

Non-consolidated Financial Statements for the Fiscal Year Ended February 28, 2005  
 (Fractional amounts less than one million yen are discarded)

April 14, 2005

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 &amp; Chief Executive Officer

Personnel to Contact: Kourou Hiraide, Executive Officer, Finance &amp; Accounting TEL (03)3477-5791

Board of Directors meeting: April 14, 2005

Interim dividends payment system: Yes

Ordinary General Meeting

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

of shareholders: May 28, 2005

## 1. Results for Fiscal 2004 (March 1, 2004-February 28, 2005)

## (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 [%]
Fiscal 2004	236,359	[-2.5]	7,212	[-6.3]	6,557	[-4.9]
Fiscal 2003	242,421	[-1.0]	7,701	[+4.5]	6,893	[+8.5]

	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 2004	1,262	[-34.0]	15.85	15.83	[+2.1]	[+3.5]	[+2.8]
Fiscal 2003	1,914	[+36.6]	25.35	24.39	[+3.3]	[+3.5]	[+2.8]

Notes:

1. Average number of shares outstanding during year:

Fiscal 2004 79,675,601 shares

Fiscal 2003 75,499,197 shares

2. Changes in Accounting Methods: Yes

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

## (2) Dividends

	Annual dividends per share (¥)			Total dividends (annual) (¥ million)	Payout ratio [%]	Dividend rate for shareholders' equity [%]
	Interim	Year-end				
Fiscal 2004	10.00	5.00	5.00	808	63.1	[+1.3]
Fiscal 2003	8.00	4.00	4.00	592	31.6	[+1.0]

## (3) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity/ total assets [%]	Shareholders' equity per share (¥)
Fiscal 2004	183,890	64,171	[+34.9]	793.72
Fiscal 2003	193,523	57,508	[+29.7]	808.29

Notes: Total number of shares outstanding:

As of February 28, 2005 80,848,566 shares As of February 29, 2004 71,148,207 shares

Total number of treasury stock

As of February 28, 2005 1,362,215 shares As of February 29, 2004 7,383,299 shares

## 2. Projected Results for Fiscal 2005 (March 1, 2005-February 28, 2006)

	Net sales (¥ million)	Operating income (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividends per share (¥)		
					Interim	Year-end	
Interim period	114,500	3,400	3,100	1,400	5.00	-	-
Fiscal 2005	237,000	7,300	6,800	2,500	-	5.00	10.00

Reference: Estimated net income per share (fiscal 2005): ¥30.92

Notes: The above projected results are announced presupposing available information at April 14, 2005 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.

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Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2005  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2004			28-Feb 2005			Increase (Decrease)
<b>(ASSETS)</b>			%			%	
<b>.Current Assets:</b>							
1 Cash and time deposits	11,060			10,437			(622)
2 Notes receivable - trade	2			2			(0)
3 Accounts receivable - trade	7,108			4,787			(2,321)
4 Marketable Securities	-			10			10
5 Finished products	208			286			77
6 Work-in-process	4			3			(0)
7 Supplies	0			0			(0)
8 Advance payment	66			11			(54)
9 Prepaid expenses	613			649			36
10 Deferred tax assets	1,194			426			(767)
11 Short-term loans	69			11			(58)
12 Short-term loans to affiliated company	4,973			2,010			(2,963)
13 Other current assets	906			766			(139)
14 Less: Allowance for doubtful accounts	(2,253)			(2)			2,251
Total current assets	23,955	12.4		19,401	10.6		(4,553)
<b>.Fixed Assets:</b>							
1 Tangible fixed assets:							
(1) Buildings	93,151			96,521			
Accumulated depreciation	54,659			56,623			
Accumulated impairment losses	-	38,492		1,298	38,599		107
(2) Structures	1,672			1,700			
Accumulated depreciation	1,171			1,208			
Accumulated impairment losses	-	500		29	462		(38)
(3) Machinery and equipment	878			871			
Accumulated depreciation	566	311		590	280		(31)
(4) Motor vehicles	14			13			
Accumulated depreciation	7	6		9	3		(2)
(5) Tools, furniture and fixtures	3,296			3,432			
Accumulated depreciation	2,505			2,570			
Accumulated impairment losses	-	790		15	846		55
(6) Land		39,857			40,666		808
(7) Construction in progress		-			261		261
Total tangible fixed assets		79,960	41.3		81,120	44.1	1,160
2 Intangible fixed assets:							
(1) Goodwill		752			376		(376)
(2) Leasehold		11,014			11,014		-
(3) Software		241			251		9
(4) Other intangible fixed assets		291			264		(27)
Total intangible fixed assets		12,300	6.4		11,906	6.5	(393)

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Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2005  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2004		28-Feb 2005		Increase (Decrease)
<b>3 Investments and other assets:</b>		%		%	
(1) Investment securities	8,059		7,975		(83)
(2) Investments in affiliated companies	12,669		12,436		(232)
(3) Investments in non-stock equity interests	2		2		-
(4) Long-term loans	928		819		(109)
(5) Long-term prepaid expenses	1,103		1,012		(90)
(6) Fixed leasehold deposits	52,701		47,621		(5,079)
(7) Deferred tax assets	469		1,274		805
(8) Long-term accounts receivable	2,127		2,066		(60)
(9) Other investments	259		128		(130)
(10) Less: Allowance for doubtful accounts	(1,012)		(1,877)		(865)
Total investments and other assets	77,308	39.9	71,461	38.8	(5,846)
Total fixed assets	169,568	87.6	164,488	89.4	(5,079)
<b>Total assets</b>	<b>193,523</b>	<b>100.0</b>	<b>183,890</b>	<b>100.0</b>	<b>(9,633)</b>
<b>(LIABILITIES)</b>					
<b>.Current Liabilities:</b>					
1 Notes payable - trade	660		723		63
2 Accounts payable - trade	14,504		13,512		(992)
3 Short-term bank loans	9,030		6,870		(2,160)
4 Current portion of long-term bank loans	11,214		12,754		1,539
5 Accounts payable - other	3,238		2,614		(624)
6 Accrued expenses	932		805		(127)
7 Accrued income taxes	548		1,730		1,181
8 Advance received	195		193		(2)
9 Withholdings	256		168		(88)
10 Accrued bonuses to employees	477		476		(1)
11 Allowance for sales returns	13		10		(2)
12 Allowance for books unsold	60		65		4
13 Current portion of convertible bonds	1,237		-		(1,237)
14 Current portion of guarantee deposits received from tenants	2,145		1,518		(626)
15 Other current liabilities	931		1,333		402
Total current liabilities	45,447	23.5	42,775	23.3	(2,672)
<b>.Long-term Liabilities:</b>					
1 Straight bonds	14,000		14,000		-
2 Long-term bank loans	32,042		20,028		(12,014)
3 Long-term accounts payable - other	-		281		281
4 Reserve for retirement benefits	297		185		(112)
5 Accrued retirement benefits for directors and statutory auditors	231		-		(231)
6 Guarantee deposits received from tenants	43,997		42,448		(1,548)
Total long-term liabilities	90,568	46.8	76,944	41.8	(13,624)
Total liabilities	136,015	70.3	119,719	65.1	(16,296)

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Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2005  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb		28-Feb		Increase (Decrease)
	2004		2005		
<b>(SHAREHOLDERS' EQUITY)</b>		%		%	
.Common Stock	25,942	13.4	26,867	14.6	924
.Capital Surplus					
1 Additional paid-in capital	25,368		26,292		923
2 Other capital surplus					
Gain on sales of treasury stock	-		815		815
Total capital surplus	25,368	13.1	27,107	14.8	1,739
.Retained Earnings					
1 Legal reserve	681		681		
2 Voluntary reserve					
General reserve	7,011		7,911		
3 Unappropriated retained earnings	2,237		1,911		
Total retained earnings	9,929	5.1	10,503	5.7	574
.Net Unrealized Gains on Securities	311	0.2	442	0.2	131
.Treasury Stock	(4,043)	(2.1)	(750)	(0.4)	3,293
Total shareholders' equity	57,508	29.7	64,171	34.9	6,663
Total liabilities and shareholders' equity	193,523	100.0	183,890	100.0	(9,693)

PARCO CO., LTD.

Non-consolidated Statements of Income for the Fiscal Year Ended February 28, 2005  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2004			28-Feb 2005			Increase (Decrease)
			%			%	
.Net sales:							
1 Net sales by tenants	236,023			231,273			
2 Own sales	6,397	242,421	100.0	5,086	236,359	100.0	(6,062)
.Cost of sales:							
1 Cost of net sales by tenants	208,538			204,031			
2 Cost of net own sales	4,619	213,158	87.9	3,680	207,711	87.9	(5,446)
		29,263	12.1		28,647	12.1	(615)
Provision for allowance for sales returns		2	0.0		-	-	(2)
Reversal of allowance for sales returns		-	-		2	0.0	2
Gross profit on sales		29,260	12.1		28,650	12.1	(610)
.Other operating revenue		1,724	0.7		1,840	0.8	115
Gross profit		30,985	12.8		30,490	12.9	(494)
.Selling, general and administrative expenses		23,283	9.6		23,278	9.8	(5)
Operating income		7,701	3.2		7,212	3.1	(489)
.Non-operating income:							
1 Interest income	155			103			
2 Dividends income	39			127			
3 Other non-operating income	282	476	0.2	308	539	0.2	62
.Non-operating expenses:							
1 Interest expenses	873			763			
2 Bonds interest expenses	176			174			
3 Bonds issue expenses	18			-			
4 Selling expense of treasury stock	-			203			
5 Other non-operating expenses	217	1,285	0.6	52	1,194	0.5	(90)
Ordinary income		6,893	2.8		6,557	2.8	(335)

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Non-consolidated Statements of Income for the Fiscal Year Ended February 28, 2005  
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(¥ millions)

	29-Feb 2004			28-Feb 2005			Increase (Decrease)
.Special income:			%			%	
1 Gain on sales of fixed assets	-			0			
2 Gain on sales of investment securities	113			273			
3 Reversal of allowance for doubtful accounts	22			28			
4 Reversal of provision for loss on guaranty of bank loans	350			-			
5 Gain on sales of subsidiaries' stocks	341	826	0.4	-	302	0.1	(523)
.Special losses:							
1 Loss on sales of fixed assets	5			23			
2 Loss on disposal of fixed assets	863			594			
3 Loss on impairment of fixed assets	-			2,206			
4 Loss on write-down of investment securities	171			-			
5 Loss on write-down of golf club memberships	7			-			
6 Loss on write-down of investments in subsidiaries	31			9			
7 Provision for allowance for doubtful accounts	1,625			868			
8 Loss on liquidation of a subsidiary	1,367			2			
9 Special allowance for retirement	41	4,114	1.7	105	3,810	1.6	(303)
Income before income taxes		3,605	1.5		3,049	1.3	(555)
Income taxes:							
Current income taxes	609			1,914			
Deferred income taxes	1,082	1,691	0.7	(127)	1,787	0.8	95
Net income		1,914	0.8		1,262	0.5	(651)
Retained earnings:							
Balance, beginning of year		630			1,052		421
Cash dividends (interim)		307			404		96
Loss on sales of treasury stock		0			-		(0)
Balance at end of year		2,237			1,911		(325)

PARCO CO., LTD.

Non-consolidated Statements of Appropriation of Retained Earnings for the Fiscal Year  
Ended February 28, 2005

(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2004		28-Feb 2005		Increase (Decrease)
(Appropriation of Unappropriated Retained Earnings:)					
.Unappropriated retained earnings:					
Balance at end of year		2,237		1,911	(325)
.Appropriations:					
(1)Cash dividends	284		404		
(2)Voluntary reserve					
General reserve	900	1,184	700	1,104	(80)
.Balance to be carried forward		1,052		806	(245)
(Appropriation of Other Capital Surplus:)					
.Other capital surplus:					
Gain on sales of treasury stock	-	-	815	815	815
.Appropriations	-	-	-	-	-
.Balance to be carried forward:					
Gain on sales of treasury stock	-	-	815	815	815