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**For Immediate Release**

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**PARCO announces earnings and dividend forecasts  
 for fiscal year ending February 2012**

At a meeting of the Board of Directors on May 18, 2011, PARCO Co., Ltd. ("PARCO") decided to announce earnings and dividend forecasts for the fiscal year ending February 29, 2012 (March 1, 2011 – February 29, 2012), which had not been decided when PARCO announced its consolidated financial results for the fiscal year ended February 28, 2011 on April 13. The forecasts are based on recent earnings trends and other factors. The details are as follows:

1. Earnings forecasts for first six months of fiscal year (March 1, 2011 – August 31, 2011)

(¥ million)

Consolidated	Net sales	Operating income	Ordinary income	Net income	Net income per share
FY2011 H1 forecasts	125,100	3,700	3,400	1,600	¥19.42
FY2010 H1 results	128,780	4,554	4,333	2,116	¥25.69

(¥ million)

Non-consolidated	Net sales	Operating income	Ordinary income	Net income	Net income per share
FY2011 H1 forecasts	115,100	3,500	4,200	2,500	30.35
FY2010 H1 results	118,994	4,311	4,115	2,061	25.03

Note: Ordinary income and net income include dividends received from subsidiaries of ¥1.0 billion.

2. Earnings forecasts for full fiscal year (March 1, 2011 – February 29, 2012)

(¥ million)

Consolidated	Net sales	Operating income	Ordinary income	Net income	Net income per share
FY2011 forecasts	264,900	8,600	8,200	4,000	48.56
FY2010 results	264,840	9,218	8,750	4,400	53.41



(¥ million)

Non-consolidated	Net sales	Operating income	Ordinary income	Net income	Net income per share
FY2011 forecasts	244,200	8,000	8,500	4,700	57.05
FY2010 results	245,488	8,709	8,222	4,242	51.50

Note: Ordinary income and net income include dividends received from subsidiaries of ¥1.0 billion.

### 3. Dividends

	Annual dividend per share (¥)		
	End of Q2	End of fiscal year	Total
FY2011 forecasts	8.00	9.00	17.00
FY2010 results	8.00	9.00	17.00

### 4. Reasons for announcement

PARCO decided not to announce earnings and dividend forecasts for the fiscal year ending February 29, 2012 at the time of announcement of its financial results for the fiscal year ended February 28, 2011. This was because PARCO was uncertain what impact the Great East Japan Earthquake that occurred on March 11, 2011, the deterioration of the electricity supply situation resulting from the damage at the Fukushima Daiichi Nuclear Plant, and other factors would have on the Group. However, based on recent conditions, earnings trends and other factors, PARCO has now decided to announce such forecasts.

With respect to net sales, net sales for March decreased compared to the previous fiscal year, as Sendai PARCO, which is in the disaster area, and Kanto Group stores were impacted by the earthquake, the subsequent rolling blackouts and other factors. Net sales showed a recovery in April and onward, but consumers are expected to continue to be cautious about spending in the first half of the fiscal year. Furthermore, given such conditions PARCO decided to implement measures to support its tenants, such as relaxing certain operating charges.

PARCO expects to record certain extraordinary losses, including a loss on disposal of fixed assets due to carrying out renovation, a loss due to the Great East Japan Earthquake, and asset retirement obligations resulting from changes in accounting standards.

In the fiscal year ending February 29, 2012, the second year of Stage 1 of PARCO's medium-term business plan, PARCO will further strengthen the shopping complex business by continuing to transform the business models of existing stores and rapidly develop related and new businesses, with all Group companies working together toward this goal. At the same time, PARCO will also strive to make concrete preparations for strengthening the management foundation in the approach to Stage 2 of the business plan.



As stated in the medium-term business plan, PARCO will reorganize its stores into two groups, urban stores and community stores, and will work to improve earnings by renovating around 61,000m<sup>2</sup> of floor area, a record high.

Disclaimer: The above earnings forecasts are forward-looking statements based on information available as of May 18, 2011, and are subject to a number of risks and uncertainties. Actual results may be materially different.

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