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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 Team
(Telephone: 03-3477-5710)

Announcement Concerning Revision of Dividend Forecast for Fiscal Year Ending February 29, 2020 and Elimination of Shareholder Rewards System

PARCO CO., LTD. (the “Company”) hereby announces that the Board of Directors resolved, at its meeting held today, to (i) revise its dividend forecast for the fiscal year ending February 29, 2020, so that the Company will not pay a year-end dividend for the fiscal year ending February 29, 2020 or a commemorative dividend for the 50th anniversary of PARCO (the “Commemorative Dividend”), and (ii) eliminate its shareholder rewards system, subject to the completion of the tender offer conducted by J. FRONT RETAILING Co., Ltd. (the “Tender Offeror”) for the Company’s common shares (the “Company Shares”) as stated in the “Announcement of Opinion in Support of Tender Offer for Our Shares to be Conducted by J. FRONT RETAILING Co., Ltd., a Controlling Shareholder, and Recommendation for Our Shareholders to Tender Their Shares in Tender Offer” (the “Company Announcement of Opinion”), separately announced today (such tender offer, the “Tender Offer”).

1. Reason for Revision of Dividend Forecast and Elimination of Shareholder Rewards System

At a Board of Directors meeting held today, the Company resolved to express its opinion in support of the Tender Offer and to recommend that the Company’s shareholders tender their Company Shares in the Tender Offer. The above resolution by the Board of Directors was adopted under the premise that the Tender Offeror intends to make the Company into a wholly-owned subsidiary of the Tender Offeror through the Tender Offer and a series of subsequent procedures and that the Company Shares will be delisted (for further information, please refer to the Company Announcement of Opinion).

The Company’s basic policy has been to maintain the stable payment of dividend. However, if the Company were to make payments of dividend for which the record date is February 29, 2020, after the settlement of the Tender Offer, financial differences could arise between shareholders who tendered their

Company Shares and those who did not tender their Company Shares in the Tender Offer. Therefore, in the interests of ensuring fairness for all shareholders, the Board of Directors resolved, at its meeting held today, subject to the completion of the Tender Offer, to revise its dividend forecast for the fiscal year ending February 29, 2020, so that the Company will not pay a year-end dividend for the fiscal year ending February 29, 2020 or the Commemorative Dividend.

For the same reason, the Board of Directors resolved, at its meeting held today, to eliminate its shareholder rewards system subject to the completion of the Tender Offer.

2. Details of Revisions

(1) Revisions to Dividend Forecast

	Annual Dividend per Share		
	Second quarter-end	Fiscal year-end	Full-Year
Previous Forecasts (announced on April 8, 2019)		13 yen (ordinary dividend of 12 yen) (Commemorative Dividend of 1 yen)	26 yen (ordinary dividend of 24 yen) (Commemorative Dividend of 2 yen)
Revised Forecasts		0 yen (ordinary dividend of 0 yen) (Commemorative Dividend of 0 yen)	13 yen (ordinary dividend of 12 yen) (Commemorative Dividend of 1 yen)
Actual Results for Current Period	13 yen (ordinary dividend of 12 yen) (Commemorative Dividend of 1 yen)		
Actual Results for Previous Period (fiscal year ended February 28, 2019)	12 yen (ordinary dividend of 12 yen)	12 yen (ordinary dividend of 12 yen)	24 yen (ordinary dividend of 24 yen)

(2) Elimination of the Shareholder Rewards System

The shareholder rewards system will be eliminated from the shareholder rewards for shareholders listed or recorded in the shareholders' register as of February 29, 2020.

The Company also hereby announces that the shareholder rewards for shareholders listed or recorded in the shareholders' registry as of August 31, 2019 and each record date prior thereto that

are in effect as of the date of this announcement will remain in effect until the end of the effective period of such shareholder rewards, i.e., May 31, 2020, regardless of whether the Tender Offer is completed.

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