

PARCO CO., LTD. FY2010 Q3 (Mar.-Nov.) Briefing Material

1. Overview of FY2010 Q3 results

■ Q3 results

Unit: Million yen

Consolidated	FY2010 Q3 Mar.-Nov.	FY2009 Q3 Mar.-Nov.	Change ¥	Change %	Full-year forecasts	Change %
Net sales	194,149	192,589	1,559	0.8%	264,000	1.1%
Operating income	6,522	6,551	(29)	(0.4%)	8,700	1.1%
Ordinary income	6,115	6,433	(317)	(4.9%)	8,300	(3.0%)
Net income	3,041	3,208	(166)	(5.2%)	4,200	2.2%
EBITDA	11,436	10,712	724	6.8%	—	—

Non-consolidated	FY2010 Q3 Mar.-Nov.	FY2009 Q3 Mar.-Nov.	Change ¥	Change %	Full-year forecasts	Change %
Net sales	179,523	179,471	52	0.0%	245,000	0.7%
Operating income	6,241	6,386	(145)	(2.3%)	8,200	0.6%
Ordinary income	5,830	6,365	(534)	(8.4%)	7,700	(6.2%)
Net income	2,975	3,366	(391)	(11.6%)	4,000	(4.4%)
EBITDA	10,952	10,345	606	5.9%	—	—

*EBITDA in these tables refers to operating income plus depreciation and amortization.

■ Consolidated results by segment

Unit: Million yen

	FY2010 Q3 Mar.-Nov.	Change ¥	
Shopping Complex Business	Net sales	181,650	143
	Operating income	6,054	(247)
Retail Business*1	Net sales	10,937	(1,204)
	Operating income	75	25
Space Engineering and Management Business	Net sales	14,673	1,426
	Operating income	349	217
Other Business*2	Net sales	418	(387)
	Operating income	3	(20)
Subtotal	Net sales	207,679	(21)
	Operating income	6,483	(26)
Eliminations or corporate	Net sales	(11,404)	1,722
	Operating income	38	(3)
Total	Net sales	196,275	1,700
	Operating income	6,522	(29)

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

■ Consolidated SG&A expenses

Unit: Million yen

	FY2010 Q3 Mar.-Nov.	Change ¥	Change %
Personnel	6,982	(74)	(1.1%)
Lease/rental	7,194	(557)	(7.2%)
Advertising	2,402	(252)	(9.5%)
Agency services	4,426	(173)	(3.8%)
Depreciation	4,914	753	18.1%
Tax and dues	833	(54)	(6.1%)
Total SG&A	24,396	(379)	(1.5%)

*1 PALM GARDEN CO., LTD., which was included in the figures for the previous year, stopped doing business as of Feb. 28, 2010.
*2 HOTEL NEW CRESTON in Other Business, which was included in the figures for the previous year, was sold in June 2009.

Reference	FY2010 Q3 Mar.-Nov.	Change ¥	
NEUVE A*1	Net sales	10,937	214
	Operating income	81	7
PARCO CITY*2	Net sales	424	5
	Operating income	3	(8)

Consolidated news

NEUVE A

- Performed strongly: net sales and income both increased YoY in Mar.-Nov. too, with existing store customer numbers up 2.0%, driven by the core watch business
- Opened six new stores in Sept.-Nov., including one in Haneda Airport's new international terminal, increasing the total number of stores to 145

PARCO SPACE SYSTEMS

- Trend of sales and income growth continued. Multifaceted offering ranging from lighting design and installation centering around the environmentally friendly P'es Lighting private brand of lighting fixtures, electrical work and interior work, through to post-installation maintenance is a key strength

PARCO CITY

- Launched shopsnavi, a mobile recruitment site specializing in the fashion industry and "fashion building" shopping complexes

2. Overview of sales

■ Non-consolidated tenant sales by store

Unit: Million yen

Store	FY2010 Q3 Mar.-Nov.	
	Net sales	Change %
Urban store group	Sapporo PARCO	8,074 (7.7%)
	Sendai PARCO	7,308 3.6%
	Ikebukuro PARCO	22,303 (4.3%)
	Shibuya PARCO	9,942 (11.9%)
	Shizuoka PARCO	7,936 4.4%
	Nagoya PARCO	24,747 (7.5%)
	Hiroshima PARCO	12,254 (6.4%)
	Fukuoka PARCO	9,842 -
Total	102,409	4.7%
Urban store group total excluding Fukuoka PARCO		92,567 (5.4%)
Kanto store group	Utsunomiya PARCO	4,055 (13.5%)
	Urawa PARCO	9,610 3.8%
	Shin-Tokorozawa PARCO	6,072 (1.5%)
	Chiba PARCO	5,035 (9.2%)
	Tsudanuma PARCO	6,916 (3.2%)
	Hibarigaoka PARCO	5,917 *1 2.3%
	Kichijoji PARCO	6,586 (3.4%)
	Chofu PARCO	12,557 (0.5%)
Total	56,753	(2.2%)
Regional store group	Matsumoto PARCO	5,516 (3.8%)
	Otsu PARCO	3,796 (17.8%)
	Shinsaibashi PARCO	1,346 (0.5%)
	Oita PARCO	2,421 (15.6%)
	Kumamoto PARCO	3,551 (5.3%)
Total	16,633	(9.2%)
Total	175,796	0.4%
Existing store total		165,953 *2 (4.7%)

*1 The year-on-year figure for Hibarigaoka PARCO excludes the annex NosVos by PARCO, which closed on Feb. 28, 2010.

*2 Existing store total excludes figures for Fukuoka PARCO (opened Mar. 19, 2010) and Hibarigaoka PARCO annex NosVos by PARCO (closed Feb. 28, 2010).

■ Non-consolidated integrated sales of stores, paying customers*

YoY comparisons	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.
Integrated sales of stores	(5.9%)	(5.9%)	(4.8%)	(3.5%)	(5.1%)	(4.6%)	(8.8%)	0.0%	(2.6%)
Paying customers	(1.5%)	(0.3%)	(1.2%)	(1.2%)	(0.9%)	(0.4%)	(4.1%)	2.2%	0.3%

*Paying customers is based on "integrated sales" of stores.

Non-consolidated news

Shopping Complex Business

- Fukuoka PARCO, which opened in Mar., is doing well and outperforming forecasts, while our other new stores from the past three years, Shizuoka, Urawa and Sendai, are all growing sales and driving our overall performance
- Actively carried out renovation. Results achieved included renovating a larger area and achieving a greater increase in same zone sales over the nine months compared to the same period of last year (FY2010 Mar.-Nov.: renovated 40,000m², sales up 18.9% in same zone comparison; FY2009: renovated 36,000m², sales up 10.9%)
- Urawa PARCO added a major hobby and general merchandise tenant in Oct. This had a knock-on effect on sales at other stores throughout the building, leading to favorable sales overall (FY2010 Mar.-Aug.: up 0.3% YoY; FY2010 Sept.-Nov.: up 10.9% YoY; FY2010 Mar.-Nov.: up 3.8% YoY)
- Acquired ownership of land and building of Ikebukuro PARCO annex P' PARCO in Oct. Strengthened sales capabilities by carrying out combined renovation of P'PARCO and the main building of Ikebukuro PARCO (renovated 4,300m² in FY2010 to Nov., compared to 2,100m² in FY2009)
- Decided to fully renovate the small ZERO GATE building of Shibuya PARCO, change the complex format and operate it as a model store for small-scale PARCO properties

■ Non-consolidated sales by item

Comparisons are with FY2010 Q3

Category and item	FY2010 Q3 Mar.-Nov.	
	All store total	Existing store total
Clothing	Womenswear	(3.4%) (7.1%)
	Menswear	(5.9%) (8.5%)
	General clothing	11.6% 2.9%
	Total	(0.9%) (5.3%)
Personal items	Shoes	(3.0%) (7.4%)
	Bags	(4.7%) (13.0%)
	Accessories	1.5% (6.6%)
	Cosmetics	9.7% 1.2%
Total	0.7% (6.5%)	
General merchandise	Culture-related	0.8% (4.5%)
	Living-related	0.3% (5.0%)
Total	1.4% (3.6%)	
Foods	(0.3%) (0.7%)	
Restaurants	1.7% (5.0%)	
Other	3.1% (2.7%)	

Note: Sales by item are based on "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

■ FY2010 Q3 (Mar.-Nov.) renovation results

Scale of renovation: 386 sections, approx. 40,000m² (of which new stores comprised 168 sections)

Effect of renovation: Sales up 18.9% in same zone comparison

Planned FY2010 renovation:
Scale: Approx. 56,000m²

■ Non-consolidated stores/tenants/sales area

21 stores (36 buildings) in total
Total tenants: 2,925
Sales area: Approx. 465,000m² (as of end Nov. 2010)