

PARCO CO., LTD.



Non-consolidated Financial Statements for the Interim Term Ended August 31, 2004
(Fractional amounts less than one million yen are discarded)

October 13, 2004

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

TEL (03)3477-5791

Board of Directors meeting: October 13, 2004

Interim dividends payment system: Yes

Interim dividends day: October 25, 2004

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

1. Results for the Interim Term of Fiscal 2004 (March 1, 2004-August 31, 2004)

(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.2004 interim term	114,258	[-4.4]	3,436	[-16.1]	2,914	[-21.0]
Aug.2003 interim term	119,517	[-0.4]	4,098	[+9.5]	3,688	[+11.8]
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(¥)
Aug.2004 interim term	1,085	[+37.9]	13.82
Aug.2003 interim term	787	[+32.1]	10.23
Fiscal 2003	1,914	[+36.6]	25.35

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

Aug.2004 interim term	78,528,818 shares
Aug.2003 interim term	76,936,109 shares
Fiscal 2003	75,499,197 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.2004 interim term	5.00	
Aug.2003 interim term	4.00	
Fiscal 2003		8.00

(3) Financial Position

	Total assets (¥million)	Shareholders' equity (¥million)	Shareholders' equity/ total assets [%]	Shareholders' equity per share (¥)
Aug.2004 interim term	194,858	64,393	[33.0]	796.56
Aug.2003 interim term	198,509	59,273	[29.9]	770.43
Fiscal 2003	193,523	57,508	[29.7]	808.29

Notes: 1.Total number of shares outstanding:	As of August 31, 2004	80,839,852 shares
	As of August 31, 2003	76,936,074 shares
	As of February29, 2004	71,148,207 shares
2.Total number of treasury stock:	As of August 31, 2004	1,370,929 shares
	As of August 31, 2003	1,370,208 shares
	As of February29, 2004	7,383,299 shares

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

	Net sales (¥million)	Operating income (¥million)	Ordinary income (¥million)	Net income (¥million)	Annual dividends per share(¥)	
					Interim	
Fiscal 2004	237,000	7,100	6,300	2,500	5.00	10.00

Reference: Estimated net income per share (fiscal 2004): ¥ 30.93

Notes: The above projected results are announced presupposing available information at October 13, 2004 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, 2004
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Interim Term				Increase (Decrease)	Fiscal2003		Increase (Decrease)
	Aug.2004		Aug.2003					
(ASSETS)		%		%			%	
.Current Assets:								
1 Cash and time deposits	16,111		10,413		5,697	11,060		5,050
2 Notes receivable - trade	2		-		2	2		0
3 Accounts receivable - trade	4,899		6,695		(1,796)	7,108		(2,209)
4 Marketable securities	20		-		20	-		20
5 Finished products	252		191		60	208		43
6 Work-in-process	6		12		(5)	4		2
7 Supplies	0		11		(11)	0		(0)
8 Deferred tax assets	650		1,570		(919)	1,194		(543)
9 Short-term loans	2,898		5,264		(2,365)	5,043		(2,144)
10 Other current assets	1,532		1,506		26	1,585		(52)
Less: Allowance for doubtful accounts	(808)		(2,174)		1,365	(2,253)		1,445
Total current assets	25,567	13.1	23,493	11.8	2,074	23,955	12.4	1,612
.Fixed Assets:								
1 Tangible fixed assets:								
(1)Buildings	38,794		38,449		345	38,492		302
(2)Land	40,311		39,857		453	39,857		453
(3)Other tangible fixed assets	2,577		1,676		900	1,610		967
Total tangible fixed assets	81,684		79,984		1,700	79,960		1,724
2 Intangible fixed assets:								
(1)Leasehold	11,014		11,014		-	11,014		-
(2)Other intangible fixed assets	1,072		1,494		(422)	1,285		(213)
Total intangible fixed assets	12,086		12,508		(422)	12,300		(213)
3 Investments and other assets:								
(1)Investment securities	8,575		8,081		493	8,059		515
(2)Investments in affiliated companies	12,269		12,218		50	12,669		(400)
(3)Long-term loans	826		1,008		(182)	928		(102)
(4)Fixed leasehold deposits	51,724		56,019		(4,294)	52,701		(976)
(5)Deferred tax assets	703		2,622		(1,919)	469		234
(6)Other investments	3,299		3,522		(223)	3,492		(193)
Less: Allowance for doubtful accounts	(1,879)		(950)		(929)	(1,012)		(867)
Total investments and other assets	75,519		82,523		(7,004)	77,308		(1,788)
Total fixed assets	169,290	86.9	175,016	88.2	(5,726)	169,568	87.6	(277)
Total assets	194,858	100.0	198,509	100.0	(3,651)	193,523	100.0	1,334

PARCO CO., LTD.

Non-consolidated Balance Sheets for the Interim Term Ended August 31, 2004
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Interim Term				Increase (Decrease)	Fiscal2003		Increase (Decrease)
	Aug.2004	%	Aug.2003	%			%	
(LIABILITIES)								
.Current liabilities:								
1 Notes payable – trade	510		560		(50)	660		(149)
2 Accounts payable – trade	15,296		15,994		(698)	14,504		791
3 Short-term bank loans	20,581		21,235		(653)	20,244		337
4 Accounts payable – other	2,293		2,718		(424)	3,238		(945)
5 Accrued income taxes	833		1,933		(1,100)	548		284
6 Allowance reserve	575		1,360		(785)	551		23
7 Current portion of convertible bonds	-		1,337		(1,337)	1,237		(1,237)
8 Other current liabilities	5,514		3,937		1,577	4,461		1,053
Total current liabilities	45,605	23.4	49,077	24.7	(3,472)	45,447	23.5	158
.Long-term liabilities:								
1 Straight bonds	14,000		14,000		-	14,000		-
2 Long-term bank loans	27,823		30,271		(2,448)	32,042		(4,219)
3 Reserve for retirement benefits	190		235		(44)	297		(107)
4 Accrued retirement benefits for directors and statutory auditors	252		206		46	231		21
5 Provision for loss on guaranty of bank loans	-		350		(350)	-		-
6 Guarantee deposits received from tenants	42,593		45,095		(2,502)	43,997		(1,404)
Total long-term liabilities	84,859	43.6	90,158	45.4	(5,298)	90,568	46.8	(5,709)
Total liabilities	130,464	67.0	139,236	70.1	(8,771)	136,015	70.3	(5,551)
(SHAREHOLDERS' EQUITY)								
.Common Stock								
26,867	13.8	25,892	13.0	974	25,942	13.4	924	
.Capital Surplus								
1 Additional paid-in capital								
26,292		25,318		973	25,368		923	
2 Other capital surplus								
813		-		813	-		813	
Total capital surplus	27,105	13.9	25,318	12.8	1,787	25,368	13.1	1,737
.Retained Earnings								
1 Legal reserve								
681		681		-	681		-	
2 General reserve								
7,911		7,011		900	7,011		900	
3 Unappropriated retained earnings								
2,137		1,417		720	2,237		(99)	
Total retained earnings	10,730	5.5	9,110	4.6	1,620	9,929	5.1	800
.Net Unrealized Gains (Losses) on Securities								
443	0.2	(334)	(0.2)	778	311	0.2	132	
.Treasury Stock								
(753)	(0.4)	(712)	(0.3)	(41)	(4,043)	(2.1)	3,290	
Total shareholders' equity	64,393	33.0	59,273	29.9	5,119	57,508	29.7	6,885
Total liabilities and shareholders' equity	194,858	100.0	198,509	100.0	(3,651)	193,523	100.0	1,334

PARCO CO., LTD.

Non-consolidated Statements of Income for the Interim Term Ended August 31, 2004
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Interim Term				Increase (Decrease)	Fiscal 2003	
	Aug.2004		Aug.2003				
		%		%			%
.Net sales:							
1 Net sales by tenants	111,514		115,627		(4,112)	236,023	
2 Own sales	2,743		3,889		(1,146)	6,397	
	114,258	100.0	119,517	100.0	(5,259)	242,421	100.0
.Cost of sales:							
1 Cost of net sales by tenants	98,202		102,051		(3,848)	208,538	
2 Cost of net own sales	2,033		2,798		(765)	4,619	
	100,235	87.7	104,849	87.7	(4,614)	213,158	87.9
	14,022	12.3	14,668	12.3	(645)	29,263	12.1
Provision for allowance for sales returns	1	0.0	-	-	1	2	0.0
Reversal of allowance for sales returns	-	-	0	0.0	(0)	-	-
Gross profit on sales	14,021	12.3	14,668	12.3	(646)	29,260	12.1
.Other operating revenue	866	0.7	830	0.7	35	1,724	0.7
Gross profit	14,887	13.0	15,498	13.0	(611)	30,985	12.8
.Selling, general and administrative expenses	11,450	10.0	11,400	9.6	50	23,283	9.6
Operating income	3,436	3.0	4,098	3.4	(661)	7,701	3.2
.Non-operating income:	209	0.2	202	0.2	6	476	0.2
.Non-operating expenses:	732	0.6	612	0.5	119	1,285	0.6
Ordinary income	2,914	2.6	3,688	3.1	(774)	6,893	2.8
.Special income:	219	0.2	363	0.3	(144)	826	0.4
.Special losses:	1,096	1.0	2,443	2.1	(1,346)	4,114	1.7
Income before income taxes	2,036	1.8	1,608	1.3	428	3,605	1.5
Income taxes:							
Current income taxes	732	0.6	1,824	1.5	(1,092)	609	0.3
Deferred income taxes	218	0.2	(1,003)	(0.9)	1,222	1,082	0.4
Net income	1,085	1.0	787	0.7	298	1,914	0.8
Retained earnings:							
Balance, beginning of the term	1,052		630		421	630	
Cash dividends (interim)	-		-		-	307	
Loss on sales of treasury stock	-		0		(0)	0	
Balance at end of the term	2,137		1,417		720	2,237	