



June 25, 2013

## **Consolidated Financial Results for the First Three Months of the Fiscal Year Ending February 28, 2014 <under Japanese GAAP>**

Company name: **PARCO CO., LTD.**  
Listing: First Section of the Tokyo Stock Exchange  
Stock code: 8251  
URL: <http://www.parco.co.jp/>  
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Scheduled date to file Quarterly Securities Report: July 10, 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 three months of the fiscal year ending February 28, 2014 (from March 1, 2013 to May 31, 2013)**

#### **(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 three months ended								
May 31, 2013	65,282	0.9	2,781	31.7	2,755	43.6	1,587	127.9
May 31, 2012	64,704	7.2	2,112	46.5	1,918	47.3	696	10.3

Note: Comprehensive income  
For the first three months ended May 31, 2013: 1,860 million yen [149.4%]  
For the first three months ended May 31, 2012: 746 million yen [65.4%]

	Net income per share	Diluted net income per share
First three months ended	Yen	Yen
May 31, 2013	15.65	–
May 31, 2012	8.47	7.04

#### **(2) Consolidated financial position**

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
May 31, 2013	227,498	104,528	45.9
February 28, 2013	206,243	103,573	50.2

Reference: Equity (Net assets – Minority interests)  
As of May 31, 2013: 104,528 million yen  
As of February 28, 2013: 103,573 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 28, 2013	–	9.00	–	9.00	18.00
Fiscal year ending February 28, 2014	–				
Fiscal year ending February 28, 2014 (Forecast)		9.00	–	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, 2014 (from March 1, 2013 to February 28, 2014)

(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, 2013	131,150	2.2	5,350	10.1	5,150	13.1	2,650	18.4	26.12
Fiscal year ending February 28, 2014	271,400	2.5	11,800	9.0	11,350	9.9	6,000	18.0	59.14

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: Yes
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: Yes
  - d. Restatement of prior period financial statements after error corrections: None

Note: These items fall in those set forth in Article 10-5 of the “Ordinance on Terminology, Forms, and Preparation Methods of Quarterly Consolidated Financial Statements.”

- (4) Number of issued shares (common stock)
  - a. Total number of issued shares at the end of the period (including treasury stock)
 

As of May 31, 2013	101,462,977 shares
As of February 28, 2013	101,462,977 shares
  - b. Number of shares of treasury stock at the end of the period
 

As of May 31, 2013	4,920 shares
As of February 28, 2013	11,635 shares
  - c. Average number of shares during the period (cumulative from the beginning of the fiscal year)
 

For the first three months ended May 31, 2013	101,453,390 shares
For the first three months ended May 31, 2012	82,237,919 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 28, 2013	As of May 31, 2013
<b>Assets</b>		
Current assets		
Cash and deposits	10,463	6,192
Notes and operating accounts receivable	7,675	10,726
Short-term investment securities	–	300
Merchandise and finished goods	2,758	3,081
Work in process	225	377
Raw materials and supplies	41	42
Other	7,833	7,544
Allowance for doubtful accounts	(5)	(7)
Total current assets	28,991	28,257
Noncurrent assets		
Property, plant and equipment		
Buildings and structures	119,131	120,694
Accumulated depreciation	(74,664)	(75,461)
Accumulated impairment loss	(1,034)	(1,054)
Buildings and structures, net	43,432	44,178
Buildings and structures in trust	17,209	17,304
Accumulated depreciation	(2,472)	(2,690)
Buildings and structures in trust, net	14,737	14,614
Machinery, equipment and vehicles	1,395	1,383
Accumulated depreciation	(1,089)	(1,096)
Machinery, equipment and vehicles, net	305	286
Machinery, equipment and vehicles in trust	16	16
Accumulated depreciation	(7)	(8)
Machinery, equipment and vehicles in trust, net	9	8
Other	5,597	5,799
Accumulated depreciation	(4,227)	(4,321)
Accumulated impairment loss	(122)	(125)
Other, net	1,248	1,352
Other in trust	136	138
Accumulated depreciation	(63)	(68)
Other in trust, net	73	69
Land	43,994	46,608
Land in trust	19,371	46,536
Construction in progress	526	4
Total property, plant and equipment	123,698	153,658
Intangible assets		
Leasehold right	10,949	10,949
Other	894	934
Total intangible assets	11,844	11,884
Investments and other assets		
Investment securities	2,924	3,103
Lease and guarantee deposits	35,631	28,068
Other	3,365	2,735
Allowance for doubtful accounts	(212)	(210)
Total investments and other assets	41,708	33,696
Total noncurrent assets	177,251	199,240
Total assets	206,243	227,498

(Millions of yen)

	As of February 28, 2013	As of May 31, 2013
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and operating accounts payable-trade	16,278	20,281
Short-term loans payable	5,978	12,040
Income taxes payable	3,406	1,162
Provision	1,468	2,065
Other	9,243	10,442
Total current liabilities	36,375	45,992
<b>Noncurrent liabilities</b>		
Long-term loans payable	30,397	40,550
Provision	1,737	1,734
Guarantee deposits received	33,377	33,977
Other	782	715
Total noncurrent liabilities	66,295	76,977
Total liabilities	102,670	122,970
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	34,367	34,367
Capital surplus	35,124	35,128
Retained earnings	33,830	34,504
Treasury stock	(7)	(3)
Total shareholders' equity	103,314	103,996
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	397	656
Foreign currency translation adjustment	(138)	(124)
Total accumulated other comprehensive income	258	531
Total net assets	103,573	104,528
Total liabilities and net assets	206,243	227,498

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

(Millions of yen)

	First three months ended May 31, 2012	First three months ended May 31, 2013
Net sales	64,704	65,282
Cost of sales	55,090	55,397
Gross profit	9,613	9,885
Operating revenue	703	914
Operating gross profit	10,317	10,800
Selling, general and administrative expenses	8,205	8,018
Operating income	2,112	2,781
Non-operating income		
Interest income	13	17
Dividends income	3	3
Miscellaneous income	57	112
Total non-operating income	73	132
Non-operating expenses		
Interest expenses	193	136
Equity in losses of affiliates	61	0
Miscellaneous expenses	11	22
Total non-operating expenses	267	159
Ordinary income	1,918	2,755
Extraordinary income		
Gain on sales of investment securities	-	10
Other	-	0
Total extraordinary income	-	10
Extraordinary loss		
Loss on retirement of noncurrent assets	382	73
Loss on valuation of investment securities	293	-
Other	1	0
Total extraordinary losses	677	74
Income before income taxes and minority interests	1,241	2,691
Income taxes	544	1,104
Income before minority interests	696	1,587
Net income	696	1,587

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

(Millions of yen)

	First three months ended May 31, 2012	First three months ended May 31, 2013
Income before minority interests	696	1,587
Other comprehensive income		
Valuation difference on available-for-sale securities	25	259
Foreign currency translation adjustment	19	10
Share of other comprehensive income of associates accounted for using equity method	4	3
Total other comprehensive income	49	273
Comprehensive income	746	1,860
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	746	1,860
Comprehensive income attributable to minority interests	–	–

**(3) Consolidated statements of cash flows**

(Millions of yen)

	First three months ended May 31, 2012	First three months ended May 31, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	1,241	2,691
Depreciation and amortization	1,486	1,428
Increase (decrease) in provision for bonuses	571	577
Increase (decrease) in provision for retirement benefits	20	(3)
Interest and dividends income	(16)	(20)
Interest expenses	193	136
Loss (gain) on sales and retirement of noncurrent assets	159	42
Loss (gain) on valuation of investment securities	293	–
Decrease (increase) in notes and accounts receivable-trade	(2,442)	(3,049)
Decrease (increase) in inventories	(287)	(475)
Increase (decrease) in notes and accounts payable-trade	3,512	4,003
Increase/decrease in other assets/liabilities	(3)	546
Other, net	59	12
Subtotal	4,787	5,890
Interest and dividends income received	16	20
Interest expenses paid	(251)	(195)
Payment resulting from store closing	(23)	–
Payments for cancellation of leasehold contracts	–	(999)
Income taxes paid	(1,013)	(3,247)
Net cash provided by (used in) operating activities	3,515	1,468
Net cash provided by (used in) investing activities		
Purchase of short-term investment securities	–	(300)
Purchase of property, plant and equipment	(1,629)	(30,946)
Purchase of investment securities	(0)	(0)
Proceeds from sales of investment securities	5	238
Payments for lease and guarantee deposits	(394)	(411)
Proceeds from collection of lease and guarantee deposits	603	8,184
Increase (decrease) in guarantee deposits received	(295)	339
Other, net	(38)	(125)
Net cash provided by (used in) investing activities	(1,748)	(23,023)
Net cash provided by (used in) financing activities		
Net increase (decrease) in short-term loans payable	(920)	3,200
Increase (decrease) in commercial papers	–	1,999
Proceeds from long-term loans payable	8,500	15,500
Repayment of long-term loans payable	(3,078)	(2,488)
Net decrease (increase) in treasury stock	7	7
Cash dividends paid	(740)	(913)
Other, net	(34)	(42)
Net cash provided by (used in) financing activities	3,734	17,263
Effect of exchange rate change on cash and cash equivalents	24	19
Net increase (decrease) in cash and cash equivalents	5,525	(4,270)
Cash and cash equivalents at beginning of period	7,437	10,463
Cash and cash equivalents at end of period	12,963	6,192