

PARCO CO., LTD. FY2012 Q1 (Mar.-May) Briefing Material

1. Overview of FY2012 Q1 results

■ Q1 results

Unit: Million yen

Consolidated	FY2012 Q1 Mar.-May	FY2011 Q1 Mar.-May	Change ¥	Change %
Net sales	64,704	60,350	4,353	7.2%
Operating income	2,112	1,441	670	46.5%
Ordinary income	1,918	1,302	616	47.3%
Net income	696	631	65	10.3%
EBITDA	3,593	2,976	617	20.7%

H1 forecasts	Change %	Full-year forecasts	Change %
132,000	6.6%	274,000	5.5%
4,800	19.1%	10,700	16.7%
4,500	13.4%	10,300	14.9%
2,100	2.8%	5,200	20.4%

Non-consolidated	FY2012 Q1 Mar.-May	FY2011 Q1 Mar.-May	Change ¥	Change %
Net sales	59,628	55,393	4,235	7.6%
Operating income	2,007	1,384	622	45.0%
Ordinary income	2,357	2,245	112	5.0%
Net income	1,302	1,668	(365)	(21.9%)
EBITDA	3,401	2,835	566	20.0%

H1 forecasts	Change %	Full-year forecasts	Change %
121,000	6.4%	253,000	5.8%
4,500	16.9%	10,000	17.3%
5,300	14.3%	10,500	14.5%
3,100	3.1%	6,000	31.9%

*Earnings forecasts are unchanged from those announced on Apr. 4, 2012.

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

*Non-consolidated ordinary income and net income include dividends received from subsidiaries of ¥1 billion for FY2011 and ¥0.5 billion yen for FY2012.

■ Consolidated results by segment

Unit: Million yen

		FY2012 Q1 Mar.-May	Change ¥	Change %
Shopping Complex Business	Net sales	58,815	4,216	7.7%
	Segment income	2,010	698	53.2%
Retail Business	Net sales	4,012	355	9.7%
	Segment income	61	79	-
Space Engineering and Management Business	Net sales	4,481	(269)	(5.7%)
	Segment income	73	(46)	(38.9%)
Other Business	Net sales	1,640	(26)	(1.6%)
	Segment loss	(33)	(56)	-
Total	Net sales	68,949	4,274	6.6%
	Segment income	2,111	674	46.9%
Adjustments	Net sales	(3,541)	58	(1.6%)
	Segment income	0	(4)	(97.6%)
Consolidated	Net sales	65,407	4,332	7.1%
	Segment income	2,112	670	46.5%

■ Consolidated SG&A expenses

Unit: Million yen

	FY2012 Q1 Mar.-May	Change ¥	Change %
Personnel	2,346	10	0.5%
Lease/rental	2,131	(94)	(4.3%)
Advertising	1,134	256	29.3%
Agency services	1,523	(45)	(2.9%)
Building and repairs	355	(0)	(0.1%)
Depreciation	1,481	(52)	(3.4%)
Tax and dues	332	(23)	(6.5%)
Reversal of common-service charges	(1,973)	(85)	4.5%
Total SG&A	8,205	(141)	(1.7%)

*Figures for net sales by segment include operating revenue.

*Segment income or loss refers to operating income or loss.

FY2012 Q1 results overview: Achieved sales and income increases

- Consolidated net sales increased on higher sales at PARCO (due to the effects of renovation) and NEUVE A (due to active opening of new stores in talked-about shopping complexes)
- Operating and ordinary income increased, reflecting strong sales at PARCO and NEUVE A and a contribution from streamlining of SG&A expenses
- Net income increased despite recording extraordinary losses such as a loss on retirement of fixed assets resulting from renovation at PARCO stores and a loss on valuation of investment securities
- NEUVE A opened three new stores, bringing the total to 156. These were a TiCTAC wristwatch store in Tokyo Solamachi, a POKERFACE eyewear store in Shinjuku Tokyu Hands, and Fukutsu NOVELLO by collectors, a men's and women's general merchandise store
- PARCO SPACE SYSTEMS increased orders for guest room-related business from foreign-owned hotels

2. Overview of sales

■ Non-consolidated tenant sales by store Unit: Million yen

Store		Mar.-May total	Change %
Urban store group	Sapporo PARCO* ¹	2,544	(0.5%)
	Sendai PARCO	3,317	57.4%
	Ikebukuro PARCO	7,287	10.8%
	Shibuya PARCO	3,073	13.4%
	Shizuoka PARCO	2,431	(7.0%)
	Nagoya PARCO	8,228	4.3%
	Hiroshima PARCO	4,163	3.1%
	Fukuoka PARCO	2,982	5.4%
8 store total		34,028	8.6%
Community store group	Utsunomiya PARCO	1,273	6.6%
	Urawa PARCO	4,011	27.0%
	Shin-Tokorozawa PARCO	2,101	10.2%
	Chiba PARCO	1,767	5.1%
	Tsudanuma PARCO	2,333	5.5%
	Hibarigaoka PARCO	1,988	5.0%
	Kichijoji PARCO	2,034	10.7%
	Chofu PARCO	4,224	7.4%
	Matsumoto PARCO	1,831	0.4%
	Otsu PARCO	1,135	(0.5%)
	Kumamoto PARCO	1,293	9.5%
11 store total		23,995	9.2%
Existing store total* ²		58,024	8.9%
Sapporo PARCO New Building		—	—
Shinsaibashi PARCO		—	—
Total		58,024	7.9%

*1 Sapporo PARCO figures exclude the New Building (closed Mar. 30, 2011).

*2 Existing store figures for previous year comparison exclude Sapporo PARCO New Building (closed Mar. 30, 2011) and Shinsaibashi PARCO (closed Sept. 30, 2011).

■ Non-consolidated paying customers, average spend per customer

Existing stores YoY comparison	FY2011				FY2012
	Mar.-May	June-Aug.	Sept.-Nov.	Dec.-Feb.	Mar.-May
Paying customers	(6.4%)	(0.6%)	(1.0%)	1.7%	7.5%
Av. spend per customer	0.1%	4.2%	3.3%	3.5%	3.7%

■ Non-consolidated sales by item

Comparisons are with FY2011 Q1

Existing stores* ²	Mar.-May total
Womenswear	6.3%
Menswear	7.7%
General clothing	18.3%
Clothing	8.9%
Shoes	9.7%
Bags	17.3%
Accessories	11.0%
Cosmetics	5.6%
Personal items	12.7%
Culture-related	3.3%
Living-related	5.6%
General merchandise	3.2%
Foods	7.3%
Restaurants	19.3%
Other	35.2%

■ Non-consolidated renovation

■ FY2012 Mar.-May renovation results:

Scale of renovation:

191 sections, approx. 22,700m²
(of which new stores comprised 90 sections)

Effect of renovation:

Sales up 31.1% in same zone comparison

Planned FY2012 renovation:

Scale: approx. 46,000m²

■ Non-consolidated stores/tenants/sales area

19 stores in total
Total tenants: 2,305
Sales area: 443,000m² (as of end May 2012)

*Sales by item, same zone comparisons, paying customers and average spend per customer are based on "integrated sales" of stores.

"Integrated sales" demonstrate the overall sales capacity 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 news: PARCO

- second Existing store tenant sales have been growing strongly, with YoY increases every quarter since the quarter of FY2011
- Renovated-zone Renovated approx. 22,700m², or 191 sections, in FY2012 Q1, focusing mainly on urban stores. sales were strong, up 31.1% YoY
- tenants In urban store renovation, enhanced fashion tenant variety by adding leading ladies' fashion
- sports store At Sendai PARCO, strengthened ladies' fashion and revitalized the upper floors by introducing a
- largest renovation proposals At Nagoya PARCO, enhanced the ladies' fashion offering in the West Building and started the since opening in the South Building, based on the theme of making lifestyle
- fashion trends and increasing demand for daily imported foods In community store renovation, carried out renovation at Utsunomiya PARCO focused on both staying close to the local community, and at Shin-Tokorozawa PARCO focused on items and repeat customers by introducing a food store that primarily offers
- increased 7.5% and continuing the strong performance from average spend per customer increased 3.7% (also existing store basis), the previous fiscal year
- New cards issued increased 65.3% and new active cardholders increased 69.8% YoY. These big