



August 21, 2012

For Immediate Release:

Company Name: PARCO Co., Ltd.
Company Representative: Kozo Makiyama,
President, Representative Executive Officer
Stock Code: 8251, T S E 1 s t Section
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Senior Manager, Public Relations Office

Announcement Concerning Result of Tender Offer by J. FRONT RETAILING CO., LTD. for Shares of the Company, Change in its Parent Company and Other Affiliated Companies, and Change in Major Shareholder of the Company

PARCO Co., Ltd. (the “Company”) hereby announces the result of the tender offer (the “Tender Offer”) for common shares of the Company that J. FRONT RETAILING Co., Ltd. (the “Tender Offeror”) commenced on July 9, 2012, as it has been completed on August 20, 2012.

The Company also hereby announces that it anticipates that, on August 27, 2012, there will be a change in its parent company and other affiliated companies and a change in its major shareholders as a result of the Tender Offer.

I. Result of Tender Offer

Today, the Company received from the Tender Offeror the report on the result on the Tender Offer.

II. Change in its Parent Company and Other Affiliated Companies

1. Background

The Tender Offeror announced that it would commence the Tender Offer as of July 5, 2012, and the Company resolved, at a meeting of the board of directors held on the same day, to express an opinion to support the Tender Offer and to leave the decision to the Company’s shareholders as to whether to tender their shares in the Tender Offer.

The Tender Offer was executed for the period from July 9, 2012 through August 20, 2012, and the Tender Offeror reported to the Company today that the Tender Offeror would obtain 38,522,614 shares of common stock of the Company through the Tender Offer.

Consequently, as of August 27, 2012 on which the settlement of the Tender Offer will commence, the percentage of the number of voting rights represented by the shares held by the Tender Offeror to the number of the voting rights represented by the shares held by all the shareholders of the Company will exceed 50%; therefore, the Tender Offeror, which is now an other affiliated company of the Company, will become the Company’s parent company thereafter.

2. Overview of the New Parent Company

(1) Name	J. FRONT RETAILING Co., Ltd.																							
(2) Location	10-1, Ginza 6-chome, Chuo-ku, Tokyo																							
(3) Title and Name of Representative	Tsutomu Okuda, Chairman and CEO																							
(4) Type of Business	Business plan, management and any businesses incidental thereto of the subsidiaries and group companies conducting department store operation																							
(5) Stated Capital	30,000 million yen (As of February 29, 2012)																							
(6) Date of Incorporation	September 3, 2007																							
(7) Net assets (Consolidated)	¥342,561 million (As of February 29, 2012)																							
(8) Total assets (Consolidated)	¥767,543 million (As of February 29, 2012)																							
(9) Major Shareholders and Shareholding Ratio	<table border="0"> <tr> <td>The Master Trust Bank of Japan, Ltd. (Trust Account)</td> <td>5.93%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd. (Trust Account)</td> <td>5.77%</td> </tr> <tr> <td>Nippon Life Insurance Company</td> <td>5.39%</td> </tr> <tr> <td>J. Front Retailing Kyoei Supplier Shareholding Association</td> <td>2.83%</td> </tr> <tr> <td>The Bank of Tokyo-Mitsubishi UFJ, Ltd.</td> <td>2.66%</td> </tr> <tr> <td>The Dai-ichi Mutual Life Insurance Company</td> <td>2.15%</td> </tr> <tr> <td>Tokio Marine & Nichido Fire Insurance Co., Ltd.</td> <td>1.56%</td> </tr> <tr> <td>Employee Shareholding Association of J. Front Retailing</td> <td>1.47%</td> </tr> <tr> <td>Japan Trustee Services Bank, Ltd.</td> <td>1.19%</td> </tr> <tr> <td>(Sumitomo Mitsui Banking Corporation Retirement Benefit Trust Account re-entrusted by The Sumitomo Trust and Banking Co., Ltd.)</td> <td></td> </tr> <tr> <td>Rabobank Nederland, Tokyo Branch</td> <td>1.10%</td> </tr> </table> <p>(As of February 29, 2012)</p>		The Master Trust Bank of Japan, Ltd. (Trust Account)	5.93%	Japan Trustee Services Bank, Ltd. (Trust Account)	5.77%	Nippon Life Insurance Company	5.39%	J. Front Retailing Kyoei Supplier Shareholding Association	2.83%	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	2.66%	The Dai-ichi Mutual Life Insurance Company	2.15%	Tokio Marine & Nichido Fire Insurance Co., Ltd.	1.56%	Employee Shareholding Association of J. Front Retailing	1.47%	Japan Trustee Services Bank, Ltd.	1.19%	(Sumitomo Mitsui Banking Corporation Retirement Benefit Trust Account re-entrusted by The Sumitomo Trust and Banking Co., Ltd.)		Rabobank Nederland, Tokyo Branch	1.10%
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(10) Relationship between the Company and the New Parent Company	<table border="1"> <tr> <td>Capital Relationship</td> <td>The new parent company holds 27,400,000 shares of common stock of the Company.</td> </tr> <tr> <td>Personnel Relationship</td> <td>One (1) officer of the new parent company and one (1) officer of Daimaru Matsuzakaya Department Stores Co., Ltd., a wholly-owned subsidiary of the new parent company, concurrently serve as outside directors of the Company.</td> </tr> <tr> <td>Business Relationship</td> <td>Daimaru Matsuzakaya Store Co., Ltd., a wholly-owned subsidiary of the new parent company, has a store in the Company's store.</td> </tr> </table>		Capital Relationship	The new parent company holds 27,400,000 shares of common stock of the Company.	Personnel Relationship	One (1) officer of the new parent company and one (1) officer of Daimaru Matsuzakaya Department Stores Co., Ltd., a wholly-owned subsidiary of the new parent company, concurrently serve as outside directors of the Company.	Business Relationship	Daimaru Matsuzakaya Store Co., Ltd., a wholly-owned subsidiary of the new parent company, has a store in the Company's store.																
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3. Number and Percentage of Voting Rights Held by New Parent Company Before and After the Change

	Status	Number of Voting Rights (Percentage of Voting Rights Held)		
		Number of Voting Rights Directly Held	Number of Voting Rights to be combined	Total
Before Change	Other Affiliated Company	274,000 (27.02%)	—	274,000 (27.02%)
After Change	Parent Company	659,226 (65.00%)	—	659,226 (65.00%)

Note : The “Percentage of Voting Rights Held” is based on the shareholders’ register as of May 31, 2012, after taking into consideration the results of the exercise of all share options by Development Bank of Japan Inc. as of August 1, 2012. In calculating such percentage, the remainder of the number of voting rights represented by the total number of issued shares less the number of the shares without voting rights is used as the denominator. (The result is rounded off to the second decimal point.)

Total number of issued shares as of August 1, 2012: 101,462,977 shares

Number of shares deducted from the total number of issued shares as shares without voting rights:
43,577 shares

4. Expected Date of Change

August 27, 2012 (Settlement commencement date for the Tender Offer)

III. Change in Major Shareholder

1. Background

Today, as a result of tendering all shares of common stock of the Company held by Development Bank of Japan Inc. (“**DBJ**”), DBJ, who has been our major shareholder, will no longer be our major shareholder as of August 27, 2012, the settlement commencement date for the Tender Offer.

2. Overview of Shareholder who will no longer be our Major Shareholder

(i) Name	Development Bank of Japan Inc.
(ii) Location	9-1, Otemachi 1-chome, Chiyoda-ku, Tokyo
(iii) Title and Name of Representative	Toru Hashimoto, President and CEO
(iv) Type of Business	Finance and Insurance
(v) Stated Capital	1,198,316 million yen

3. Number of Shares (Voting Rights) Held by the said shareholder and Percentage thereof to the Number of Total Voting Rights of All Shareholders Before and After the Change

	Number of Voting Rights (Number of Shares Held)	Percentage to the Number of Total Voting Rights of All Shareholders	Shareholder Ranking
Before Change (As of August 1, 2012)	189,873 (18,987,300 shares)	18.72%	No. 2
After Change	29,139 (2,913,900 shares)	2.87%	No. 5

Note 1: Each of the columns for before and after the change is based on the shareholders' register as of May 31, 2012, after taking into consideration the results of the exercise of all share options by the said shareholder as of August 1, 2012, and the tender of the shares by this shareholder to the Tender Offer.

Note 2: In calculating the "Percentage to the Number of Total Voting Rights of All Shareholders", the remainder of the number of voting rights represented by the total number of issued shares less the number of the shares without voting rights is used as the "Number of Total Voting Rights of All Shareholders". (The "Percentage to the Number of Total Voting Rights of All Shareholders" is rounded off to the second decimal point.)

The total number of issued shares and the number of shares deducted from the total number of issued shares as shares without voting rights are as follows:

Total number of issued shares as of August 1, 2012:	101,462,977 shares
Number of shares deducted from the total number of issued shares as shares without voting rights:	43,577 shares

4. Expected Date of Change

August 27, 2012 (Settlement commencement date for the Tender Offer)

IV. Future Prospects

As a result of the Tender Offer, the Tender Offeror will hold 65,922,614 shares of common stock of the Company (65.00% of the number of total voting rights of all shareholders, etc. of the Company), making the Company a consolidated subsidiary of the Tender Offeror. In addition, while the Company's common shares are listed on the First Section of the Tokyo Stock Exchange, the Company intends to continue to maintain the listing of the Company's common shares.

The Company's operating results will not be impacted by the announced change in its parent company and other affiliated companies and change in major shareholder of the Company.

End