

PARCO CO., LTD.
FY2011 Results
Investor Presentation
(March 1, 2011 –
February 28, 2012)
TSE 1st Section 8251



I FY2010 results overview

Operating income exceeded upward forecast revision announced in Oct. 2011 (up 1.9%)
 Sales and income recovered on raising customer traffic through active renovation and timely events, exhibitions and campaigns from April on
 Existing stores performed strongly, achieving YoY growth from Q2 onward overall

II FY2011 achievements

Store renovation Renovated approx. 64,000m², up 4.9% on initial plan. Renovated-zone sales up 32.2% YoY

Domestic store development Pursued ZERO GATE business
 Overseas business development Won mandate to operate shopping complex in Suzhou, China, and established local subsidiary

Entertainment Business PARCO became the first non-theater production company to win the Group Award at the Kinokuniya Theatre Awards
 Retail Business Actively opened 17 new stores, achieving increases in sales and income
 Space Engineering and Management Business Achieved income growth on increase in orders for interior and utility work at retail stores
 E-commerce Business Achieved increases in sales and income on winning new orders to create websites of non-PARCO Group shopping complexes

III FY2012 and future plans

FY2012 goals Innovate at existing stores, expand business in Japan and overseas, accelerate related business development, aim to achieve record income

Domestic store renovation Planning to renovate approx. 46,000m² of existing stores in FY2012

Domestic store development Intend to pursue our new business model, ZERO GATE Business
 Overseas store development Actively develop the PARCO Marina Bay incubation zone and expand overseas business

Entertainment business Plan to run many ambitious plays at PARCO Theater. Opening Umeda Club Quattro in Osaka
 Retail Business Actively open stores in talked-about shopping complexes
 Space Engineering and Management Business Target increase in new mandates for facility management business
 E-commerce Business Aim to expand the e-commerce mall business by increasing range of PARCO-run stores and other means

IV Other topics

Presentation Contents

- I Overview of FY2011 results
 - II FY2011 achievements
 - III FY2012 and future plans
 - IV Other topics
-

- I Overview of FY2011 results
 - II FY2011 achievements
 - III FY2012 and future plans
 - IV Other topics
-

1-(1) FY2011 Consolidated results

5/39

Income exceeded revised-upward forecasts announced in Oct. 2011 (operating income up 1.9%)

Unit: Million yen

Consolidated	FY2011	FY2010	Change ¥	Change %	Forecasts	Change ¥	Change %
Net sales	259,789	264,840	(5,050)	(1.9%)	263,600	(3,810)	(1.4%)
Operating income	9,168	9,218	(49)	(0.5%)	9,000	168	1.9%
Ordinary income	8,966	8,750	215	2.5%	8,750	216	2.5%
Net income	4,319	4,400	(80)	(1.8%)	4,300	19	0.4%
EBITDA*	15,508	15,837	(328)	(2.1%)	--	--	--

	FY2011	FY2010	Change ¥	Change %
Total assets	208,697	222,135	(13,437)	(6.0%)
Net assets	84,577	81,868	2,709	3.3%
Interest-bearing debt	59,536	73,447	(13,910)	(18.9%)
Equity ratio	40.5%	36.8%		
Market price-based equity ratio	31.1%	30.2%		
Debt service coverage ratio: years	5.3	6.1		
Interest coverage ratio: times	12.6	15.1		

*EBITDA in this table refers to operating income plus depreciation and amortization.

Operating income, ordinary income and EBITDA increasing YoY since Q2

Unit: Million yen

Consolidated		Q1	Q2	Q3	Q4
Net sales		60,350	63,494	64,147	71,797
	YoY change %	(7.4%)	(0.2%)	(1.9%)	1.6%
Operating income		1,441	2,589	2,125	3,012
	YoY change %	(32.0%)	6.3%	8.0%	11.7%
Ordinary income		1,302	2,665	2,029	2,969
	YoY change %	(35.2%)	14.7%	13.9%	12.7%
Net income		631	1,410	860	1,416
	YoY change %	(39.3%)	31.0%	(6.9%)	4.3%
EBITDA*		2,976	4,143	3,723	4,664
	YoY change %	(20.0%)	1.9%	2.0%	6.0%

*EBITDA in this table refers to operating income plus depreciation and amortization.

2-(1) FY2011 Consolidated results by segment

7/39

Unit: Million yen

Shopping Complex Business

PARCO CO., LTD. achieved operating income exceeding revised-upward forecast announced in Oct. 2011, on strong performance by existing stores from Apr. onward

Retail Business

NEUVE A CO., LTD. opened 17 new stores, bringing total to 153, and achieved aim of increasing sales and income

Space Engineering and Management Business

PARCO SPACE SYSTEMS CO., LTD. achieved income growth on an increase in interior work and utility orders from retail stores and expansion in facility management mandates from foreign-owned hotels and others

Other Business

PARCO-CITY CO., LTD. achieved higher sales and income on winning new orders to develop websites for non-PARCO Group shopping complexes

*1 PARCO's Entertainment Business earnings, which were previously included in Shopping Complex Business, were transferred to to Other Business from the start of FY2011. Financial data for PARCO-CITY CO., LTD., which is included in Other Business, is presented below.

Unit: Million yen

Reference		FY2011	FY2010	Change ¥
PARCO-CITY CO., LTD.	Net sales	722	600	122
	Operating income	17	16	1

		FY2011	FY2010	Change ¥
Shopping Complex Business*1	Net sales	235,841	248,307	(12,466)
	Operating income	8,158	8,434	(276)
Retail Business	Net sales	16,404	15,396	1,008
	Operating income	415	332	83
Space Engineering and Management Business	Net sales	18,221	18,830	(609)
	Operating income	406	385	20
Other Business*1	Net sales	6,630	591	6,039
	Operating income	167	16	151
Total	Net sales	277,097	283,126	(6,028)
	Operating income	9,148	9,169	(21)
Adjustments	Net sales	(14,607)	(15,466)	858
	Operating income	20	49	(28)
Consolidated	Net sales	262,490	267,659	(5,169)
	Operating income	9,168	9,218	(49)

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

2-(2) Consolidated quarterly results by segment

8/39

		Q1	Q2	Q3	Q4
Shopping Complex Business ^{*1}	Net sales	54,599	57,593	58,390	65,258
	Operating income	1,312	2,362	1,995	2,488
Retail Business	Net sales	3,656	4,148	3,718	4,880
	Operating income	(18)	168	(33)	298
Space Engineering and Management Business	Net sales	4,751	4,449	4,861	4,158
	Operating income	120	9	219	56
Other Business ^{*1}	Net sales	1,667	1,565	1,482	1,915
	Operating income	22	35	(52)	162
Total	Net sales	64,675	67,756	68,452	76,213
	Operating income	1,437	2,575	2,129	3,005
Adjustments	Net sales	(3,600)	(3,592)	(3,621)	(3,793)
	Operating income	4	13	(3)	6
Consolidated	Net sales	61,075	64,164	64,830	72,420
	Operating income	1,441	2,589	2,125	3,012

Unit: Million yen

*1 PARCO's Entertainment Business earnings, which were previously included in Shopping Complex Business, were transferred to Other Business from the start of FY2011.

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

3-(1) FY2011 Non-consolidated results

9/39

Operating and ordinary income both up on revised-upward full-year forecasts announced in Oct. 2011 (operating income up 1.5%)

Unit: Million yen

Non-consolidated	FY2011	FY2010	Change ¥	Change %	Forecasts	Change ¥	Change %
Net sales	239,078	245,488	(6,409)	(2.6%)	242,700	(3,621)	(1.5%)
Operating income	8,526	8,709	(183)	(2.1%)	8,400	126	1.5%
Ordinary income ^{*1}	9,170	8,222	947	11.5%	8,900	270	3.0%
Net income ^{*1}	4,547	4,242	305	7.2%	5,000	(452)	(9.0%)
EBITDA ^{*2}	14,481	15,042	(561)	(3.7%)	—	—	—

Non-consolidated	FY2011	FY2010	Change ¥	Change %
Total assets	205,014	218,846	(13,831)	(6.3%)
Net assets	85,169	82,136	3,032	3.7%
Interest-bearing debt	61,406	75,372	(13,965)	(18.5%)
Equity ratio	41.5%	37.5%	4.0%	

*1 FY2011 ordinary income and net income include ¥1 billion in dividend income from subsidiaries.

*2 EBITDA in this table refers to operating income plus depreciation and amortization.

Decided to again pay an annual dividend per share of ¥17 in FY2011

Results started to recover from April on active renovation at all stores and implementation of marketing plans

Unit: Million yen

Non-consolidated		Q1	Q2	Q3	Q4
Net sales		55,393	58,320	59,037	66,327
	YoY change %	(8.4%)	(0.4%)	(2.5%)	0.6%
Operating income		1,384	2,463	1,979	2,698
	YoY change %	(30.9%)	6.8%	2.5%	9.4%
Ordinary income ^{*1}		2,245	2,390	1,890	2,643
	YoY change %	15.9%	9.7%	10.2%	10.5%
Net income ^{*1}		1,668	1,338	808	732
	YoY change %	65.0%	27.5%	(11.5%)	(42.2%)
EBITDA ^{*2}		2,835	3,926	3,480	4,239
	YoY change %	(20.2%)	1.5%	(1.5%)	3.7%

*1 Mar.-May 2011 ordinary income and net income include ¥1 billion in dividend income from subsidiaries.

*2 EBITDA in this table refers to operating income plus depreciation and amortization.

4-(1) FY2011 Tenant sales by store

11/39

In the Urban Store Group, Sendai PARCO carried out major renovation on the scale planned to meet market needs. In the Community Store Group, Urawa PARCO introduced large-scale tenants in high demand that will play a key role in attracting customers. Both stores grew sales substantially

Unit: Million yen

PARCO store		Net sales	Change %
Urban Store Group	Sapporo PARCO ^{*1}	10,805	4.3%
	Sendai PARCO	12,153	19.8%
	Ikebukuro PARCO	28,721	(5.3%)
	Shibuya PARCO	12,278	(9.3%)
	Shizuoka PARCO	10,591	(3.7%)
	Nagoya PARCO	34,569	0.4%
	Hiroshima PARCO	16,987	(0.1%)
7 store total		126,107	(0.6%)

PARCO store	Net sales	Change %
Fukuoka PARCO	11,382	—
Sapporo PARCO New Building	71	—
Shinsaibashi PARCO	762	—
Oita PARCO	—	—
All store total ^{*2}	232,710	(3.2%)
Existing store total ^{*3}	220,493	(0.3%)

PARCO store		Net sales	Change %
Community Store Group	Utsunomiya PARCO	5,296	(4.9%)
	Urawa PARCO	14,738	11.2%
	Shin-Tokorozawa PARCO	8,077	(0.7%)
	Chiba PARCO	7,140	3.4%
	Tsudanuma PARCO	9,260	(0.5%)
	Hibarigaoka PARCO	7,826	(1.3%)
	Kichijoji PARCO	8,155	(6.7%)
	Chofu PARCO	16,599	(1.9%)
	Matsumoto PARCO	7,733	1.1%
	Otsu PARCO	4,465	(11.1%)
	Kumamoto PARCO	5,093	2.8%
11 store total		94,386	0.0%

*1 Change % for Sapporo PARCO excludes sales of the New Building (closed Mar. 30, 2011) .

*2 Change % for All store total includes the previous year's sales of the now closed Sapporo PARCO New Building, Shinsaibashi PARCO, and Oita PARCO.

*3 Existing store total exclude sales of Fukuoka PARCO (opened Mar. 19, 2010), Sapporo PARCO New Building (closed Mar. 30, 2011), Shinsaibashi PARCO (closed Sept. 30, 2011), and Oita PARCO (closed Jan. 31, 2011).

4-(2) Quarterly tenant sales by store

12/39

Existing stores performed well, with YoY growth in Existing store total from Q2 on Urban Store Group and Community Store Group both increasing going into FY2012

Unit: Million yen

PARCO store		Q1	Q2	Q3	Q4
Urban Store Group	Sapporo PARCO ^{*1}	7.8%	12.8%	(2.9%)	1.3%
	Sendai PARCO	(12.2%)	28.9%	30.5%	29.7%
	Ikebukuro PARCO	(9.9%)	(6.0%)	(7.0%)	1.2%
	Shibuya PARCO	(17.4%)	(4.1%)	(10.0%)	(6.2%)
	Shizuoka PARCO	(0.4%)	3.3%	(8.5%)	(8.3%)
	Nagoya PARCO	(4.3%)	3.4%	(0.3%)	2.5%
	Hiroshima PARCO	(1.5%)	0.3%	1.9%	(1.2%)
7 store total		(6.0%)	2.6%	(0.1%)	2.0%

PARCO store		Q1	Q2	Q3	Q4
Fukuoka PARCO		—	(14.6%)	(8.2%)	(4.2%)
Sapporo PARCO New Building		—	—	—	—
Shinsaibashi PARCO		(13.7%)	(41.5%)	—	—
Oita PARCO		—	—	—	—
All store total ^{*2}		(9.0%)	(1.2%)	(2.7%)	(0.3%)
Existing store total ^{*3}		(6.2%)	1.8%	0.0%	2.9%

PARCO store		Q1	Q2	Q3	Q4
Community Store Group	Utsunomiya PARCO	(13.3%)	(1.9%)	(2.2%)	(2.2%)
	Urawa PARCO	1.6%	10.9%	17.9%	13.4%
	Shin-Tokorozawa PARCO	(8.3%)	(0.8%)	0.4%	6.1%
	Chiba PARCO	(1.6%)	3.9%	4.6%	6.4%
	Tsudanuma PARCO	(6.7%)	0.2%	0.6%	4.1%
	Hibarigaoka PARCO	(4.5%)	4.3%	(6.3%)	1.7%
	Kichijoji PARCO	(20.4%)	(9.9%)	0.9%	4.1%
	Chofu PARCO	(7.1%)	1.9%	(4.8%)	2.6%
	Matsumoto PARCO	0.1%	0.0%	2.2%	1.9%
	Otsu PARCO	(12.6%)	(11.1%)	(11.8%)	(8.7%)
	Kumamoto PARCO	(1.3%)	0.3%	6.2%	5.8%
11 store total		(6.5%)	0.8%	1.4%	4.2%

*1 Change % for Sapporo PARCO excludes sales of the New Building (closed Mar. 30, 2011) .

*2 Change % for All store total includes the previous year's sales of the now closed Sapporo PARCO New Building, Shinsaibashi PARCO, and Oita PARCO.

*3 Existing store total exclude sales of Fukuoka PARCO (opened Mar. 19, 2010), Sapporo PARCO New Building (closed Mar. 30, 2011), Shinsaibashi PARCO (closed Sept. 30, 2011), and Oita PARCO (closed Jan. 31, 2011).

5 FY2011 Year-on-year and quarterly sales comparisons by item

13/39

High added-value items performed well.
Av. spend per customer up on shift
from price-conscious consumption
to buying the product one wants

In general clothing, brand clothing and high-quality
select store-type items both grew.
Growth in clothing had knock-on effect on personal
items such as shoes and bags.
Accessories and jewelry for bridal purposes
performed strongly in line with increased interest in
“bonding” after the earthquake

Existing stores YoY change %	FY2010 total	FY2011				
		Q1	Q2	Q3	Q4	Total
Paying customers	(0.6%)	(6.4%)	(0.6%)	(1.0%)	1.7%	(1.5%)
Average spend per customer	(3.0%)	0.1%	4.2%	3.3%	3.5%	2.7%

Category and item	Existing stores FY2011 Change % from FY2010				
	Q1	Q2	Q3	Q4	Total
Womenswear	(8.7%)	(0.1%)	(2.0%)	(1.4%)	(2.9%)
Menswear	(4.3%)	1.1%	(1.2%)	2.6%	(0.4%)
General clothing	5.4%	14.4%	11.7%	12.5%	10.8%
Clothing	(5.0%)	2.2%	0.7%	2.6%	0.3%
Shoes	(4.2%)	5.0%	1.6%	7.1%	2.3%
Bags	(10.6%)	0.1%	5.9%	6.4%	(0.6%)
Accessories	(11.8%)	7.6%	9.0%	9.4%	3.7%
Cosmetics	(7.2%)	1.7%	2.3%	3.8%	0.1%
Personal items	(5.4%)	7.4%	5.6%	5.8%	3.4%
Culture-related	(7.6%)	1.4%	(1.6%)	1.8%	(2.7%)
Hobby and living-related	(8.0%)	5.4%	(2.6%)	1.9%	1.1%
General merchandise	(7.8)	3.2%	(2.1%)	0.5%	(2.2%)
Foods	(5.1%)	(0.2%)	(1.3%)	1.7%	(1.2%)
Restaurants	(13.6%)	(6.4%)	(5.5%)	7.8%	(4.5%)
Other	(7.6%)	11.0%	17.9%	26.4%	12.1%

Note: Paying customers and average spend per customer are based on “integrated sales” of stores. “Integrated sales” indicate the overall sales strength of a store, and include tenant sales, sales at PARCO Theater and other facilities, and sales to tenants under fixed rent contracts.

* Existing-store figures exclude the sales of Fukuoka PARCO (opened Mar. 19, 2010), the Sapporo PARCO New Building (closed Mar. 30, 2011), Shinsaibashi PARCO (closed Sept. 30, 2011) and Oita PARCO (closed Jan. 31, 2011).

6 Selling, general and administrative expenses; capital expenditure 14/39

Selling, general and administrative expenses

Unit: Million yen

Consolidated		Amount	Change ¥	Change %
FY2011	Personnel	9,472	77	0.8%
	Lease/rental	8,820	(709)	(7.4%)
	Advertising	3,060	(121)	(3.8%)
	Agency services	5,812	(92)	(1.6%)
	Building and repairs	1,669	113	7.3%
	Depreciation	6,339	(279)	(4.2%)
	Tax and dues	1,587	241	17.9%
	Reversal of common service charges	(7,759)	273	(3.7%)
	Total SG&A	32,456	(349)	(1.1%)

Capital expenditure

Unit: Million yen

Consolidated		Amount	Change ¥	Change %
FY2011	Capex	3,395	(40,158)*	(92.2%)

*Approx. ¥36,400 million of this was for acquisition of ownership of the land and buildings of Urawa PARCO and P'PARCO in 2010.

7 FY2012 forecasts

15/39

**Aiming to achieve record operating, ordinary and net income on continued renovation effects at PARCO and expanded earnings at Group companies
(Record operating income to date was ¥10,090 million in FY2007)**

Consolidated	FY2012 forecasts (year to Feb. 2013)	FY2011 results (year to Feb. 2012)	Change ¥	Change %
Net sales	274,000	259,789	14,210	5.5%
Operating income	10,700	9,168	1,531	16.7%
Ordinary income	10,300	8,966	1,333	14.9%
Net income	5,200	4,319	880	20.4%
Non-consolidated	FY2012 forecasts (year to Feb. 2013)	FY2011 results (year to Feb. 2012)	Change ¥	Change %
Net sales	253,000	239,078	13,921	5.8%
Operating income	10,000	8,526	1,473	17.3%
Ordinary income	10,500	9,170	1,329	14.5%
Net income	6,000	4,547	1,452	31.9%

Unit: Million yen

Planning to pay interim dividend per share of ¥9 and annual dividend per share of ¥18

I Overview of FY2011 results

II FY2011 achievements

III FY2012 and future plans

IV Other topics

Renovated approx. 64,000m² on all-store basis in FY2011
Scale of renovation exceeded initial target (up 4.9%)
Renovated-zone sales strong, up 32.2% YoY

Urban stores Pursued renovation to expand variety of fashion offerings

Ikebukuro PARCO



Ikebukuro PARCO Main Building 8th floor

Completely renewed restaurant floors (7th and 8th floors) as befitting an advanced station building at one of Tokyo's busiest train stations. Redeveloped the floor environments and put in new escalators, resulting in improved circulation throughout the entire store including fashion floors by customers who are leaders in terms of lifestyle and consumption trends.

Restaurant floor-zone sales up substantially (by 24.3%) after restaurant floors re-opened

Sendai PARCO

Despite a considerable impact from the March earthquake, the strong performance from the end of last fiscal year continued overall. Implemented major renovation to meet market needs, including expanding the ladies' fashion zone from spring onward. Full-year tenant sales up 19.8%, despite falling 64% in March. H2 sales up 30.1%, the best growth in the region



Sendai PARCO 4th floor

Community stores

Implemented store renovations to make it easier for customers to access daily items and increase repeat customers

Urawa PARCO

Urawa PARCO continues to evolve into a model community store. Turned part of atrium at 1st and 2nd floors into sales space and introduced tenants that are in high demand and will play a key role in attracting customers, ranging from a ladies' and men's combined fashion store to a home appliances store. Reopened in late Aug./early Sept. H2 tenant sales up 15.5% YoY on renovation effects including the knock-on effect throughout the entire store



Urawa PARCO 1st floor



Chiba PARCO 5th floor

Chiba PARCO

Carried out renovation to introduce large-scale specialist stores including an outdoor sports store and a hobby store, based on the theme of transforming Chiba PARCO into a shopping complex catering to a broader range of customer needs, increasing customer numbers and broadening the customer base as planned. Full-year tenant sales increased 3.4% YoY

Increased customers, drew widespread attention and grew sales through events for attracting customers rolled out at multiple urban stores

Held an exhibition at six PARCO stores to commemorate the 100th anniversary of famous Japanese artist Taro Okamoto's birth, attracting 70,000 visitors in total. Also held an exhibition (with a related shop) focusing on a popular South Korean actor and several other large-scale promotional events at multiple PARCO stores, attracting widespread attention



Aimed to leverage synergies from local rivalries through campaigns in collaboration with large regional retailers



Jointly held fashion show at Sendai Station

Sendai PARCO

Collaborated with nearby shopping complex to jointly hold reconstruction support events and so forth

Fukuoka PARCO

Implemented large campaigns with other retailers in the Tenjin district aiming to leverage synergies from the district's rivalry with the Hakata Station area

Japan: Pursued ZERO GATE business model of low- to medium-rise urban shopping complexes



Shibuya ZERO GATE

Promoted a new business model, known as ZERO GATE business, to develop low- to medium-rise urban shopping complexes.

Opened the new Shibuya ZERO GATE in April 2011 as the first store under this model, with a series of further stores scheduled to open from 2013

Overseas: Received contract to operate and manage a retail facility in Suzhou, China, and established a local subsidiary

Won mandate to operate and manage the Nison Plaza Project shopping complex in Suzhou, China. Decided to establish a local subsidiary to do so, which was granted a retail license in Jan.



Subway Line #1 (currently under construction)

Artist's impression of Nison Plaza Project and surrounding area

Won numerous awards at Japan's leading theater awards

Continued to run high-quality, much talked-about plays, including the hit play *Golden Pavilion*, Japan's sole and triumphant entrant in the Lincoln Center Festival in New York, which returned to a successful run in Japan thereafter, *Film Der Nation* (written and produced by Koki Mitani), and *The Hunting Gun* (Producer: Francois Girrard; Starring Miki Nakatani)

As a result, PARCO became the first non-theater production company to win a Group Award at the 46th Kinokuniya Theatre Awards, Japan's leading theater awards, in recognition of its excellent achievements in theater.

Two PARCO plays also won awards at the 19th Yomiuri Theater Awards.

Sales were strong, up 38.2 YoY,
With contributions from our good contents



Poster for the PARCO-produced play Film Der Nation

**Actively opened 17 new stores, bringing total to 153, aiming to expand earnings.
Increased sales and income: sales up 6.5%, operating income up 22.7%**

TiCTAC business accelerated store openings in shopping complexes with different types of customers than 'fashion building' shopping complexes

COLLECTORS business added a lineup for women in anticipation of demand for gifts and personal purchases

Stores by business

Business (product)	Stores
TiCTAC (wristwatches)	70
EYEWEAR (eyeglasses)	26
ROSEMARY (cosmetics, general merchandise)	25
COLLECTORS (men's/ladies' general merchandise)	32
Four business total	153

Percentage inside/outside PARCO

Non-PARCO Group stores	64%
PARCO Group stores	36%

As of end Feb. 2012



WATCH POLITICS, Shibuya Tokyu Hands store
(TiCTAC business)

Interior construction and utility work for PARCO tenants in line with PARCO store renovation increased.

Secured 5.4% increase in operating income on increase electrical work from major shopping complexes and facility management mandates from foreign-owned hotels and others

PARCO SPACE SYSTEMS, had stable orders despite the difficult industry environment, which has an established reputation for utility work solutions and interior construction quality,

In August 2011, became first shopping complex design, construction and building management company to obtain ISO50001:2011 certification

ISO50001

“ISO50001:2011 specifies requirements for establishing, implementing, maintaining and improving an energy management system, whose purpose is to enable an organization to follow a systematic approach in achieving continual improvement of energy performance, including energy efficiency, energy use and consumption.”

JQA-ER0002

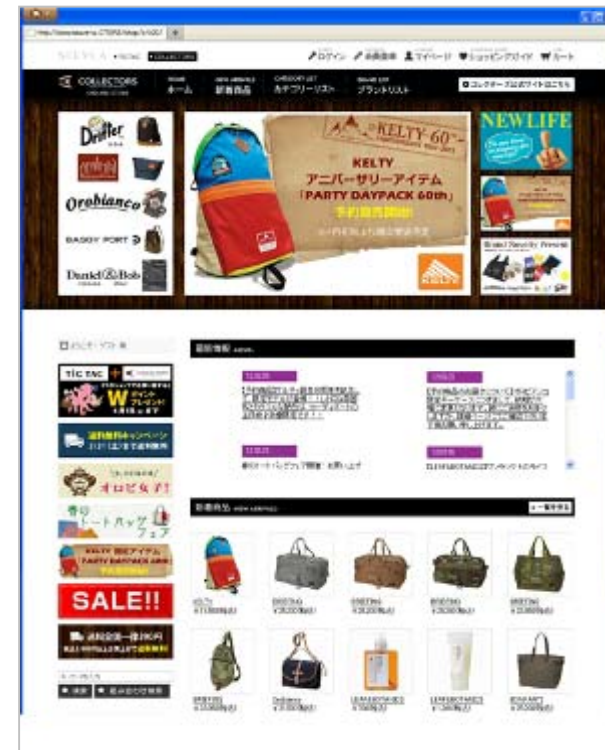


HEADQUARTERS

Achieved higher sales and income. Sales up 20.4% and operating income up 6.8% on new orders to develop websites and so forth for major non-PARCO Group shopping complexes

Web business, which accounts for more than half of PARCO-CITY's sales, grew on orders for creation or redevelopment of websites for major non-PARCO Group shopping complexes, support for introduction of Wi-Fi, and helping sites to become social-media and smartphone friendly.

Plan to continue to develop major shopping complex clients in the future



New order: Retail store website

- I Overview of FY2011 results
 - II FY2011 achievements
 - III FY2012 and future plans**
 - IV Other topics
-

Aiming to achieve record profits by innovating at existing stores, expanding business in Japan and overseas, and rapidly developing related business

1. Innovation at existing stores

- (1) Pursue store renovation At urban stores, improve profits by pursuing renovation centering on expansion of trendy fashion variety. At community stores, roll out the Urawa model to other stores, aiming to raise the level of the entire Community Store Group
- (2) Strengthen communication Deepen use of tools for sharing information with customers, including interactive means like social networks, thus improving our ability to communicate with customers
- (3) Develop fanclubs Increase incentives and extend discount periods associated with members' cards, including promoting people to higher cards earlier and at smaller purchase amounts, aiming to attract new customers and develop PARCO fans, thus helping us to win out against the competition

2. Expand commercial activities in urban areas of Japan and overseas

- (1) Domestic shopping complex development: Pursue ZERO GATE business
- (2) Overseas business development: Aim to expand business into neighboring countries from operational bases in Suzhou, China and Singapore

3. Rapid development of related business

- (1) Strengthen entertainment business and increase Group companies' business

Plan to renovate approx. 46,000m² in FY2012
Remodeling urban stores to increase fashion variety
Establishing community stores as area shopping centers

Urban stores

Shibuya PARCO



Shibuya PARCO Part 1, 2nd floor

Continue to create new consumption through lifestyle proposals to urban consumers, while evolving our art and cultural functions, our added value. Following on from Fukuoka PARCO, plan to introduce PARCO-run shops within our stores, while strengthening originality by developing unique product lineups and business models, which were born out of our communication with tenants.

Planning to enhance ability to communicate information to customers through fashion events and so forth in collaboration with tenants and other companies

Nagoya PARCO

In spring renovation, plan to fully renew the South Building 7th and B1 floors. Plan to make lifestyle proposals to a wide range of customers by introducing interior and general merchandise stores. In autumn will focus on renovation to introduce seasonal fashion offerings in the West Building and a major renovation of the South Building to target all types of consumers



Nagoya PARCO West Building, 3rd floor

Community stores

Tsudanuma PARCO

Planning a renewal covering approx. 1,800m² in spring renovation.

Plan to expand sporting goods and cosmetics lineups, introduce new imported food store and strengthen daily-use offering.

Aiming to increase customers using prime location directly connected to the train station by pedestrian walkway



Tsudanuma PARCO A Building 5th floor



Utsunomiya PARCO 2nd floor

Utsunomiya PARCO

Planning to enhance ladies' casual offering by introducing trendy fashion stores on the lower floors that are the only one of their kind in the local market, while installing large daily-use stores catering to a wide range of customers on the upper floors. Through this aim to increase circulation and improve the completeness of the store's offering as a whole

Pursue new ZERO GATE business model (developing and efficiently running low to medium-rise shopping complexes in prime urban locations)

Dotonbori ZERO GATE*

Planning to build a new shopping complex on an excellently located plot in the bustling Dotonbori area of Osaka, which is expected to draw in many customers from a wide catchment area. Scheduled to open in spring 2013

Shinsaibashi ZERO GATE*

Rebuilding the former Shinsaibashi PARCO and opening a ZERO GATE store in the new building, which will leverage this choice location in central Osaka. Scheduled to open in spring 2013

Hiroshima ZERO GATE*

PARCO to lease the lower commercial-use floors of a new multi-use building under construction next to Hiroshima PARCO New Building. Scheduled to open in autumn 2013

*Provisional name.



*Artist's impression of Hiroshima ZERO GATE**

Strengthen PARCO Marina Bay’s incubation zone

PARCO next NEXT

Incubation zone within PARCO Marina Bay for fostering young Singaporean designers. Supported by the Singaporean government.

PARCO next NEXT is progressing well and enters its third year from Apr. 2012. Ten brands incubated during the first incubation period (Apr. 2010 – Mar. 2011) opened for limited periods at Shibuya PARCO

Plan to expand consulting business to neighboring countries from an operational base in Singapore

PARCO next NEXT



PARCO next NEXT

	Year	Number of brands		
		New	Cont.	Total
1st	Apr. 2010 – Mar. 2011	25	--	25
2nd	Apr. 2011 – Mar. 2012	13	10	23
3rd	Apr. 2012 –	18	5	23

*Each brand is incubated for a maximum of two years.



Plan to run many ambitious plays at PARCO Theater in 2012, too

Performances including Koki Mitani's production of Chekhov's *The Cherry Orchard* and his first-ever Bunraku (traditional Japanese puppet theater) composition, *Sorenarishinju*

UMEDA CLUB QUATTRO live house opened on April 13, 2012

Carrying on the four-location link of Tokyo, Nagoya, Osaka and Hiroshima



Artist's impression of UMEDA CLUB QUATTRO

Planning active store openings in 2012 too, including at popular shopping complexes

Aiming to improve profits by strengthening private-brand product lineup. Plan to expand scope of usage of membership cards from June

Major openings

Month	Shopping complex etc.	Business opening store
Apr.	Shinjuku Tokyu Hands	EYEWEAR
Apr.	AEON MALL Fukutsu	COLLECTORS
May	Tokyo Soramachi	TICTAC



*POKERFACE at Shibuya PARCO
(Latest store design in eyewear business)*

Increase lighting design, energy-saving lighting and interior work supervision orders, as well as new facility management mandates

Pursue orders for high-quality, convincing lighting design and interior work supervision, while also seeking to win orders for a package of electricity and interior work. Increase facility management mandates using expertise gained at shopping complexes including long-term facility maintenance and building and repairs, aiming to increase orders for hotel housekeeping and so forth mainly from foreign-owned hotels

Facility management:

A strategic approach to maintenance and management of facilities. As well as practical aspects such as cleaning and equipment management, it also includes interior advice, building cost reduction plans and other future-looking proposals for managing the facility



Guest room (top) and public space (bottom) at a foreign-owned hotel for which PARCO SPACE SYSTEMS handles facility management

Expand e-commerce mall business by enhancing lineup of original contents, aiming to strengthen it as a core business alongside Web business

Biggest renewal of our online shopping mall PARCO-CITY since its launch.

Increasing page views through introducing new concept stores in multiple genres including amadana SELECT for designer consumer electronics and Living with ARTS for contemporary art.

Planning further growth by continuing to introduce leading fashion tenants and enhancing lineup of original contents centered around PARCO's unique culture and entertainment offerings



PARCO-CITY REBORN, the largest renewal of our online shopping mall PARCO-CITY since its launch

I Overview of FY2011 results

II FY2011 achievements

III FY2012 and future plans

IV Other topics

PARCO would like to express its condolences to the victims of the Great East Japan Earthquake and subsequent tsunami on
March 11, 2011

Providing support that reflects PARCO Group's unique characteristics

1. Supported tenants impacted by the disaster

¥431 million in support for affected tenants at Sendai PARCO/10 Kanto stores

2. Worked with tenants to reduce summer power consumption by 25%+

Maximal power savings at Sendai PARCO/10 Kanto stores

3. Provided direct support in disaster zone

Jointly-sponsored recovery support program with staff volunteers in Minamisanriku, a tsunami-affected area

4. Donated portion of PARCO sales to disaster recovery fund

Donated all proceeds from sale of Parcoala mascot soft toy, etc.

5. Hosted charity events through PARCO entertainment division

Jane Birkin Recovery Support Concert at Shibuya Club Quattro, etc.

7. Solicited contributions from Group companies for recovery fund

"Singapore designers GIVE BACK" at PARCO Singapore, etc.

8. On March 12, 2012 began selling a "Looking forward calendar" promoted by famous actor Ken Watanabe and screenwriter Kundo Koyama

Customer pays for two calendars, one of which is distributed to the tsunami-affected area



Supporting the next generations from a uniquely-PARCO fashion perspective and contributing to society from a global perspective

1. Innovative designer support fund

First in Japan. Started a microfund, invested in by individual investors, to support the business growth of next-generation fashion designers

Fund-raising off to a positive start, with young people and fashion industry people approving of the plan to support the growth of individual fashion designers



2. PARCO X TABLE FOR TWO

A program aiming to contribute to society by improving people's health in both developing and advanced countries simultaneously

For each purchase of food or beverages at participating restaurants in PARCO we will donate a school lunch to a child in a developing country



NEUVE A CO. LTD. continues to carry out CSR activities and marketing and promotional plans based on the themes of protecting the environment and contributing to society

“Mottainai Watch Exchange” Campaign (trade-in initiative)
“Present Tree Collaboration” program for donating proceeds from sales of watches

Participating in the program by donating a portion of sales of watches for reforestation activities in Nagasaki Prefecture. One oak sapling will be planted for every ten watches sold.



“Bag, Purse and Hat Trade-in Campaign” (trade-in initiative and CO2 reduction)
“Pink Ribbon Campaign”(promoting breast cancer screening)

Discounts and donations when students/new graduates buy watches

A portion of sales to students/new graduates will be donated for the building of Ashinaga's Tohoku Rainbow House, which will support orphans of the Great East Japan Earthquake

Donations through a mens' and ladies' general merchandise "Student Discount" campaign

Donating to the Sakura Namiki Network's project to plant cherry trees along the line demarcating the furthest inland that the tsunami reached, aiming to create a lasting memorial





Statements in this presentation that are not historical fact, such as forecasts, are forward-looking statements, based on information available as of Apr. 1, 2012, and are subject to a number of risks and uncertainties. Actual results may be materially different.

Perspective drawings and other pictorial representations contained in this presentation are images and may differ materially from the actual items they represent.

All rights to this material remain with PARCO or its authorized third parties. Unauthorized copying, dissemination, adaptation or distribution of this material is prohibited, as is any use of this material outside the scope of private use as defined under copyright laws.