, reinforced concrete structure in parts)
	Date of completion of construction	March 1, 1994
	Type of ownership right, etc.	Ownership ( <i>shoyuken</i> )
Trustee		The Chuo Mitsui Trust and Banking Company, Limited
Purchase price		¥10,135 million

### \*Reference values

Appraised value of real estate: ¥12,100 million

Net operating income (NOI): ¥506 million

NOI yield: 5.0%

\* The NOI yield is calculated by dividing the NOI of ¥506 million by the purchase price of ¥10,135 million, multiplying the result by 100 and rounding off to the first decimal place.

## 3. Overview of seller

Name	TRY Investment Gamma
Address	Tokyo Kyodo Accounting Office, 3-2-3 Marunouchi, Chiyoda-ku, Tokyo
Name and title of representative	Shinji Arakawa, Director
Main business	Real estate acquisition, ownership, sale, leasing, etc.
Connection with PARCO	None

## 4. Schedule of acquisition

Conclusion of purchase agreement	September 30, 2010
Date of transfer	October 29, 2010 (planned)

## **5. Impact on earnings**

We anticipate that the impact of the acquisition on our financial results will be annual NOI of ¥506 million (as stated in '2. Details of assets being acquired').

==Ends==