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For Immediate Release

Company Name: PARCO CO., LTD.  
Company Representative: Kozo Makiyama  
President, Representative Executive Officer  
Stock code: 8251 (TSE 1st Section)  
Inquiries: Mika Kusakawa  
Senior Manager, Public Relations and Investor Relations Office

## **PARCO Announces Recording of Other Expenses and Revisions to Earnings Forecasts**

PARCO announced today a decision by its board of directors to revise its full-year consolidated earnings forecasts for FY 2018 (March 1, 2018 – February 28, 2019), announced on October 5, 2018, as laid out in two timely disclosures released today titled, “PARCO to close Utsunomiya PARCO,” and “PARCO to close Kumamoto PARCO.”

PARCO also announced that there will be no change to its annual dividend of ¥24 per share (year-end dividend ¥12 per share) associated with this revision.

### 1. About Other expenses

As laid out in in two timely disclosures released today titled, “PARCO to close Utsunomiya PARCO,” and “PARCO to close Kumamoto PARCO,” the losses associated with the closure of Utsunomiya PARCO (¥2.2 billion) and Kumamoto PARCO (¥1 billion) will be recorded as Other expenses in Q4 of FY2018 and will include an additional ¥1.3 billion impairment loss from other stores. Based on these figures and recent business trends, PARCO expects total Other expenses of ¥4.5 billion.

2. Revisions to full-year consolidated earnings forecast for FY2018 (March 1, 2018 – February 28, 2019)

Unit: Million yen

	Operating revenue	Operating profit	Profit before tax	Profit attributable to owners of parent	Basic earnings per share (yen)
Previous forecast (A) (Announced October 5, 2018)	93,700	10,800	10,450	7,100	¥70.04
Revised forecast (B)	90,800	5,100	4,700	3,100	¥30.61
Difference (B–A)	(2,900)	(5,700)	(5,750)	(4,000)	—
% change	(3.1)	(52.8)	(55.0)	(56.3)	—
Reference: FY2017 results	91,621	11,713	11,455	7,809	¥76.97

Reasons for revisions

Operating revenue is projected to be ¥2.9 billion less than the previously announced figure, due to the effects of intensifying competition and sluggish performance by PARCO's apparel-focused shops and Group retail businesses during the New Year's holiday period. In consideration of these factors and the above-mentioned expenses, forecasts have been revised downward as follows: operating profit by ¥5.7 billion, profit before tax by ¥5.75 billion, and profit attributable to owners of parent by ¥4 billion.

(Note) The above announcement is based on assumptions made by PARCO using the most recent available data. Actual results may differ from forecasted figures due to a variety of factors.