



April 4, 2012

**Consolidated Financial Results
for the Fiscal Year Ended February 29, 2012
<under Japanese GAAP>**

Company name: **PARCO CO., LTD.**
 Listing: First Section of the Tokyo Stock Exchange
 Stock code: 8251
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Scheduled date of annual general shareholders' meeting: May 26, 2012
 Scheduled date of dividend distribution: May 8, 2012
 Scheduled date to file Annual Securities Report: May 28, 2012
 Preparation of supplementary material on earnings: Yes
 Holding of earnings performance review: Yes (for institutional investors and analysts)

(All amounts have been rounded down to the nearest million yen.)

**1. Consolidated performance for the fiscal year ended February 29, 2012
(from March 1, 2011 to February 29, 2012)**

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended								
February 29, 2012	259,789	(1.9)	9,168	(0.5)	8,966	2.5	4,319	(1.8)
February 28, 2011	264,840	1.4	9,218	7.2	8,750	2.3	4,400	7.1

Note: Comprehensive income

For the fiscal year ended February 29, 2012: 4,199 million yen [(7.3)%]

For the fiscal year ended February 28, 2011: 4,529 million yen [-%]

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
Fiscal year ended	Yen	Yen	%	%	%
February 29, 2012	52.49	43.31	5.2	4.2	3.5
February 28, 2011	53.41	48.50	5.5	4.3	3.5

Reference: Equity in earnings (losses) of affiliates

For the fiscal year ended February 29, 2012: 101 million yen

For the fiscal year ended February 28, 2011: (0)million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
February 29, 2012	208,697	84,577	40.5	1,028.21
February 28, 2011	222,135	81,868	36.8	993.52

Reference: Equity (Net assets – Minority interests)

As of February 29, 2012: 84,555 million yen

As of February 28, 2011: 81,844 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
February 29, 2012	11,274	(584)	(15,483)	7,437
February 28, 2011	12,025	(42,290)	33,536	12,253

2. Cash dividends

	Annual dividends					Total cash dividends (Annual) Millions of yen	Dividend payout ratio (Consolidated) %	Ratio of dividends to net assets (Consolidated) %
	First quarter-end Yen	Second quarter-end Yen	Third quarter-end Yen	Fiscal year-end Yen	Total Yen			
Fiscal year ended February 28, 2011	–	8.00	–	9.00	17.00	1,400	31.8	1.7
Fiscal year ended February 29, 2012	–	8.00	–	9.00	17.00	1,397	32.4	1.7
Fiscal year ending February 28, 2013 (Forecast)	–	9.00	–	9.00	18.00		28.5	

3. Consolidated earnings forecasts for the fiscal year ending February 28, 2013 (from March 1, 2012 to February 28, 2013)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending August 31, 2012	132,000	6.6	4,800	19.1	4,500	13.4	2,100	2.8	25.52
Fiscal year ending February 28, 2013	274,000	5.5	10,700	16.7	10,300	14.9	5,200	20.4	63.19

4. Others

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Changes in accounting policies and procedures, and methods of presentation
 - a. Changes due to revisions to accounting standards and other regulations: Yes
 - b. Changes due to other reasons: Yes
- (3) Number of issued shares (common stock)
 - a. Total number of issued shares at the end of the period (including treasury stock)

As of February 29, 2012	82,475,677 shares
As of February 28, 2011	82,475,677 shares
 - b. Number of shares of treasury stock at the end of the period

As of February 29, 2012	240,250 shares
As of February 28, 2011	97,083 shares
 - c. Average number of shares during the period

For the fiscal year ended February 29, 2012	82,289,840 shares
For the fiscal year ended February 28, 2011	82,379,093 shares

(Reference) Overview of non-consolidated performance

**1. Non-consolidated performance for the fiscal year ended February 29, 2012
(from March 1, 2011 to February 29, 2012)**

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
February 29, 2012	239,078	(2.6)	8,526	(2.1)	9,170	11.5	4,547	7.2
February 28, 2011	245,488	0.9	8,709	6.8	8,222	0.2	4,242	1.4

Fiscal year ended	Net income per share	Diluted net income per share
	Yen	Yen
February 29, 2012	55.27	45.56
February 28, 2011	51.50	46.78

(2) Non-consolidated financial position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
February 29, 2012	205,014	85,169	41.5	1,035.68
February 28, 2011	218,846	82,136	37.5	997.06

Reference: Equity (Net assets – Minority interests)

As of February 29, 2012: 85,169 million yen

As of February 28, 2011: 82,136 million yen

**2. Non-consolidated earnings forecasts for the fiscal year ending February 28, 2013
(from March 1, 2012 to February 28, 2013)**

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First six months ending August 31, 2012	121,000	6.4	4,500	16.9	5,300	14.3	3,100	3.1	37.67
Fiscal year ending February 28, 2013	253,000	5.8	10,000	17.3	10,500	14.5	6,000	31.9	72.91

*** Indication regarding execution of audit procedures**

The audit procedures pursuant to the Financial Instruments and Exchange Act do not apply to this earnings report. At the time of disclosure of this earnings report, the audit procedures for financial statements are in progress.

*** Proper use of earnings forecasts, and other special matters**

The earnings forecasts contained in these materials are based on information available to the Company at the time of the filing and certain assumptions deemed reasonable by the Company.
Actual business and other results may differ significantly due to various unforeseen factors.

Consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of February 28, 2011	As of February 29, 2012
Assets		
Current assets		
Cash and deposits	12,253	7,437
Notes and operating accounts receivable	7,252	7,686
Merchandise and finished goods	2,480	2,559
Work in process	228	229
Raw materials and supplies	42	38
Advance payments-trade	76	90
Prepaid expenses	841	850
Deferred tax assets	1,200	919
Short-term loans receivable	96	97
Other	3,773	3,413
Allowance for doubtful accounts	(3)	(7)
Total current assets	28,241	23,317
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	120,122	119,392
Accumulated depreciation	(71,104)	(72,732)
Accumulated impairment loss	(932)	(876)
Buildings and structures, net	48,084	45,784
Buildings and structures in trust	16,898	17,209
Accumulated depreciation	(778)	(1,620)
Buildings and structures in trust, net	16,120	15,588
Machinery, equipment and vehicles	1,372	1,379
Accumulated depreciation	(945)	(1,035)
Machinery, equipment and vehicles, net	427	344
Machinery, equipment and vehicles in trust	16	16
Accumulated depreciation	(1)	(4)
Machinery, equipment and vehicles in trust, net	15	12
Tools, furniture and fixtures	4,793	4,698
Accumulated depreciation	(3,727)	(3,778)
Accumulated impairment loss	(59)	(90)
Tools, furniture and fixtures, net	1,005	828
Tools, furniture and fixtures in trust	134	136
Accumulated depreciation	(21)	(42)
Tools, furniture and fixtures in trust, net	113	94
Land	45,208	43,992
Land in trust	19,371	19,371
Lease assets	281	617
Accumulated depreciation	(60)	(155)
Lease assets, net	220	462
Construction in progress	75	11
Total property, plant and equipment	130,642	126,490

(Millions of yen)

	As of February 28, 2011	As of February 29, 2012
Intangible assets		
Leasehold right	10,949	10,949
Other	726	788
Total intangible assets	11,676	11,738
Investments and other assets		
Investment securities	4,972	2,702
Long-term loans receivable	394	294
Long-term prepaid expenses	1,347	1,221
Lease and guarantee deposits	43,099	41,000
Deferred tax assets	1,529	1,689
Long-term accounts receivable-other	142	111
Other	331	341
Allowance for doubtful accounts	(242)	(208)
Total investments and other assets	51,574	47,152
Total noncurrent assets	193,894	185,380
Total assets	222,135	208,697

(Millions of yen)

	As of February 28, 2011	As of February 29, 2012
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	16,118	16,526
Short-term loans payable	17,216	20,971
Lease obligations	64	129
Accounts payable-other	3,428	4,753
Accrued expenses	1,605	1,545
Income taxes payable	2,266	1,072
Provision for bonuses	1,004	1,019
Provision for sales returns	18	20
Provision for books unsold	136	150
Provision for sales promotion expenses	249	247
Provision for loss on store closing	399	-
Current portion of bonds	1,000	1,000
Other	3,454	2,250
Total current liabilities	46,961	49,687
Noncurrent liabilities		
Bonds payable	2,000	1,000
Bonds with subscription rights to shares	15,000	15,000
Long-term loans payable	38,231	21,565
Long-term accounts payable-other	155	146
Lease obligations	167	355
Provision for retirement benefits	1,510	1,617
Provision for loss on store closing	44	-
Guarantee deposits received	36,159	34,419
Asset retirement obligations	-	313
Other	37	15
Total noncurrent liabilities	93,306	74,432
Total liabilities	140,267	124,120
Net assets		
Shareholders' equity		
Capital stock	26,867	26,867
Capital surplus	27,528	27,526
Retained earnings	27,400	30,320
Treasury stock	(61)	(150)
Total shareholders' equity	81,734	84,563
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	275	200
Foreign currency translation adjustment	(164)	(209)
Total accumulated other comprehensive income	110	(8)
Minority interests	23	22
Total net assets	81,868	84,577
Total liabilities and net assets	222,135	208,697

(2) Consolidated statements of (comprehensive) income
Consolidated statements of income

(Millions of yen)

	Fiscal year ended February 28, 2011	Fiscal year ended February 29, 2012
Net sales	264,840	259,789
Cost of sales	225,640	220,862
Gross profit	39,199	38,927
Provision for sales returns	–	2
Reversal of provision for sales returns	5	–
Gross profit-net	39,204	38,924
Operating revenue	2,819	2,700
Operating gross profit	42,024	41,625
Selling, general and administrative expenses	32,806	32,456
Operating income	9,218	9,168
Non-operating income		
Interest income	81	79
Dividends income	49	55
Equity in earnings of affiliates	–	101
Miscellaneous income	489	416
Total non-operating income	621	653
Non-operating expenses		
Interest expenses	892	670
Interest on bonds	98	145
Miscellaneous expenses	98	39
Total non-operating expenses	1,089	855
Ordinary income	8,750	8,966
Extraordinary income		
Gain on sales of noncurrent assets	–	186
Gain on sales of investment securities	–	169
Reversal of allowance for doubtful accounts	5	7
Other	19	79
Total extraordinary income	24	443
Extraordinary loss		
Loss on retirement of noncurrent assets	552	928
Impairment loss	38	352
Loss on disaster	–	103
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	148
Loss on valuation of investment securities	4	477
Special retirement expenses	30	35
Restructuring loss	14	–
Loss on closing of stores	341	4
Other	76	26
Total extraordinary losses	1,058	2,076
Income before income taxes and minority interests	7,717	7,333
Income taxes-current	3,189	2,816
Income taxes-deferred	127	198
Total income taxes	3,317	3,014
Income before minority interests	–	4,319
Minority interests in loss	(0)	(0)
Net income	4,400	4,319

Consolidated statements of comprehensive income

(Millions of yen)

	Fiscal year ended February 28, 2011	Fiscal year ended February 29, 2012
Income before minority interests	–	4,319
Other comprehensive income		
Valuation difference on available-for-sale securities	–	(74)
Foreign currency translation adjustment	–	(45)
Total other comprehensive income	–	(119)
Comprehensive income	–	4,199
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	–	4,200
Comprehensive income attributable to minority interests	–	(1)

(3) Consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended February 28, 2011	Fiscal year ended February 29, 2012
Shareholders' equity		
Capital stock		
Balance at the end of previous period	26,867	26,867
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	26,867	26,867
Capital surplus		
Balance at the end of previous period	27,528	27,528
Changes of items during the period		
Disposal of treasury stock	–	(1)
Total changes of items during the period	–	(1)
Balance at the end of current period	27,528	27,526
Retained earnings		
Balance at the end of previous period	24,317	27,400
Changes of items during the period		
Dividends from surplus	(1,318)	(1,399)
Net income	4,400	4,319
Total changes of items during the period	3,082	2,920
Balance at the end of current period	27,400	30,320
Treasury stock		
Balance at the end of previous period	(60)	(61)
Changes of items during the period		
Purchase of treasury stock	(0)	(111)
Disposal of treasury stock	–	21
Total changes of items during the period	(0)	(89)
Balance at the end of current period	(61)	(150)
Total shareholders' equity		
Balance at the end of previous period	78,652	81,734
Changes of items during the period		
Dividends from surplus	(1,318)	(1,399)
Net income	4,400	4,319
Purchase of treasury stock	(0)	(111)
Disposal of treasury stock	–	20
Total changes of items during the period	3,081	2,829
Balance at the end of current period	81,734	84,563

(Millions of yen)

	Fiscal year ended February 28, 2011	Fiscal year ended February 29, 2012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	99	275
Changes of items during the period		
Net changes of items other than shareholders' equity	175	(74)
Total changes of items during the period	175	(74)
Balance at the end of current period	275	200
Foreign currency translation adjustment		
Balance at the end of previous period	(119)	(164)
Changes of items during the period		
Net changes of items other than shareholders' equity	(45)	(44)
Total changes of items during the period	(45)	(44)
Balance at the end of current period	(164)	(209)
Total accumulated other comprehensive income		
Balance at the end of previous period	(19)	110
Changes of items during the period		
Net changes of items other than shareholders' equity	130	(118)
Total changes of items during the period	130	(118)
Balance at the end of current period	110	(8)
Minority interests		
Balance at the end of previous period	25	23
Changes of items during the period		
Net changes of items other than shareholders' equity	(1)	(1)
Total changes of items during the period	(1)	(1)
Balance at the end of current period	23	22
Total net assets		
Balance at the end of previous period	78,657	81,868
Changes of items during the period		
Dividends from surplus	(1,318)	(1,399)
Net income	4,400	4,319
Purchase of treasury stock	(0)	(111)
Disposal of treasury stock	-	20
Net changes of items other than shareholders' equity	128	(120)
Total changes of items during the period	3,210	2,709
Balance at the end of current period	81,868	84,577

(4) Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended February 28, 2011	Fiscal year ended February 29, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	7,717	7,333
Depreciation and amortization	6,628	6,350
Impairment loss	38	352
Increase (decrease) in allowance for doubtful accounts	(7)	(30)
Increase (decrease) in provision for bonuses	93	15
Increase (decrease) in provision for sales returns	(5)	2
Increase (decrease) in provision for books unsold	25	14
Increase (decrease) in provision for sales promotion expenses	27	(1)
Increase (decrease) in provision for retirement benefits	169	106
Increase (decrease) in provision for directors' retirement benefits	(13)	-
Increase (decrease) in provision for loss on store closing	-	(103)
Loss on store closings	341	4
Interest and dividends income	(131)	(135)
Interest expenses	990	816
Loss (gain) on sales and retirement of noncurrent assets	181	10
Loss (gain) on valuation of investment securities	4	477
Loss on business restructuring	14	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	-	148
Decrease (increase) in notes and accounts receivable-trade	2,568	(435)
Decrease (increase) in inventories	368	(77)
Increase (decrease) in notes and accounts payable-trade	(1,519)	407
Increase/decrease in other assets/liabilities	(2,425)	1,398
Other, net	(19)	(266)
Subtotal	15,046	16,389
Interest and dividends income received	131	135
Interest expenses paid	(794)	(891)
Payment resulting from store closing	-	(361)
Payments for business restructuring	(223)	-
Income taxes paid	(2,135)	(3,998)
Net cash provided by (used in) operating activities	12,025	11,274

(Millions of yen)

	Fiscal year ended February 28, 2011	Fiscal year ended February 29, 2012
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(40,721)	(2,993)
Proceeds from sales of property, plant and equipment	1	1,471
Purchase of investment securities	(4)	(229)
Proceeds from sales of investment securities	0	2,139
Payments for lease and guarantee deposits	(2,025)	(105)
Proceeds from collection of lease and guarantee deposits	3,131	2,151
Increase (decrease) in guarantee deposits received	(1,950)	(2,778)
Other, net	(724)	(240)
Net cash provided by (used in) investing activities	(42,290)	(584)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(5,368)	2,955
Proceeds from long-term loans payable	32,000	175
Repayment of long-term loans payable	(5,672)	(16,040)
Proceeds from issuance of bonds with subscription rights to shares	14,945	–
Redemption of bonds	(1,000)	(1,000)
Net decrease (increase) in treasury stock	(0)	(90)
Cash dividends paid	(1,318)	(1,399)
Other, net	(50)	(82)
Net cash provided by (used in) financing activities	33,536	(15,483)
Effect of exchange rate change on cash and cash equivalents	(40)	(21)
Net increase (decrease) in cash and cash equivalents	3,229	(4,815)
Cash and cash equivalents at beginning of period	9,023	12,253
Cash and cash equivalents at end of period	12,253	7,437

Non-consolidated financial statements

(1) Non-consolidated balance sheets

(Millions of yen)

	As of February 28, 2011	As of February 29, 2012
Assets		
Current assets		
Cash and deposits	10,830	6,647
Operating accounts receivable	5,702	6,057
Merchandise and finished goods	278	286
Work in process	51	68
Raw materials and supplies	2	1
Advance payments-trade	76	90
Prepaid expenses	724	732
Deferred tax assets	832	537
Short-term loans receivable	86	93
Short-term loans receivable from subsidiaries and affiliates	70	70
Other	3,687	3,327
Allowance for doubtful accounts	(2)	(6)
Total current assets	22,341	17,907
Noncurrent assets		
Property, plant and equipment		
Buildings	117,843	116,937
Accumulated depreciation	(70,083)	(71,533)
Accumulated impairment loss	(758)	(439)
Buildings, net	47,002	44,964
Buildings in trust	16,629	16,940
Accumulated depreciation	(765)	(1,594)
Buildings in trust, net	15,864	15,345
Structures	1,748	1,720
Accumulated depreciation	(1,258)	(1,271)
Accumulated impairment loss	(10)	(6)
Structures, net	479	442
Structures in trust	269	269
Accumulated depreciation	(12)	(25)
Structures in trust, net	256	243
Machinery and equipment	1,389	1,396
Accumulated depreciation	(957)	(1,046)
Machinery and equipment, net	431	349
Machinery and equipment in trust	16	16
Accumulated depreciation	(1)	(4)
Machinery and equipment in trust, net	15	12
Vehicles	16	16
Accumulated depreciation	(11)	(13)
Vehicles, net	5	2
Tools, furniture and fixtures	3,668	3,511
Accumulated depreciation	(3,002)	(2,972)
Accumulated impairment loss	(18)	(8)
Tools, furniture and fixtures, net	646	530

(Millions of yen)

	As of February 28, 2011	As of February 29, 2012
Tools, furniture and fixtures in trust	134	136
Accumulated depreciation	(21)	(42)
Tools, furniture and fixtures in trust, net	113	94
Land	46,006	44,790
Land in trust	19,371	19,371
Lease assets	202	219
Accumulated depreciation	(44)	(90)
Lease assets, net	158	128
Construction in progress	11	6
Total property, plant and equipment	130,362	126,281
Intangible assets		
Leasehold right	10,949	10,949
Software	334	368
Other	199	194
Total intangible assets	11,483	11,512
Investments and other assets		
Investment securities	4,664	2,138
Stocks of subsidiaries and affiliates	5,660	4,961
Investments in capital	7	7
Long-term loans receivable	374	274
Long-term prepaid expenses	1,334	1,218
Lease and guarantee deposits	42,210	40,096
Deferred tax assets	184	380
Long-term accounts receivable-other	126	110
Other	323	334
Allowance for doubtful accounts	(227)	(208)
Total investments and other assets	54,659	49,313
Total noncurrent assets	196,505	187,107
Total assets	218,846	205,014

(Millions of yen)

	As of February 28, 2011	As of February 29, 2012
Liabilities		
Current liabilities		
Operating accounts payable	12,870	13,047
Short-term loans payable	3,119	6,019
Current portion of long-term loans payable	16,022	16,822
Lease obligations	46	48
Accounts payable-other	4,025	5,385
Accrued expenses	1,106	1,039
Income taxes payable	2,049	838
Advances received	380	285
Deposits received	234	232
Provision for bonuses	553	583
Provision for sales returns	18	20
Provision for books unsold	136	150
Provision for loss on store closing	399	-
Current portion of bonds	1,000	1,000
Current portion of guarantee deposits	2,269	1,182
Other	340	269
Total current liabilities	44,572	46,925
Noncurrent liabilities		
Bonds payable	2,000	1,000
Bonds with subscription rights to shares	15,000	15,000
Long-term loans payable	38,231	21,565
Long-term accounts payable-other	112	107
Lease obligations	120	86
Provision for retirement benefits	405	485
Provision for loss on store closing	44	-
Guarantee deposits received	36,208	34,519
Asset retirement obligations	-	139
Other	15	15
Total noncurrent liabilities	92,137	72,920
Total liabilities	136,710	119,845

(Millions of yen)

	As of February 28, 2011	As of February 29, 2012
Net assets		
Shareholders' equity		
Capital stock	26,867	26,867
Capital surplus		
Legal capital surplus	6,100	6,100
Other capital surplus	21,428	21,426
Total capital surpluses	27,528	27,526
Retained earnings		
Legal retained earnings	681	681
Other retained earnings		
General reserve	12,811	12,811
Retained earnings brought forward	14,019	17,168
Total retained earnings	27,512	30,661
Treasury stock	(61)	(150)
Total shareholders' equity	81,846	84,904
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	290	265
Total valuation and translation adjustments	290	265
Total net assets	82,136	85,169
Total liabilities and net assets	218,846	205,014

(2) Non-consolidated statements of income

(Millions of yen)

	Fiscal year ended February 28, 2011	Fiscal year ended February 29, 2012
Net sales		
Tenants sales	240,505	232,710
Other sales	4,982	6,367
Total net sales	245,488	239,078
Cost of sales		
Cost of tenants sales	210,295	203,797
Other cost of sales	3,390	4,351
Total cost of sales	213,685	208,148
Gross profit	31,802	30,930
Provision for sales returns	–	2
Reversal of provision for sales returns	5	–
Gross profit-net	31,807	30,927
Operating revenue	2,568	2,408
Operating gross profit	34,376	33,336
Selling, general and administrative expenses	25,667	24,810
Operating income	8,709	8,526
Non-operating income		
Interest income	79	79
Dividends income	117	1,063
Miscellaneous income	411	366
Total non-operating income	607	1,509
Non-operating expenses		
Interest expenses	906	682
Interest on bonds	98	145
Miscellaneous expenses	90	37
Total non-operating expenses	1,094	865
Ordinary income	8,222	9,170
Extraordinary income		
Gain on sales of noncurrent assets	–	186
Gain on sales of investment securities	–	169
Reversal of allowance for doubtful accounts	5	7
Other	19	46
Total extraordinary income	25	409
Extraordinary loss		
Loss on retirement of noncurrent assets	539	947
Loss on disaster	–	100
Loss on adjustment for changes of accounting standard for asset retirement obligations	–	60
Loss on valuation of investment securities	4	477
Special retirement expenses	21	9
Restructuring loss	44	–
Loss on closing of stores	352	4
Loss on valuation of subsidiaries' stocks	–	927
Other	68	2
Total extraordinary losses	1,032	2,530
Income before income taxes	7,215	7,048
Income taxes-current	2,847	2,349
Income taxes-deferred	125	151
Total income taxes	2,973	2,500
Net income	4,242	4,547

(3) Non-consolidated statements of changes in net assets

(Millions of yen)

	Fiscal year ended February 28, 2011	Fiscal year ended February 29, 2012
Shareholders' equity		
Capital stock		
Balance at the end of previous period	26,867	26,867
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	26,867	26,867
Capital surplus		
Legal capital surplus		
Balance at the end of previous period	6,100	6,100
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	6,100	6,100
Other capital surplus		
Balance at the end of previous period	21,428	21,428
Changes of items during the period		
Disposal of treasury stock	–	(1)
Total changes of items during the period	–	(1)
Balance at the end of current period	21,428	21,426
Total capital surplus		
Balance at the end of previous period	27,528	27,528
Changes of items during the period		
Disposal of treasury stock	–	(1)
Total changes of items during the period	–	(1)
Balance at the end of current period	27,528	27,526
Retained earnings		
Legal retained earnings		
Balance at the end of previous period	681	681
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	681	681
Other retained earnings		
General reserve		
Balance at the end of previous period	12,811	12,811
Changes of items during the period		
Total changes of items during the period	–	–
Balance at the end of current period	12,811	12,811
Retained earnings brought forward		
Balance at the end of previous period	11,095	14,019
Changes of items during the period		
Dividends from surplus	(1,318)	(1,399)
Net income	4,242	4,547
Total changes of items during the period	2,924	3,148
Balance at the end of current period	14,019	17,168

(Millions of yen)

	Fiscal year ended February 28, 2011	Fiscal year ended February 29, 2012
Total retained earnings		
Balance at the end of previous period	24,587	27,512
Changes of items during the period		
Dividends from surplus	(1,318)	(1,399)
Net income	4,242	4,547
Total changes of items during the period	2,924	3,148
Balance at the end of current period	27,512	30,661
Treasury stock		
Balance at the end of previous period	(60)	(61)
Changes of items during the period		
Purchase of treasury stock	(0)	(111)
Disposal of treasury stock	–	21
Total changes of items during the period	(0)	(89)
Balance at the end of current period	(61)	(150)
Total shareholders' equity		
Balance at the end of previous period	78,922	81,846
Changes of items during the period		
Dividends from surplus	(1,318)	(1,399)
Net income	4,242	4,547
Purchase of treasury stock	(0)	(111)
Disposal of treasury stock	–	20
Total changes of items during the period	2,923	3,057
Balance at the end of current period	81,846	84,904
Valuation and translation adjustments		
Valuation difference on available-for-sale securities		
Balance at the end of previous period	137	290
Changes of items during the period		
Net changes of items other than shareholders' equity	152	(24)
Total changes of items during the period	152	(24)
Balance at the end of current period	290	265
Total net assets		
Balance at the end of previous period	79,059	82,136
Changes of items during the period		
Dividends from surplus	(1,318)	(1,399)
Net income	4,242	4,547
Purchase of treasury stock	(0)	(111)
Disposal of treasury stock	–	20
Net changes of items other than shareholders' equity	152	(24)
Total changes of items during the period	3,076	3,032
Balance at the end of current period	82,136	85,169