



December 25, 2012

Consolidated Financial Results for the First Nine Months of the Fiscal Year Ending February 28, 2013 <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 to file Quarterly Securities Report: January 9, 2013
Scheduled date of dividend distribution: –
Preparation of supplementary material on quarterly earnings: Yes
Holding of quarterly earnings performance review: None

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

1. Consolidated performance for the first nine months of the fiscal year ending February 28, 2013 (from March 1, 2012 to November 30, 2012)

(1) Consolidated operating results (cumulative) (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	%
First nine months ended								
November 30, 2012	193,855	3.1	7,341	19.3	6,922	15.4	3,793	30.7
November 30, 2011	187,992	(3.2)	6,156	(5.6)	5,997	(1.9)	2,902	(4.6)

Note: Comprehensive income
For the first nine months ended November 30, 2012: 3,824 million yen [44.8%]
For the first nine months ended November 30, 2011: 2,640 million yen [–%]

	Net income per share	Diluted net income per share
First nine months ended	Yen	Yen
November 30, 2012	41.80	–
November 30, 2011	35.26	29.15

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
November 30, 2012	211,409	101,956	48.2
February 29, 2012	208,697	84,577	40.5

Reference: Equity (Net assets – Minority interests)
As of November 30, 2012: 101,956 million yen
As of February 29, 2012: 84,555 million yen

2. Cash dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 29, 2012	–	8.00	–	9.00	17.00
Fiscal year ending February 28, 2013	–	9.00	–		
Fiscal year ending February 28, 2013 (Forecast)				9.00	18.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

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
Fiscal year ending February 28, 2013	269,000	3.5	10,700	16.7	10,300	14.9	5,200	20.4	55.69

Note: Revisions to the consolidated earnings forecasts most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the current period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of special accounting for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - a. Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement of prior period financial statements after error corrections: None
- (4) Number of issued shares (common stock)
 - a. Total number of issued shares at the end of the period (including treasury stock)

As of November 30, 2012	101,462,977 shares
As of February 29, 2012	82,475,677 shares
 - b. Number of shares of treasury stock at the end of the period

As of November 30, 2012	24,952 shares
As of February 29, 2012	240,250 shares
 - c. Average number of shares during the period (cumulative from the beginning of the fiscal year)

For the first nine months ended November 30, 2012	90,737,312 shares
For the first nine months ended November 30, 2011	82,310,426 shares

*** Indication regarding execution of quarterly review procedures**

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

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

Caution concerning forward-looking statements

The forward-looking statements, including 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. Consequently, any statements herein do not constitute assurances regarding actual results by the Company. Actual business and other results may differ significantly due to various unforeseen factors.

Method of accessing supplementary material on quarterly earnings

Supplementary material on quarterly earnings will be disclosed on TDnet, on the date of this report.

Quarterly consolidated financial statements

(1) Consolidated balance sheets

(Millions of yen)

	As of February 29, 2012	As of November 30, 2012
Assets		
Current assets		
Cash and deposits	7,437	9,072
Notes and operating accounts receivable	7,686	12,283
Short-term investment securities	–	300
Merchandise and finished goods	2,559	3,265
Work in process	229	421
Raw materials and supplies	38	32
Other	5,372	5,446
Allowance for doubtful accounts	(7)	(9)
Total current assets	23,317	30,813
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	119,392	118,975
Accumulated depreciation	(72,732)	(73,845)
Accumulated impairment loss	(876)	(949)
Buildings and structures, net	45,784	44,179
Buildings and structures in trust	17,209	17,209
Accumulated depreciation	(1,620)	(2,259)
Buildings and structures in trust, net	15,588	14,950
Machinery, equipment and vehicles	1,379	1,396
Accumulated depreciation	(1,035)	(1,072)
Machinery, equipment and vehicles, net	344	323
Machinery, equipment and vehicles in trust	16	16
Accumulated depreciation	(4)	(6)
Machinery, equipment and vehicles in trust, net	12	9
Other	5,315	5,538
Accumulated depreciation	(3,933)	(4,152)
Accumulated impairment loss	(90)	(109)
Other, net	1,290	1,276
Other in trust	136	136
Accumulated depreciation	(42)	(57)
Other in trust, net	94	78
Land	43,992	44,071
Land in trust	19,371	19,371
Construction in progress	11	269
Total property, plant and equipment	126,490	124,531
Intangible assets		
Leasehold right	10,949	10,949
Other	788	748
Total intangible assets	11,738	11,698
Investments and other assets		
Investment securities	2,702	2,642
Lease and guarantee deposits	41,000	38,478
Other	3,657	3,457
Allowance for doubtful accounts	(208)	(212)
Total investments and other assets	47,152	44,365
Total noncurrent assets	185,380	180,595
Total assets	208,697	211,409

(Millions of yen)

	As of February 29, 2012	As of November 30, 2012
Liabilities		
Current liabilities		
Notes and operating accounts payable-trade	16,526	22,545
Short-term loans payable	20,971	13,496
Income taxes payable	1,072	1,593
Provision	1,438	954
Other	9,679	9,450
Total current liabilities	49,687	48,040
Noncurrent liabilities		
Bonds payable	1,000	500
Bonds with subscription rights to shares	15,000	-
Long-term loans payable	21,565	24,130
Provision	1,617	1,706
Guarantee deposits received	34,419	34,277
Other	830	798
Total noncurrent liabilities	74,432	61,412
Total liabilities	124,120	109,452
Net assets		
Shareholders' equity		
Capital stock	26,867	34,367
Capital surplus	27,526	35,121
Retained earnings	30,320	32,460
Treasury stock	(150)	(15)
Total shareholders' equity	84,563	101,933
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	200	217
Foreign currency translation adjustment	(209)	(195)
Total accumulated other comprehensive income	(8)	22
Minority interests	22	-
Total net assets	84,577	101,956
Total liabilities and net assets	208,697	211,409

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

(Millions of yen)

	First nine months ended November 30, 2011	First nine months ended November 30, 2012
Net sales	187,992	193,855
Cost of sales	159,776	164,673
Gross profit	28,216	29,182
Operating revenue	2,077	2,046
Operating gross profit	30,293	31,229
Selling, general and administrative expenses	24,137	23,887
Operating income	6,156	7,341
Non-operating income		
Interest income	65	40
Dividends income	48	42
Equity in earnings of affiliates	105	-
Miscellaneous income	282	224
Total non-operating income	501	307
Non-operating expenses		
Interest expenses	631	501
Equity in losses of affiliates	-	128
Miscellaneous expenses	29	97
Total non-operating expenses	661	727
Ordinary income	5,997	6,922
Extraordinary income		
Gain on sales of noncurrent assets	186	-
Reversal of allowance for doubtful accounts	5	-
Compensation income for loss from damage	-	569
Other	24	-
Total extraordinary income	216	569
Extraordinary loss		
Loss on retirement of noncurrent assets	753	748
Impairment loss	8	92
Loss on disaster	103	-
Loss on adjustment for changes of accounting standard for asset retirement obligations	148	-
Other	88	19
Total extraordinary losses	1,102	860
Income before income taxes and minority interests	5,111	6,631
Income taxes	2,208	2,838
Income before minority interests	2,902	3,793
Minority interests in loss	(0)	-
Net income	2,902	3,793

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	First nine months ended November 30, 2011	First nine months ended November 30, 2012
Income before minority interests	2,902	3,793
Other comprehensive income		
Valuation difference on available-for-sale securities	(214)	17
Foreign currency translation adjustment	(47)	11
Share of other comprehensive income of associates accounted for using equity method	-	2
Total other comprehensive income	(262)	31
Comprehensive income	2,640	3,824
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	2,642	3,824
Comprehensive income attributable to minority interests	(1)	-

(3) Consolidated statements of cash flows

(Millions of yen)

	First nine months ended November 30, 2011	First nine months ended November 30, 2012
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	5,111	6,631
Depreciation and amortization	4,695	4,541
Impairment loss	8	92
Increase (decrease) in provision for bonuses	(541)	(526)
Increase (decrease) in provision for retirement benefits	74	89
Increase (decrease) in provision for loss on store closing	(53)	–
Interest and dividends income	(114)	(83)
Interest expenses	631	501
Compensation income for loss from damage	–	(569)
Loss (gain) on sales and retirement of noncurrent assets	(43)	267
Loss on adjustment for changes of accounting standard for asset retirement obligations	148	–
Decrease (increase) in notes and accounts receivable- trade	(4,501)	(4,594)
Decrease (increase) in inventories	(480)	(891)
Increase (decrease) in notes and accounts payable-trade	5,460	6,020
Increase/decrease in other assets/liabilities	2,875	734
Other, net	42	236
Subtotal	13,315	12,450
Interest and dividends income received	114	83
Interest expenses paid	(771)	(630)
Compensation for loss from damage received	–	1,578
Payment resulting from store closing	(333)	(87)
Income taxes paid	(4,056)	(2,250)
Net cash provided by (used in) operating activities	8,267	11,142

(Millions of yen)

	First nine months ended November 30, 2011	First nine months ended November 30, 2012
Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	(300)	(300)
Purchase of property, plant and equipment	(2,161)	(3,590)
Proceeds from sales of property, plant and equipment	1,471	1
Purchase of investment securities	(229)	(1)
Proceeds from sales of investment securities	0	5
Payments for lease and guarantee deposits	(68)	(867)
Proceeds from collection of lease and guarantee deposits	1,978	2,607
Increase (decrease) in guarantee deposits received	(1,952)	(244)
Other, net	(137)	(90)
Net cash provided by (used in) investing activities	(1,397)	(2,479)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	7,140	(795)
Proceeds from long-term loans payable	175	8,500
Repayment of long-term loans payable	(15,139)	(12,657)
Redemption of bonds	(500)	(500)
Net decrease (increase) in treasury stock	(102)	229
Cash dividends paid	(1,399)	(1,652)
Other, net	(48)	(166)
Net cash provided by (used in) financing activities	(9,873)	(7,042)
Effect of exchange rate change on cash and cash equivalents	(26)	14
Net increase (decrease) in cash and cash equivalents	(3,030)	1,635
Cash and cash equivalents at beginning of period	12,253	7,437
Cash and cash equivalents at end of period	9,222	9,072