

PARCO CO., LTD.

Non-consolidated Financial Statements for the Interim Term Ended August 31, 2003
(Fractional amounts less than one million yen are discarded)

October 15, 2003

Corporate Name: PARCO CO.,LTD.

Stock Exchange Listings: Tokyo Stock Exchange(first section)

Code Number: 8251

Address: Headquarters in Tokyo

(URL <http://www.parco.co.jp>)

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

Personnel to Contact: Kourou Hiraide, Executive Officer, Finance & Accounting

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Board of Directors meeting: October 15, 2003

Interim dividends payment system: Yes

Interim dividends day: November 4, 2003

Trading unit (Tangen-kabu) system: Yes (1 unit 1,000shares)

1. Results for the Interim Term of Fiscal 2003 (March 1, 2003-August 31, 2003)

(1) Sales and Income

	Net sales (¥million)	Year-on year Change [%]	Operating income (¥million)	Year-on year change [%]	Ordinary income (¥million)	Year-on year Change [%]
Aug.2003 interim term	119,517	[-0.4]	4,098	[+9.5]	3,688	[+11.8]
Aug.2002 interim term	120,003	[-0.3]	3,742	[+2.3]	3,298	[+8.4]
Fiscal 2002	244,936	[-1.4]	7,371	[+6.4]	6,352	[+11.1]

	Net income (¥million)	Year-on year Change [%]	Net income per share(¥)
Aug.2003 interim term	787	[+32.1]	10.23
Aug.2002 interim term	595	[-10.7]	7.80
Fiscal 2002	1,401	[+24.3]	18.27

Notes: 1. Average number of shares outstanding during the term:

Aug.2003 interim term	76,936,109 shares
Aug.2002 interim term	76,340,676 shares
Fiscal 2002	76,718,190 shares

2. Changes in Accounting Methods: None

3. Year-on-year change for net sales, operating income, ordinary income and net income is based on the previous fiscal year.

(2) Dividends

	Interim dividends per share (¥)	Annual dividends per share(¥)
Aug.2003 interim term	4.00	
Aug.2002 interim term	4.00	
Fiscal 2002		8.00

(3) Financial Position

	Total assets (¥million)	Shareholders' equity (¥million)	Shareholders' equity/ total assets [%]	Shareholders' equity per share (¥)
Aug.2003 interim term	198,509	59,273	[29.9]	770.43
Aug.2002 interim term	199,706	59,188	[29.6]	766.18
Fiscal 2002	201,572	58,737	[29.1]	763.45

Notes	1.Total number of shares outstanding:	As of August 31, 2003	76,936,074 shares
		As of August 31, 2002	77,251,825 shares
		As of February28, 2003	76,937,886 shares
2.Total number of treasury stock:	As of August 31, 2003	1,370,208 shares	
	As of August 31, 2002	1,054,457 shares	
	As of February28, 2003	1,368,396 shares	

2. Projected Results for Fiscal 2003 (March 1, 2003-February 29, 2004)

	Net sales (¥million)	Operating income (¥million)	Ordinary income (¥million)	Net income (¥million)	Annual dividends per share(¥)	
					Interim	
Fiscal 2003	244,000	7,500	6,500	1,700	4.00	8.00

Reference: Estimated net income per share (fiscal 2003): ¥ 22.10

Notes: The above projected results are announced presupposing available information at October 15, 2003 and an assumption related to uncertain factors which will influence to future results. Actual results may be different from forecast depend on various factors in future.

PARCO CO., LTD.

Non-consolidated Balance Sheets for the Interim Term Ended August 31, 2003
(Fractional amounts less than one million yen are discarded)

		Interim Term				Fiscal 2002		(¥ millions)
		Aug.2003		Aug.2002		Increase (Decrease)		Increase (Decrease)
			%		%		%	
		(ASSETS)						
.Current Assets:								
1	Cash and time deposits	10,413		5,399		5,014	12,713	(2,300)
2	Notes receivable - trade	-		80		(80)	11	(11)
3	Accounts receivable - trade	6,695		6,819		(124)	5,680	1,014
4	Finished products	191		190		1	189	2
5	Work-in-process	12		4		7	10	1
6	Supplies	11		12		(0)	12	(0)
7	Deferred tax assets	1,570		920		649	962	607
8	Short-term loans	5,264		6,365		(1,100)	6,289	(1,025)
9	Other current assets	1,506		3,828		(2,322)	1,966	(460)
	Less: Allowance for doubtful accounts	(2,174)		(1,999)		(174)	(1,801)	(373)
	Total current assets	23,493	11.8	21,622	10.8	1,870	26,036	(2,543)
.Fixed Assets:								
1	Tangible fixed assets:							
	(1)Buildings	38,449		38,321		128	38,189	259
	(2)Land	39,857		39,400		457	39,392	465
	(3)Other tangible fixed assets	1,676		1,503		173	1,605	71
	Total tangible fixed assets	79,984		79,225		759	79,186	797
2	Intangible fixed assets:							
	(1)Leasehold	11,014		11,014		-	11,014	-
	(2)Other Intangible fixed assets	1,494		1,923		(429)	1,673	(179)
	Total intangible fixed assets	12,508		12,938		(429)	12,688	(179)
3	Investments and other assets:							
	(1)Investment securities	8,081		11,687		(3,605)	7,695	385
	(2)Investments in affiliated companies	12,218		12,571		(353)	12,668	(449)
	(3)Long-term loans	1,008		1,009		(0)	1,034	(25)
	(4)Fixed leasehold deposits	56,019		56,670		(651)	56,486	(467)
	(5)Deferred tax assets	2,622		2,211		411	2,321	301
	(6)Other investments	3,522		1,854		1,668	3,538	(15)
	Less: Allowance for doubtful accounts	(950)		(84)		(865)	(84)	(865)
	Total investments and other assets	82,523		85,920		(3,396)	83,660	(1,136)
	Total fixed assets	175,016	88.2	178,083	89.2	(3,066)	175,535	(518)
	Total assets	198,509	100.0	199,706	100.0	(1,196)	201,572	(3,062)
		(LIABILITIES)						
.Current liabilities:								
1	Notes payable - trade	560		536		24	891	(330)
2	Accounts payable - trade	15,994		16,081		(87)	14,143	1,850
3	Short-term bank loans	21,235		25,739		(4,503)	21,583	(348)
4	Accounts payable - other	2,718		3,349		(630)	4,459	(1,741)
5	Accrued income taxes	1,933		117		1,816	364	1,569
6	Allowance reserve	1,360		618		742	610	749
7	Current portion of bonds	-		2,000		(2,000)	2,000	(2,000)
8	Current portion of convertible bonds	1,337		-		1,337	-	1,337
9	Other current liabilities	3,937		5,824		(1,887)	3,762	174
	Total current liabilities	49,077	24.7	54,266	27.2	(5,189)	47,816	1,261
.Long-term liabilities:								
1	Straight bonds	14,000		-		14,000	12,000	2,000
2	Convertible bonds	-		1,337		(1,337)	1,337	(1,337)
3	Long-term bank loans	30,271		36,676		(6,405)	34,047	(3,776)
4	Reserve for retirement benefits	235		105		129	175	59
5	Accrued retirement benefits for directors and statutory auditors	206		270		(64)	306	(100)
6	Provision for loss on guaranty of bank loans	350		350		-	350	-
7	Guarantee deposits received from tenants	45,095		47,509		(2,414)	46,801	(1,706)
	Total long-term liabilities	90,158	45.4	86,250	43.2	3,908	95,018	(4,860)
	Total liabilities	139,236	70.1	140,517	70.4	(1,281)	142,834	(3,598)
		(SHAREHOLDERS' EQUITY)						
.Common Stock		25,892	13.0	25,892	13.0	-	25,892	-
.Capital Surplus								
	Additional paid-in capital	25,318	12.8	25,318	12.7	-	25,318	-
.Retained Earnings								
1	Legal reserve	681		681		-	681	-
2	General reserve	7,011		6,261		750	6,261	750
3	Unappropriated retained earnings	1,417		1,247		169	1,744	(326)
	Total retained earnings	9,110	4.6	8,190	4.1	919	8,686	423
.Net Unrealized (Losses) Gains on Securities		(334)	(0.2)	344	0.1	(679)	(447)	(0.2)
.Treasury Stock		(712)	(0.3)	(556)	(0.3)	(155)	(712)	(0)
	Total shareholders' equity	59,273	29.9	59,188	29.6	84	58,737	535
	Total liabilities and shareholders' equity	198,509	100.0	199,706	100.0	(1,196)	201,572	(3,062)

PARCO CO., LTD.

Non-consolidated Statements of Income for the Interim Term Ended August 31, 2003
(Fractional amounts less than one million yen are discarded)

								(¥ millions)	
		Interim Term						Fiscal 2002	
		Aug.2003		Aug.2002		Increase (Decrease)			
			%		%				%
.Net sales:									
1	Net sales by tenants	115,627		117,538		(1,911)		239,971	
2	Own sales	3,889		2,464		1,425		4,965	
		119,517	100.0	120,003	100.0	(485)		244,936	100.0
.Cost of sales:									
1	Cost of net sales by tenants	102,051		103,925		(1,874)		212,289	
2	Cost of net own sales	2,798		1,753		1,045		3,636	
		104,849	87.7	105,679	88.1	(829)		215,925	88.2
		14,668	12.3	14,323	11.9	344		29,010	11.8
	Provision for allowance for sales returns	-	-	9	0.0	(9)		0	0.0
	Reversal of allowance for sales returns	0	0.0	-	-	0		-	-
	Gross profit on sales	14,668	12.3	14,314	11.9	354		29,009	11.8
.Other operating revenue									
		830	0.7	889	0.7	(58)		1,768	0.8
	Gross profit	15,498	13.0	15,203	12.7	295		30,778	12.6
.Selling, general and administrative expenses									
		11,400	9.6	11,460	9.5	(60)		23,407	9.6
	Operating income	4,098	3.4	3,742	3.1	355		7,371	3.0
.Non-operating income:									
		202	0.2	254	0.2	(51)		566	0.2
.Non-operating expenses:									
		612	0.5	697	0.6	(85)		1,584	0.6
	Ordinary income	3,688	3.1	3,298	2.7	389		6,352	2.6
.Special income:									
		363	0.3	106	0.1	256		455	0.2
.Special losses:									
		2,443	2.1	2,268	1.9	175		4,182	1.7
	Income before income taxes	1,608	1.3	1,137	0.9	470		2,625	1.1
	Current income taxes	1,824	1.5	11	0.0	1,813		271	0.1
	Deferred income taxes	(1,003)	(0.9)	530	0.4	(1,534)		952	0.4
	Net income	787	0.7	595	0.5	191		1,401	0.6
	Balance, beginning of the term	630		652		(21)		652	
	Cash dividends (interim)	-		-		-		309	
	Loss on sales of treasury stock	0		-		0		-	
	Balance at end of the term	1,417		1,247		169		1,744	