

PARCO CO., LTD. AND SUBSIDIARIES



Consolidated Financial Statements for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

April 10, 2008

Corporate Name: PARCO CO.,LTD.

Stock Exchange Listings: Tokyo Stock Exchange(first section)

Code Number: 8251

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

Company Representative: Hidekazu Hirano, President, Representative Executive Officer

Personnel to Contact: Kazumi Kojima, Member of the Board, Senior Executive Officer & Director Finance Department TEL (03)3477-5791

Ordinary General Meeting

Projected Starting Date

of Shareholders: May 24, 2008

of Dividend Distribution: May 7, 2008

Projected Date to Submit Financial Report: May 30, 2008

1. Results for Fiscal 2007 (March 1, 2007 - February 29, 2008)

(1) Sales and Income

(Year-on-year changes are based on the previous fiscal year)

	Net sales (¥ million)	Year-on-year change [%]	Operating income (¥ million)	Year-on-year change [%]	Ordinary income (¥ million)	Year-on-year change [%]
Fiscal 2007	286,788	[+7.6]	10,090	[+3.4]	9,973	[+3.9]
Fiscal 2006	266,645	[+1.6]	9,756	[+7.4]	9,594	[+8.1]

	Net income (¥ million)	Year-on-year change [%]	Net income per share(¥)	Net income per share (diluted) (¥)	Return on equity [%]	Ordinary income/total assets [%]	Operating income/net sales [%]
Fiscal 2007	5,167	[+14.8]	62.73	-	7.2	5.4	3.5
Fiscal 2006	4,503	[+12.4]	54.83	-	6.5	5.3	3.7

Reference: Investment profit or loss on equity method

Fiscal 2007 : ¥14 million

Fiscal 2006 : ¥-0 million

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio [%]	Net assets per share (¥)
Fiscal 2007	189,989	73,981	38.9	897.19
Fiscal 2006	182,553	70,777	38.7	856.74

Reference: Equity

Fiscal 2007 : ¥73,912 million

Fiscal 2006 : ¥70,581 million

(3) Cash Flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Cash and cash equivalents at end of year (¥ million)
Fiscal 2007	12,705	(6,611)	(3,084)	16,558
Fiscal 2006	10,322	(3,673)	(4,911)	13,519

2. Dividends

(Reference date)	Cash dividends per share (¥)			Total dividends (¥ million)	Payout ratio (consolidated) [%]	Dividends paid/net assets (consolidated) [%]
	Interim	Year-end	Annual Dividends			
Fiscal 2006	6.00	7.00	13.00	1,069	23.7	1.6
Fiscal 2007	7.00	8.00	15.00	1,235	23.9	1.7
Fiscal 2008 (forecast)	8.00	8.00	16.00	-	26.4	-

3. Projected Results for Fiscal 2008 (March 1, 2008 - February 28, 2009)

(Year-on-year changes are based on the previous fiscal year and previous interim period)

	Net sales	Year-on- year change	Operating income	Year-on- year change	Ordinary income	Year-on- year change	Net income	Year-on- year change	Net income per share
	(¥ million)	[%]	(¥ million)	[%]	(¥ million)	[%]	(¥ million)	[%]	(¥)
Interim period	144,400	[+5.7]	4,350	[(20.4)]	4,150	[(23.4)]	2,200	[(19.4)]	26.70
Fiscal 2008	306,500	[+6.9]	10,300	[+2.1]	10,000	[+0.3]	5,000	[(3.2)]	60.69

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4. Others

(1) Changes in main subsidiary companies, during the fiscal year (Changes in specific subsidiary companies with changes in scope of consolidation): None
New: None Eliminated: None

(2) Changes in accounting standards, procedures and disclosure methods for drawing up consolidated financial statements (Changes in important fundamentals for drawing up consolidated financial statements)
1, Changes with revision of accounting standards: Yes
2, Changes except 1st: None

(3) Total number of shares outstanding (Common stocks)
1, Total number of shares outstanding (Including treasury stocks)
Fiscal 2007 : 82,475,677 shares Fiscal 2006 : 82,475,677 shares
2, Total number of treasury stocks
Fiscal 2007 : 93,843 shares Fiscal 2006 : 91,598 shares

Reference: Non-consolidated Financial Statements

1. Non-consolidated Results for Fiscal 2007 (March 1, 2007 - February 29, 2008)

(1) Non-consolidated Sales and Income

(Year-on-year changes are based on the previous fiscal year)

	Net sales (¥ million)	Year-on-year change [%]	Operating income (¥ million)	Year-on-year change [%]	Ordinary income (¥ million)	Year-on-year change [%]
Fiscal 2007	263,525	[+6.9]	9,087	[+3.8]	8,974	[+5.8]
Fiscal 2006	246,439	[+1.6]	8,755	[+14.3]	8,481	[+15.9]

	Net income (¥ million)	Year-on-year change [%]	Net income per share(¥)	Net income per share (diluted) (¥)
Fiscal 2007	4,841	[+33.3]	58.77	-
Fiscal 2006	3,633	[+20.9]	44.23	-

(2) Non-consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio [%]	Net assets per share (¥)
Fiscal 2007	182,257	73,652	40.4	894.04
Fiscal 2006	173,796	70,662	40.7	857.72

Reference: Equity

Fiscal 2007 : ¥73,652 million Fiscal 2006 : ¥70,662 million

2. Non-consolidated Projected Results for Fiscal 2008 (March 1, 2008 - February 28, 2009)

(Year-on-year changes are based on the previous fiscal year and previous interim period)

	Net sales	Year-on- year change	Operating income	Year-on- year change	Ordinary income	Year-on- year change	Net income	Year-on- year change	Net income per share
	(¥ million)	[%]	(¥ million)	[%]	(¥ million)	[%]	(¥ million)	[%]	(¥)
Interim period	133,400	[+6.9]	4,050	[(14.7)]	4,200	[(11.2)]	2,450	[+4.7]	29.74
Fiscal 2008	284,500	[+8.0]	9,400	[+3.4]	9,450	[+5.3]	4,850	[+0.2]	58.87

* Explanations about appropriate use of projected results, and other specific notices

The above projected results are announced presupposing available information as at April 10, 2008 and an assumption related to uncertain factors which will influence the future results. Actual results may differ from the above projections depending on various factors in the future.

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2007		29-Feb 2008		Increase (Decrease)
		%		%	
(ASSETS)					
I .Current Assets:					
1 Cash and time deposits	13,519		15,858		2,339
2 Notes and accounts receivable - trade and accounts receivable for completed contract	7,922		7,826		(96)
3 Marketable securities	-		1,000		1,000
4 Inventories	3,112		2,807		(304)
5 Advance payment	87		32		(55)
6 Prepaid expenses	768		956		187
7 Deferred tax assets	753		951		198
8 Short-term loans	173		157		(16)
9 Others	929		1,853		923
10 Less: Allowance for doubtful accounts	(13)		(26)		(13)
Total current assets	27,254	14.9	31,417	16.5	4,163
II .Fixed Assets:					
1 Tangible fixed assets:					
(1) Buildings and structures	99,302		107,245		
Accumulated depreciation	60,285		63,016		
Accumulated impairment losses	1,461	37,554	1,475	42,753	5,198
(2) Machinery, equipment and motor vehicles	958		978		
Accumulated depreciation	646	312	683	294	(18)
(3) Tools, furniture and fixtures	4,288		4,737		
Accumulated depreciation	2,978		3,273		
Accumulated impairment losses	56	1,253	54	1,409	156
(4) Land		39,347		39,365	18
(5) Construction in progress		6,206		5,692	(513)
Total tangible fixed assets		84,674		89,516	4,841
2 Intangible fixed assets:					
(1) Leasehold		11,014		11,014	—
(2) Others		760		874	114
Total intangible fixed assets		11,774		11,889	114
3 Investments and other assets:					
(1) Investment securities		8,005		6,496	(1,509)
(2) Long-term loans		766		695	(70)
(3) Long-term prepaid expenses		779		937	158
(4) Fixed leasehold deposits		47,191		46,570	(620)
(5) Deferred tax assets		1,934		2,302	367
(6) Long-term accounts receivable		198		129	(69)
(7) Others		205		260	55
(8) Less: Allowance for doubtful accounts		(232)		(226)	5
Total investments and other assets		58,849		57,165	(1,683)
Total fixed assets		155,299		158,571	3,272
Total assets		182,553		189,989	7,435

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2007		29-Feb 2008		Increase (Decrease)
		%		%	
(LIABILITIES)					
I .Current Liabilities:					
1 Notes and accounts payable - trade	23,066		23,203		137
2 Short-term bank loans	9,108		9,073		(34)
3 Accounts payable - other	2,335		4,027		1,691
4 Accrued expenses	1,278		1,453		175
5 Accrued income taxes	935		3,438		2,503
6 Allowance for bonuses to employees	920		973		52
7 Allowance for sales returns	15		13		(1)
8 Allowance for books unsold	71		75		4
9 Reserve for sales promotion	223		184		(38)
10 Current portion of straight bonds	12,000		2,000		(10,000)
11 Others	2,983		2,658		(325)
Total current liabilities	52,937	29.0	47,102	24.8	(5,834)
II .Long-term Liabilities:					
1 Straight bonds	2,000		—		(2,000)
2 Long-term bank loans	11,755		21,992		10,236
3 Long-term accounts payable - other	294		224		(69)
4 Reserve for retirement benefits	998		1,116		118
5 Accrued retirement benefits for directors and statutory auditors	7		9		1
6 Allowance for loss on store closing	2,179		2,179		-
7 Guarantee deposits received from tenants	41,597		43,377		1,779
8 Others	5		5		(0)
Total long-term liabilities	58,839	32.2	68,905	36.3	10,066
Total liabilities	111,776	61.2	116,008	61.1	4,231
(NET ASSETS)					
I .Shareholders' Equity:					
1 Common stock	26,867	14.7	26,867	14.1	—
2 Capital surplus	27,527	15.1	27,527	14.5	0
3 Retained earnings	15,100	8.3	19,114	10.1	4,014
4 Treasury stock	(54)	(0.0)	(57)	(0.0)	(3)
Total shareholders' equity	69,441	38.1	73,452	38.7	4,010
II .Valuation and Translation Adjustments:					
1 Net unrealized gains on securities	1,022	0.6	315	0.1	(706)
2 Foreign currency translation adjustments	117	0.0	144	0.1	26
Total valuation and translation adjustments	1,139	0.6	459	0.2	(680)
III .Minority Interests in Consolidated Subsidiaries:					
	195	0.1	69	0.0	(126)
Total net assets	70,777	38.8	73,981	38.9	3,204
Total liabilities and net assets	182,553	100.0	189,989	100.0	7,435

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Income for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2007			29-Feb 2008			Increase (Decrease)
			%			%	
I .Net sales		266,645	100.0		286,788	100.0	20,143
II .Cost of sales:		228,464	85.7		245,200	85.5	16,735
Net		38,180	14.3		41,588	14.5	3,407
Provision for allowance for sales returns		3	0.0		-	-	(3)
Reversal of allowance for sales returns		-	-		1	0.0	1
Gross profit		38,177	14.3		41,590	14.5	3,412
III .Other operating revenue		2,008	0.8		2,493	0.9	484
Gross operating profit		40,185	15.1		44,083	15.4	3,897
IV .Selling, general and administrative expenses		30,429	11.4		33,992	11.9	3,563
Operating income		9,756	3.7		10,090	3.5	334
V .Non-operating income:							
1 Interest income	109			120			
2 Dividends income	62			67			
3 Others	348	520	0.2	339	526	0.2	6
VI .Non-operating expenses:							
1 Interest expenses	459			472			
2 Bonds interest expenses	174			131			
3 Others	47	681	0.3	39	643	0.2	(37)
Ordinary income		9,594	3.6		9,973	3.5	378
VII .Special income:							
1 Gain on sales of fixed assets	252			-			
2 Gain on sales of investment securities	55			12			
3 Reversal of allowance for doubtful accounts	15			5			
4 Dividends from sales of anonymous associations' assets	-			784			
5 Reversal of allowance for loss on store closing	666			-			
6 Compensation for termination of advisory services agreement	508			-			
7 Others	47	1,544	0.6	92	895	0.3	(648)
VIII .Special losses:							
1 Loss on sales of fixed assets	0			0			
2 Loss on disposal of fixed assets	783			1,024			
3 Loss on impairment of fixed assets	653			13			
4 Loss on write-down of investment securities	434			286			
5 Loss on sales of investment securities	-			53			
6 Provision for allowance for doubtful accounts	115			-			
7 Special allowance for retirement	49			3			
8 Loss on store closing	2,308			258			
9 Loss on collecting amortized coupons	-			47			
10 Others	68	4,414	1.7	7	1,696	0.6	(2,717)
Income before income taxes and minority interests		6,725	2.5		9,173	3.2	2,447
Income taxes:							
Current income taxes	2,187			4,085			
Deferred income taxes	(150)	2,037	0.7	(80)	4,004	1.4	1,967
Minority interests		184	0.1		0	0.0	(183)
Net income		4,503	1.7		5,167	1.8	664

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets
for the Fiscal Year Ended February 28, 2007
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Shareholders' Equity				
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at February 28, 2006	26,867	27,184	11,581	(166)	65,466
Change of items during the period					
Issuance of shares		331			331
Dividends from surplus			(491)		(491)
Dividends from surplus (interim dividends)			(492)		(492)
Net income			4,503		4,503
Acquisition of treasury stock				(4)	(4)
Sales of treasury stock		11		116	128
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	343	3,519	112	3,974
Balance at February 28, 2007	26,867	27,527	15,100	(54)	69,441

	Valuation and Translation Adjustments			Minority Interests in Consolidated Subsidiaries	Total net assets
	Net unrealized gains on securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at February 28, 2006	1,516	(7)	1,508	401	67,376
Change of items during the period					
Issuance of shares					331
Dividends from surplus					(491)
Dividends from surplus (interim dividends)					(492)
Net income					4,503
Acquisition of treasury stock					(4)
Sales of treasury stock					128
Net changes of items other than shareholders' equity	(494)	125	(369)	(205)	(574)
Total changes of items during the period	(494)	125	(369)	(205)	3,400
Balance at February 28, 2007	1,022	117	1,139	195	70,777

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Changes in Net Assets
for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Shareholders' Equity				
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at February 28, 2007	26,867	27,527	15,100	(54)	69,441
Change of items during the period					
Dividends from surplus			(1,153)		(1,153)
Net income			5,167		5,167
Acquisition of treasury stock				(3)	(3)
Sales of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	4,014	(3)	4,010
Balance at February 29, 2008	26,867	27,527	19,114	(57)	73,452

	Valuation and Translation Adjustments			Minority Interests in Consolidated Subsidiaries	Total net assets
	Net unrealized gains on securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at February 28, 2007	1,022	117	1,139	195	70,777
Change of items during the period					
Dividends from surplus					(1,153)
Net income					5,167
Acquisition of treasury stock					(3)
Sales of treasury stock					0
Net changes of items other than shareholders' equity	(706)	26	(680)	(126)	(806)
Total changes of items during the period	(706)	26	(680)	(126)	3,204
Balance at February 29, 2008	315	144	459	69	73,981

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2007	29-Feb 2008	Increase (Decrease)
I .Cash flows from operating activities:			
1 Income before income taxes and minority interests	6,725	9,173	2,447
2 Depreciation and amortization	3,893	4,594	701
3 Loss on impairment of fixed assets	653	13	(639)
4 Increase (Decrease) in allowance for doubtful accounts	99	7	(91)
5 Increase (Decrease) in accrued bonuses to employees	15	52	37
6 Increase (Decrease) in allowance for sales returns	3	(1)	(5)
7 Increase (Decrease) in allowance for books unsold	(2)	4	7
8 Increase (Decrease) in reserve for sales promotion	48	(38)	(87)
9 Increase (Decrease) in reserve for retirement benefits	101	118	16
10 Increase (Decrease) in accrued retirement benefits for directors and statutory auditors	(1)	1	3
11 Interest income and dividends income	(171)	(187)	(16)
12 Interest expenses	634	603	(30)
13 (Gain) Loss on sales/disposal of fixed assets, net	22	450	427
14 (Gain) Loss on sales of investment securities	(55)	40	96
15 Loss on write-down of investment securities	434	286	(147)
16 Loss on store closing	2,308	258	(2,050)
17 Reversal of allowance for loss on store closing	(666)	-	666
18 Dividends from sales of anonymous associations' assets	-	(784)	(784)
19 (Increase) Decrease in receivables	(546)	96	642
20 (Increase) Decrease in inventories	(861)	304	1,165
21 Increase (Decrease) in payables	951	137	(814)
22 Increase (Decrease) in other assets and liabilities, net	(306)	(291)	15
23 Others	67	28	(38)
Sub-total	13,347	14,869	1,521
24 Interest and dividends received	170	184	14
25 Interest paid	(624)	(604)	20
26 Payment resulting from store closing	(151)	(33)	117
27 Income taxes paid	(2,419)	(1,711)	708
Net cash provided by operating activities	10,322	12,705	2,382

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2007	29-Feb 2008	Increase (Decrease)
II. Cash flows from investing activities:			
1 Acquisition of marketable securities	(700)	(300)	399
2 Sales of marketable securities	700	-	(700)
3 Acquisition of tangible fixed assets	(6,211)	(9,325)	(3,114)
4 Sales of tangible fixed assets	523	0	(523)
5 Acquisition of investment securities	(592)	(446)	145
6 Sales of investment securities	1,509	429	(1,079)
7 Payments for fixed leasehold deposits	(944)	(251)	693
8 Collection of fixed leasehold deposits	3,355	847	(2,508)
9 Increase (Decrease) in guarantee deposits received from tenants	(1,083)	2,247	3,331
10 Sales of anonymous associations' assets	-	784	784
11 Others	(230)	(597)	(367)
Net cash used in investing activities	(3,673)	(6,611)	(2,937)
III. Cash flows from financing activities:			
1 Increase (Decrease) in short-term bank loans	60	320	260
2 Proceeds from long-term bank loans	8,000	14,300	6,300
3 Repayment of long-term bank loans	(12,080)	(4,418)	7,662
4 Payments for redemption of straight bonds	-	(12,000)	(12,000)
5 Sales (Acquisition) of treasury stock	124	(3)	(127)
6 Cash dividends paid	(984)	(1,153)	(169)
7 Cash dividends paid to minority shareholders	(32)	(129)	(97)
8 Others	0	-	(0)
Net cash used in financing activities	(4,911)	(3,084)	1,827
IV. Effect of exchange rate changes on cash and cash equivalents	125	29	(96)
V. Net increase(decrease) in cash and cash equivalents	1,862	3,039	1,176
VI. Cash and cash equivalents at beginning of year	11,656	13,519	1,862
VII. Cash and cash equivalents at end of year	13,519	16,558	3,039

PARCO CO., LTD.

Non-consolidated Balance Sheets for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2007		29-Feb 2008		Increase (Decrease)
(ASSETS)					
.Current Assets:					
1 Cash and time deposits	7,738		11,375		3,637
2 Notes receivable - trade	1		-		(1)
3 Accounts receivable - trade	5,256		5,570		313
4 Finished products	238		242		3
5 Work-in-process	50		67		16
6 Supplies	0		2		1
7 Advance payment	87		32		(54)
8 Prepaid expenses	676		848		172
9 Deferred tax assets	400		607		207
10 Short-term loans	17		71		53
11 Short-term loans to affiliates	190		-		(190)
12 Others	936		1,812		875
13 Less: Allowance for doubtful accounts	(8)		(8)		-
Total current assets	15,587	9.0	20,622	11.3	5,035
.Fixed Assets:					
1 Tangible fixed assets:					
(1) Buildings	97,965		105,609		
Accumulated depreciation	59,618		62,212		
Accumulated impairment losses	1,444	36,902	1,463	41,933	5,031
(2) Structures	1,669		1,796		
Accumulated depreciation	1,222		1,269		
Accumulated impairment losses	32	415	32	495	79
(3) Machinery and equipment	970		988		
Accumulated depreciation	650	319	693	295	(24)
(4) Motor vehicles	13		14		
Accumulated depreciation	11	1	7	7	5
(5) Tools, furniture and fixtures	3,353		3,654		
Accumulated depreciation	2,537		2,715		
Accumulated impairment losses	48	766	50	888	121
(6) Land		39,979		40,011	32
(7) Construction in progress		6,179		5,692	(486)
Total tangible fixed assets		84,563		89,323	4,760
2 Intangible fixed assets:					
(1) Leasehold		11,014		11,014	-
(2) Software		233		480	247
(3) Others		342		208	(133)
Total intangible fixed assets		11,590		11,703	6.4
		48.6		49.0	

PARCO CO., LTD.

Non-consolidated Balance Sheets for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2007		29-Feb 2008		Increase (Decrease)
3 Investments and other assets:		%		%	
(1) Investment securities	7,513		6,104		(1,408)
(2) Investments in affiliated companies	5,699		5,699		-
(3) Investments in non-stock equity interests	2		39		37
(4) Long-term loans	740		669		(70)
(5) Long-term prepaid expenses	770		936		165
(6) Fixed leasehold deposits	46,482		45,896		(585)
(7) Deferred tax assets	677		1,137		459
(8) Long-term accounts receivable	196		126		(69)
(9) Others	203		221		18
(10) Less: Allowance for doubtful accounts	(229)		(224)		5
Total investments and other assets	62,056	35.7	60,607	33.3	(1,448)
Total fixed assets	158,209	91.0	161,635	88.7	3,425
Total assets	173,796	100.0	182,257	100.0	8,460
(LIABILITIES)					
.Current Liabilities:					
1 Notes payable - trade	1,073		-		(1,073)
2 Accounts payable - trade	14,495		15,490		995
3 Short-term bank loans	5,390		5,870		480
4 Current portion of long-term bank loans	4,418		4,063		(354)
5 Accounts payable - other	3,647		6,004		2,357
6 Accrued expenses	824		915		91
7 Accrued income taxes	556		3,105		2,548
8 Advance received	237		290		53
9 Withholdings	176		225		49
10 Allowance for bonuses to employees	425		456		30
11 Allowance for sales returns	15		13		(1)
12 Allowance for books unsold	71		75		4
13 Current portion of straight bonds	12,000		2,000		(10,000)
14 Current portion of guarantee deposits received from tenants	1,394		1,862		468
15 Others	288		157		(130)
Total current liabilities	45,015	25.9	40,532	22.2	(4,482)
.Long-term Liabilities:					
1 Straight bonds	2,000		-		(2,000)
2 Long-term bank loans	11,755		21,992		10,236
3 Long-term accounts payable - other	237		175		(61)
4 Reserve for retirement benefits	213		210		(2)
5 Allowance for loss on store closing	2,179		2,179		-
6 Guarantee deposits received from tenants	41,732		43,513		1,780
Total long-term liabilities	58,118	33.4	68,072	37.4	9,953
Total liabilities	103,134	59.3	108,605	59.6	5,470

PARCO CO., LTD.

Non-consolidated Balance Sheets for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2007			29-Feb 2008			Increase (Decrease)
			%			%	
(NET ASSETS)							
.Shareholders' Equity:							
1 Common stock		26,867	15.5		26,867	14.7	-
2 Capital surplus							
(1) Additional paid-in capital	26,623			26,623			
(2) Other capital surplus	903			904			
Total capital surplus		27,527	15.8		27,527	15.1	0
3 Retained earnings							
(1) Legal reserve	681			681			
(2) Others							
General reserve	10,511			12,811			
Retained earnings brought forward	4,154			5,542			
Total retained earnings		15,346	8.8		19,035	10.5	3,688
4 Treasury stock		(54)	(0.0)		(57)	(0.0)	(3)
Total shareholders' equity		69,687	40.1		73,372	40.3	3,685
.Valuation and Translation Adjustments:							
1 Net unrealized gains on securities		975	0.6		279	0.1	(695)
Total valuation and translation adjustments		975	0.6		279	0.1	(695)
Total net assets		70,662	40.7		73,652	40.4	2,989
Total liabilities and net assets		173,796	100.0		182,257	100.0	8,460

PARCO CO., LTD.

Non-consolidated Statements of Income for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	28-Feb 2007			29-Feb 2008			Increase (Decrease)
			%			%	
.Net sales:							
1 Net sales by tenants	240,820			256,883			
2 Own sales	5,619	246,439	100.0	6,641	263,525	100.0	17,086
.Cost of sales:							
1 Cost of net sales by tenants	212,812			226,499			
2 Cost of own sales	4,005	216,818	88.0	4,634	231,134	87.7	14,315
Net		29,620	12.0		32,391	12.3	2,770
Provision for allowance for sales returns		3	0.0		-	-	(3)
Reversal of allowance for sales returns		-	-		1	0.0	1
Gross profit		29,617	12.0		32,393	12.3	2,775
.Other operating revenue		2,207	0.9		2,614	1.0	407
Gross operating profit		31,824	12.9		35,007	13.3	3,183
.Selling, general and administrative expenses		23,068	9.3		25,920	9.9	2,851
Operating income		8,755	3.6		9,087	3.4	331
.Non-operating income:							
1 Interest income	65			69			
2 Dividends income	126			122			
3 Others	293	485	0.2	322	515	0.2	30
.Non-operating expenses:							
1 Interest expenses	527			471			
2 Bonds interest expenses	174			131			
3 Others	57	759	0.4	24	628	0.2	(131)
Ordinary income		8,481	3.4		8,974	3.4	493
.Special income:							
1 Gain on sales of fixed assets	252			-			
2 Gain on sales of investment securities	43			0			
3 Reversal of allowance for doubtful accounts	8			5			
4 Reversal of allowance for loss on store closing	666			-			
5 Dividends from sales of anonymous associations' assets	-			784			
6 Others	26	997	0.4	-	789	0.3	(207)
.Special losses:							
1 Loss on sales of fixed assets	0			0			
2 Loss on disposal of fixed assets	753			939			
3 Loss on impairment of fixed assets	608			-			
4 Loss on write-down of investment securities	434			286			
5 Loss on sales of investment securities	-			53			
6 Provision for allowance for doubtful accounts	115			-			
7 Special allowance for retirement	49			3			
8 Loss on store closing	2,308			259			
9 Loss on collecting amortized coupons	-			47			
10 Others	64	4,335	1.7	7	1,598	0.6	(2,736)
Income before income taxes		5,143	2.1		8,165	3.1	3,022
Income taxes:							
Current income taxes	1,606			3,513			
Deferred income taxes	(96)	1,510	0.6	(189)	3,323	1.3	1,813
Net income		3,633	1.5		4,841	1.8	1,208

PARCO CO., LTD.

Non-consolidated Statements of Changes in Net Assets
for the Fiscal Year Ended February 28, 2007
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Shareholders' Equity									
	Common Stock	Capital surplus			Legal reserve	Retained earnings			Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at February 28, 2006	26,867	26,292	892	27,184	681	8,611	3,405	12,697	(166)	66,582
Change of items during the period										
Issuance of shares		331		331						331
Fund for general reserve						1,900	(1,900)	-		-
Dividends from surplus							(491)	(491)		(491)
Dividends from surplus (interim dividends)							(492)	(492)		(492)
Net income							3,633	3,633		3,633
Acquisition of treasury stock									(4)	(4)
Sales of treasury stock			11	11					116	128
Net changes of items other than shareholders' equity										
Total changes of items during the period	-	331	11	343	-	1,900	748	2,648	112	3,104
Balance at February 28, 2007	26,867	26,623	903	27,527	681	10,511	4,154	15,346	(54)	69,687

	Valuation and Translation Adjustments	Total net assets
	Net unrealized gains on securities	
Balance at February 28, 2006	1,432	68,014
Change of items during the period		
Issuance of shares		331
Fund for general reserve		-
Dividends from surplus		(491)
Dividends from surplus (interim dividends)		(492)
Net income		3,633
Acquisition of treasury stock		(4)
Sales of treasury stock		128
Net changes of items other than shareholders' equity	(456)	(456)
Total changes of items during the period	(456)	2,647
Balance at February 28, 2007	975	70,662

PARCO CO., LTD.

Non-consolidated Statements of Changes in Net Assets
for the Fiscal Year Ended February 29, 2008
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Shareholders' Equity									
	Common Stock	Capital surplus			Legal reserve	Retained earnings			Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings		Total retained earnings		
						General reserve	Retained earnings brought forward			
Balance at February 28, 2007	26,867	26,623	903	27,527	681	10,511	4,154	15,346	(54)	69,687
Change of items during the period										
Fund for general reserve						2,300	(2,300)	-		-
Dividends from surplus							(1,153)	(1,153)		(1,153)
Net income							4,841	4,841		4,841
Acquisition of treasury stock									(3)	(3)
Sales of treasury stock			0	0					0	0
Net changes of items other than shareholders' equity										
Total changes of items during the period	-	-	0	0	-	2,300	1,388	3,688	(3)	3,685
Balance at February 29, 2008	26,867	26,623	904	27,527	681	12,811	5,542	19,035	(57)	73,372

	Valuation and Translation Adjustments	Total net assets
	Net unrealized gains on securities	
Balance at February 28, 2007	975	70,662
Change of items during the period		
Fund for general reserve		-
Dividends from surplus		(1,153)
Net income		4,841
Acquisition of treasury stock		(3)
Sales of treasury stock		0
Net changes of items other than shareholders' equity	(695)	(695)
Total changes of items during the period	(695)	2,989
Balance at February 29, 2008	279	73,652