



PARCO

PARCO, CO., LTD.

Investor Presentation

FY2006 Results

(March 1, 2006 – February 28, 2007)

Listed on First Section of Tokyo Stock Exchange Stock Code: 8251



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PARCO

1. Overview of FY2006 results and FY2007 forecasts

FY2006 results overview 1: Consolidated performance

Net sales and income both up year-on-year. Operating income, ordinary income and net income all achieved record highs.

(Unit: ¥ million)

	FY2006	FY2005	Change ¥	Change %	Forecast amounts
Net sales	266,645	262,408	4,236	1.6%	265,500
Operating income	9,756	9,085	671	7.4%	9,500
Ordinary income	9,594	8,879	715	8.1%	9,400
Net income	4,503	4,006	496	12.4%	4,250

	End FY2006	End FY2005	Change ¥	Change %
Total assets	182,553	182,381	172	0.1%
Net assets	70,777	66,975	3,801	5.7%
Interest-bearing debt	34,863	38,883	(4,020)	(10.3%)
Shareholders' equity ratio	38.7%	36.7%		
Equity ratio based on market price	65.0%	57.7%		
Debt service coverage Unit: years	3.4	3.2		
Interest coverage ratio Unit: times	16.5	16.6		

Growth achieved, led by Shopping Complex Business
Shopping Complex Business

Flagship stores recorded stable growth due to continued regeneration through pronounced remodeling, a contribution from PARCO Card, which achieved increased brand identification through its change of name, and deployment of marketing plans. Strong performance also attributable to floor concept and tenant portfolio reorganization and the knock-on effect of tenant companies from flagship stores opening stores in regional PARCO stores.

Retail Business

NEUVE A CO., LTD. proceeded with its active expansion plan, opening 15 stores and closing 3, bringing the total Retail Business stores to 108, of which 52% are operating in non-PARCO facilities, which exceeds the percentage operating in PARCO facilities. Existing stores also grew and continued to increase sales and income, driven by the watch and eyewear businesses.

Space Engineering and Management Business

Sales grew at PARCO SPACE SYSTEMS CO., LTD. due to acquiring construction orders from new shopping complex and tenant clients and increased orders from existing clients inside and outside the PARCO group.

Other Business

PARCO CITY CO., LTD. increased its number of new clients, and grew sales in its Internet business such as website creation. However, net sales decreased due to the anomalous presentation last year of financial statements for a 14-month period. HOTEL NEW CRESTON CO., LTD. had lower income this fiscal year due to the absence of the Aichi Expo held last fiscal year.

(Unit: ¥ million)

		FY2006	FY2005	Change
Shopping Complex Business	Net sales	248,725	244,884	3,841
	Operating income	8,698	7,749	948
Retail Business	Net sales	16,718	15,946	771
	Operating income	495	466	28
Space Engineering and Management Business	Net sales	22,754	21,985	769
	Operating income	535	417	118
Other Business	Net sales	2,449	2,586	(136)
	Operating income	65	166	(100)
Sub-total	Net sales	290,648	285,402	5,245
	Operating income	9,794	8,800	994
Eliminations or corporate	Net sales	(21,994)	(21,070)	(924)
	Operating income	(38)	285	(323)
Total	Net sales	268,653	264,331	4,321
	Operating income	9,756	9,085	671

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

Non-consolidated sales and income also up year-on-year, with operating income, ordinary income and net income achieving record highs.

(Unit: ¥ million)

	FY2006	FY2005	Change ¥	Change %	Forecast amounts
Net sales	246,439	242,562	3,877	1.6%	245,200
Operating income	8,755	7,657	1,098	14.3%	8,500
Ordinary income	8,481	7,319	1,161	15.9%	8,200
Net income	3,633	3,005	627	20.9%	3,450

	End FY2006	End FY2005	Change ¥	Change %
Total assets	173,796	180,492	(6,695)	(3.7%)
Net assets	70,662	68,014	2,647	3.9%
Interest-bearing debt	35,563	44,383	(8,820)	(19.9%)
Shareholders' equity ratio	40.7%	37.7%		

FY2007 forecasts

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Consolidated and non-consolidated net sales both forecast to increase, with new stores contributing. Income to decrease slightly due to store opening expenses and other factors.

(Unit: ¥ million)

		FY2007 (ending Feb. 2008) Forecasts	FY2006 (ended Feb. 2007) Results	Change ¥	Change %
Consolidated	Net sales	290,000	266,645	23,354	8.8%
	Operating income	9,600	9,756	(156)	(1.6%)
	Ordinary income	9,400	9,594	(194)	(2.0%)
	Net income	4,300	4,503*	(203)	(4.5%)
Non-Consolidated	Net sales	269,300	246,439	22,860	9.3%
	Operating income	8,500	8,755	(255)	(2.9%)
	Ordinary income	8,300	8,481	(181)	(2.1%)
	Net income	3,700	3,633	66	1.8%

*Consolidated net income for FY2006 includes approximately ¥340 million of revenue resulting from the early completion of advisory contracts at a subsidiary.

Dividends

In FY2006 the year-end dividend was increased ¥1 from the forecast of ¥6 to ¥7. Combined with the increase in the interim dividend of ¥1 to ¥6, this represents an annual dividend per share of ¥13, an increase of ¥2. Forecast annual dividend per share for FY2007 is ¥14, up a further ¥1, with the interim dividend forecast at ¥7.

FY2006 results overview 4: Main selling, general and administrative expenses 8 / 24

SG&A				Capital investment, depreciation and amortization					
(Unit: ¥ million)				(Unit: ¥ billion)					
Consolidated				Consolidated					
	Amount	Change ¥	Change %		Amount	Change ¥	Change %		
FY2006 results	Salaries and wages	8,719	(68)	(0.8%)	FY2006 results	Capital investment	7.4	(1.2)	(14.1%)
	Leased land and office rent	8,423	70	0.8%		FY2007 forecasts	Capital investment	9.7	2.2
	Advertising expenditure	3,932	176	4.7%					
	Commissions	5,457	311	6.1%					
	Depreciation & amortization	3,883	(60)	(1.5%)					
	Total SG&A	30,429	48	0.2%					
	Depreciation & amortization	4,644	761	19.6%					
FY2007 forecasts	Total SG&A	34,791	4,362	14.3%					
Non-consolidated				Non-consolidated					
	Amount	Change ¥	Change %		Amount	Change ¥	Change %		
FY2006 results	Salaries and wages	4,364	(469)	(9.7%)	FY2006 results	Capital investment	6.9	(1.4)	(17.3%)
	Leased land and office rent	7,655	18	0.2%		FY2007 forecasts	Capital investment	9.0	2.0
	Advertising expenditure	3,619	68	1.9%					
	Commissions	6,229	711	12.9%					
	Depreciation & amortization	3,651	(466)	(11.3%)					
	Total SG&A	23,068	(769)	(3.2%)					
	Depreciation & amortization	4,327	676	18.5%					
FY2007 forecasts	Total SG&A	26,573	3,504	15.2%					

2. Overview of sales and key topics in FY2006

FY2006 non-consolidated sales overview 1: **Tenant sales by store**

11 stores, mainly flagships, achieved year-on-year sales increases

Flagship stores: Up 3.1% year-on-year

Contributions from theme-based remodeling ongoing over many years at Ikebukuro PARCO, Shibuya PARCO, Nagoya PARCO and Hiroshima PARCO. Continued and further remodeling carried out this fiscal year. Acquired market support and achieved major growth in sales.

Kanto region stores: Up 0.0% year-on-year

Tsudanuma PARCO made rapid progress following floor concept and tenant portfolio reorganization as part of the store grouping policy. Decided to close Atsugi PARCO in Feb. 2008.

Existing regional stores: Up 1.5% year-on-year

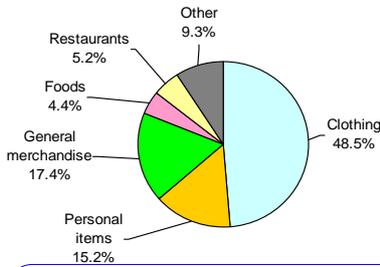
Shinsaibashi PARCO, Matsumoto PARCO and Otsu PARCO, which increased customer numbers leveraging their 10-year anniversaries and carried out large-scale floor remodeling as part of head office-led floor concept and tenant portfolio reorganization, performed well. Kumamoto PARCO also performed strongly, improving on last year from the fiscal second half, due to increasing floor space on the men's floor.

Figures for existing stores do not include Gifu PARCO (closed on Aug. 20).

(Unit: ¥ million)		FY2006			FY2005
		Trend	Net sales	Change from FY2005 %	Change from FY2004 %
Flagship stores	Ikebukuro	↗	34,031	6.4%	3.7%
	Shibuya	↗	21,939	7.1%	12.1%
	Sapporo		14,776	(5.1%)	3.8%
	Chofu		17,496	(0.1%)	(0.9%)
	Nagoya	↗	40,557	1.9%	4.0%
	Hiroshima	↗	18,374	5.6%	5.4%
	Sub-total	↗	147,175	3.1%	4.5%
Kanto region stores	Kichijoji	↗	10,771	2.5%	6.4%
	Hibarigaoka	↗	8,803	0.6%	(1.1%)
	Shin-Tokorozawa	↗	9,333	1.2%	10.0%
	Chiba		9,444	(4.1%)	(7.9%)
	Tsudanuma	↗	11,028	5.3%	0.8%
	Utsunomiya		8,487	(6.4%)	(4.6%)
	Atsugi		4,485	(0.4%)	7.4%
	Sub-total	↗	62,351	0.0%	0.8%
Regional stores	Matsumoto	↗	9,323	2.1%	4.3%
	Shinsaibashi	↗	1,820	7.5%	8.2%
	Otsu	↗	8,178	3.4%	(1.2%)
	Oita		4,846	(1.3%)	(5.2%)
	Kumamoto		6,146	(1.4%)	(8.3%)
	Sub-total	↗	30,313	1.5%	(1.4%)
	Existing stores total	↗	239,839	2.0%	2.7%
	Gifu		974	(53.7%)	(5.5%)
	Total	↗	240,820	1.6%	2.5%

Clothing was main driver, with a knock-on effect on personal items

FY2006 sales mix



- Core category clothing performed well, with related category personal items also showing strong sales. Womenswear and general clothing also performed strongly, in line with increased variation in the continuing tendency towards elegance in fashion trends. Sales of shoes and bags were also good.
- General merchandise was down slightly year on year, due to the continuing severe environment for books and CDs resulting from fewer hit themes, despite strong performances from hobby items and furniture and household goods.

Note: Comparisons with the previous fiscal year are based on integrated store sales. Integrated store sales indicates overall sales strength of stores, as it includes tenant sales as well as the sales of PARCO Theater and fixed rate tenants.

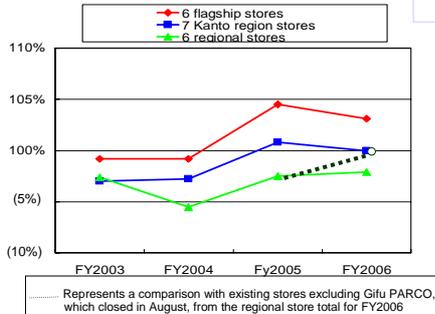
Category and item	FY2006 Change %	
	All stores total	Existing stores
Womenswear	3.2%	3.8%
Menswear	(0.9%)	0.0%
General clothing	8.7%	8.5%
Sportswear	(10.3%)	(10.3%)
Kimono	4.3%	4.3%
Childrenswear	1.2%	1.2%
Clothing	2.3%	2.8%
Shoes	8.6%	9.0%
Bags	1.4%	1.4%
Accessories	3.9%	4.4%
Cosmetics	(1.8%)	(1.1%)
Personal items	2.7%	3.1%
General merchandise	(0.4%)	(0.1%)
Foods	0.5%	0.5%
Restaurants	0.7%	0.7%
Other	4.6%	5.1%
Average spend per customer	3.3%	3.4%
Paying customer numbers	(1.3%)	(1.0%)

Succeeded in remodeling 52,000m² based on strategic store grouping policy*

Carried out detailed market analysis and identified necessary items and strong points. Proceeded with zone remodeling that combines stores for which sales increases are expected and core stores with the capacity to attract customers
 Introduced new stores in around half of remodeled zones to increase sense of freshness. Carried out store relocations and renewals for the remaining half. As a result achieved successful floor revisions that are fresh and in tune with the market.
 Zones remodeled in FY2005 demonstrated a continued positive effect, contributing to stability in overall sales.

FY2006 remodeling status
Scale of remodeling: 511 sections, approx. 52,000m² (of which new stores comprise 243 sections)
Effect of remodeling: Sales up 22.2% in same zone comparison

Year-on-year tenant sales comparisons



(Reference) **Total store overview as of end Feb. 2007:**
 18 stores, 2,498 tenants, sales area of 388,000m²

Flagship stores, which have strengthened their ability to respond to the times due to remodeling, performed well and served as a driver for stores as a whole.
 Some regional stores shifted to a rising trend through remodeling carried out as part of grouping strategy.

***Strategic store grouping policy:**
 A method for "strengthening shopping complex management and development capabilities," one of the themes of the five-year medium-term management plan. Stores are grouped according to their individual characteristics, and each group's operations are carried out in line with their individual characteristics.

FY2006 non-consolidated key topics 2

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Flagship stores Continually regenerated in both the *hard* (facilities) and *soft* (merchandizing) aspects. Concentrated around 60% of remodeling investment on flagship stores, accounting for around half our overall remodeled area. Began engagement with companies for which rapid growth is expected, and have been achieving notable success since FY2005, buoyed by the economic recovery.

Nagoya PARCO

Actively proceeded with lifestyle proposals focusing on fashion to meet the needs of the mature Nagoya PARCO market. Reorganized the men's zones on the 5th and 6th floors of the West building and the 5th and 6th floors of the South building, and continued to regenerate the women's zones, focusing on the 3rd and 4th floors of the West building. Also introduced an all-you-can-eat dessert buffet and a specialist soup restaurant in the restaurant zone, and a cooking school on the 8th floor, and enhanced our capability to provide new themes and services.

Scale of remodeling in FY2006: 90 sections, approx. 7,600m²

Shibuya PARCO

Contains 16 Tokyo Collection participating stores as part of our strategy of increasing Collection brands and our policy of targeting customers aged around 30 years old. Continues to progress as a multifunctional fashion complex as exemplified by Part 1, which has also introduced 15 Overseas Collection participating stores.

Scale of remodeling in FY2006: 44 sections, approx. 3,300m²

Ikebukuro PARCO

Widened basement level entrance to main building and clarified the entrance route, increasing the capacity to attract customers from the Ikebukuro Station concourse. In combination with last year's first floor remodeling, strengthened circulation of teenage and young working category customers throughout the whole building

Scale of remodeling in FY2006: 49 sections, approx. 3,900m²



Shibuya PARCO Part 1

(Ref.)Tenant sales	FY2003	FY2004	FY2005	FY2006	(year-on-year comparison)
Nagoya PARCO	2.9%	2.2%	4.0%	1.9%	
Shibuya PARCO	(0.9%)	0.2%	12.1%	7.1%	
Ikebukuro PARCO	0.0%	(1.8%)	3.7%	6.4%	

FY2006 non-consolidated key topics 3

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Kanto region/regional stores Spread the success models developed at flagship stores to other stores under the direction of head office, strengthened alliances with retail companies and increased the speed of our remodeling program, while also carrying out large-scale zone remodeling, which had been difficult in the past with single-store, independent tenants.

Tsudanuma PARCO

Based on the store grouping policy, introduced large stores with the capacity to attract customers and carried out floor concept and tenant portfolio reorganization. The increased numbers of new customers also make purchases at other shops, leading to brisker sales in the entire building.

Scale of remodeling in FY2006: 11 sections, approx. 1,700m²

Otsu PARCO

Leveraged 10-year anniversary plan to increase customer numbers. Rearranged the functions of large stores mainly on the upper floors, and reorganized floor concepts and tenant portfolio in line with market needs to make the whole complex function effectively. At the same time, increased customer circulation within the entire complex and multiple purchases at different existing stores through adding new merchandising initiatives led by head office.

Scale of remodeling: 15 sections, approx. 7,900m²

Kumamoto PARCO

Implemented a review of the women's casual category in line with market needs. Increased floor space for men's items using the men's zone model successfully developed last year at Nagoya PARCO and currently being rolled out at Hiroshima PARCO and Matsumoto PARCO. Increased efficiency of the entire building through the effects of remodeling and synergies, securing a strong position in the market. Performance recovered from the fiscal second half after remodeling was carried out. (Year-on-year sales comparisons: Down 6.5% in fiscal first half but up 3.9% in fiscal second half)

Scale of remodeling: 17 sections, approx. 1,900m²



Otsu PARCO 3rd floor superstore



Kumamoto PARCO men's floor

(Ref.)Tenant sales	FY2003	FY2004	FY2005	FY2006	(year-on-year comparison)
Tsudanuma PARCO	(6.5%)	(4.9%)	0.8%	5.3%	
Otsu PARCO	(0.5%)	(2.2%)	(1.2%)	3.4%	
Kumamoto PARCO	1.7%	(8.5%)	(8.3%)	(1.4%)	

PARCO Card, which changed its name and design in March 2006, supported overall sales.
 - Increasing brand awareness through use of a simple name: PARCO Card

PARCO CARD



Supported sales plan through core customer strategy under which name and design of card was revised. Boosted status appeal with introduction of special PARCO Card Class S with priority services for continuous customers, resulting in increased transactions and percentage of total store sales made with PARCO Card, thus supporting overall sales.



FY2006: PARCO Card transactions and holders

Total transaction amount
 Up 7.9%. 13.8% of total store sales made with PARCO Card (up 0.8 percentage points)

Card holders (as of end Feb. 2007)
 Approx. 1,410,000
 New applications up 35.2%

Main sales events
 Spring/Autumn Card Fair (5% off)
 HAPPY! HAPPY! Campaign
 (Double points (triple for Class S) + prize draws)
 Customer invitation sale (5% off)

PARCO Card: Class S

Twelve months of special priority services for cardholders making more than 200,000 yen of purchases in a one-year period

Retail business
NEUVE A CO., LTD.

15 new stores opened in FY2006, increasing the total number of stores to 108.

Stores in PARCO: 48%, Stores outside PARCO: 52%



A TICTAC watch store.

Net sales: Up 12.0% including a 7.0% increase at existing stores

Net sales at existing stores performed well, increasing by 7.0%. Existing TICTAC and EYEWEAR stores, in particular, achieved double-digit year-on-year growth.

(as of end Feb. 2007)	No. of stores	Year-on-year sales comparison
TICTAC (watches)	38	23.1%
EYEWEAR (eyewear)	21	18.4%
COLLECTORS (men's accessories)	18	4.5%
ROSEMARY (cosmetics and cosmetics accessories)	23	1.2%
ANNABELLE (women's accessories)	8	84.4%
Total	108	12.0%

Shopping complex business
PARCO (Singapore) Pte Ltd.



Note: Picture is an indicative illustration. Actual design may vary.

Jan. 2007: "CENTRAL", a commercial facility that we have been mandated to manage, partially opened.

112 stores, comprising approx. 40% of the facility's total area, opened in January.
 Subsequent gradual opening of office and residential space planned toward end of 2007.

"CENTRAL": Multifunctional commercial facility near ClarkeQuay MRT station combining retail, office and residential (SOHO) space. Developed by major Singapore real estate developer Far East Group.

Mandated operations: Pre-opening management (planning, tenant leasing) and post-opening management of the commercial section (administration, operation)

Building type	5 floors and 1 basement level
Floor area (total)	Approx. 77,000m ²
Floor area (commercial section)	Approx. 30,000m ²

3. Five-year medium-term management plan: Developments planned for FY2007

Strengthening shopping complex management capabilities

FY2007 plan: Scale of remodeling: 580 sections, approx. 56,000m² planned

FY2006 results: Scale of remodeling: 511 sections, approx. 52,000m² implemented

Major store remodeling planned for FY2007

Ikebukuro PARCO	Reorganization of main building 4th floor (men's fashion floor) and main building 5th floor (general merchandise and women's floor) planned. Also remodeling focusing on fashion zone from first basement floor to mid-level floors of P'Parco.
Shibuya PARCO	Introducing trendsetting women's brands and strengthening men's merchandizing at Part 1. Reorganizing lower floors at Part 2. Carrying out continuing renewal at Part 3 (first basement floor men's and general merchandise and 2nd floor women's goods).
Nagoya PARCO	Reorganizing from lower to mid-level floors of East building with a focus on men's select stores and men's personal items. Developing 2nd and 3rd floors of South building as a zone for elegant and casual women's wear.
Sapporo PARCO	Carrying out large-scale remodeling from this autumn focusing on the basement, 2nd and 3rd floors of the main building, expanding women's goods and personal items, promoting multiple purchases at different stores on the same floor, and tying in with the revitalization of the Odori district.
Hibarigaoka PARCO	QUEEN'S ISETAN to open on the basement floor (scheduled to open at end May, floor to close from Feb. in preparation) Remodeling of 1st and 2nd floor women's goods and general merchandise and reorganizing as a new lifestyle building.
Chiba PARCO	Last fiscal year, expanded fashion and general merchandise on the 2nd floor and strengthened capability to make lifestyle proposals for young women. This fiscal year, aiming to reorganize the functions of large stores and continue to carry out a series of suburban-style fashion remodeling and increase customer numbers.
Utsunomiya PARCO	Reorganizing functional stores mainly on the 5th and 6th floors, introducing new cafe and women's sections, strengthening leading men's section, aiming to attract a broad customer base.
Kumamoto PARCO	Major CD store Tower Records opened a store the fiscal year before last. Last fiscal year, expanded the men's zone to cater to increasing numbers of male customers. This fiscal year, reorganizing and further evolving urban-style fashion offerings on the 1st and 2nd floors.

Grand opening of Shizuoka PARCO on Thursday, March 15, 2007!

Situated in front of Japan Rail Shizuoka Station at the entrance to the heart of ordinance designated city Shizuoka City. Basic trading zone covers the central area of Shizuoka Prefecture and has an estimated population of approximately 1.21 million people and 440,000 households within it.

Exterior and interior of the building fully refurbished. Exterior largely made of glass, interior designed around a new central atrium and new escalators put in, all contributing to the completely new feel.

151 tenant stores, of which 90% opening in Shizuoka City for first time. Caters to a broad spectrum of urban lifestyle needs—not only fashion but also general merchandise, cultural, food and beauty related. Providing new lifestyle offerings with stores for all age groups from adult men's and women's right down to teens.



Exterior (front entrance).



Looking down on escalators and atrium from 7th floor.



1st floor front entrance and atrium deck.

Location	6-7 Koyamachi, Aoi-ku, Shizuoka City, Shizuoka
Building type	8 floors and one basement level
Sales target	¥11,000 million
Investment amount	Approx. ¥3,700 million
Floor area	Approx. 30,000m ²
Store area	Approx. 22,000m ²

Urawa PARCO

Leasing currently underway

Will be PARCO's largest store. A new type of development for us, combining traditional shopping complex facilities with the use of the upper floors for public facilities such as a municipal library.



Opening	Scheduled for autumn 2007
Building type	7 floors and 1 basement level (in part used by PARCO)
Sales target	¥19,500 million ^{*1}
Investment amount	Approx. ¥4,000 million ^{*2}
Floor area	Approx. 65,000m ²

Sendai PARCO
(provisional name)

Marketing and building planning underway ahead of leasing

PARCO's first store in the Tohoku region of Northern Honshu will be situated in front of the train station in Sendai, the region's largest city. A full-scale multifunctional complex also including office space that connects directly with Sendai Station via a pedestrian passageway.



Opening	Scheduled for early autumn 2008 ^{*3}
Building type	9 floors and 1 basement level (in part used by PARCO)
Sales target	¥15,000 million
Investment amount	Approx. ¥13,000 million
Floor area	Approx. 24,000m ²

^{*1} Not including sales of tenants with fixed rent contracts, etc.
^{*2} Attempts are being made to curtail investment costs in line with reviews of construction and facility planning, etc.

^{*3} Scheduled opening time has been changed in line with finalization of the construction schedule.

Note: Pictures are indicative illustrations. Actual designs may vary.

Le Theatre GINZA by PARCO started operations from March 2007



Using the entertainment industry knowledge developed since the 1973 opening of Shibuya PARCO, we have assumed management of a second, much larger cultural facility, aiming to increase the variety of shows offered and expand the contents business.



Le Theatre GINZA by PARCO

Location: Ginza 1-chome, Chuo-ku, Tokyo
 Opened: 1987 (as Ginza Saison Theatre); Name changed to Le Theatre GINZA in 2000
 Seating capacity: 770 (For reference, PARCO Theater seats 458)

Property management project mandate: Final preparations underway

Northport Mall (Kohoku Newtown, Yokohama) scheduled to open on April 21



Northport Mall

Situated in Kohoku Newtown, which has a rising population and number of households, this shopping complex is attuned to the characteristics of the area and caters to the needs of a broad spectrum of age groups. Mandated to carry out pre-opening and post-opening administration and operation. Currently underway.

Location	In front of Center Kita Station on the Yokohama Municipal Subway Line (1-25-1 Nakagawa Chuo, Tsuzuki-ku, Yokohama City, Kanagawa)
Building type	9 floors and 2 basement levels
Floor area	Approx. 141,122m ²
Sales area	Approx. 72,727m ²
Parking	1,590 spaces
No. of stores	119

Note: Picture is an indicative illustration. Actual design may vary.

Retail Business
 NEUVE A CO., LTD.



A POKER FACE eyewear store.

Plan to open 15 new stores, including trial stores of new business types, in FY2007. Decisions made for 9 stores in fiscal first half.

Stores opened or planned in fiscal first half				
3/1	Yokohama QUEEN'S EAST	TiCTAC	4/21 Northport Mall	PORTE, ANNABELLE
3/2	YOKOHAMA RED BRICK WAREHOUSE	POKER FACE	4/27 SHIN-MARUNOUCHI BUILDING	SPINDLE
3/15	LaLaport YOKOHAMA	COLLECTORS		
3/15	Shizuoka PARCO	TiCTAC, POKER FACE, COLLECTORS		

Note: PORTE is the new business type of the EYEWEAR business division, with SPINDLE that of the TiCTAC business division.

Other Business
 PARCO-CITY CO., LTD.



Note: Image of the PARCO-CITY front page. Actual page may vary.

Online fashion mall PARCO-CITY to start on April 25, mainly comprising PARCO store tenants

Steadily expanding, focusing mainly on leading companies who are already tenants at various PARCO stores.

- 150 online stores expected to open by end of FY2007
- A rich variety of online stores planned, specializing in fashion, accessories, culture, entertainment and others
- Coordinating with and mirroring the marketing approach used at PARCO stores, such as "PARCO GRAND BAZAR" and the 5% off preferential campaign for PARCO Card holders

Making steady progress toward achieving our FY2009 management targets

Management indices (Consolidated FY2009)

Unit: ¥ million	FY2004 Results	FY2005 Results	FY2006 Results	FY2009		FY2007 Forecasts
				Targets	Change from FY 2004	
Net sales	257,625	262,408	266,645	300,000	42,375	290,000
Ordinary income	8,079	8,879	9,594	12,000	3,921	9,400
Net income	1,742	4,006	4,503	6,000	4,258	4,300
ROE	3.0%	6.2%	6.5%	8.2%	5.2%	—

Sales targets by segment

Unit: ¥ million	FY2004 Results	FY2005 Results	FY2006 Results	FY2009	
				Targets	Change from FY 2004
Shopping Complex Business	236,456	242,675	246,450	276,819	40,362
Retail Business	15,321	15,946	16,718	18,812	3,491
Space Engineering and Management Business	25,729	21,985	22,754	24,252	(1,477)
Other Business	2,504	2,579	2,442	2,614	110
Consolidated total (after eliminations)	257,625	262,408	266,645	300,000	42,375

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Statements in this presentation that are not historical fact, such as forecasts, are forward-looking statements, based on information available as of April 5, 2007, and are subject to a number of risks and uncertainties. Actual results may be materially different.

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