

PARCO CO., LTD. FY2009 Q3 (Mar.-Nov.) Briefing Material



TSE 1st Section, stock code 8251

January 7, 2010

1. Overview of FY2009 Q3 results

■ Q3 results

Unit: Million yen

Consolidated	FY2009 Q3 Mar.-Nov.	FY2008 Q3 Mar.-Nov.	Change ¥	Change %	Full-year forecasts	Change %
Net sales	192,589	209,240	(16,651)	(8.0%)	259,000	(8.3%)
Operating income	6,551	7,042	(491)	(7.0%)	8,500	(9.2%)
Ordinary income	6,433	6,898	(464)	(6.7%)	8,400	(8.4%)
Net income	3,208	3,427	(219)	(6.4%)	4,100	9.9%

Non-consolidated	FY2009 Q3 Mar.-Nov.	FY2008 Q3 Mar.-Nov.	Change ¥	Change %	Full-year forecasts	Change %
Net sales	179,471	194,082	(14,610)	(7.5%)	242,000	(7.5%)
Operating income	6,386	6,889	(503)	(7.3%)	8,100	(8.8%)
Ordinary income	6,365	7,123	(758)	(10.6%)	8,000	(11.8%)
Net income	3,366	3,785	(418)	(11.1%)	4,200	4.9%

■ Consolidated results by segment

Unit: Million yen

		FY2009 Q3 Mar.-Nov.	Change ¥
Shopping Complex Business	Net sales	181,506	(14,738)
	Operating income	6,302	(558)
Retail Business	Net sales	12,141	(218)
	Operating income	50	(29)
Space Engineering and Management Business	Net sales	13,247	(3,242)
	Operating income	132	(75)
Other Business	Net sales	805	(824)
	Operating income	24	132
Subtotal	Net sales	207,701	(19,024)
	Operating income	6,509	(531)
Eliminations or corporate	Net sales	(13,126)	2,378
	Operating income	42	40
Total	Net sales	194,574	(16,645)
	Operating income	6,551	(491)

■ Consolidated SG&A expenses

Unit: Million yen

	FY2009 Q3 Mar.-Nov.	Change ¥	Change %
Personnel	7,056	(220)	(3.0%)
Lease/rental	7,751	124	1.6%
Advertising	2,654	(424)	(13.8%)
Agency services	4,599	(284)	(5.8%)
Depreciation	4,160	125	3.1%
Tax and dues	887	(189)	(17.6%)
Total SG&A	24,776	(1,441)	(5.5%)

Reference: Total non-consolidated SG&A in FY2009 Q3 was ¥19,391 million, a decrease of ¥750 million (3.7%) compared to FY2008 Q3.

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

Consolidated news:

NEUVE A

- Opened 6 new stores in Mar.-Aug. and 5 more in Sept.-Nov., increasing total stores to 141
- Customer numbers at existing stores started to recover during the period, increasing 2.4% in Sept.-Nov. (Mar.-May: down 4.3% → June-Aug.: down 2.7%). Customer numbers up in three businesses, including the core TiCTAC business (up 8.7% in Sept.-Nov.)

PARCO SPACE SYSTEMS

- Started to sell the "P'es Lighting" series of original private brand lighting fixtures, which offer high performance, great efficiency and lower CO₂ emissions

PARCO CITY

- Total online shopping transactions in FY2009 Q3 (Mar.-Nov.) increased 99.5% compared to FY2008 Q3, driven by enhanced collaboration with actual PARCO stores (holding 5% off campaigns for PARCO Card purchases simultaneously at PARCO CITY and actual PARCO stores, attracting customers through special campaigns focusing on boots, etc.)

PARCO FY2009 Q3 Briefing Material (cont.)



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2. Overview of sales

■ Non-consolidated tenant sales by store

Unit: Million yen

Store	FY2009 Q3 Mar.-Nov.	
	Net sales	Change %
Urban store group	Sapporo PARCO	8,742 (8.3%)
	Ikebukuro PARCO	23,305 (8.7%)
	Shibuya PARCO*	11,285 (18.0%)
	Kichijoji PARCO	6,820 (12.2%)
	Shizuoka PARCO	7,603 (1.9%)
	Nagoya PARCO	26,745 (10.4%)
	Hiroshima PARCO	13,098 (6.0%)
Urban store group total	97,603 (9.5%)	
Kanto store group	Utsunomiya PARCO	4,687 (15.9%)
	Urawa PARCO	9,261 (5.6%)
	Shin-Tokorozawa PARCO	6,163 (8.0%)
	Chiba PARCO	5,545 (15.6%)
	Tsudanuma PARCO	7,148 (8.3%)
	Hibarigaoka PARCO	6,758 (0.3%)
	Chofu PARCO	12,623 (2.3%)
Kanto store group total	52,187 (7.0%)	
Regional store group	Matsumoto PARCO	5,734 (11.3%)
	Otsu PARCO	4,618 (25.8%)
	Shinsaibashi PARCO	1,353 (11.8%)
	Oita PARCO	2,867 (10.6%)
	Kumamoto PARCO	3,749 (7.9%)
Regional store group total	18,324 (14.8%)	
Existing store total	168,114 (9.4%)	
Sendai PARCO	7,057 (96.5%)	
Total	175,172 (7.3%)	

*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 Q3, urban store group sales were down 9.2%, and total existing stores were down 9.2%.

■ Non-consolidated quarterly trends in tenant sales

Comparisons are with FY2008 Q3

FY2009	Q1	Q2	Q3
All store total	(5.3%)	(7.1%)	(9.5%)
Existing store total	(9.0%)	(10.0%)	(9.0%)

Non-consolidated news:

Shopping Complex Business

- Active renovation led to 13.6% sales growth in a same zone comparison, but the difficult times continued for fashion items
- Shizuoka PARCO, now in its third year since opening, performed strongly, with the renovation of the food floor having a ripple effect on the entire store
- With items such as cosmetics and foods delivering steady results, the Kanto store group, whose stores generally have food floors and sometimes have large consumer electronics stores as tenants, started to recover (Mar.-Aug.: down 7.7% → Sept.-Nov. down 5.6%). Some Kanto stores even recorded growth compared to FY2008 Q3: Chofu PARCO up 2.3%, Hibarigaoka PARCO up 0.9%

Fukuoka PARCO*

- Started the opening campaign ahead of store opening in spring 2010



Fukuoka PARCO*
*Provisional name

■ Non-consolidated sales by item

Comparisons are with FY2008 Q3

Category and item	FY2009 Q3 Mar.-Nov.	
	Change %	
	All store total	Existing store total
Clothing	Womenswear	(9.2%) (11.2%)
	Menswear	(14.0%) (15.8%)
	General clothing	0.9% (1.7%)
Clothing	(9.2%) (11.0%)	
Personal items	Shoes	(12.4%) (14.4%)
	Bags	(13.2%) (15.8%)
	Accessories	(10.8%) (14.2%)
	Cosmetics	2.9% 0.2%
Personal items	(6.1%) (8.7%)	
General merchandise	Culture-related	(6.1%) (7.9%)
	Living-related	(6.1%) (7.7%)
General merchandise	(6.4%) (7.8%)	
Foods	1.0% (0.2%)	
Restaurants	(5.8%) (8.6%)	
Other	(6.3%) (7.1%)	

Note: 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.

■ Non-consolidated renovation

■ FY2009 Q3 renovation results:

Scale of renovation:

263 sections, approx. 26,000m²
(of which new stores comprised 157 sections)

Effect of renovation:

Sales up 13.6% in same zone comparison

Planned FY2009 renovation:

Scale: approx. 40,000m²

■ Non-consolidated stores/tenants/sales area

20 stores in total
Total tenants: 3,016
Sales area: 447,500m² (as of end Aug. 2009)

Existing store total does not include figures for Sendai PARCO, which opened on Aug. 23, 2008.