

PARCO CO., LTD.

Non-consolidated Financial Statements for the Fiscal Year Ended February 29, 2004
(Fractional amounts less than one million yen are discarded)

April 19, 2004

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: Kourou Hiraide, Executive Officer, Finance & Accounting TEL (03)3477-5791

Board of Directors meeting: April 19, 2004

Interim dividends payment system: Yes

Ordinary General Meeting

Trading unit (Tangen-kabu) system: Yes (1 unit 1,000shares)

of shareholders: May 29, 2004

1. Results for Fiscal 2003 (March 1, 2003-February 29, 2004)

(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 2003	242,421	[-1.0]	7,701	[+4.5]	6,893	[+8.5]
Fiscal 2002	244,936	[-1.4]	7,371	[+6.4]	6,352	[+11.1]

	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 2003	1,914	[+36.6]	25.35	24.39	[+3.3]	[+3.5]	[+2.8]
Fiscal 2002	1,401	[+24.3]	18.27	17.41	[+2.4]	[+3.1]	[+2.6]

Notes:

1. Average number of shares outstanding during year:

Fiscal 2003 75,499,197 shares

Fiscal 2002 76,718,190 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 2003	8.00	4.00	4.00	592	31.6	[+1.0]
Fiscal 2002	8.00	4.00	4.00	616	44.0	[+1.1]

(3) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity/ total assets [%]	Shareholders' equity per share (¥)
Fiscal 2003	193,523	57,508	[+29.7]	808.29
Fiscal 2002	201,572	58,737	[+29.1]	763.45

Notes: Total number of shares outstanding:

As of February 29, 2004 71,148,207 shares As of February 28, 2003 76,937,886 shares

Total number of treasury stock

As of February 29, 2004 7,383,299 shares As of February 28, 2003 1,368,396 shares

2. Projected Results for Fiscal 2004 (March 1, 2004-February 28, 2005)

	Net sales (¥ million)	Operating income (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividends per share (¥)		
					Interim	Year-end	
Interim period	118,000	3,700	3,100	1,300	5.00	-	-
Fiscal 2004	244,000	7,700	6,800	2,500	-	5.00	10.00

Reference: Estimated net income per share (fiscal 2004): ¥35.14

Notes: The above projected results are announced presupposing available information at April 19,2004 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 29,2004
(Fractional amounts less than one million yen are discarded)

(¥millions)

	29-Feb 2004		28-Feb 2003		Increase (Decrease)
		%		%	
(ASSETS)					
I .Current Assets:					
Cash and time deposits	11,060		12,713		(1,653)
Notes receivable - trade	2		11		(8)
Accounts receivable - trade	7,108		5,680		1,427
Finished products	208		189		19
Work-in-process	4		10		(6)
Supplies	0		12		(11)
Advance payment	66		119		(53)
Prepaid expenses	613		663		(50)
Deferred tax assets	1,194		962		231
Short-term loans	69		19		49
Short-term loans to affiliated company	4,973		6,270		(1,296)
Other current assets	906		1,183		(277)
Less: Allowance for doubtful accounts	(2,253)		(1,801)		(452)
Total current assets	23,955	12.4	26,036	12.9	(2,081)
II .Fixed Assets:					
1 Tangible fixed assets:					
Buildings	38,492		38,189		302
Structures	500		528		(27)
Machinery and equipment	311		234		77
Motor vehicles	6		4		1
Tools, furniture and fixtures	790		837		(46)
Land	39,857		39,392		465
Total tangible fixed assets	79,960		79,186		773
2 Intangible fixed assets:					
Goodwill	752		1,128		(376)
Leasehold	11,014		11,014		-
Software	241		219		21
Other intangible fixed assets	291		326		(34)
Total intangible fixed assets	12,300		12,688		(388)
3 Investments and other assets:					
Investment securities	8,059		7,695		363
Investments in affiliated companies	12,669		12,668		0
Investments in non-stock equity interests	2		5		(2)
Long-term loans	928		1,034		(105)
Long-term prepaid expenses	1,103		1,209		(105)
Fixed leasehold deposits	52,701		56,486		(3,785)
Deferred tax assets	469		2,321		(1,852)
Other investments	2,386		2,323		62
Less: Allowance for doubtful accounts	(1,012)		(84)		(927)
Total investments and other assets	77,308		83,660		(6,352)
Total fixed assets	169,568	87.6	175,535	87.1	(5,967)
Total assets	193,523	100.0	201,572	100.0	(8,048)

PARCO CO., LTD.

Non-consolidated Balance Sheets for the Fiscal Year Ended February 29,2004
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2004		28-Feb 2003		Increase (Decrease)
		%		%	
(LIABILITIES)					
I .Current liabilities:					
Notes payable - trade	660		891		(230)
Accounts payable - trade	14,504		14,143		361
Short-term bank loans	9,030		10,830		(1,800)
Current portion of long-term bank loans	11,214		10,753		460
Accounts payable - other	3,238		4,459		(1,220)
Accrued expenses	932		829		103
Accrued income taxes	548		364		184
Advance received	195		189		5
Withholdings	256		248		7
Accrued bonuses to employees	477		534		(57)
Allowance for sales returns	13		10		2
Allowance for books unsold	60		65		(4)
Current portion of bonds	-		2,000		(2,000)
Current portion of convertible bonds	1,237		-		1,237
Current portion of guarantee deposits received from tenants	2,145		2,333		(188)
Other current liabilities	931		161		769
Total current liabilities	45,447	23.5	47,816	23.8	(2,368)
II .Long-term liabilities:					
Straight bonds	14,000		12,000		2,000
Convertible bonds	-		1,337		(1,337)
Long-term bank loans	32,042		34,047		(2,005)
Reserve for retirement benefits	297		175		121
Accrued retirement benefits for directors and statutory auditors	231		306		(75)
Provision for loss on guaranty of bank loans	-		350		(350)
Guarantee deposits received from tenants	43,997		46,801		(2,803)
Total long-term liabilities	90,568	46.8	95,018	47.1	(4,449)
Total liabilities	136,015	70.3	142,834	70.9	(6,818)
(SHAREHOLDERS' EQUITY)					
I .Common Stock					
	25,942	13.4	25,892	12.8	50
II .Capital Surplus					
Additional paid-in capital	25,368		25,318		50
Total capital surplus	25,368	13.1	25,318	12.6	50
III .Retained Earnings					
Legal reserve	681		681		-
General reserve	7,011		6,261		750
Unappropriated retained earnings	2,237		1,744		492
Total retained earnings	9,929	5.1	8,686	4.3	1,242
IV .Net Unrealized Gains(Losses) on Securities	311	0.2	(447)	(0.2)	759
V .Treasury Stock					
	(4,043)	(2.1)	(712)	(0.4)	(3,331)
Total shareholders' equity	57,508	29.7	58,737	29.1	(1,229)
Total liabilities and shareholders' equity	193,523	100.0	201,572	100.0	(8,048)

PARCO CO., LTD.

Non-consolidated Statements of Income for the Fiscal Year Ended February 29,2004
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2004		28-Feb 2003		Increase (Decrease)
I .Net sales:		%		%	
Net sales by tenants	236,023		239,971		(3,947)
Own sales	6,397		4,965		1,432
	242,421	100.0	244,936	100.0	(2,514)
II .Cost of sales:					
Cost of net sales by tenants	208,538		212,289		(3,750)
Cost of net own sales	4,619		3,636		982
	213,158	87.9	215,925	88.2	(2,767)
	29,263	12.1	29,010	11.8	252
Provision for allowance for sales returns	2	0.0	0	0.0	1
Gross profit on sales	29,260	12.1	29,009	11.8	251
III .Other operating revenue	1,724	0.7	1,768	0.8	(44)
Gross profit	30,985	12.8	30,778	12.6	207
IV .Selling, general and administrative expenses	23,283	9.6	23,407	9.6	(123)
Operating income	7,701	3.2	7,371	3.0	330
V .Non-operating income:					
Interest income	155		170		(14)
Dividends income	39		43		(3)
Other non-operating income	282		352		(70)
	476	0.2	566	0.2	(89)
VI .Non-operating expenses:					
Interest expenses	873		1,071		(197)
Bonds interest expenses	176		127		48
Bonds issue expenses	18		198		(180)
Other non-operating expenses	217		188		28
	1,285	0.6	1,584	0.6	(299)
Ordinary income	6,893	2.8	6,352	2.6	541
VII .Special income:					
Gain on sales of investment securities	113		342		(229)
Reversal of allowance for doubtful accounts	22		20		1
Gain on termination of substitutional portion of employees' pension fund	-		92		(92)
Reversal of provision for loss on guaranty of bank loans	350		-		350
Gain on sales of investments in a subsidiary	341		-		341
	826	0.4	455	0.2	370
VIII .Special losses:					
Loss on sales of fixed assets	5		14		(9)
Loss on disposal of fixed assets	863		1,982		(1,118)
Loss on sales of investment securities	-		7		(7)
Loss on sales of investments in subsidiaries	-		55		(55)
Loss on write-down of investment securities	171		1,518		(1,347)
Loss on write-down of golf club memberships	7		-		7
Loss on write-down of investments in subsidiaries	31		20		10
Provision for allowance for doubtful accounts	1,625		382		1,243
Loss on liquidation of a subsidiary	1,367		171		1,195
Special allowance for retirement	41		29		12
	4,114	1.7	4,182	1.7	(67)
Income before income taxes	3,605	1.5	2,625	1.1	979
Income taxes:					
Current income taxes	609	0.3	271	0.1	337
Deferred income taxes	1,082	0.4	952	0.4	129
Net income	1,914	0.8	1,401	0.6	512
Retained earnings:					
Balance, beginning of year	630		652		(21)
Cash dividends (interim)	307		309		(1)
Loss on sales of treasury stock	0		-		0
Balance at end of year	2,237		1,744		492

PARCO CO., LTD.

Non-consolidated Statements of Appropriation of Retained Earnings for the Fiscal Year
 Ended February 29, 2004

(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2004		28-Feb 2003		Increase (Decrease)
Unappropriated retained earnings:					
Balance at end of year		2,237		1,744	492
Appropriations:					
Cash dividends (¥4.0 per share)	284		307		
Bonuses to directors and statutory auditors	-		55		
Transfer to general reserve	900	1,184	750	1,113	71
Balance to be carried forward		1,052		630	421
Date of approval	19-Apr 2004		24-May 2003		