

# Non-consolidated Financial Statements for the Fiscal Year Ended February 28, 2007 (Fractional amounts less than one million yen are discarded)

April 6, 2007

Corporate Name: PARCO CO.,LTD. Stock Exchange Listings: Tokyo Stock Exchange(first section)

Code Number: 8251 Address: Headquarters in Tokyo

(URL <a href="http://www.parco.co.jp/">http://www.parco.co.jp/</a>)

Company Representative: Isamu Ito, Chairman of the Board, President & Chief Executive Officer

Personnel to Contact: Kazumi Kojima, Member of the Board, Director Finance Department & Chief Finance Officer TEL (03)3477-5791 Board of Directors meeting: April 6, 2007 Projected Starting Date of Dividend Distribution: May 7, 2007

Ordinary General Meeting

Trading unit (Tangen-kabu) system: Yes (1 unit 100shares)

of shareholders: May 26, 2007

#### 1. Results for Fiscal 2006 (March 1, 2006 - February 28, 2007)

#### (1) Sales and Income

	Net sales	Year-on-year	Operating income	Year-on-year	Ordinary income	Year-on-year
	(¥ million)	change [%]	(¥ million)	change [%]	(¥ million)	change [%]
Fiscal 2006	246,439	[+1.6]	8,755	[+14.3]	8,481	[+15.9]
Fiscal 2005	242,562	[+2.6]	7,657	[+6.2]	7,319	[+11.6]

	Net income (¥ million)	Year-on-year change [%]	Net income per share(¥)	Net income per share (diluted) (¥)	Return on equity [%]	Ordinary income/total assets [%]	Ordinary income/net sales [%]
Fiscal 2006	3,633	[+20.9]	44.23	-	[+5.2]	[+4.8]	[+3.4]
Fiscal 2005	3,005	[+138.0]	36.95	36.91	[+4.5]	[+4.0]	[+3.0]

#### Notes:

1. Average number of shares outstanding during year:

Fiscal 2006: 82,135,198 shares Fiscal 2005: 81,339,975 shares

2. Changes in accounting methods: None

#### (3) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio [%]	Net assets per share (¥)
Fiscal 2006	173,796	70,662	[+40.7]	857.72
Fiscal 2005	180,492	68,014	[+37.7]	830.29

Notes: Total number of shares outstanding:

As of February 28, 2007: 82,384,079 shares As of February 28, 2006: 81,917,354 shares

Total number of treasury stock

As of February 28, 2007 : 91,598 shares As of February 28, 2006 : 293,427 shares

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

	Net sales (¥ million)	Operating income (¥ million)	Ordinary income (¥ million)	Net income (¥ million)
Interim period	124,700	4,100	4,000	1,900
Fiscal 2007	269,300	8,500	8,300	3,700

Reference: Estimated net income per share (fiscal 2007): ¥44.91

#### 3. Dividends

	Cash	dividends per sha	ıre (¥)	Total dividends	Payout ratio	Dividend rate for		
	Interim	Year-end	Annual Dividends	(¥ million)	[%]	shareholders' equity [%]		
Fiscal 2005	5.00	6.00	11.00	898	29.8	[+1.3]		
Fiscal 2006	6.00	7.00	13.00	1,069	29.4	[+1.5]		
Fiscal 2007	7.00	7.00	14.00					

Notes: The above projected results are announced presupposing available information as at April 6, 2007 and an assumption related to uncertain factors which will influence the future results. Actual results may differ from the above projection depending on various factors in the future.

<sup>3.</sup> Year-on-year changes for net sales, operating income, ordinary income and net income are based on the previous fiscal year.

# Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2007 (Fractional amounts less than one million yen are discarded)

1 Cash and time deposits 2 Notes recelvable - trade 3 Accounts receivable - trade 4 Finished products 5,310 5,256 5 Upplies 5 Work-in-process 5 Upplies 7 Advance payment 10 87 76 8 Prepaid expenses 6 99 676 113 Nort-term loans 11 Nort-term loans to affiliates 12 Others 13 Less: Allowance for doubtful accounts 11 Tangible fixed assets 11 Tangible fixed assets 11 Tangible fixed assets 12 Others 13 Accoumulated depreciation 14 1 1 1 (0) 5,256 5 (54) 5,256 5 (54) 5,256 5 (54) 5,256 5 (54) 5 (54) 5 (54) 5 (54) 5 (50) 3 (6) 5 (76) 6 (12) 6 (7) 6 (7) 7 Advance payment 10 87 76 6 (12) 8 (7) 8 (7) 8 (7) 8 (8) 8 (8) 8 (9) 8 (13) 8 (9) 8 (14) 1								(¥ millions)
CASSETS			28-Feb			28-Feb		Increase
I. Current Assets:  1 Cash and time deposits 2 Notes receivable - trade 3 Accounts receivable - trade 4 Finished products 5 Work-in-process 5 Work-in-process 5 Work-in-process 6 Supplies 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0			2006			2007		(Decrease)
1 Cash and time deposits 2 Notes recelvable - trade 3 Accounts receivable - trade 4 Finished products 5,310 5,256 5 Upplies 5 Work-in-process 5 Upplies 7 Advance payment 10 87 76 8 Prepaid expenses 6 99 676 113 Nort-term loans 11 Nort-term loans to affiliates 12 Others 13 Less: Allowance for doubtful accounts 11 Tangible fixed assets 11 Tangible fixed assets 11 Tangible fixed assets 12 Others 13 Accoumulated depreciation 14 1 1 1 (0) 5,256 5 (54) 5,256 5 (54) 5,256 5 (54) 5,256 5 (54) 5 (54) 5 (54) 5 (54) 5 (50) 3 (6) 5 (76) 6 (12) 6 (7) 6 (7) 7 Advance payment 10 87 76 6 (12) 8 (7) 8 (7) 8 (7) 8 (8) 8 (8) 8 (9) 8 (13) 8 (9) 8 (14) 1	(ASSETS)			%			%	
2 Notes receivable - trade 3 Accounts receivable - trade 4 Finished products 5,310 5,256 6 Supplies 7 Advance payment 8 Prepaid expenses 9 Deferred tax assets 15 Say 10 Short-term loans to affiliates 12 Others 13 Less: Allowance for doubtful accounts Total current assets 1 Tangible fixed assets: 1 Tangible fixed assets: 1 Tangible fixed assets: 1 Structures 1,74 1,75 1,75 1,75 1,75 1,75 1,75 1,75 1,75	I .Current Assets:							
3 Accounts receivable - trade 4 Finished products 5 Work-in-process 5 Work-in-process 6 Supplies 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	1 Cash and time deposits		6,753			7,738		984
4 Finished products 5 Work-in-process 6 Supplies 7 Advance payment 10 87 76 8 Prepaid expenses 689 676 (12) 9 Deferred tax assets 10 Short-term loans 11 Short-term loans affiliates 12 Others 755 936 181 13 Less: Allowance for doubtful accounts Total current assets 1 Tangible fixed assets: 1 Tangible fixed assets: 1 (1) Buildings Accumulated impairment losses Accumulated depreciation 1,237 Accumulated depreciation 4) Motor vehicles 13 Accumulated depreciation 4) Motor vehicles 13 Accumulated depreciation 10 5) Tools, furniture and fixtures Accumulated depreciation 2,634 Accumulated depreciation 2,634 Accumulated depreciation 2,634 Accumulated depreciation 3,523 Accumulated depreciation 40,493 Accumulated magairment losses 1 Total tangible fixed assets 1 Leasehold 1 (1) Leasehold 1 (2) Software 2 (2) Structure  1 1,014	2 Notes receivable - trade		1			1		(0)
5 Work-in-process         15         50         35           6 Supplies         0         0         0         (0)           7 Advance payment         10         87         76           8 Prepaid expenses         689         676         (12)           9 Deferred tax assets         533         400         (133)           10 Short-term loans         74         17         (56)           11 Short-term loans to affiliates         95         190         95           12 Others         755         936         181           13 Less: Allowance for doubtful accounts         (3)         (8)         (4)           Total current assets         14,504         8.0         15,587         9.0         1,082           II Fixed Assets:         1         14,504         8.0         15,587         9.0         1,082           II Juildings         98,136         97,965         59,618         59,618         6,00         1,082           II Accumulated depreciation         1,237         1,444         36,902         (1,032)         (2,0)           (2) Structures         1,715         1,669         1,222         1,415         (2,8)         (2,8)           (3) Machinery	3 Accounts receivable - trade		5,310			5,256		(54)
6 Supplies 7 Advance payment 8 Prepaid expenses 9 Deferred tax assets 10 Short-term loans 11 Short-term loans to affiliates 12 Others 13 Less: Allowance for doubtful accounts Total current assets 1 Tangible fixed assets: 1 Tangible fixed assets: 1 Tangible fixed assets 2 (3) Machinery and equipment Accumulated depreciation Accumulated depreciation Accumulated depreciation Accumulated depreciation Accumulated depreciation Accumulated impairment losses 33 443 32 415 4(3) Machinery and equipment Accumulated depreciation Accumulated minpairment losses Accumulated	4 Finished products		267			238		(28)
7 Advance payment         10         87         76           8 Prepaid expenses         689         676         (12)           9 Deferred tax assets         533         400         (133)           10 Short-term loans         74         17         (56)           11 Short-term loans to affiliates         95         190         95           12 Others         755         936         181           13 Less: Allowance for doubtful accounts         (3)         (3)         (8)         (4)           Total current assets         14,504         8.0         15,587         9.0         1,082           II. Fixed Assets:         1         14,504         8.0         15,587         9.0         1,082           II. Fixed Assets:         1         14,504         8.0         15,587         9.0         1,082           II. Fixed Assets:         1         14,504         8.0         15,587         9.0         1,082           II. Fixed Assets:         1         14,504         8.0         97,965         46,38         48,902         (1,032)           II. Fixed Assets:         1,407         37,934         1,444         36,902         (1,032)           II. Fixed Assets: <t< td=""><td>5 Work-in-process</td><td></td><td>15</td><td></td><td></td><td>50</td><td></td><td>35</td></t<>	5 Work-in-process		15			50		35
8 Prepaid expenses	6 Supplies		0			0		(0)
9 Deferred tax assets 10 Short-term loans 11 Short-term loans to affiliates 12 Others 13 Less: Allowance for doubtful accounts Total current assets 1 Tangible fixed assets: 1 Tangible fixed assets: 1 Tangible depreciation Accumulated depreciation	7 Advance payment		10			87		76
10 Short-term loans	8 Prepaid expenses		689			676		(12)
11 Short-term loans to affiliates   95   755   936   181   181   181   181   185   181   181   185   181   181   185   181	9 Deferred tax assets		533			400		(133)
12 Others   13 Less: Allowance for doubtful accounts   Total current assets   Total current asset	10 Short-term loans		74			17		(56)
13 Less: Allowance for doubtful accounts   Total current assets   Total current asset   T	11 Short-term loans to affiliates		95			190		95
Total current assets	12 Others		755			936		181
II Fixed Assets: 1 Tangible fixed assets: (1) Buildings	13 Less: Allowance for doubtful accounts		(3)			(8)		(4)
1 Tangible fixed assets: (1) Buildings	Total current assets		14,504	8.0		15,587	9.0	1,082
(1) Buildings       98,136       97,965       9,618         Accumulated depreciation       58,795       37,934       1,444       36,902       (1,032)         (2) Structures       1,715       1,669       1,669       (1,032)         Accumulated depreciation       1,237       1,222       415       (28)         Accumulated impairment losses       33       443       32       415       (28)         (3) Machinery and equipment       912       970       37       39         Accumulated depreciation       631       280       650       319       39         (4) Motor vehicles       13       13       13       (0)         Accumulated depreciation       10       2       11       1       (0)         (5) Tools, furniture and fixtures       3,523       2,537       3,353       2,537       (105)       48       766       (105)         (6) Land       40,493       39,979       (514)       2,545         Total tangible fixed assets       83,659       46.3       84,563       48.6       903         2 Intangible fixed assets:       11,014       11,014       -1,014       -1,014       -1,014       -1,014       -1,014       -1,014	II .Fixed Assets:							
Accumulated depreciation	1 Tangible fixed assets:							
Accumulated impairment losses	(1) Buildings	98,136			97,965			
(2) Structures       1,715       1,669         Accumulated depreciation       1,237       1,222         Accumulated impairment losses       33       443       32       415       (28)         (3) Machinery and equipment       912       970       319       39         Accumulated depreciation       631       280       650       319       39         (4) Motor vehicles       13       13       13       (0)         Accumulated depreciation       10       2       11       1       (0)         (5) Tools, furniture and fixtures       3,523       3,353       2,537       (0)       3,523       2,537       (0)       48       766       (105)	Accumulated depreciation	58,795			59,618			
Accumulated depreciation       1,237       1,222       415       (28)         Accumulated impairment losses       33       443       970       32       415       (28)         (3) Machinery and equipment       912       970       319       39         Accumulated depreciation       631       280       650       319       39         (4) Motor vehicles       13       13       13       13       13       14       10       10       2       11       1       (0)       11       1       (0)       10       2       11       1       1       (0)       10       2       11       1       1       (0)       1       1       1       (0)       1       1       1       (0)       1       1       (0)       1       1       1       (0)       1       1       1       (0)       1       1       1       (0)       1       1       1       1       (0)       1	Accumulated impairment losses	1,407	37,934		1,444	36,902		(1,032)
Accumulated impairment losses  (3) Machinery and equipment Accumulated depreciation Accumulated depreciation (4) Motor vehicles Accumulated depreciation (5) Tools, furniture and fixtures Accumulated depreciation Accumulated depreciation Accumulated depreciation Accumulated depreciation Accumulated impairment losses Accumulated impairm	(2) Structures	1,715			1,669			
(3) Machinery and equipment       912       970       39         Accumulated depreciation       13       13       39         (4) Motor vehicles       13       13       13         Accumulated depreciation       10       2       11       1       (0)         (5) Tools, furniture and fixtures       3,523       3,353       2,537       48       766       (105)         Accumulated depreciation       2,634       2,537       48       766       (105)         (6) Land       40,493       39,979       (514)         (7) Construction in progress       3,633       6,179       2,545         Total tangible fixed assets       83,659       46.3       84,563       48.6       903         2 Intangible fixed assets:       11,014       11,014       11,014           (2) Software       223       233       9         (3) Others       237       342       104	Accumulated depreciation	1,237			1,222			
Accumulated depreciation 631 280 650 319 39  (4) Motor vehicles 13 13 1 1 (0)  (5) Tools, furniture and fixtures 3,523 2,537 Accumulated depreciation 2,634 2,537 48 766 (105)  (6) Land 40,493 39,979 (514)  (7) Construction in progress 3,633 70 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Accumulated impairment losses	33	443		32	415		(28)
(4) Motor vehicles       13       10       2       11       1       (0)         (5) Tools, furniture and fixtures       3,523       3,353       2,537       3,353       2,537       48       766       (105)         Accumulated depreciation       2,634       48       766       (105)         (6) Land       40,493       39,979       (514)         (7) Construction in progress       3,633       6,179       2,545         Total tangible fixed assets       83,659       46.3       84,563       48.6       903         2 Intangible fixed assets:       11,014       11,014           (2) Software       223       233       9         (3) Others       237       342       104	(3) Machinery and equipment	912			970			
Accumulated depreciation       10       2       11       1       (0)         (5) Tools, furniture and fixtures       3,523       3,353       2,537       48       766       (105)         Accumulated depreciation       2,634       48       766       (105)         (6) Land       40,493       39,979       (514)         (7) Construction in progress       3,633       6,179       2,545         Total tangible fixed assets       83,659       46.3       84,563       48.6       903         2 Intangible fixed assets:       11,014       11,014       —         (2) Software       223       233       9         (3) Others       237       342       104	Accumulated depreciation	631	280		650	319		39
(5) Tools, furniture and fixtures       3,523         Accumulated depreciation       2,634         Accumulated impairment losses       17         (6) Land       40,493         (7) Construction in progress       3,633         Total tangible fixed assets       83,659         2 Intangible fixed assets:       11,014         (2) Software       223         (3) Others       237	(4) Motor vehicles	13			13			
(5) Tools, furniture and fixtures       3,523         Accumulated depreciation       2,634         Accumulated impairment losses       17         (6) Land       40,493         (7) Construction in progress       3,633         Total tangible fixed assets       83,659         2 Intangible fixed assets:       11,014         (2) Software       223         (3) Others       237	Accumulated depreciation	10	2		11	1		(0)
Accumulated impairment losses       17       871       48       766       (105)         (6) Land       40,493       39,979       (514)         (7) Construction in progress       3,633       6,179       2,545         Total tangible fixed assets       83,659       46.3       84,563       48.6       903         2 Intangible fixed assets:       11,014       11,014       —         (2) Software       223       233       9         (3) Others       237       342       104		3,523	1		3,353			
Accumulated impairment losses 17 871 48 766 (105) (6) Land 40,493 39,979 (514) (7) Construction in progress 3,633 6,179 2,545  Total tangible fixed assets 83,659 46.3 84,563 48.6 903 2 Intangible fixed assets: (1) Leasehold 11,014 11,014 — (2) Software 223 23 9 (3) Others 237 342 104	Accumulated depreciation	2,634			2,537			
(6) Land       40,493       39,979       (514)         (7) Construction in progress       3,633       6,179       2,545         Total tangible fixed assets       83,659       46.3       84,563       48.6       903         2 Intangible fixed assets:       11,014       11,014       —         (2) Software       223       233       9         (3) Others       237       342       104	Accumulated impairment losses	17	871			766		(105)
(7) Construction in progress       3,633       6,179       2,545         Total tangible fixed assets       83,659       46.3       84,563       48.6       903         2 Intangible fixed assets:       11,014       11,014       —         (2) Software       223       233       9         (3) Others       237       342       104			1					
Total tangible fixed assets       83,659       46.3       84,563       48.6       903         2 Intangible fixed assets:       11,014       11,014       —         (2) Software       223       233       9         (3) Others       237       342       104	(7) Construction in progress		3,633					
2 Intangible fixed assets:       11,014       11,014       —         (1) Leasehold       11,014       —       —         (2) Software       223       233       9         (3) Others       237       342       104	, ,			46.3			48.6	
(1) Leasehold       11,014       11,014       —         (2) Software       223       233       9         (3) Others       237       342       104	2 Intangible fixed assets:							
(2) Software       223       233       9         (3) Others       237       342       104	_		11,014			11,014		_
(3) Others 237 342 104								9
								104
10tal intalignule fixed assets         11,470   0.4       11,070   0.7     13	Total intangible fixed assets		11,476	6.4		11,590	6.7	113

# Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2007 (Fractional amounts less than one million yen are discarded)

			1			(¥millions)
	28-Feb			28-Feb		Increase
	2006			2007		(Decrease)
3 Investments and other assets:		%			%	
(1) Investment securities	9,605			7,513		(2,092)
(2) Investments in affiliated companies	10,173			5,699		(4,474)
(3) Investments in non-stock equity interests	2			2		(0)
(4) Long-term loans	856			740		(115)
(5) Long-term prepaid expenses	918			770		(147)
(6) Fixed leasehold deposits	48,910			46,482		(2,428)
(7) Deferred tax assets	134			677		543
(8) Long-term accounts receivable	261			196		(64)
(9) Others	118			203		84
(10) Less: Allowance for doubtful accounts	(128)			(229)		(101)
Total investments and other assets	70,851	39.3		62,056	35.7	(8,795)
Total fixed assets	165,987	92.0		158,209	91.0	(7,778)
Total assets	180,492	100.0		173,796	100.0	(6,695)
(LIABILITIES)						
I .Current Liabilities:						
1 Notes payable - trade	841			1,073		231
2 Accounts payable - trade	14,011			14,495		484
3 Short-term bank loans	10,130			5,390		(4,740)
4 Current portion of long-term bank loans	12,080			4,418		(7,662)
5 Accounts payable - other	3,350			3,647		297
6 Accrued expenses	786			824		37
7 Accrued income taxes	1,146			556		(589)
8 Advance received	262			237		(24)
9 Withholdings	264			176		(88)
10 Accrued bonuses to employees	469			425		(43)
11 Allowance for sales returns	12			15		3
12 Allowance for books unsold	73			71		(2)
13 Current portion of straight bonds	_			12,000		12,000
14 Current portion of guarantee deposits				.2/000		.2/000
received from tenants	2,444			1,394		(1,050)
15 Others	1,354			288		(1,066)
Total current liabilities	47,229	26.2	ļ .	45,015	25.9	(2,214)
II .Long-term Liabilities:	17,227	20.2		10,010	20.7	(2,211)
1 Straight bonds	14,000			2,000		(12,000)
2 Long-term bank loans	8,173			11,755		3,582
3 Long-term accounts payable - other	281			237		(43)
4 Reserve for retirement benefits	205			213		7
5 Allowance for loss on store closing	824			2,179		1,355
6 Guarantee deposits received from tenants	41,763			41,732		(30)
Total long-term liabilities	65,247	36.1	<u> </u>	58,118	33.4	(7,128)
Total liabilities  Total liabilities	112,477	62.3	<b> </b>	103,134	59.3	
i utai iiaviiities	112,4//	02.3		103,134	57.5	(9,343)

# Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2007 (Fractional amounts less than one million yen are discarded)

1 Legal reserve   2 Voluntary reserve   8,611   3,405   -								(¥millions)
SHAREHOLDERS' EQUITY    26,867			28-Feb					Increase
I. Common Stock II. Capital Surplus 1 Additional paid-in capital 2 Other capital surplus Gain on sales of treasury stock Total capital surplus 1 Legal reserve General reserve			2006			2007		(Decrease)
II . Capital Surplus  1 Additional paid-in capital  2 Other capital surplus  Gain on sales of treasury stock  Total capital surplus  II . Retained Earnings  1 Legal reserve  General reserve  General reserve  Total shareholders' equity  (NET ASSETS)  I . Shareholders' Equity:  1 Common stock  2 Capital surplus  (Net Anserbolders' Equity:  1 Common stock  2 Capital surplus  (Net apital surplus  (Net apital surplus  1 J. Additional paid-in capital  (2) Other capital surplus  3 Retained earnings  (1) Legal reserve  681  2 7,184  15.1  — — — — — — — — — — — — — — — — — —							%	
1 Additional paid-in capital 26,292 2 0 1	I .Common Stock		26,867	14.9		_		-
2 Other capital surplus Gain on sales of treasury stock Total capital surplus  1 Legal reserve 2 Voluntary reserve General reserve 3 Unappropriated retained earnings Total liabilities and shareholders' equity  I Shareholders' Equity: 1 Common stock 2 Capital surplus (1) Additional paid-in capital (2) Other capital surplus 3 Retained earnings (1) Legal reserve (2) Others General reserve 8,611 3,405 1,432 0,8	II .Capital Surplus							
Sain on sales of treasury stock Total capital surplus	1 Additional paid-in capital	26,292			-			
Total capital surplus	2 Other capital surplus							
III. Retained Earnings   1 Legal reserve   2 Voluntary reserve   681	Gain on sales of treasury stock	892			_			
1 Legal reserve   2 Voluntary reserve   8,611   3,405   -   -   -     -			27,184	15.1		-		_
2 Voluntary reserve General reserve 3 Unappropriated retained earnings Total retained earnings Total retained earnings Total starbolders' equity  (NET ASSETS) I. Shareholders' Equity: 1 Common stock 2 Capital surplus (1) Additional paid-in capital (2) Other capital surplus 3 Retained earnings (1) Legal reserve (2) Others General reserve Retained earnings 4 Treasury stock Total shareholders' equity  Total shareholders'  1. Shareholders'  1. Shareholders'  2. Capital surplus (1) Additional paid-in capital (2) Other capital surplus (3) Retained earnings (4) Legal reserve (5) Others General reserve Retained earnings (1) Legal reserve (2) Others General reserve Total shareholders' equity  Total retained earnings  4 Treasury stock Total shareholders' equity  Total shareholders' equity  Total retained earnings  4 Treasury stock Total shareholders' equity  Total retained earnings  1 I. Valuation and Translation Adjustments: 1 Net unrealized gains on securities Total valuation and translation adjustments Total retained earnings  - General reserve -	<b>Ⅲ</b> .Retained Earnings							
September   Sept	1 Legal reserve	681			_			
3 Unappropriated retained earnings   3,405   12,697   7.0   -   -     -	2 Voluntary reserve							
Total retained earnings   12,697   7.0	General reserve	8,611			_			
IV. Net Unrealized Gains on Securities   1,432   0.8		3,405			_			
V.Treasury Stock	_		12,697	7.0		_		_
Total shareholders' equity  Total liabilities and shareholders' equity  (NET ASSETS)  I .Shareholders' Equity:  1 Common stock  2 Capital surplus  (1) Additiohal paid-in capital  (2) Other capital surplus  Total capital surplus  Total capital surplus  Total capital surplus  Total retained earnings  (1) Legal reserve  General reserve  Retained earnings brought forward  Total retained earnings  4 Treasury stock  Total shareholders' equity  Total shareholders' equity  Total valuation and  Translation Adjustments:  1 Net unrealized gains on securities  Total retaisets  Total retaisets  Total valuation and translation adjustments  Total net assets  Total retaiset  Total valuation and translation adjustments  Total retaiset  Total valuation and translation adjustments  Total valuation and translation adjustments  Total retaiset  Total valuation and translation adjustments			1,432	8.0		_		_
Total liabilities and shareholders' equity  (NET ASSETS)  I .Shareholders' Equity:  1 Common stock  2 Capital surplus  (1) Additional paid-in capital  (2) Other capital surplus  Total capital surplus  3 Retained earnings  (1) Legal reserve  (2) Others  General reserve  Retained earnings brought forward  Total retained earnings  4 Treasury stock  Total shareholders' equity  I .Valuation and  Translation Adjustments:  1 Net unrealized gains on securities  Total net assets  10.51	V.Treasury Stock		(166)	(0.1)		_		_
(NET ASSETS)       I .Shareholders' Equity:         1 .Common stock       —       26,867       15.5       —         2 Capital surplus       —       26,623       —       —         (2) Other capital surplus       —       27,527       15.8       —         3 Retained earnings       —       681       —       —       —         (1) Legal reserve       —       681       — <td>Total shareholders' equity</td> <td></td> <td>68,014</td> <td>37.7</td> <td></td> <td>_</td> <td></td> <td>_</td>	Total shareholders' equity		68,014	37.7		_		_
I .Shareholders' Equity:  1 Common stock  2 Capital surplus  (1) Additional paid-in capital (2) Other capital surplus  Total capital surplus  (1) Legal reserve (2) Others  General reserve Retained earnings  Total retained earnings  4 Treasury stock Total shareholders' equity  I .Valuation and  Translation Adjustments:  1 Net unrealized gains on securities Total net assets	Total liabilities and shareholders' equity		180,492	100.0		_		_
I .Shareholders' Equity:  1 Common stock  2 Capital surplus  (1) Additional paid-in capital (2) Other capital surplus  Total capital surplus  (1) Legal reserve (2) Others  General reserve  General reserve  Total retained earnings  4 Treasury stock  Total shareholders' equity  I .Valuation and  Translation Adjustments:  1 Net unrealized gains on securities  Total net assets								
1 Common stock	(NET ASSETS)							
2 Capital surplus	I .Shareholders' Equity:							
(1) Additiohal paid-in capital       —       26,623       —       —       903       —	1 Common stock		_			26,867	15.5	-
Total capital surplus	2 Capital surplus							
Total capital surplus  3 Retained earnings (1) Legal reserve (2) Others General reserve ———————————————————————————————————	(1) Additiohal paid-in capital	_			26,623			
3 Retained earnings	(2) Other capital surplus	_			903			
(1) Legal reserve       —       681         (2) Others       —       10,511         General reserve       —       10,511         Retained earnings brought forward       —       4,154         Total retained earnings       —       15,346       8.8       —         4 Treasury stock       —       (54)       (0.0)       —         Total shareholders' equity       —       69,687       40.1       —         II .Valuation and Translation Adjustments:       —       975       0.6       —         Total valuation and translation adjustments       —       975       0.6       —         Total net assets       —       70,662       40.7       —	Total capital surplus		_			27,527	15.8	_
(2) Others       —       10,511         Retained earnings brought forward       —       4,154         Total retained earnings       —       15,346       8.8       —         4 Treasury stock       —       (54)       (0.0)       —         Total shareholders' equity       —       69,687       40.1       —         II .Valuation and Translation Adjustments:       —       975       0.6       —         Total valuation and translation adjustments       —       975       0.6       —         Total net assets       —       70,662       40.7       —	3 Retained earnings							
Total retained earnings brought forward   Company   Co	(1) Legal reserve	_			681			
Retained earnings brought forward	(2) Others							
Total retained earnings	General reserve	_			10,511			
Treasury stock	Retained earnings brought forward	_			4,154			
Total shareholders' equity	Total retained earnings		_			15,346	8.8	-
II .Valuation and Translation Adjustments: — 975 0.6 —   1 Net unrealized gains on securities — 975 0.6 —   Total valuation and translation adjustments — 975 0.6 —   Total net assets — 70,662 40.7 —	4 Treasury stock		_			(54)	(0.0)	_
Translation Adjustments:         —         975         0.6         —           1 Net unrealized gains on securities         —         975         0.6         —           Total valuation and translation adjustments         —         975         0.6         —           Total net assets         —         70,662         40.7         —	Total shareholders' equity		_			69,687	40.1	-
1 Net unrealized gains on securities       —       975       0.6       —         Total valuation and translation adjustments       —       975       0.6       —         Total net assets       —       70,662       40.7       —								
Total valuation and translation adjustments — 975 0.6 — Total net assets — 70,662 40.7 —	Translation Adjustments:							
Total net assets — 70,662 40.7 —	1 Net unrealized gains on securities		_			975	0.6	_
	Total valuation and translation adjustments		_			975	0.6	_
Total liabilities and net assets - 173,796 100.0 -	Total net assets		_			70,662	40.7	_
	Total liabilities and net assets		_			173,796	100.0	_

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

							( # 11111110115)
		28-Feb			28-Feb		Increase
		2006			2007		(Decrease)
I .Net sales:			%			%	
1 Net sales by tenants	237,131			240,820			
2 Own sales	5,430	242,562	100.0	5,619	246,439	100.0	3,877
II .Cost of sales:							
1 Cost of net sales by tenants	209,380			212,812			
2 Cost of own sales	3,858	213,238	87.9	4,005	216,818	88.0	3,579
		29,323	12.1		29,620	12.0	297
Provision for allowance for sales returns		2	0.0		3	0.0	1
Gross profit on sales		29,321	12.1		29,617	12.0	296
Ⅲ.Other operating revenue		2,173	0.9		2,207	0.9	33
Gross profit		31,495	13.0		31,824	12.9	329
Ⅳ.Selling, general and administrative expenses		23,837	9.8		23,068	9.3	(769)
Operating income		7,657	3.2		8,755	3.6	1,098
V .Non-operating income:							
1 Interest income	66			65			
2 Dividends income	51			126			
3 Others	374	492	0.2	293	485	0.2	(7)
VI.Non-operating expenses:							
1 Interest expenses	589			527			
2 Bonds interest expenses	174			174			
3 Others	65	829	0.4	57	759	0.4	(70)
Ordinary income		7,319	3.0		8,481	3.4	1,161

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

		28-Feb			28-Feb		Increase
		2006			2007		(Decrease)
VII.Special income:			%			%	
1 Gain on sales of fixed assets	1			252			
2 Gain on sales of investment securities	52			43			
3 Reversal of allowance for doubtful accounts	19			8			
4 Foreign exchange gain on							
capital reduction of a subsidiary	80			_			
5 Gain on prior period adjustment of rent expense	43			-			
6 Reversal of allowance for loss on store closing	_			666			
7 Others	_	197	0.1	26	997	0.4	799
VIII.Special losses:							
1 Loss on sales of fixed assets	_			0			
2 Loss on disposal of fixed assets	1,125			753			
3 Loss on impairment of fixed assets	_			608			
4 Loss on write-down of investment securities	38			434			
5 Provision for allowance for doubtful accounts	_			115			
6 Special allowance for retirement	58			49			
7 Loss on store closing	944			2,308			
8 Loss on discontinued operations	133			_			
9 Others	111	2,412	1.0	64	4,335	1.7	1,922
Income before income taxes		5,104	2.1		5,143	2.1	38
Income taxes:							
Current income taxes	1,746			1,606			
Deferred income taxes	353	2,099	0.9	(96)	1,510	0.6	(589)
Net income		3,005	1.2		3,633	1.5	627

# Non-consolidated Statement of Appropriation of Retained Earnings for the Fiscal Year Ended February 28, 2007 (Fractional amounts less than one million yen are discarded)

	28-	Feb
	20	06
(Appropriation of Unappropriated Retained Earnings:)		
I .Unappropriated retained earnings:		
Balance at end of year		3,405
II .Appropriations:		
(1)Cash dividends	491	
(2)Voluntary reserve		
General reserve	1,900	2,391
Ⅲ.Balance to be carried forward		1,013
(Appropriation of Other Capital Surplus:)		
I .Other capital surplus:		892
II .Balance to be carried forward:		892

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

					Sharehold	ers' Equity			,	+ 1111110113)
		(	Capital surplu	IS			earnings			
	Common Stock	Additional paid-in capital	Other capital surplus	Total capital surplus	Legal reserve	Other retain Ganeral reserve	Retained earnings brought forward	Total retained earnings	Treasury stock	Total shareholders' equity
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
Repurchase of treasury stock									(4)	(4)
Disposal of treasury stock			11	11					116	128
Net changes of items other than shareholder's 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
Repurchase of treasury stock		(4)
Disposal of treasury stock		128
Net changes of items other than shareholder's equity	(456)	(456)
Total changes of items during the period	(456)	2,647
Balance at February 28, 2007	975	70,662