

PARCO CO., LTD.

Non-consolidated Financial Statements for the Fiscal Year Ended February 28,2002
(Fractional amounts less than one million yen are discarded)

April 24, 2002

Corporate Name: PARCO CO.,LTD.
Address: Headquarters in Tokyo
Personnel to Contact: Director
Mr. Kazumi Kojima
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Stock Exchange Listings: Tokyo Stock Exchange
(first section)
Code Number: 8251
Board of Directors meeting: April 24, 2002
Ordinary General Meeting
of shareholders: May 25, 2002
Interim dividends payment system: Yes
Trading unit (Tangenkabu) system: Yes
(1 unit 1,000shares)

1. Results for Fiscal 2001 (March 1, 2001-February 28, 2002)

(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 2001	248,525	[+1.0]	6,929	[+10.1]	5,719	[+17.1]
Fiscal 2000	246,126	[- 6.7]	6,296	[+ 0.3]	4,886	[+ 0.3]

	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 2001	1,127	[-]	15.80	14.06	[+2.1]	[+2.7]	[+2.3]
Fiscal 2000	-3,753	[-]	-66.96	-	[-7.2]	[+2.2]	[+2.0]

Notes:

- Average number of shares outstanding during the term: Fiscal 2001 71,365,687 shares
Fiscal 2000 56,056,298 shares
- Changes in Accounting Methods: None
- 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 2001	8.00	4.00	588	52.2	[+1.0]
Fiscal 2000	8.00	4.00	448	-	[+0.9]

(3) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity/ total assets [%]	Shareholders' equity per share (¥)
Fiscal 2001	202,846	57,419	[+28.3]	762.81
Fiscal 2000	215,314	50,331	[+23.4]	897.87

Notes: Total number of shares outstanding: As of February 28, 2002 75,274,045 shares
As of February 28, 2001 56,056,298 shares
Total number of treasury stock As of February 28, 2002 20,981 shares

2. Projected Results for Fiscal 2002 (March 1, 2002-February 28, 2003)

	Operating revenues (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividends per share (¥)	
				Interim	Year-end
Interim period	122,500	2,600	750	4.00	-
Fiscal 2002	253,000	6,000	1,500	-	8.00

Reference: Estimated net income per share (fiscal 2002):

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Non-consolidated Balance Sheets for the Fiscal Year Ended February 28,2002

(Fractional amounts less than one million yen are discarded)

	(¥ millions)		
	February 28		Increase
	2002	2001	(Decrease)
ASSETS			
Current Assets:			
Cash on hand and in banks	¥ 8,013	¥ 7,270	¥ 743
Notes receivable - trade	94	103	(9)
Accounts receivable - trade	5,748	5,949	(201)
Marketable securities	-	3,342	(3,342)
Treasury stocks	-	0	(0)
Finished products	212	309	(97)
Work-in-process	9	21	(11)
Supplies	30	33	(2)
Advance payment	32	70	(38)
Prepaid expenses	622	655	(32)
Short-term loans on marketable securities	-	2,998	(2,998)
Short-term loans to affiliated company	5,235	7,737	(2,502)
Other short-term loans	57	8	48
Accounts receivable - other	-	9,368	(9,368)
Deferred tax assets	917	986	(69)
Other current assets	1,564	607	956
Less: Allowance for doubtful accounts	(1,887)	(2,187)	300
Total current assets	<u>20,649</u>	<u>37,274</u>	<u>(16,624)</u>
Fixed Assets:			
Tangible fixed assets:			
Buildings	38,941	38,219	722
Structures	574	583	(9)
Machinery and equipment	217	251	(33)
Motor vehicles	7	1	5
Tools, furniture and fixtures	748	634	113
Land	39,400	39,010	390
Construction in progress	390	779	(388)
Total tangible fixed assets	<u>80,280</u>	<u>79,479</u>	<u>800</u>
Intangible fixed assets:			
Goodwill	1,504	-	1,504
Leasehold	10,943	10,943	-
Software	305	328	(22)
Other intangible fixed assets	360	394	(33)
Total intangible fixed assets	<u>13,114</u>	<u>11,665</u>	<u>1,448</u>
Investments and other assets:			
Investment securities	10,690	7,994	2,695
Investments in affiliated companies	12,413	12,560	(146)
Investments in non-stock equity interests	5	5	-
Long-term loans	1,017	1,021	(4)
Long-term prepaid expenses	1,282	1,284	(1)
Fixed leasehold deposits	59,560	59,955	(394)
Deferred tax assets	3,269	3,830	(561)
Other investments	634	215	419
Less: Allowance for doubtful accounts	(71)	(6)	(65)
Total investments and other assets	<u>88,802</u>	<u>86,860</u>	<u>1,941</u>
Total fixed assets	<u>182,196</u>	<u>178,006</u>	<u>4,190</u>
Deferred Assets:			
Discount on bonds issued	-	33	(33)
Total deferred assets	<u>-</u>	<u>33</u>	<u>(33)</u>
Total assets	<u>¥ 202,846</u>	<u>¥ 215,314</u>	<u>¥ (12,467)</u>

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Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2002
(Fractional amounts less than one million yen are discarded)

	(¥ millions)		
	February 28		Increase
	2002	2001	(Decrease)
LIABILITIES			
Current liabilities:			
Notes payable – trade	¥ 944	¥ 953	¥ (8)
Accounts payable – trade	14,205	14,512	(306)
Short-term borrowings	11,930	17,415	(5,485)
Current portion of long-term borrowings	14,239	8,392	5,847
Accounts payable – other	5,109	3,937	1,171
Accrued income taxes	145	725	(579)
Accrued expenses	901	985	(84)
Advance received	209	158	50
Withholdings	288	313	(25)
Accrued bonuses to employees	534	554	(19)
Allowance for sales returns	9	22	(13)
Allowance for books unsold	77	118	(41)
Current portion of bonds	10,000	4,700	5,300
Current portion of guarantee deposits received from tenants	3,674	4,289	(615)
Other current liabilities	375	118	256
Total current liabilities	<u>62,643</u>	<u>57,196</u>	<u>5,446</u>
Long-term liabilities:			
Straight bonds	2,000	21,700	(19,700)
Convertible bonds	2,674	5,000	(2,326)
Long-term borrowings	27,246	27,005	241
Long-term accounts payable	-	1	(1)
Accrued retirement benefits for employees	-	16	(16)
Reserve for retirement benefits	162	-	162
Accrued retirement benefits for directors and statutory auditors	305	400	(95)
Provision for loss on guaranty of bank loans	350	350	-
Guarantee deposits received from tenants	50,046	53,312	(3,266)
Total long-term liabilities	<u>82,783</u>	<u>107,786</u>	<u>(25,002)</u>
Total liabilities	<u>145,427</u>	<u>164,983</u>	<u>(19,555)</u>
SHAREHOLDERS' EQUITY			
Common stock	25,224	21,793	3,431
Additional paid-in capital	24,649	21,218	3,431
Legal reserve	681	658	23
Other reserves:			
Voluntary reserve:			
General reserve	6,011	10,011	(4,000)
Unappropriated retained earnings	1,243	(3,349)	4,593
Total retained earnings	<u>7,254</u>	<u>6,661</u>	<u>593</u>
Unrealized gains on securities	(378)	-	(378)
Treasury stock	(11)	-	(11)
Total shareholders' equity	<u>57,419</u>	<u>50,331</u>	<u>7,088</u>
Total liabilities and shareholders' equity	<u>¥ 202,846</u>	<u>¥ 215,314</u>	<u>¥ (12,467)</u>

PARCO CO., LTD.

Non-consolidated Statements of Income for the Fiscal Year Ended February 28, 2002
(Fractional amounts less than one million yen are discarded)

	(¥ millions)		
	February 28		Increase (Decrease)
	2002	2001	
Net sales:			
Net sales by tenants	¥ 242,753	¥ 240,153	¥ 2,599
Own sales	5,771	5,972	(200)
	<u>248,525</u>	<u>246,126</u>	<u>2,398</u>
Cost of sales:			
Cost of net sales by tenants	215,294	213,201	2,093
Cost of net own sales	4,513	4,752	(239)
	<u>219,808</u>	<u>217,954</u>	<u>1,853</u>
	28,717	28,172	545
Provision for allowance for sales returns	-	1	(1)
Reversal of allowance for sales returns	13	-	13
	<u>28,730</u>	<u>28,170</u>	<u>559</u>
Other operating revenues	<u>1,612</u>	<u>1,590</u>	<u>22</u>
Gross profit	30,342	29,760	581
Selling, general and administrative expenses	<u>23,412</u>	<u>23,464</u>	<u>(51)</u>
Operating income	<u>6,929</u>	<u>6,296</u>	<u>632</u>
Non-operating income:			
Interest income	242	274	(31)
Dividends income	31	36	(4)
Other non-operating income	363	354	8
	<u>637</u>	<u>666</u>	<u>(28)</u>
Non-operating expenses:			
Interest expenses	994	1,060	(66)
Bonds interest expenses	472	733	(260)
Amortization of bonds discount	33	33	(0)
Bonds issue expenses	-	12	(12)
Other non-operating expenses	347	236	110
	<u>1,847</u>	<u>2,076</u>	<u>(228)</u>
Ordinary income	<u>5,719</u>	<u>4,886</u>	<u>833</u>
Special income:			
Gain on sales of investment securities	72	1	71
Reversal of write-down of marketable securities	-	1,245	(1,245)
Reversal of write-down of investment securities	-	162	(162)
Reversal of allowance for doubtful accounts	89	-	89
Settlement received on determination of purchase price of securities	533	-	533
Prior years' removal expense adjustments	-	168	(168)
	<u>696</u>	<u>1,577</u>	<u>(881)</u>
Special losses:			
Loss on disposal of fixed assets	978	917	60
Loss on sales of investment securities	12	5,069	(5,056)
Loss on sales of investments in subsidiaries	25	-	25
Loss on write-down of investment securities	1,586	227	1,359
Loss on write-down of golf club memberships	65	127	(62)
Loss on write-down of investments in subsidiaries	854	2,900	(2,045)
Provision for allowance for doubtful accounts	680	1,914	(1,234)
Provision for loss on guaranty of bank loans	-	350	(350)
Loss on liquidation of a subsidiary	-	1,135	(1,135)
Loss on liquidation of relevant investment business	-	225	(225)
Special allowance for retirement	158	-	158
	<u>4,361</u>	<u>12,868</u>	<u>(8,506)</u>
Income (Loss) before income taxes	<u>2,054</u>	<u>(6,403)</u>	<u>8,458</u>
Income taxes:			
Current	22	1,200	(1,177)
Deferred	905	(3,850)	4,755
Net income (loss)	<u>1,127</u>	<u>(3,753)</u>	<u>4,881</u>
Retained earnings:			
Balance, beginning of the year	402	650	(247)
Cash dividends (interim)	287	224	63
Transfer to legal reserve (interim)	-	22	(22)
Balance at the end of year	<u>¥ 1,243</u>	<u>¥ (3,349)</u>	<u>¥ 4,593</u>

PARCO CO., LTD.

Non-consolidated Statements of Appropriation of Retained Earnings for the Fiscal Year
Ended February 28, 2002

(Fractional amounts less than one million yen are discarded)

	(¥ millions)		
	February 28		Increase (Decrease)
	2002	2001	
Unappropriated retained earnings:			
Balance at the end of year	¥ 1,243	¥ (3,349)	¥ 4,593
Reversal of general reserve	-	4,000	(4,000)
	<u>1,243</u>	<u>650</u>	<u>593</u>
Appropriations:			
Transfer to legal reserve	-	23	(23)
Cash dividends (¥4.0 per share)	301	224	76
Bonuses to directors and statutory auditors	40	-	40
Transfer to general reserve	250	-	250
Balance to be carried forward	<u>¥ 652</u>	<u>¥ 402</u>	<u>¥ 249</u>