



August 31, 2016

For Immediate Release

Company Name: PARCO CO., LTD.
Company Representative: Kozo Makiyama
President, Representative Executive Officer
Stock code: 8251 (TSE 1st Section)
Inquiries: Mika Kusakawa
Senior Manager, Public Relations and Investor Relations Office

PARCO to close Otsu PARCO and sell property

PARCO Co., Ltd. today announced its decision to close Otsu PARCO and sell the store's fixed assets.

1. Reason for closing and sale of fixed assets

Otsu PARCO has been operating for almost 20 years since its opening in November 1996. While PARCO has been taking steps to increase sales and improve management efficiency in response to recent changes in the commercial environment, in October this year, after careful consideration, the decision was made to accept a purchase offer for the property from a company that would continue to operate it as a shopping complex.

As the final fiscal year of its current Medium-term Business Plan, PARCO has positioned FY2016 as a year for making preparations to build a new business foundation in the next Medium-term Business Plan and is engaged in directing business development with an eye to achieving future growth and evolving a strategy based on selection and concentration. This year has seen the opening of Sapporo ZERO GATE on February 26 and Sendai PARCO2 on July 1, and Hiroshima ZERO GATE2 is scheduled to open on September 10.

Otsu PARCO will be operated by PARCO until it ceases trading on August 31, 2017 (scheduled).

2. Details of asset to be sold

(1) Name	Otsu PARCO
(2) Address	Uchidehama 14-30, Otsu City, Shiga
(3) Current usage	Shopping complex

Note: For reasons of confidentiality, the sale price has not been disclosed.

3. Overview of the buyer

(1) Name	ARK Real Estate Co., Ltd.
(2) Address	Imabashi 2-5-8, Chuo-ku, Osaka-shi, Osaka
(3) Representative name, title	Yoshio Takayama, Representative Director
(4) Business Description	Comprehensive real estate business
(5) Capitalization	¥90 million
(6) Date of establishment	October 17, 1995
(7) Relationship between PARCO and ARK Real Estate	PARCO has no existing capital relationship, personnel relationship, business relationship, or relationship through a third party to ARK Real Estate

4. Schedule

October 31, 2016	Sale of property
August 31, 2017 (scheduled)	Closure of Otsu PARCO

Following the closure of Otsu PARCO, the buyer is planning to operate the facility as a shopping complex.

5. Outlook

Although an approximately ¥1.7-billion loss on store closing associated with the transfer of fixed assets is expected in the second quarter of the current fiscal year (ending February 28, 2017), extraordinary income is also expected due to the sale of other fixed assets, etc. The impact of these on consolidated business forecasts for the current fiscal year is currently under review.