



PARCO

Presentation Contents

Overview of FY2009 results and topics

Overview of FY2010 topics and forecasts

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Overview of FY2010 topics and forecasts

FY2009 Consolidated results

4/25

Unit: Million yen

	FY2009	FY2008	Change ¥	Change %	Forecast amounts
Net sales	261,076	282,509	(21,432)	(7.6%)	259,000
Operating income	8,601	9,362	(760)	(8.1%)	8,500
Ordinary income	8,554	9,171	(616)	(6.7%)	8,400
Net income	4,108	3,730	377	10.1%	4,100

	End of FY2009	End of FY2008	Change ¥	Change %
Total assets	187,093	191,681	(4,587)	(2.4%)
Net assets	78,657	75,617	3,040	4.0%
Interest-bearing debt	38,487	40,777	(2,290)	(5.6%)
Equity ratio	42.0%	39.4%		
Market price-based equity ratio	30.7%	31.3%		
Debt service coverage ratio: years	4.3	15.0*		
Interest coverage ratio: times	13.4	4.2*		

*Figures for end of FY2008 are due to factors including:

- (1) An increase in receivables due to the last day of the fiscal year being a bank holiday
- (2) A decrease in payables due to a shortening of the payment term
- (3) A large amount of income and other taxes paid in the year under review with respect to income in the year under review

Excluding these one-off factors, the figures would be:

Debt service coverage ratio:

... **4.5 years**

Interest coverage ratio:

... **14.1 times**

FY2009 Consolidated results by segment

5/25

Shopping Complex Business

PARCO CO., LTD introduced a new store grouping system in FY2009, and based on this pursued strategies, renovation initiatives and effective marketing and promotional plans tailored to the characteristics of each store group

Retail Business

Under its scrap and build policy, NEUVE A CO., LTD. expanded to 136 stores. Also actively pursued environmental and social contribution themes

Space Engineering and Management Business

PARCO SPACE SYSTEMS CO.,LTD. experienced a decline in interior work and other orders. Stepped up marketing initiatives aimed at winning multiple orders combining building maintenance, interior work and design components

Other Business

PARCO CITY CO., LTD focused resources on its website and e-commerce businesses, which have strong growth potential, and reached its sales targets in both businesses. Sold entire stake in HOTEL NEW CRESTON CO., LTD., exiting the hotel business

Unit: Million yen

		FY2009	FY2008	Change
Shopping Complex Business	Net sales	246,010	264,595	(18,585)
	Operating income	8,005	8,826	(821)
Retail Business	Net sales	16,971	17,079	(107)
	Operating income	303	276	26
Space Engineering and Management Business	Net sales	17,758	22,437	(4,678)
	Operating income	209	383	(174)
Other Business	Net sales	954	2,218	(1,263)
	Operating income (loss)	26	(125)	151
Subtotal	Net sales	281,695	306,330	(24,634)
	Operating income	8,543	9,361	(817)
Eliminations or Corporate	Net sales	(18,007)	(21,220)	3,212
	Operating income	57	0	56
Total	Net sales	263,688	285,109	(21,421)
	Operating income	8,601	9,362	(760)

Note: Figures for net sales by segment include operating revenue.

FY2009 Non-consolidated results

6/25

Unit: Million yen

	FY2009	FY2008	Change ¥	Change %	Forecast amounts
Net sales	243,349	261,751	(18,401)	(7.0%)	242,000
Operating income	8,154	8,885	(731)	(8.2%)	8,100
Ordinary income	8,208	9,067	(859)	(9.5%)	8,000
Net income	4,184	4,004	179	4.5%	4,200

	End of FY2009	End of FY2008	Change ¥	Change %
Total assets	183,189	187,186	(3,996)	(2.1%)
Net assets	79,059	76,000	3,059	4.0%
Interest-bearing debt	40,514	42,457	(1,943)	(4.6%)
Equity ratio	43.2%	40.6%	--	--

Dividends

Decided to maintain an annual dividend per share of ¥16 in FY2009

FY2009 Tenant sales by store

7/25

All store total down 6.8% year on year

Kanto Store Group performed strongly, driven by adept response to market conditions and demand

Unit: Million yen

PARCO store		Net sales	Change
Urban Store Group	Sapporo PARCO	12,058	(6.8%)
	Ikebukuro PARCO	31,349	(7.7%)
	Shibuya PARCO*	15,187	(16.7%)
	Kichijoji PARCO	9,214	(11.0%)
	Shizuoka PARCO	10,534	2.3%
	Nagoya PARCO	36,545	(9.6%)
	Hiroshima PARCO	17,859	(6.0%)
	Total	132,749	(8.6%)

PARCO store		Net sales	Change
Kanto Store Group	Utsunomiya PARCO	6,397	(15.0%)
	Urawa PARCO	12,549	(4.3%)
	Shin-Tokorozawa PARCO	8,197	(7.6%)
	Chiba PARCO	7,459	(15.5%)
	Tsudanuma PARCO	9,574	(7.2%)
	Hibarigaoka PARCO	9,128	1.0%
	Chofu PARCO	17,031	(1.7%)
	Total	70,338	(6.2%)

PARCO store		Net sales	Change
Regional Store Group	Matsumoto PARCO	7,884	(10.0%)
	Otsu PARCO	6,044	(23.2%)
	Shinsaibashi PARCO	1,863	(9.4%)
	Oita PARCO	3,998	(9.0%)
	Kumamoto PARCO	5,208	(7.1%)
Total	24,998	(12.9%)	

PARCO store	Net sales	Change
Existing stores total	228,086	(8.4%)
Sendai PARCO**	9,704	54.9%
Total	237,791	(6.8%)

Existing stores total: Figures for stores except for Sendai PARCO (opened Aug. 2008)

*The merchandise floors of Shibuya Quattro Building closed at the end of May 2008.

After adjustment for this factor, Shibuya PARCO was down 15.3% from FY2008; Urban Store Group was down 8.4%; and Existing stores total was down 8.3%

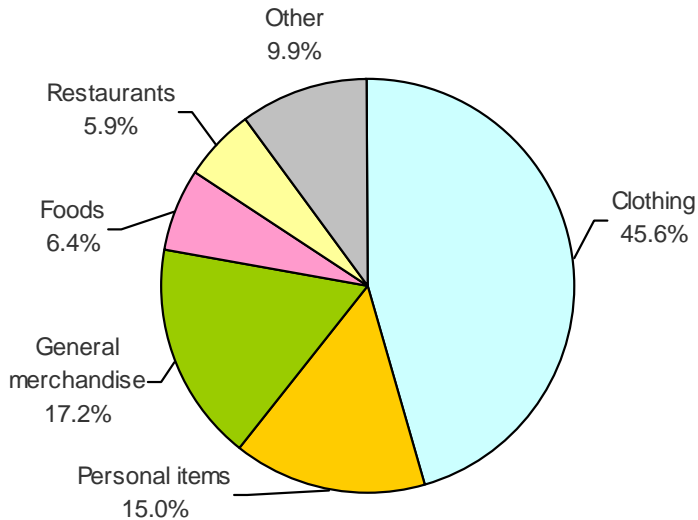
**Sendai PARCO opened in Aug. 2008, which means that its net sales in FY2008 were not for a full-year period.

The "NOS VOS by PARCO" annex of Hibarigaoka PARCO closed in Feb. 2010

FY2009 Year-on-year sales comparisons by item

Cosmetics and Foods performed strongly

FY2009 sales mix



- ◎ Clothing trends tending mainly towards single casual items. Clothing continued to experience difficulties, partly due to lower average spend per customer
- ◎ Sales of cosmetics were strong, driven by higher customer numbers due to active initiatives to introduce new tenants
- ◎ Foods continued to perform steadily, meeting resilient demand for food products

Existing stores: Figures for stores except for Sendai PARCO (opened Aug. 2008)

Category and item	FY2009 Change % from FY2008	
	All stores total	Existing stores
Womenswear	(8.5%)	(10.0%)
Menswear	(13.2%)	(14.5%)
General clothing	1.4%	(0.4%)
Clothing	(8.4%)	(9.7%)
Shoes	(12.4%)	(13.9%)
Bags	(13.1%)	(15.0%)
Accessories	(10.7%)	(13.1%)
Cosmetics	3.6%	1.6%
Personal items	(6.4%)	(8.3%)
Culture-related	(5.3%)	(6.7%)
Hobby and household-related	(5.6%)	(6.7%)
General merchandise	(5.4%)	(6.4%)
Foods	0.5%	(0.3%)
Restaurants	(5.9%)	(8.1%)
Other	(8.4%)	(9.0%)

Note: Comparisons with the previous fiscal year are based on integrated store sales. Integrated store sales indicates the overall sales strength of stores, as it includes tenant sales as well as the sales of PARCO Theater and fixed rent tenants.

Renovated 36,000m², with sales up 10.9% in same zone comparison

■ **FY2009 renovation results:**

Scale of renovation: 362 sections, approx. 36,000m²
 (of which new stores comprised 165 sections)
 Effect of renovation: Sales up 10.9% in same zone comparison

■ **Store overview as of end. Feb. 2010:**

20 stores, 35 buildings,
 2,872 tenants,
 sales area of 444,500m²

Planned a series of events focused mainly on the Ikebukuro PARCO 40th anniversary campaign in autumn

Achieved 0.5% increase in paying customers in Q4, driven by successful renovation and events

FY2009 existing store sales: Change % from FY2008

	Q1	Q2	Q3	Q4
Tenant sales	(9.0%)	(10.0%)	(9.0%)	(5.5%)
Paying customers	(3.1%)	(4.5%)	(4.2%)	0.5%
Average spend per customer	(4.3%)	(5.5%)	(5.7%)	(6.6%)



The biggest CANcampaign in history, Dec. 2009

*Paying customers and average spend per customer are calculated based on integrated store sales.

Urban Store Group

Providing new lifestyle proposals focusing mainly on fashion but also including general merchandise, grocery and other offerings

Nagoya PARCO:

Renovation:
59 sections,
approx. 5,100m²

Aimed to reach a wider range of customers by introducing stores meeting the fashion needs of both men and women and catering to couples. Improved the entrance floor of the East Building by introduced stores offering the latest trends and renovating the common-use areas, thus strengthening market appeal



Nagoya PARCO

Ikebukuro PARCO:

Renovation:
33 sections,
approx. 2,100m²

Sought to improve product variety ahead of the 40th anniversary campaign, by enhancing mainly our women's fashion offerings through means including introducing new business types and stores appearing in the area for the first time, and introducing new cosmetics and general merchandise stores



Shizuoka PARCO

Shizuoka PARCO:

Renovation:
4 sections
approx. 700m²

Introduced a new gourmet food business, which had a knock-on effect on sales at fashion, general merchandise, confectionary and other stores. Achieved year-on-year growth in sales by offering a wider range of products and markedly improved the range of services available to customers visiting the store for everyday purposes

Kanto Store Group

Enhanced our lineup of practical fashion and other items as part of a drive to expand our customer base, and sought to increase the frequency of customer visits

Urawa PARCO:

Renovation:
33 sections
Approx. 3,300m²

Aimed to increasingly penetrate the local market by meeting the needs of customers in the area. Our approach centered on increasing the diversity of our product lineup, by introducing a major casual clothing store that provides clothing with strong practical value targeting customers of all ages, enhancing the kids' zone, and improving our interior and cosmetics offerings and range of available services



Urawa PARCO

Chofu PARCO:

Renovation:
10 sections
Approx. 1,900m²

Carried out renovations to enhance our line-up of family-oriented casual clothing and living-related products, which helped to make the local commercial area more user-friendly and increase the frequency of customer visits and multiple purchases at different stores



Hibarigaoka PARCO

Hibarigaoka PARCO:

Renovation:
6 sections
Approx. 1,400m²

Introduced large electrical and general merchandise stores and enhanced store facilities. This had a knock-on effect on sales at existing zones including at fashion, general merchandise and food stores, which stimulated sales in the entire store and led to a year-on-year increase in sales

NEUVE A CO., LTD.: Continued to pursue a scrap and build policy. Opened 12 and closed 7 stores, increasing the total to 136 stores

As of end Feb. 2010

Focused on increasing frequency of customer visits and purchasing opportunities at all stores, which led to successfully achieving a year-on-year increase in existing store paying customers

Focused on pursuing environmental and social contribution themes, launching campaigns such as the MOTTAINAI Watch Exchange! at TiCTAC and the Pink Ribbons Project at ROSEMARY and ANNABEILLE

Business unit (items sold)	No. of stores
TiCTAC (watches)	57
EYEWEAR (eyewear)	26
COLLECTORS (men's accessories)	26
ROSEMARY (cosmetics and cosmetics accessories)	20
ANNABEILLE (women's accessories)	7
Total	136

Stores outside PARCO: 56%

All store year-on-year sales: (0.4%)
 Existing store year-on-year sales: (5.8%)
 Existing store year-on-year paying customers: 0.4%

PARCO CITY CO., LTD.: Focused on web and e-commerce businesses

Web business (website creation and management): Going well due to increased orders mainly from shopping complexes

E-commerce (online shopping mall) business: Enhanced planning and collaboration with PARCO, including developing one of Japan's largest online malls for bathing suits and promoting sales of lucky-bags. Achieved growth on being commissioned to develop and operate the official goods website for a popular movie and successfully selling the movie's original goods



Online shopping mall "PARCO CITY"

All company year-on-year sales: (1.6%)
 Web business year-on-year sales: (1.0%)
 E-commerce business year-on-year sales: 162.0%

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Opening of Fukuoka
PARCO

Fukuoka PARCO opened in Mar. 2010

Fukuoka PARCO opened in a prime location directly connected to Tenjin Station. Positioned as a “comfortable store in the Tenjin area”

Target customers

- ◎ All visitors to the Tenjin area looking for enjoyment and abundance in their lives

Features

- ◎ Meeting market needs by introducing a total of 154 stores, including 30 stores that are new to Japan and 104 stores that are appearing in Fukuoka City for the first time
- ◎ Keeping clothing stores at around 30% of total stores, and introducing a new store zoning method in which a broad range of items are interspersed randomly throughout the store rather than grouping items together by category/floor
- ◎ Developing zones in which PARCO itself chooses the products to sell to respond to changes in consumption patterns
- ◎ Leveraging our location (directly connected to the train station) to offer services and stores that attract repeat customers, and providing a strong lineup of amenities and facilities



Fukuoka PARCO

Store overview

Opened	Mar. 19, 2010
Building type	8 floors and 1 basement level
Annual sales target	¥11,000 million
Amount invested	Approx. ¥10,000 million*
Floor area	Approx. 24,000m ²
Location	Tenjin 2-chome, Chuo-ku, Fukuoka City, Fukuoka
Access	Directly connected to Tenjin Station on the Nishitetsu Line and Subway

*Amount invested includes leasehold deposits.



Advertisement announcing opening of Fukuoka PARCO



Countdown clock

Effectively used advertising and promotional campaigns attuned to the local community and digital tools

Main teaser campaigns

◎ Advertising and promotion targeting the entire community

- Developed advertising campaign and TV commercials in collaboration with key figures in the local community
- Developed a store opening countdown clock featuring people from Tenjin (including famous figures), as a digital sign on the store itself and on the Fukuoka PARCO website
- Participated in Kyushu's largest fashion event—*Fukuoka Asian Collection*
- Produced limited edition original goods in collaboration with the *Asian Beat* website

◎ Utilizing digital media

- Rapid, real-time dissemination of information through Twitter and tenant staff blogs
- Encouraged repeat store visits by members of Fukuoka PARCO's mobile phone website, using the store points system and through digital sign advertising

◎ Entertainment contents to meet market expectations

- Held a series of artist exhibitions at PARCO Factory
- Staged PARCO-produced plays in Fukuoka

PARCO Marina Bay opened in Singapore in Mar. 2010

A total of 108 stores, based on the concept of giving discerning customers something different. Providing quality products in a unique, classy and comfortable store environment where customers can enjoy a relaxed shopping experience

Target customers

Focusing mainly on the generation of mature consumers, including office workers in their 20s and 30s, discerning consumers not satisfied with existing shopping complexes, and tourists

Store structure

- 1st floor: Fashion, cosmetics, general merchandise, cafe
- 2nd floor: Men's and women's fashion, incubator zone
- 3rd floor: Restaurants, variety stores, groceries, beauty zone

Store overview

Opened	Mar. 31, 2010
Building type	3 floors, all above ground
Number of stores	108 stores
Annual sales target	--*
Amount invested	Approx. ¥600 million
Contract area	Approx. 7,800m ²
Location	Millenia Walk, 9 Raffles Boulevard, Singapore
Access	Metro: Connects directly to Promenade MRT Station (scheduled to open on April 17, 2010)
Nearby facilities	6 major hotels including the Ritz Carlton. 5 shopping complexes, high-rise office buildings, a large casino, the Singapore Flyer ferris wheel, theaters, etc.

*A sales target is not provided for reasons including that tenant contracts are fixed lease contracts. The total tenant transaction amount target is approx. ¥2.8 billion.



PARCO Marina Bay

A broad range of items on offer, including food, culture, general merchandise and beauty offerings, with a zoning plan that fits many tenants into a relatively small overall area



PARCO next NEXT (2nd floor)

Features

- ◎ A fashion zone focusing on Singaporean brands
- ◎ Development of PARCO next NEXT, an incubator zone for young Singaporean designers
- ◎ A restaurant zone mainly featuring Japanese restaurants appearing in Singapore for the first time



Entrance



Restaurant floor (3rd floor)

Plan to renovate approx. 56,000m² in FY2010

Approx. 16,000m² of renovation planned for spring, aiming to attract growing companies as tenants and acquire a broader customer base

Urban Store Group

Seeking to continue to provide new lifestyle offerings by revitalizing our fashion lineup through the introduction of new tenants not previously in the market and enhancing our general merchandise and food offerings

Hiroshima PARCO:

Aim to acquire a broader range of customers by enhancing our clothing lineup through means including quickly attracting as tenants growing ladies' fashion companies and inviting on board tenants moving from other shopping complexes and carrying out a major renovation of our general merchandise offering



Hiroshima PARCO

Nagoya PARCO:

Plan to increase our capability to meet a diverse range of fashion needs by quickly attracting as tenants stores offering the latest trends, mainly those new to Nagoya, introducing stores that meet the needs of a broad range of age groups, and pursuing business with specialty stores that have not been PARCO tenants in the past



Nagoya PARCO

Kanto and Regional Store Groups

Aiming to increase multiple purchases at different stores by enhancing our lineup of daily items attuned to the local commercial area

Chofu PARCO:

Plan to completely renovate the basement food floor for the first time in 10 years. Renovation to be conducted in 2 stages, in spring and autumn. In spring, introduce a large-scale grocery store handling carefully selected national and international foods and alcoholic beverages. Seek to acquire new customers and create an overall increase in sales throughout the store through the renovation of the shopping environment



Chofu PARCO

Shin-Tokorozawa PARCO:

Introducing a large casual family clothing store and making major changes to the zoning of surrounding stores and the common-use areas. By doing so, aim to increase customer numbers and expand the customer base, while also revitalizing the entire store through making it more focused on daily-use goods



Shin-Tokorozawa PARCO

Oita PARCO:

Decided to close Oita Parco at the end of Feb. 2011 (planned) on the expiry of the leasing agreement for the building

Acquired ownership of land and building of Urawa PARCO in Mar. 2010

- ◎ A model store of the Kanto Store Group. PARCO's largest single-building store. A multifunctional complex with a library and other public facilities on the upper floors
- ◎ Acquired land and building to ensure steady and smooth progress in future store renewal
- ◎ Having ownership in addition to control over operation and management will help us to improve the quality of the store's operation and cost efficiency
- ◎ Planning a major store renewal, to be implemented in phases, in anticipation of expected completion in 2013 of the pedestrian walkway connecting the east and west exits of Urawa Station

Property name		Urawa PARCO
Location		11-1 Higashi Takasago-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 ²
	Type of ownership, etc.	Ownership (co-ownership – <i>kyoyushoyuken</i>)
Building	Floor area	55,332.71m ² of the total floor area of 106,557.47m ²
	Structure	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	Sept. 26, 2007
	Type of ownership, etc.	Ownership (sectional ownership - <i>kibunshoyuken</i>)
Trustee		Mitsubishi UFJ Trust and Banking Corporation
Purchase price		¥26,100 million



Exterior of Urawa PARCO

NEUVE A CO., LTD.

- ◎ Continue to enhance store strategy and profitability, targeting further growth and higher profits
- ◎ Aiming to increase total stores to 148 by end of FY2010

- ◎ Continue to pursue store strategy, focusing particularly on the strong-performing watch business
- ◎ Aim to improve profitability and differentiate ourselves from our competitors by supplementing our current business model focusing on purchased brands with the increased introduction of original private brand products
- ◎ Actively seek opportunities to collaborate and partner with other companies
- ◎ Continue to enhance the company's own website (the TiCTAC online store) and work with Rakuten, Amazon Japan, Yahoo! Japan and other e-commerce websites



TiCTAC online store

New stores opened in FY2010

	Complex	Store Name
Mar.	LUMINE TACHIKAWA	COLLECTORS
	NAMBA PARKS	LUCIUS (new eyewear store)
	Fukuoka PARCO	TiCTAC
COLLECTORS		
Apr.	atre Kichijoji	COLLECTORS
	TOKYU PLAZA TOTSUKA	ANNABELLE

TiCTAC, Fukuoka PARCO



NEUVE A CO., LTD

Unit: Million yen

	FY2009 results	FY2010 forecasts
Net sales	14,981	15,667
Operating income	328	332
Ordinary income	323	330
Net income	6	120

PARCO SPACE SYSTEMS CO., LTD.

Aiming to win multiple orders through a focus on offering environmentally friendly products

© Original lighting fixtures

Aiming to win orders for total solutions from design and interior work through to building maintenance, through a focus on environmentally friendly products, such as the “P’es Lighting” series of original private brand lighting fixtures, LED lighting and others



“P’es Lighting” series private brand lighting installation, AMU PLAZA KAGOSHIMA



“P’es Lighting” series LED lighting

PARCO SPACE SYSTEMS CO., LTD

Unit: Million yen

	FY2009 results	FY2010 forecasts
Net sales	17,758	19,293
Operating income	207	326
Ordinary income	254	366
Net income	117	180

PARCO CITY CO., LTD.

Leverage the internet to generate new clients for our web and e-commerce businesses

◎ Web business

Utilize our track record in shopping complex website operation and administration to package the various related systems as products and offer them to shopping complexes

◎ E-commerce business

Aiming to increase profits through a combination of the following businesses:

- PARCO CITY online shopping mall
- Direct e-commerce retailing
- E-commerce consulting services

PARCO CITY CO., LTD.

Unit: Million yen

	FY2009 results	FY2010 forecasts
Net sales	570	710
Operating income	13	20
Ordinary income	13	20
Net income	13	19

Special feature on mail-order gourmet foods on the PARCO CITY online shopping mall website to commemorate the opening of Fukuoka PARCO



FY2010 Earnings and dividend forecasts

24/25

Forecasting a recovery and increase in consolidated income on contributions from new stores and enhanced performance at existing stores and group companies

Unit: Million yen

		FY2010 (ending Feb. 2011) forecasts	FY2009 (ended Feb. 2010) results	Change ¥	Change %
Consolidated	Net sales	264,000	261,076	2,923	1.1%
	Operating income	8,700	8,601	98	1.1%
	Ordinary income	8,300	8,554	(254)	(3.0%)
	Net income	4,200	4,108	91	2.2%
Non-consolidated	Net sales	245,000	243,349	1,650	0.7%
	Operating income	8,200	8,154	45	0.6%
	Ordinary income	7,700	8,208	(508)	(6.2%)
	Net income	4,000	4,184	(184)	(4.4%)

Dividends

©FY2010: Planning to maintain an annual dividend per share of ¥16 (with interim dividend of ¥8)

PARCO

<http://www.parco.co.jp/>

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