

1. Overview of FY2009 Q1 results

Q1 results

Unit: Million yen

Consolidated	FY2009 Q1 Mar.-May	FY2008 Q1 Mar.-May	Change ¥	Change %
Net sales	65,069	68,978	(3,908)	(5.7%)
Operating income	2,398	2,509	(111)	(4.4%)
Ordinary income	2,317	2,441	(124)	(5.1%)
Net income	1,304	1,494	(190)	(12.8%)

Non-consolidated	FY2009 Q1 Mar.-May	FY2008 Q1 Mar.-May	Change ¥	Change %
Net sales	60,300	63,757	(3,457)	(5.4%)
Operating income	2,310	2,379	(69)	(2.9%)
Ordinary income	2,364	2,384	(20)	(0.8%)
Net income	1,384	1,527	(142)	(9.3%)

Consolidated results by segment

Opened four new stores in Mar. and Apr. in Retail Business

Unit: Million yen

		Q1 Mar.-May	Change ¥
Shopping Complex Business	Net sales	61,044	(3,456)
	Operating income	2,300	(93)
Retail Business	Net sales	4,026	(126)
	Operating loss	(14)	(50)
Space Engineering and Management Business	Net sales	4,722	(1,106)
	Operating income	90	(35)
Other Business	Net sales	509	(61)
	Operating income	10	26
Subtotal	Net sales	70,302	(4,751)
	Operating income	2,386	(153)
Eliminations or corporate	Net sales	(4,538)	853
	Operating income	11	42
Total	Net sales	65,764	(3,897)
	Operating income	2,398	(111)

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

Consolidated SG&A expenses

Increase in depreciation expenses due to acquisition of new properties

Unit: Million yen

	Q1 Mar.-May	Change ¥	Change %
Personnel	2,415	29	1.2%
Lease/rental	2,592	43	1.7%
Advertising	973	(101)	(9.4%)
Agency services	1,549	(74)	(4.6%)
Depreciation	1,376	158	13.0%
Total SG&A	8,436	(117)	(1.4%)

Consolidated news:

- Decided to establish a fashion zone through a collaboration with TaFf (Textile & Fashion Federation (Singapore)) and Singaporean government agency SPRING Singapore (The Standards, Productivity and Innovation Board) at PARCO@Millenia (provisional name) in Singapore, which is scheduled to open in Spring 2010 [Shopping Complex Business]
- Launched the MOTTAINAI Watch Exchange Campaign at the TiCTaC business division of NEUVE A CO., LTD., under which customers can receive a gift certificate toward the purchase of a new watch if they hand in an old watch. The old watches are then sold through the MOTTAINAI Flea Market, with proceeds donated to the Green Belt Movement, a tree-planting campaign of Prof. Wangari Maathai, a Kenyan woman who won the Nobel Peace Prize [Shopping Complex Business]
- Sold hotel business on June 1, 2009 [Other Business]

PARCO FY2009 Q1 Briefing Material (cont.)



TSE 1st Section, stock code 8251

July 8, 2009

2. Overview of sales

Non-consolidated quarterly trends in tenant sales

Unit: Million yen

	Store	Q1 Mar.-May	
		Net sales	Change %
Urban store group	Sapporo PARCO	2,839	(7.6%)
	Ikebukuro PARCO	7,789	(8.0%)
	Shibuya PARCO*	3,733	(21.6%)
	Kichijoji PARCO	2,340	(11.7%)
	Shizuoka PARCO	2,522	2.3%
	Nagoya PARCO	8,857	(9.0%)
	Hiroshima PARCO	4,425	(3.4%)
	Urban store group total	32,507	(9.0%)
Kanto store group	Utsunomiya PARCO	1,583	(16.5%)
	Urawa PARCO	3,114	(4.2%)
	Shin-Tokorozawa PARCO	2,128	(7.5%)
	Chiba PARCO	1,929	(13.5%)
	Tsudanuma PARCO	2,438	(8.4%)
	Hibarigaoka PARCO	2,269	(1.2%)
	Chofu PARCO	4,211	(3.1%)
	Kanto store group total	17,675	(6.9%)
Regional store group	Matsumoto PARCO	1,944	(9.6%)
	Otsu PARCO	1,555	(26.0%)
	Shinsaibashi PARCO	470	(11.5%)
	Oita PARCO	1,006	(11.5%)
	Kumamoto PARCO	1,258	(7.9%)
	Regional store group total	6,236	(14.5%)
	Existing stores total	56,419	(9.0%)
	Existing stores excluding Shibuya Quattro Building	56,419	(8.6%)
	Sendai PARCO	2,291	-
	Total	58,711	(5.3%)

* The merchandise floors of Shibuya Quattro Building closed at the end of May 2008. Excluding this factor, sales at Shibuya PARCO were down **16.1%** from FY2008 Q1, and urban store group sales were down **8.2%**.

Non-consolidated sales by item

Unit: Million yen

Category and item	Q1 Mar.-May	
	Change %	
	All stores total	Existing stores total
Womenswear	(8.0%)	(11.5%)
Menswear	(12.9%)	(15.9%)
General clothing	5.4%	0.7%
Clothing	(7.9%)	(11.4%)
Shoes	(8.4%)	(11.8%)
Bags	(9.4%)	(13.9%)
Accessories	(10.7%)	(16.0%)
Cosmetics	5.7%	1.1%
Personal items	(3.2%)	(7.6%)
Culture-related	(6.9%)	(9.7%)
Living-related	(1.9%)	(3.3%)
General merchandise	(6.5%)	(9.0%)
Foods	2.2%	0.1%
Restaurants	1.2%	(5.8%)
Other	6.0%	4.8%

*1 Sales by item are "integrated sales" of stores. "Integrated sales" demonstrate the overall sales capability of a store, and include net sales by tenants, sales at PARCO Theater and other facilities, and sales to tenants under fixed rent contracts.

*2 "Existing stores total" does not include Sendai PARCO (which opened on Aug. 23, 2008).

Non-consolidated renovation

FY2009 Q1 renovation

Results:

Scale of renovation:

141 sections, approx. 15,000m²
(of which new stores comprised 85 sections)

Effect of renovation:

Sales up 19.9% in same zone comparison

Planned FY2009 renovation:

Scale: 510 sections/approx. 45,000m²

Non-consolidated stores/tenants/sales area

20 stores in total
Total tenants: 3,087
Sales area: 447,500m²

(as of end Feb. 2009)

Non-consolidated news:

- **Shizuoka PARCO:** Enhanced ability to attract customers and created synergies for upper floors through increasing purchases at multiple stores, by introducing a new food business, Moldiy, on the B1 floor
- **Urawa PARCO:** Renovated 17 stores in Q1, improving the diversity of the product portfolio by adding clothing attuned to people's daily lives and children's clothing offerings and developing a zone for seniors. Sales for May 2009 increased from May 2008 as a result of these renovations aimed at reaching a broader range of target customers
- **Hibarigaoka PARCO, Chofu PARCO:** Broadened customer base by adding highly popular stores such as casual fashion and general merchandise and major home appliance stores. Contributing to improving customer numbers, driven by strong fit with PARCO stores catering to people's daily needs, and the local market