


A promotional poster for PARCO's 40th anniversary. It features a woman with short dark hair, wearing a black top, playing a blue electric guitar and singing. The background is a light pink. Text on the poster includes 'PARCO 40th ANNIVERSARY' at the top right, 'アタシ、ロック生まれ。' (I was born into rock.) in the middle, and '69 ROCK PARCO' in large yellow and grey letters at the bottom. A small star logo with '40th ANNIVERSARY' is in the top left corner.

PARCO CO., LTD.
FY2009 First Half Results
(March 1, 2009 –
August 31, 2009)

TSE 1st section: 8251

PARCO 2/25

1. Overview of FY2009 H1 results and full-year forecasts
2. Enhancing Shopping Complex Business
3. Progress in peripheral businesses



A gold star logo with '40th ANNIVERSARY' written inside it, located in the bottom right corner of the slide.

1. Overview of FY2009 H1 results and full-year forecasts

- (1) Consolidated results
- (2) Consolidated results by segment
- (3) Non-consolidated results; dividends
- (4) Consolidated/non-consolidated full-year forecasts
- (5) Selling, general and administrative expenses; capital expenditure

2. Enhancing Shopping Complex Business

3. Progress in peripheral businesses



(1) FY2009 H1 Consolidated results

Operating income outperformed forecast despite sales being below forecast level

Unit: Million yen

Consolidated	2009 H1	2008 H1	Change %	Change ¥	Initial forecasts	Change ¥
Net sales	127,906	137,604	(7.0%)	(9,697)	134,500	(6,594)
Operating income	4,757	4,585	3.7%	171	4,500	257
Ordinary income	4,691	4,546	3.2%	144	4,400	291
Net income	2,203	2,788	(21.0%)	(584)	2,200	3

Consolidated	End of FY2009 H1	End of FY2008	Change ¥
Total assets	190,274	191,681	(1,407)
Net assets	77,599	75,617	1,981
Interest-bearing debt	38,725	40,777	(2,052)
Equity ratio	40.8%	39.4%	1.3%

(2) FY2009 H1 Consolidated results by segment

5/25

Unit: Million yen

■ Shopping Complex Business

PARCO CO., LTD. pursued renovation targeted to each market's needs, based on the new store grouping system introduced in March

■ Retail Business

As measures to increase sales, NEUVE A CO., LTD. focused on mail-order sales through its TICTAC brand website and development of original products. Recorded impairment losses in respect of 26 stores

■ Space Engineering and Management Business

In a difficult environment for receiving new orders, PARCO SPACE SYSTEMS CO., LTD. achieved its operating income target by rationalizing and reducing costs

■ Other Business

PARCO CITY CO., LTD. received steady orders for its outsourcing business for website creation, mainly from shopping complexes. Sold entire stake in HOTEL NEW CRESTON CO., LTD., exiting the hotel business

		FY2009 H1	FY2008 H1	Change
Shopping Complex Business	Net sales	120,338	128,671	(8,333)
	Operating income	4,560	4,357	202
Retail Business	Net sales	8,268	8,530	(262)
	Operating income	105	182	(77)
Space Engineering and Management Business	Net sales	8,891	11,094	(2,203)
	Operating income	55	109	(53)
Other Business	Net sales	662	1,096	(434)
	Operating income or loss	15	(66)	82
Subtotal	Net sales	138,160	149,393	(11,233)
	Operating income	4,737	4,583	153
Eliminations or corporate	Net sales	(8,936)	(10,482)	1,545
	Operating income	19	1	17
Total	Net sales	129,223	138,911	(9,687)
	Operating income	4,757	4,585	171

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

(3) FY2009 Non-consolidated results; dividends

6/25

Operating, ordinary and net income outperformed forecasts despite non-consolidated sales also being lower than forecast level

Unit: Million yen

Non-consolidated	FY2009 H1	FY2008 H1	Change %	Change ¥	Initial forecasts	Change ¥
Net sales	118,971	127,242	(6.5%)	(8,271)	126,000	(7,029)
Operating income	4,609	4,379	5.2%	229	4,500	109
Ordinary income	4,659	4,721	(1.3%)	(61)	4,500	159
Net income	2,380	3,059	(22.2%)	(679)	2,300	80

Non-consolidated	End of FY2009 H1	End of FY2008	Change ¥
Total assets	183,980	187,186	(3,205)
Net assets	78,062	76,000	2,062
Interest-bearing debt	37,463	42,457	(4,994)
Equity ratio	42.4%	40.6%	1.8%

Interim dividend per share ¥8
Planning an annual dividend of ¥16

(4) FY2009 Consolidated/non-consolidated full-year forecasts

7/25

Revised consolidated and non-consolidated full-year sales forecasts

Unit: Million yen

Consolidated	FY2009 revised forecasts	FY2008 results	Change %	Change ¥	Initial forecasts	Change %	Change ¥
Net sales	267,000	282,509	(5.5%)	(15,509)	280,000	(4.6%)	(13,000)
Operating income	9,400	9,362	0.4%	37	9,400	—	—
Ordinary income	9,200	9,171	0.3%	28	9,200	—	—
Net income	4,500	3,730	20.6%	769	4,500	—	—

Non-consolidated	FY2009 revised forecasts	FY2008 results	Change %	Change ¥	Initial forecasts	Change %	Change ¥
Net sales	248,000	261,751	(5.3%)	(13,751)	260,000	(4.6%)	(12,000)
Operating income	9,000	8,885	1.3%	114	9,000	—	—
Ordinary income	8,800	9,067	(2.9%)	(267)	8,800	—	—
Net income	4,400	4,004	9.9%	395	4,400	—	—

(5) FY2009 H1 Selling, general and administrative expenses; capital expenditure

8/25

 Selling, general and administrative expenses

Unit: Million yen

Consolidated		Amount	Change ¥	Change %
H1 results	Personnel	4,766	(72)	(1.5%)
	Lease/rental	5,165	61	1.2%
	Advertising	1,344	(438)	(24.6%)
	Agency services	3,110	(144)	(4.4%)
	Depreciation	2,761	234	9.3%
	Tax and dues	658	(207)	(24.0%)
	Others	1,237	(305)	(19.8%)
	Total SG&A	16,401	(1,061)	(6.1%)
Full-year forecasts	Depreciation	5,575	(16)	(0.3%)
	Total SG&A	33,900	(1,714)	(4.8%)

 Capital expenditure

Unit: Billion yen

Consolidated		Amount	Change ¥	Change %
H1 result	Capex	3.4	(5.3)	(60.7%)
Full-year forecast	Capex	7.5	(6.7)	(47.4%)

1. Overview of FY2009 H1 results and full-year forecasts

2. Enhancing Shopping Complex Business

- (1) Tenant sales by store
- (2) Year-on-year sales comparisons by item
- (3) Continued efficient renovation
- (4) 40th anniversary of Ikebukuro PARCO and plans for the year
- (5) Effective deployment of business resources through scrap and build policy
- (6) Expanding overseas businesses by opening stores under master lease agreements

3. Progress in peripheral businesses



(1) FY2009 H1 Tenant sales by store

All store total down 6.2%

Kanto Store Group fared relatively well, driven by renovation attuned to market needs

	PARCO Store	Net sales	Change
Urban Store Group	Sapporo PARCO	5,798	(8.6%)
	Ikebukuro PARCO	15,546	(7.5%)
	Shibuya PARCO *	7,608	(19.0%)
	Kichijoji PARCO	4,572	(12.4%)
	Shizuoka PARCO	5,033	2.4%
	Nagoya PARCO	17,348	(10.2%)
	Hiroshima PARCO	8,550	(6.1%)
	Sub-total	64,458	(9.3%)

	PARCO Store	Net sales	Change
Regional Store Group	Matsumoto PARCO	3,787	(10.9%)
	Otsu PARCO	3,120	(26.7%)
	Shinsaibashi PARCO	907	(11.8%)
	Oita PARCO	1,916	(9.9%)
	Kumamoto PARCO	2,482	(9.4%)
	Sub-total	12,214	(15.2%)

	PARCO Store	Net sales	Change
Kanto Store Group	Utsunomiya PARCO	3,095	(16.5%)
	Urawa PARCO	6,219	(5.5%)
	Shin-Tokorozawa PARCO	4,185	(8.1%)
	Chiba PARCO	3,773	(15.4%)
	Tsudanuma PARCO	4,808	(9.0%)
	Hibarigaoka PARCO	4,487	(0.9%)
	Chofu PARCO	8,326	(4.4%)
		Sub-total	34,896

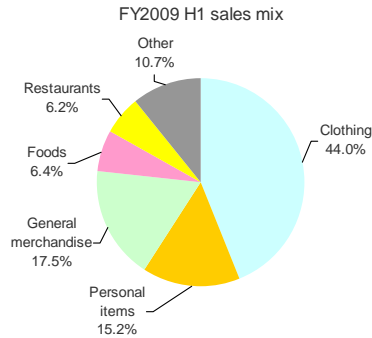
	PARCO Store	Net sales	Change
	Existing stores total	111,569	(9.5%)
	Sendai PARCO	4,603	711.3%
	Total	116,173	(6.2%)

Existing stores total: Figure for stores except for Sendai PARCO (opened Aug. 23, 2008)

Note: The merchandise floors of Shibuya Quattro Building closed at the end of May 2008. After adjustment for this factor, Shibuya PARCO was down 16.2% from FY2008 H1; Urban Store Group was down 8.9%; and Existing stores total was down 9.3%

(2) FY2009 H1 Year-on-year sales comparisons by item 11/25

Cosmetics and Foods performed strongly



- Womenswear trend tending toward single articles, with weaker linkage to sales of shoes, bags and other items, leading to continued difficulties overall
- Cosmetics and Foods performed steadily, driven by accurate identification of consumer demand

Existing stores: Figures for stores except for Sendai PARCO (opened Aug. 23, 2008)

Category and item	FY2009 H1 change % from FY2008 H1	
	All stores	Existing stores
Womenswear	(8.1%)	(11.3%)
Menswear	(13.5%)	(16.3%)
General clothing	2.4%	(1.7%)
Clothing	(8.4%)	(11.2%)
Shoes	(9.3%)	(12.4%)
Bags	(10.7%)	(14.5%)
Accessories	(9.9%)	(15.0%)
Cosmetics	4.8%	0.7%
Personal items	(4.1%)	(8.0%)
Culture-related	(6.7%)	(9.3%)
Living-related	(5.0%)	(7.3%)
General merchandise	(6.7%)	(8.7%)
Foods	1.9%	0.2%
Restaurants	(1.5%)	(5.8%)
Other	(2.9%)	(4.1%)

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

(3) Continued efficient renovation 1 – Urban Store Group 12/25

Responding rapidly to changes in consumer behavior, based on the store grouping system

Urban Store Group: Continuing to propose new fashion and style offerings, and introducing growing companies and companies new to PARCO at multiple stores at the same time



Nagoya PARCO

Nagoya PARCO:

H1 renovation:
32 sections,
approx. 3,100m²

Spring: Introduced stores for both men and women meeting ladies' fashion needs and catering to couples. Autumn: Renovating the mens' floors, and the common-use parts of the first floor of the East Building, enhancing the entrance area



Shizuoka PARCO

Hiroshima PARCO:

H1 renovation:
19 sections,
approx. 2,000m²

Spring: Expanded ladies', men's and kids' floors, such as by introducing stores new to the area. Autumn: Enhancing variety of product portfolio, by introducing new latest fashion, cosmetics and general merchandise stores

Shizuoka PARCO:

H1 renovation:
4 sections,
approx. 700m²

Spring: Introduced a new gourmet food business, which increased overall customer numbers and had a knock-on effect on sales at fashion, general merchandise, foods, confectionery and other stores. Repairs to underground passageway from train station to store completed in September, improving access to the store

(3) Continued efficient renovation 2 – Kanto Store Group

13/25

Kanto Store Group: Sought to add tenants that draw customers, as community-type stores closely attuned to the local area

Chofu PARCO, Hibarigaoka PARCO:

H1 renovation:
Chofu PARCO:
10 sections,
approx. 1,900m²

Hibarigaoka PARCO:
2 sections,
approx. 1,100m²

Carried out renovations to enhance lineup of casual clothing and living-related products for families, aiming to meet market needs, make the stores more user-friendly within the local commercial areas, and increase the frequency of customer visits



Chofu PARCO

Urawa PARCO:

H1 renovation:
19 sections,
approx. 2,000m²

Meeting wide-ranging local needs by continuously carrying out renovation from spring onwards to diversify the product offering. Initiatives included developing a kid's zone and zone for clothing for daily use and adding cosmetics stores and cafes, targeting a broad range of customers of all age groups

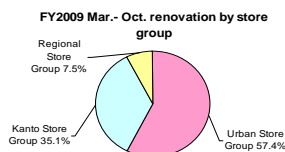


Urawa PARCO

(3) Continued efficient renovation 3

14/25

Renovated 17,000m² in FY2009 H1, aiming to achieve optimal product mix and store operation in each market
Planning to renovate 14,000m² in Autumn



■ H1 renovation results

◎Scale of renovation: 162 sections, approx. 17,000m²
(of which new stores comprised 98 sections)

◎Effect of renovation: Sales up 15.1% in same zone comparison

■ **Planned autumn renovation:** 14,000m²

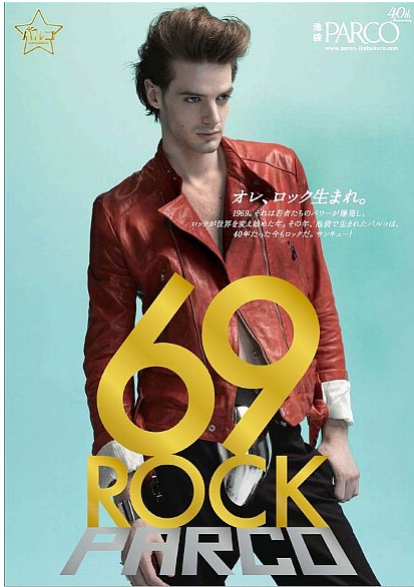
■ **Planned annual renovation:** 40,000m²

(Reference)

■ Total store overview as of end. Aug. 2009:

20 stores, 37 buildings, 3,016 tenants, sales area of 447,500m²

(4) 40th anniversary of Ikebukuro PARCO and plans for the year 1 15/25



Ikebukuro PARCO 40th anniversary poster

Ikebukuro PARCO, our pioneering first shopping center, turns 40 this year

We intend to continue to provide venues where people can feel happiness and excitement and discover new things

Hold thank you sales and promotions at all 20 PARCO stores to celebrate Ikebukuro PARCO's 40th anniversary

Also hold separate anniversary thank you sales and promotions at:

- Nagoya PARCO and Chofu PARCO (celebrating their 20th anniversaries)
- Matsumoto PARCO (25th anniversary)
- Hiroshima PARCO (15th anniversary)
- Sendai PARCO (1st anniversary)

Holding a variety of events and campaigns at Ikebukuro PARCO, based on the "69 Rock"* theme, including the sale of limited edition products and the giving away of original limited edition goods

*Ikebukuro PARCO opened in 1969, and in Japanese 69 is pronounced "rokku."

(4) 40th anniversary of Ikebukuro PARCO and plans for the year 2 16/25

● Held "PARCO Thanks Week" at all stores during the Silver Week holidays in Sept.
A campaign that bolstered up enthusiasm for urban shopping by means including offering 5% off on purchases using PARCO Card, double SAISON Permanent Points, and, on the first day, presents of complimentary tickets

● Also, as a continuous campaign running for four months from Sept., taking a series of initiatives to increase the frequency of customer visits and purchases, including giving PARCO Card holders the chance to win presents of 40 times the usual amount of Permanent Points

Sept.	Oct.	Nov.	Dec.	Jan.
•Thanks Week •Chance for 40 times the usual amount of Permanent Points	•Presents of complimentary tickets in exchange for points •Chance to exchange Permanent Points for limited edition original products •Chance for 40 times the usual amount of Permanent Points	•2nd 40th anniversary customer thank you sale •Chance for 40 times the usual amount of Permanent Points	•Planning customer participation-type event •Chance for 40 times the usual amount of Permanent Points	•New Year sales, lucky bags •Grand Bazar

- Plan to hold 2nd campaign in Nov.
 - Holding action-packed customer thank you sales, featuring preferential treatment, events and so forth at all PARCO stores
 - Holding a series of anniversary events in Nov. at Ikebukuro PARCO
- Holding customer participation-type events at all stores in Dec.
- Then New Year sales, lucky bags and Grand Bazar



□ Sendai PARCO, in collaboration with JR East, the railway operator, and S-PAL, the station building operator at Sendai Station, held a fashion show in JR Sendai Station. Specially installed a t-shaped catwalk (see photo), with models exhibiting clothing from PARCO and S-PAL stores

Fashion show at Sendai Station involving Sendai PARCO

(5) Effective deployment of business resources through scrap and build policy 17/25

Making steady progress on Fukuoka PARCO*

- ◎ Making assured progress in building renewal plan and negotiations with retail businesses on store openings, based on the marketing and store concept



Image of Fukuoka PARCO*
*Provisional name



Opening	Spring 2010
Building type	8 floors and 1 basement level
Annual sales target	¥10,000 – 12,000 million
Amount invested	Approx. 10,000 million*
Floor area	Approx. 24,000m ²
Location	Tenjin 2-chome, Chuo-ku, Fukuoka City, Fukuoka
Access	Directly connected to Tenjin Station on the Nishitetsu Line and Subway

Note: Amount invested includes leasehold deposits.

Decided to close the Nos Vos annex of Hibirigaoka PARCO at end of Feb. 2010

(6) Expanding overseas businesses by opening stores under master lease agreements 18/25

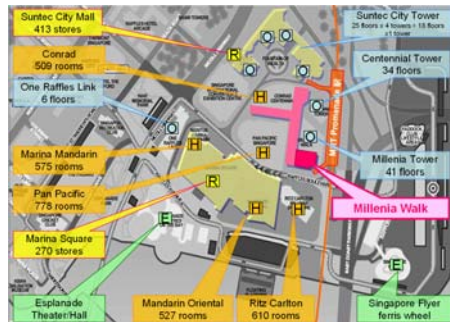
Also progressing smoothly on PARCO@Millenia* (Singapore)



Image of PARCO@Millenia

- ◎ Preparations for operations, leasing and planning underway, and local staff being hired, ahead of opening of PARCO store in Singapore
- First floor to be fashion-related, and the second floor to be a fashion incubator operated through a collaboration with TaFF (Textile & Fashion Federation (Singapore)) and Singaporean government agency SPRING Singapore (The Standards, Productivity and Innovation Board). The third floor will mainly consist of Japanese restaurants

Opening	Spring 2010
Building type	3 floors above ground
Floor area	Approx. 7,800m ²
Location	Millenia Walk, 9 Raffles Boulevard, Singapore
Access	Car: 15 mins from Changi Airport 5 mins from the Raffles Place business district and Marina Bay Financial Center Metro: Connects directly to Promenade MRT Station (scheduled to open in 2010)
Nearby facilities	6 major hotels including the Ritz Carlton. 5 shopping complexes, high-rise office buildings, the Singapore Flyer ferris wheel, theaters, etc.



1. Overview of FY2009 H1 results and full-year forecasts

2. Enhancing Shopping Complex Business

3. Progress in peripheral businesses

- (1) Using contents in entertainment
- (2) Retail Business store update and campaigns
- (3) Expanding our business using our core business expertise
- (4) Combining e-commerce and existing stores, collaborations with external parties



(1) Using contents in entertainment

Seeking to increase profits by leveraging in our theater, music, movie and publishing production divisions our strength of having a portfolio including theaters, a music venue and a cinema



◎ Rolling out one piece of contents in multiple formats

Started initiatives to make multiple use of one piece of contents. Made "DumBeast," a play put on by our Theater Division, into a movie, with investment from PARCO, and the Movie Division managing the project. The Publishing Division published the official book

◎ Started agency business for the rights to our works

Started agency business for the rights of works we have put on. Aiming to see our contents launched in multiple formats. For example, sold the movie rights to "A Good Husband," a play originally put on by our Theater Division

◎ Movie division: Also starting to provide advisory services for companies heading movie production committees

Poster for the movie "DumBeast," which features a number of Japanese movie industry stars

(2) Retail Business store update and campaigns 1

21/25

NEUVE A CO., LTD.: Increased total stores to 136 as of end Aug. Launched online store within own website. Also focused on enhancing original product lineup

- ◎ Opened 6 stores and closed 1 in FY2009 H1
- ◎ Planning to open five new stores in FY2009 H2

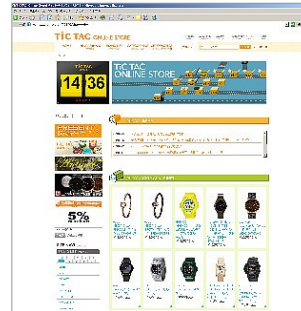
- Continue to pursue scrap and build policy

Opened	Shopping complex	Store (business unit)
Mar.	Lumine est Shinjuku	COMPLETE WORKS TOKYO (COLLECTORS)
Mar.	Lazona Kawasaki Plaza	POKER FACE (EYEWEAR)
Mar.	Tenjin IMS	TICTAC (TICTAC)
Apr.	LaLaport TOKYO-BAY	COLLECTORS (COLLECTORS)
June	LaLaport Iwata	TICTAC (TICTAC)
Aug.	Lumine man Shibuya	TORQUE (TICTAC)

- ◎ TICTAC: Enhanced online sales by launching online store on the TICTAC website in Sept. Aiming to improve profit margins and achieve differentiation by introducing original products

As of end Aug. 2009

Business unit (products sold)	No. of stores
TICTAC (watches)	53
EYEWEAR (eyewear)	27
COLLECTORS (men's accessories)	27
ROSEMARY (cosmetics and cosmetics accessories)	21
ANNABELLE (women's accessories)	8
Total	136



TICTAC online store

(2) Retail Business store update and campaigns 2

22/25

NEUVE A CO., LTD.
Participated in various activities and launched campaigns

- ◎ Launched the MOTTAINAI Watch Exchange Campaign (1st round: May-July; 2nd round: Oct.-Nov.)
 - Stimulated new demand by giving customers a ¥2,000 gift certificate toward the purchase of a new watch when they hand in an old watch. The old watches that can be used again are then sold through the MOTTAINAI Flea Market. Proceeds are donated to the Green Belt Movement, a tree-planting NGO campaign of Prof. Wangari Maathai



MOTTAINAI Watch Exchange Campaign poster



- ◎ Pink Ribbon Campaign started from Oct.

- Participating in the Pink Ribbon Campaign at ROSEMARY (cosmetics and cosmetics accessories brand with over 1.7 million purchasing customers annually) and ANNABELLE (ladies general merchandise brand) stores. Giving to the Japan Society of Breast Health, an NPO, donations from customers' points and part of the proceeds of sales of original campaign products, and also seeking to raise awareness about breast cancer at the stores

*Pink Ribbon Campaign: Global campaign to raise awareness of the importance of early detection, diagnosis and treatment of breast cancer, in order to combat breast cancer and promote breast cancer screening

Entrance to ROSEMARY store in Nagoya

(3) Expanding our business using our core business expertise 23/25

PARCO SPACE SYSTEMS CO., LTD.: Developing the "P'es Lighting" series of original private brand lighting fixtures, LED lighting and others, making use of the company's expertise in lighting design and electrical installation

◎ In partnership with other companies, starting business and sales that encompasses everything from design and installation through to maintenance, focusing mainly on the "P'es Lighting series"



P'es Lighting installation of PARCO SPACE SYSTEMS CO., LTD.

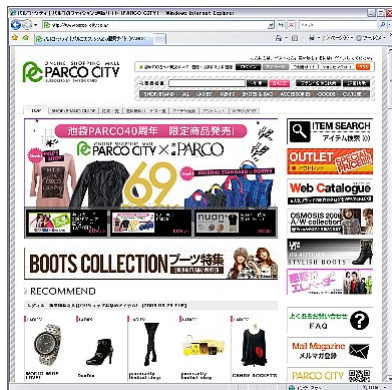
- Using our long experience in lighting design and electrical installation for commercial spaces to create environmentally friendly products that reduce environmental burden, driven by the key concepts of having high performance, excellent efficiency and lower CO₂ emissions. Offering comprehensive solutions that employ dimming systems and human detection sensors in the lighting design stage, and also encompassing fixture cleaning, maintenance and so forth after installation
- Enhancing our sales drive aimed at winning multiple orders through collaborations involving various divisions, using our strength of being capable to provide total solutions from design and interior work through to building maintenance

(4) Combining e-commerce and existing stores; collaborations with external parties 24/25

PARCO CITY CO., LTD.: Website creation business and online shopping mall both performing strongly and exceeding targets

◎ Website creation business going well

Proposals to help increase the operational efficiency of websites or develop mobile sites have led to increased orders from shopping complexes



PARCO CITY online shopping mall

◎ Online shopping mall: Grew both gross billings and visitors by implementing successful collaborations with actual PARCO stores

- Provided preferential points offers to PARCO Card holders and included products in cardholder mail magazine
- In collaboration with PARCO's bathing suit campaign, developed one of the internet's biggest bathing suit zones, including six brands and around 700 items
- Online mall tenants opening stores in actual PARCO stores for a limited period. Six such stores opened in FY2009 H1
- Also starting tie-ups with the entertainment world. Producing and selling original limited edition products as the official online sales site for the movie Summer Wars

PARCO

<http://www.parco.co.jp/>

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