

Non-consolidated Financial Statements for the Fiscal Year Ended February 28, 2006
 (Fractional amounts less than one million yen are discarded)

April 13, 2006

Corporate Name: PARCO CO.,LTD.

Stock Exchange Listings: Tokyo Stock Exchange(first section)

Code Number: 8251

Address: Headquarters in Tokyo

(URL <http://www.parco.co.jp/>)

Company Representative: Isamu Ito, Chairman of the Board, President & Chief Executive Officer

Personnel to Contact: Kazumi Kojima, Member of the Board, Director Finance Department & Chief Finance Officer TEL (03)3477-5791

Board of Directors meeting: April 13, 2006

Interim dividends payment system: Yes

Projected Starting Date of

Ordinary General Meeting

Dividend Distribution: May 8, 2006

of shareholders: May 27, 2006

Trading unit (Tangen-kabu) system: Yes (1 unit 100shares)

1. Results for Fiscal 2005 (March 1, 2005 - February 28, 2006)

(1) Sales and Income

	Net sales (¥ million)	Year-on year change [%]	Operating income (¥ million)	Year-on year change [%]	Ordinary income (¥ million)	Year-on year change [%]
Fiscal 2005	242,562	[+2.6]	7,657	[+6.2]	7,319	[11.6]
Fiscal 2004	236,359	[-2.5]	7,212	[-6.3]	6,557	[-4.9]

	Net income (¥ million)	Year-on year change [%]	Net income per share(¥)	Net income per share (diluted) (¥)	Return on equity [%]	Ordinary income/total assets [%]	Ordinary income/net sales [%]
Fiscal 2005	3,005	[+138.0]	36.95	36.91	[+4.5]	[+4.0]	[+3.0]
Fiscal 2004	1,262	[-34.0]	15.85	15.83	[+2.1]	[+3.5]	[+2.8]

Notes:

1. Average number of shares outstanding during year:

Fiscal 2005 : 81,339,975 shares

Fiscal 2004 : 79,675,601 shares

2. Changes in accounting methods: None

3. Year-on-year change for net sales, operating income, ordinary income and net income is based on the previous fiscal year.

(2) Dividends

	Annual dividends per share (¥)			Total dividends (annual) (¥ million)	Payout ratio [%]	Dividend rate for shareholders' equity [%]
	Interim	Year-end				
Fiscal 2005	11.00	5.00	6.00	898	29.8	[+1.3]
Fiscal 2004	10.00	5.00	5.00	808	63.1	[+1.3]

(3) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity/ total assets [%]	Shareholders' equity per share (¥)
Fiscal 2005	180,492	68,014	[+37.7]	830.29
Fiscal 2004	183,890	64,171	[+34.9]	793.72

Notes: Total number of shares outstanding:

As of February 28, 2006 : 81,917,354 shares

As of February 28, 2005 : 80,848,566 shares

Total number of treasury stock

As of February 28, 2006 : 293,427 shares

As of February 28, 2005 : 1,362,215 shares

2. Projected Results for Fiscal 2006 (March 1, 2006 - February 28, 2007)

	Net sales (¥ million)	Operating income (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividends per share (¥)		
					Interim	Year-end	
Interim period	117,300	3,850	3,600	1,880	6.00	-	-
Fiscal 2006	242,700	8,050	7,650	3,420	-	6.00	12.00

Reference: Estimated net income per share (fiscal 2006): ¥41.75

Notes: The above projected results are announced presupposing available information at April 13, 2006 and an assumption related to uncertain factors which will influence to future results. Actual results may be different from forecast depend on various factors in future.

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Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2006
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2005		28-Feb 2006		Increase (Decrease)
(ASSETS)		%		%	
I .Current Assets:					
1 Cash and time deposits	10,437		6,753		(3,684)
2 Notes receivable - trade	2		1		(0)
3 Accounts receivable - trade	4,787		5,310		523
4 Marketable Securities	10		-		(10)
5 Finished products	286		267		(19)
6 Work-in-process	3		15		12
7 Supplies	0		0		0
8 Advance payment	11		10		(1)
9 Prepaid expenses	649		689		39
10 Deferred tax assets	426		533		107
11 Short-term loans	11		74		63
12 Short-term loans to affiliated company	2,010		95		(1,915)
13 Other current assets	766		755		(11)
14 Less: Allowance for doubtful accounts	(2)		(3)		(1)
Total current assets	19,401	10.6	14,504	8.0	(4,897)
II .Fixed Assets:					
1 Tangible fixed assets:					
(1) Buildings	96,521		98,136		
Accumulated depreciation	56,623		58,795		
Accumulated impairment losses	1,298	38,599	1,407	37,934	(665)
(2) Structures	1,700		1,715		
Accumulated depreciation	1,208		1,237		
Accumulated impairment losses	29	462	33	443	(18)
(3) Machinery and equipment	871		912		
Accumulated depreciation	590	280	631	280	(0)
(4) Motor vehicles	13		13		
Accumulated depreciation	9	3	10	2	(1)
(5) Tools, furniture and fixtures	3,432		3,523		
Accumulated depreciation	2,570		2,634		
Accumulated impairment losses	15	846	17	871	25
(6) Land		40,666		40,493	(172)
(7) Construction in progress		261		3,633	3,372
Total tangible fixed assets		81,120		83,659	2,539
2 Intangible fixed assets:					
(1) Goodwill		376		-	(376)
(2) Leasehold		11,014		11,014	-
(3) Software		251		223	(27)
(4) Other intangible fixed assets		264		237	(27)
Total intangible fixed assets		11,906		11,476	(430)

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Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2006
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2005		28-Feb 2006		Increase (Decrease)
3 Investments and other assets:		%		%	
(1) Investment securities	7,975		9,605		1,629
(2) Investments in affiliated companies	12,436		10,173		(2,262)
(3) Investments in non-stock equity interests	2		2		-
(4) Long-term loans	819		856		36
(5) Long-term prepaid expenses	1,012		918		(94)
(6) Fixed leasehold deposits	47,621		48,910		1,288
(7) Deferred tax assets	1,274		134		(1,139)
(8) Long-term accounts receivable	2,066		261		(1,805)
(9) Other investments	128		118		(9)
(10) Less: Allowance for doubtful accounts	(1,877)		(128)		1,748
Total investments and other assets	71,461	38.8	70,851	39.3	(609)
Total fixed assets	164,488	89.4	165,987	92.0	1,498
Total assets	183,890	100.0	180,492	100.0	(3,398)
(LIABILITIES)					
I .Current Liabilities:					
1 Notes payable - trade	723		841		118
2 Accounts payable - trade	13,512		14,011		498
3 Short-term bank loans	6,870		10,130		3,260
4 Current portion of long-term bank loans	12,754		12,080		(674)
5 Accounts payable - other	2,614		3,350		736
6 Accrued expenses	805		786		(18)
7 Accrued income taxes	1,730		1,146		(583)
8 Advance received	193		262		68
9 Withholdings	168		264		96
10 Accrued bonuses to employees	476		469		(6)
11 Allowance for sales returns	10		12		2
12 Allowance for books unsold	65		73		8
13 Current portion of guarantee deposits received from tenants	1,518		2,444		925
14 Other current liabilities	1,333		1,354		21
Total current liabilities	42,775	23.3	47,229	26.2	4,454
II .Long-term Liabilities:					
1 Straight bonds	14,000		14,000		-
2 Long-term bank loans	20,028		8,173		(11,855)
3 Long-term accounts payable - other	281		281		-
4 Reserve for retirement benefits	185		205		20
5 Allowance for loss on store closing	-		824		824
6 Guarantee deposits received from tenants	42,448		41,763		(685)
Total long-term liabilities	76,944	41.8	65,247	36.1	(11,696)
Total liabilities	119,719	65.1	112,477	62.3	(7,241)

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Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2006
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2005		28-Feb 2006		Increase (Decrease)
(SHAREHOLDERS' EQUITY)		%		%	
I .Common Stock	26,867	14.6	26,867	14.9	-
II .Capital Surplus					
1 Additional paid-in capital	26,292		26,292		-
2 Other capital surplus					
Gain on sales of treasury stock	815		892		76
Total capital surplus	27,107	14.8	27,184	15.1	76
III .Retained Earnings					
1 Legal reserve	681		681		
2 Voluntary reserve					
General reserve	7,911		8,611		
3 Unappropriated retained earnings	1,911		3,405		
Total retained earnings	10,503	5.7	12,697	7.0	2,194
IV .Net Unrealized Gains on Securities	442	0.2	1,432	0.8	989
V .Treasury Stock	(750)	(0.4)	(166)	(0.1)	583
Total shareholders' equity	64,171	34.9	68,014	37.7	3,843
Total liabilities and shareholders' equity	183,890	100.0	180,492	100.0	(3,398)

PARCO CO., LTD.

Non-consolidated Statements of Income for the Fiscal Year Ended February 28, 2006
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2005			28-Feb 2006			Increase (Decrease)
			%			%	
I .Net sales:							
1 Net sales by tenants	231,273			237,131			
2 Own sales	5,086	236,359	100.0	5,430	242,562	100.0	6,202
II .Cost of sales:							
1 Cost of net sales by tenants	204,031			209,380			
2 Cost of net own sales	3,680	207,711	87.9	3,858	213,238	87.9	5,527
		28,647	12.1		29,323	12.1	675
Provision for allowance for sales returns		-	-		2	0.0	2
Reversal of allowance for sales returns		2	0.0		-	-	(2)
Gross profit on sales		28,650	12.1		29,321	12.1	670
III .Other operating revenue		1,840	0.8		2,173	0.9	333
Gross profit		30,490	12.9		31,495	13.0	1,004
IV .Selling, general and administrative expenses		23,278	9.8		23,837	9.8	559
Operating income		7,212	3.1		7,657	3.2	444
V .Non-operating income:							
1 Interest income	103			66			
2 Dividends income	127			51			
3 Other non-operating income	308	539	0.2	374	492	0.2	(46)
VI .Non-operating expenses:							
1 Interest expenses	763			589			
2 Bonds interest expenses	174			174			
3 Selling expense of treasury stock	203			-			
4 Other non-operating expenses	52	1,194	0.5	65	829	0.4	(364)
Ordinary income		6,557	2.8		7,319	3.0	762

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Non-consolidated Statements of Income for the Fiscal Year Ended February 28, 2006
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(¥ millions)

	28-Feb 2005			28-Feb 2006			Increase (Decrease)
			%			%	
VII. Special income:							
1 Gain on sales of fixed assets	0			1			
2 Gain on sales of investment securities	273			52			
3 Reversal of allowance for doubtful accounts	28			19			
4 Foreign exchange gain on capital reduction of a subsidiary	-			80			
5 Gain on prior period adjustment of rent expense	-	302	0.1	43	197	0.1	(105)
.Special losses:							
1 Loss on sales of fixed assets	23			-			
2 Loss on disposal of fixed assets	594			1,125			
3 Loss on impairment of fixed assets	2,206			-			
4 Loss on write-down of investment securities	-			38			
5 Loss on write-down of investments in subsidiaries	9			-			
6 Provision for allowance for doubtful accounts	868			-			
7 Loss on liquidation of a subsidiary	2			-			
8 Special allowance for retirement	105			58			
9 Loss on store closing	-			944			
10 Loss on discontinued operations	-			133			
11 Other special losses	-	3,810	1.6	111	2,412	1.0	(1,397)
Income before income taxes		3,049	1.3		5,104	2.1	2,055
Income taxes:							
Current income taxes	1,914			1,746			
Deferred income taxes	(127)	1,787	0.8	353	2,099	0.9	312
Net income		1,262	0.5		3,005	1.2	1,742
Retained earnings:							
Balance, beginning of year		1,052			806		(245)
Cash dividends (interim)		404			406		2
Balance at end of year		1,911			3,405		1,494

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Non-consolidated Statements of Appropriation of Retained Earnings
for the Fiscal Year Ended February 28, 2006
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2005		28-Feb 2006		Increase (Decrease)
(Appropriation of Unappropriated Retained Earnings:)					
I .Unappropriated retained earnings:					
Balance at end of year		1,911		3,405	1,494
II .Appropriations:					
(1)Cash dividends	404		491		
(2)Voluntary reserve					
General reserve	700	1,104	1,900	2,391	1,287
III .Balance to be carried forward		806		1,013	206
(Appropriation of Other Capital Surplus:)					
I .Other capital surplus:		815		892	76
II .Balance to be carried forward:		815		892	76