

PARCO CO., LTD. AND SUBSIDIARIES



Consolidated Financial Statements for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

April 8, 2009

Corporate Name: PARCO CO.,LTD.

Stock Exchange Listings: Tokyo Stock Exchange(first section)

Code Number: 8251

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

Company Representative: Hidekazu Hirano, President, Representative Executive Officer

Contact: Kazumi Kojima, Member of the Board, Senior Executive Officer & Director Finance Department Phone: (03)3477-5791

Ordinary General Meeting

Projected Starting Date

of Shareholders: May 30, 2009

of Dividend Distribution: May 11, 2009

Projected Date to Submit Financial Report: June 1, 2009

1. Results for Fiscal 2008 (March 1, 2008 - February 28, 2009)

(1) Sales and Income

(Year-on-year changes are based on the previous fiscal year)

	Net sales (¥ million)	Year-on-year change [%]	Operating income (¥ million)	Year-on-year change [%]	Ordinary income (¥ million)	Year-on-year change [%]
Fiscal 2008	282,509	[(1.5)]	9,362	[(7.2)]	9,171	[(8.0)]
Fiscal 2007	286,788	[+7.6]	10,090	[+3.4]	9,973	[+3.9]

	Net income (¥ million)	Year-on-year change [%]	Net income per share(¥)	Net income per share (diluted) (¥)	Return on equity [%]	Ordinary income/total assets [%]	Operating income/net sales [%]
Fiscal 2008	3,730	[(27.8)]	45.29	-	5.0	4.8	3.3
Fiscal 2007	5,167	[+14.8]	62.73	-	7.2	5.4	3.5

Reference: Investment profit or loss on equity method

Fiscal 2008 : ¥(4) million

Fiscal 2007 : ¥14 million

(2) Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio [%]	Net assets per share (¥)
Fiscal 2008	191,681	75,617	39.4	917.61
Fiscal 2007	189,989	73,981	38.9	897.19

Reference: Equity

Fiscal 2008 : ¥75,592 million

Fiscal 2007 : ¥73,912 million

(3) Cash Flows

	Cash flows from operating activities (¥ million)	Cash flows from investing activities (¥ million)	Cash flows from financing activities (¥ million)	Cash and cash equivalents at end of year (¥ million)
Fiscal 2008	2,713	(14,148)	6,270	11,080
Fiscal 2007	12,705	(6,611)	(3,084)	16,558

2. Dividends

(Reference date)	Cash dividends per share (¥)					Total dividends (annual) [¥ million]	Payout ratio (consolidated) [%]	Dividends paid/net assets (consolidated) [%]
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual dividends			
Fiscal 2007	-	7.00	-	8.00	15.00	1,235	23.9	1.7
Fiscal 2008	-	8.00	-	8.00	16.00	1,318	35.3	1.8
Fiscal 2009 (forecast)	-	8.00	-	8.00	16.00		29.3	

3. Projected Results for Fiscal 2009 (March 1, 2009 - February 28, 2010)

(Year-on-year changes are based on the previous fiscal year and previous interim period)

	Net sales (¥ million)	Year-on- year change [%]	Operating income (¥ million)	Year-on- year change [%]	Ordinary income (¥ million)	Year-on- year change [%]	Net income (¥ million)	Year-on- year change [%]	Net income per share (¥)
Interim period	134,500	[(2.3)]	4,500	[(1.9)]	4,400	[(3.2)]	2,200	[(21.1)]	26.71
Fiscal 2009	280,000	[(0.9)]	9,400	[+0.4]	9,200	[+0.3]	4,500	[+20.6]	54.62

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4. Others

(1) Changes in main subsidiary companies during the fiscal year (Changes in specific subsidiary companies with changes in scope of consolidation): None

New: None

Eliminated: None

(2) Changes in accounting standards, procedures and disclosure methods for drawing up consolidated financial statements (Changes in important fundamentals for drawing up consolidated financial statements)

1, Changes due to revision of accounting standards: None

2, Other changes: None

(3) Total number of shares outstanding (Common stocks)

1, Total number of shares outstanding (Including treasury stocks)

Fiscal 2008 : 82,475,677 shares Fiscal 2007 : 82,475,677 shares

2, Total number of treasury stocks

Fiscal 2008 : 95,687 shares Fiscal 2007 : 93,843 shares

Reference: Non-consolidated Financial Statements

1. Non-consolidated Results for Fiscal 2008 (March 1, 2008 - February 28, 2009)

(1) Non-consolidated Sales and Income

(Year-on-year changes are based on the previous fiscal year)

	Net sales (¥ million)	Year-on-year change [%]	Operating income (¥ million)	Year-on-year change [%]	Ordinary income (¥ million)	Year-on-year change [%]
Fiscal 2008	261,751	[(0.7)]	8,885	[(2.2)]	9,067	[+1.0]
Fiscal 2007	263,525	[+6.9]	9,087	[+3.8]	8,974	[+5.8]

	Net income (¥ million)	Year-on-year change [%]	Net income per share(¥)	Net income per share (diluted) (¥)
Fiscal 2008	4,004	[(17.3)]	48.61	-
Fiscal 2007	4,841	[+33.3]	58.77	-

(2) Non-consolidated Financial Position

	Total assets (¥ million)	Net assets (¥ million)	Equity ratio [%]	Net assets per share (¥)
Fiscal 2008	187,186	76,000	40.6	922.56
Fiscal 2007	182,257	73,652	40.4	894.04

Reference: Equity

Fiscal 2008 : ¥76,000 million

Fiscal 2007 : ¥73,652 million

2. Non-consolidated Projected Results for Fiscal 2009 (March 1, 2009 - February 28, 2010)

(Year-on-year changes are based on the previous fiscal year and previous interim period)

	Net sales	Year-on-year change	Operating income	Year-on-year change	Ordinary income	Year-on-year change	Net income	Year-on-year change	Net income per share
	(¥ million)	[%]	(¥ million)	[%]	(¥ million)	[%]	(¥ million)	[%]	(¥)
Interim period	126,000	[(1.0)]	4,500	[+2.7]	4,500	[(4.7)]	2,300	[(24.8)]	27.92
Fiscal 2009	260,000	[(0.7)]	9,000	[+1.3]	8,800	[(2.9)]	4,400	[+9.9]	53.41

\* Explanations about appropriate use of projected results, and other specific notices

The above projected results are announced presupposing available information as at April 8, 2009 and an assumption related to uncertain factors which will influence the future results. Actual results may differ from the above projections depending on various factors in the future.

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2008		28-Feb 2009		Increase (Decrease)
		%		%	
<b>(ASSETS)</b>					
<b>I .Current Assets:</b>					
1 Cash and time deposits	15,858		11,080		(4,778)
2 Notes and accounts receivable - trade and accounts receivable for completed contract	7,826		10,428		2,602
3 Marketable securities	1,000		—		(1,000)
4 Inventories	2,807		2,618		(189)
5 Advance payment	32		52		19
6 Prepaid expenses	956		855		(101)
7 Deferred tax assets	951		957		5
8 Short-term loans	157		123		(34)
9 Others	1,853		2,280		427
10 Less: Allowance for doubtful accounts	(26)		(22)		3
Total current assets	31,417	16.5	28,373	14.8	(3,044)
<b>II .Fixed Assets:</b>					
1 Tangible fixed assets:					
(1) Buildings and structures	107,245		115,585		
Accumulated depreciation	63,016		65,245		
Accumulated impairment losses	1,475	42,753	1,229	49,110	6,356
(2) Machinery, equipment and motor vehicles	978		1,224		
Accumulated depreciation	683		717		
Accumulated impairment losses	—	294	0	507	212
(3) Tools, furniture and fixtures	4,737		4,870		
Accumulated depreciation	3,273		3,508		
Accumulated impairment losses	54	1,409	62	1,299	(110)
(4) Land		39,365		45,172	5,806
(5) Construction in progress		5,692		73	(5,619)
Total tangible fixed assets	89,516	47.1	96,163	50.2	6,646
2 Intangible fixed assets:					
(1) Leasehold	11,014		10,949		(65)
(2) Others	874		706		(167)
Total intangible fixed assets	11,889	6.3	11,656	6.1	(232)
3 Investments and other assets:					
(1) Investment securities	6,496		4,355		(2,140)
(2) Long-term loans	695		596		(98)
(3) Long-term prepaid expenses	937		847		(90)
(4) Fixed leasehold deposits	46,570		46,726		155
(5) Deferred tax assets	2,302		2,804		501
(6) Long-term accounts receivable	129		125		(4)
(7) Others	260		256		(3)
(8) Less: Allowance for doubtful accounts	(226)		(223)		2
Total investments and other assets	57,165	30.1	55,488	28.9	(1,677)
Total fixed assets	158,571	83.5	163,308	85.2	4,737
Total assets	189,989	100.0	191,681	100.0	1,692

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Balance Sheets for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2008		28-Feb 2009		Increase (Decrease)
		%		%	
<b>(LIABILITIES)</b>					
<b>I .Current Liabilities:</b>					
1 Notes and accounts payable - trade	23,203		19,455		(3,748)
2 Short-term bank loans	9,073		7,852		(1,221)
3 Accounts payable - other	4,027		3,613		(413)
4 Accrued expenses	1,453		1,589		135
5 Accrued income taxes	3,438		871		(2,566)
6 Allowance for bonuses to employees	973		951		(21)
7 Allowance for sales returns	13		18		4
8 Allowance for books unsold	75		107		32
9 Reserve for sales promotion	184		205		20
10 Current portion of straight bonds	2,000		1,000		(1,000)
11 Others	2,658		3,082		424
Total current liabilities	47,102	24.8	38,747	20.2	(8,354)
<b>II .Long-term Liabilities:</b>					
1 Straight bonds	—		4,000		4,000
2 Long-term bank loans	21,992		27,925		5,933
3 Long-term accounts payable - other	224		224		-
4 Reserve for retirement benefits	1,116		1,303		186
5 Accrued retirement benefits for directors and statutory auditors	9		11		1
6 Allowance for loss on store closing	2,179		1,809		(370)
7 Guarantee deposits received from tenants	43,377		41,820		(1,556)
8 Others	5		221		215
Total long-term liabilities	68,905	36.3	77,316	40.4	8,410
Total liabilities	116,008	61.1	116,064	60.6	56
<b>(NET ASSETS)</b>					
<b>I .Shareholders' Equity:</b>					
1 Common stock	26,867	14.1	26,867	14.0	—
2 Capital surplus	27,527	14.5	27,528	14.4	0
3 Retained earnings	19,114	10.1	21,527	11.2	2,412
4 Treasury stock	(57)	(0.0)	(60)	(0.0)	(2)
Total shareholders' equity	73,452	38.7	75,862	39.6	2,410
<b>II .Valuation and Translation Adjustments:</b>					
1 Net unrealized gains on securities	315	0.1	(104)	(0.1)	(420)
2 Foreign currency translation adjustments	144	0.1	(165)	(0.1)	(309)
Total valuation and translation adjustments	459	0.2	(270)	(0.2)	(729)
<b>III .Minority Interests in Consolidated Subsidiaries:</b>					
Total net assets	73,981	38.9	75,617	39.4	1,636
Total liabilities and net assets	189,989	100.0	191,681	100.0	1,692

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Income for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2008			28-Feb 2009			Increase (Decrease)
			%			%	
I .Net sales		286,788	100.0		282,509	100.0	(4,279)
II .Cost of sales:		245,200	85.5		240,128	85.0	(5,072)
Net		41,588	14.5		42,381	15.0	792
Provision for allowance for sales returns		-	-		4	0.0	4
Reversal of allowance for sales returns		1	0.0		-	-	(1)
Gross profit		41,590	14.5		42,376	15.0	786
III .Other operating revenue		2,493	0.9		2,600	0.9	107
Gross operating profit		44,083	15.4		44,976	15.9	893
IV .Selling, general and administrative expenses		33,992	11.9		35,614	12.6	1,621
Operating income		10,090	3.5		9,362	3.3	(728)
V .Non-operating income:							
1 Interest income	120			87			
2 Dividends income	67			56			
3 Others	339	526	0.2	438	583	0.2	56
VI .Non-operating expenses:							
1 Interest expenses	472			637			
2 Bonds interest expenses	131			2			
3 Bonds issue expenses	-			90			
4 Others	39	643	0.2	44	774	0.3	130
Ordinary income		9,973	3.5		9,171	3.2	(802)
VII .Special income:							
1 Gain on sales of investment securities	12			168			
2 Reversal of allowance for doubtful accounts	5			15			
3 Compensation for cancellation of leasehold contracts	-			204			
4 Dividends from sales of anonymous associations' assets	784			-			
5 Others	92	895	0.3	114	502	0.2	(393)
VIII .Special losses:							
1 Loss on sales of fixed assets	0			124			
2 Loss on disposal of fixed assets	1,024			578			
3 Loss on impairment of fixed assets	13			110			
4 Loss on write-down of investment securities	286			1,332			
5 Loss on sales of investment securities	53			-			
6 Provision for allowance for doubtful accounts	-			10			
7 Special allowance for retirement	3			-			
8 Loss on restructuring	-			894			
9 Amortization of leasehold	-			325			
10 Loss on store closing	258			-			
11 Loss on collecting amortized coupons	47			-			
12 Others	7	1,696	0.6	50	3,425	1.2	1,729
Income before income taxes and minority interests		9,173	3.2		6,248	2.2	(2,924)
Income taxes:							
Current income taxes	4,085			2,742			
Deferred income taxes	(80)	4,004	1.4	(218)	2,523	0.9	(1,481)
Minority interests		0	0.0		(5)	(0.0)	(6)
Net income		5,167	1.8		3,730	1.3	(1,436)

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Net Assets  
for the Fiscal Year Ended February 29, 2008  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Shareholders' Equity				
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at February 28, 2007	26,867	27,527	15,100	(54)	69,441
Change of items during the period					
Dividends from surplus			(1,153)		(1,153)
Net income			5,167		5,167
Acquisition of treasury stock				(3)	(3)
Sales of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	4,014	(3)	4,010
Balance at February 29, 2008	26,867	27,527	19,114	(57)	73,452

	Valuation and Translation Adjustments			Minority Interests in Consolidated Subsidiaries	Total net assets
	Net unrealized gains on securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at February 28, 2007	1,022	117	1,139	195	70,777
Change of items during the period					
Dividends from surplus					(1,153)
Net income					5,167
Acquisition of treasury stock					(3)
Sales of treasury stock					0
Net changes of items other than shareholders' equity	(706)	26	(680)	(126)	(806)
Total changes of items during the period	(706)	26	(680)	(126)	3,204
Balance at February 29, 2008	315	144	459	69	73,981

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Statement of Changes in Net Assets  
for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Shareholders' Equity				
	Common Stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at February 29, 2008	26,867	27,527	19,114	(57)	73,452
Change of items during the period					
Dividends from surplus			(1,318)		(1,318)
Net income			3,730		3,730
Acquisition of treasury stock				(2)	(2)
Sales of treasury stock		0		0	0
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	0	2,412	(2)	2,410
Balance at February 28, 2009	26,867	27,528	21,527	(60)	75,862

	Valuation and Translation Adjustments			Minority Interests in Consolidated Subsidiaries	Total net assets
	Net unrealized gains on securities	Foreign currency translation adjustments	Total valuation and translation adjustments		
Balance at February 29, 2008	315	144	459	69	73,981
Change of items during the period					
Dividends from surplus					(1,318)
Net income					3,730
Acquisition of treasury stock					(2)
Sales of treasury stock					0
Net changes of items other than shareholders' equity	(420)	(309)	(729)	(44)	(774)
Total changes of items during the period	(420)	(309)	(729)	(44)	1,636
Balance at February 28, 2009	(104)	(165)	(270)	24	75,617

PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

(¥millions)

	29-Feb 2008	28-Feb 2009	Increase (Decrease)
I .Cash flows from operating activities:			
1 Income before income taxes and minority interests	9,173	6,248	(2,924)
2 Depreciation and amortization	4,594	5,602	1,008
3 Loss on impairment of fixed assets	13	110	96
4 Increase (Decrease) in allowance for doubtful accounts	7	(6)	(13)
5 Increase (Decrease) in accrued bonuses to employees	52	(21)	(74)
6 Increase (Decrease) in allowance for sales returns	(1)	4	6
7 Increase (Decrease) in allowance for books unsold	4	32	27
8 Increase (Decrease) in reserve for sales promotion	(38)	20	59
9 Increase (Decrease) in reserve for retirement benefits	118	186	68
10 Increase (Decrease) in accrued retirement benefits for directors and statutory auditors	1	1	-
11 Interest income and dividends income	(187)	(144)	43
12 Interest expenses	603	639	36
13 Bonds issue expenses	-	90	90
14 (Gain) Loss on sales/disposal of fixed assets, net	450	343	(107)
15 (Gain) Loss on sales of investment securities	40	(168)	(209)
16 Loss on write-down of investment securities	286	1,332	1,045
17 Loss on store closing	258	-	(258)
18 Dividends from sales of anonymous associations' assets	(784)	-	784
19 Loss on restructuring	-	894	894
20 Amortization of leasehold	-	325	325
21 (Increase) Decrease in receivables	96	(2,602)	(2,698)
22 (Increase) Decrease in inventories	304	189	(115)
23 Increase (Decrease) in payables	137	(3,748)	(3,886)
24 Increase (Decrease) in other assets and liabilities, net	(291)	(312)	(21)
25 Others	28	25	(2)
Sub-total	14,869	9,041	(5,827)
26 Interest and dividends received	184	146	(38)
27 Interest paid	(604)	(646)	(42)
28 Payment resulting from store closing	(33)	(532)	(499)
29 Income taxes paid	(1,711)	(5,295)	(3,584)
Net cash provided by operating activities	12,705	2,713	(9,991)



PARCO CO., LTD. AND SUBSIDIARIES

Consolidated Statements of Cash Flows for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2008	28-Feb 2009	Increase (Decrease)
<b>II. Cash flows from investing activities:</b>			
1 Acquisition of marketable securities	(300)	(300)	0
2 Sales of marketable securities	-	600	600
3 Acquisition of tangible fixed assets	(9,325)	(13,298)	(3,972)
4 Sales of tangible fixed assets	0	34	33
5 Acquisition of investment securities	(446)	(7)	439
6 Sales of investment securities	429	274	(155)
7 Payments for fixed leasehold deposits	(251)	(627)	(376)
8 Collection of fixed leasehold deposits	847	920	73
9 Increase (Decrease) in guarantee deposits received from tenants	2,247	(1,433)	(3,680)
10 Sales of anonymous associations' assets	784	-	(784)
11 Others	(597)	(311)	286
Net cash used in investing activities	(6,611)	(14,148)	(7,536)
<b>III. Cash flows from financing activities:</b>			
1 Increase (Decrease) in short-term bank loans	320	(380)	(700)
2 Proceeds from long-term bank loans	14,300	9,950	(4,350)
3 Repayment of long-term bank loans	(4,418)	(4,858)	(440)
4 Proceeds from issue of bonds	-	4,909	4,909
5 Payments for redemption of straight bonds	(12,000)	(2,000)	10,000
6 Sales (Acquisition) of treasury stock	(3)	(2)	1
7 Cash dividends paid	(1,153)	(1,318)	(164)
8 Cash dividends paid to minority shareholders	(129)	(30)	99
Net cash provided by (used in) financing activities	(3,084)	6,270	9,355
<b>IV. Effect of exchange rate changes on cash and cash equivalents</b>	29	(314)	(344)
<b>V. Net increase(decrease) in cash and cash equivalents</b>	3,039	(5,478)	(8,517)
<b>VI. Cash and cash equivalents at beginning of year</b>	13,519	16,558	3,039
<b>VII. Cash and cash equivalents at end of year</b>	16,558	11,080	(5,478)

Notes : The reasons of the difference between net cash provided by operating activities of the previous fiscal year and that of this fiscal year are as follows: (1) Increase in receivables; Receivables increased for this fiscal year due to the timing of cash settlement of the bank. (2) Decrease in payables; Payables decreased for this fiscal year due to shortening the payment term. (3) Increase in income taxes paid; The amount of the corporate tax payment for this fiscal year is larger than that for the previous fiscal year.

PARCO CO., LTD.

Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2008		28-Feb 2009		Increase (Decrease)	
		%		%		
<b>(ASSETS)</b>						
<b>.Current Assets:</b>						
1 Cash and time deposits	11,375		9,000		(2,374)	
2 Accounts receivable - trade	5,570		7,590		2,020	
3 Finished products	242		246		3	
4 Work-in-process	67		97		30	
5 Supplies	2		1		(0)	
6 Advance payment	32		52		19	
7 Prepaid expenses	848		771		(77)	
8 Deferred tax assets	607		633		25	
9 Short-term loans	71		70		(0)	
10 Short-term loans to affiliates	-		65		65	
11 Others	1,812		1,925		113	
12 Less: Allowance for doubtful accounts	(8)		(13)		(5)	
Total current assets	20,622	11.3	20,442	10.9	(180)	
<b>.Fixed Assets:</b>						
1 Tangible fixed assets:						
(1) Buildings	105,609		113,842			
Accumulated depreciation	62,212		64,305			
Accumulated impairment losses	1,463	41,933	1,192	48,343	6,409	
(2) Structures	1,796		1,817			
Accumulated depreciation	1,269		1,299			
Accumulated impairment losses	32	495	21	496	1	
(3) Machinery and equipment	988		1,238			
Accumulated depreciation	693	295	725	512	217	
(4) Motor vehicles	14		14			
Accumulated depreciation	7	7	10	4	(2)	
(5) Tools, furniture and fixtures	3,654		3,745			
Accumulated depreciation	2,715		2,840			
Accumulated impairment losses	50	888	21	883	(4)	
(6) Land		40,011		45,971	5,959	
(7) Construction in progress		5,692		72	(5,620)	
Total tangible fixed assets		89,323		96,283	51.4	6,959
2 Intangible fixed assets:						
(1) Leasehold		11,014		10,949	(65)	
(2) Software		480		387	(92)	
(3) Others		208		203	(5)	
Total intangible fixed assets		11,703		11,540	6.2	(162)

PARCO CO., LTD.

Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2008		28-Feb 2009		Increase (Decrease)
3 Investments and other assets:		%		%	
(1) Investment securities	6,104		4,107		(1,997)
(2) Investments in affiliated companies	5,699		5,702		2
(3) Investments in non-stock equity interests	39		17		(21)
(4) Long-term loans	669		575		(93)
(5) Long-term prepaid expenses	936		846		(89)
(6) Fixed leasehold deposits	45,896		45,976		79
(7) Deferred tax assets	1,137		1,552		414
(8) Long-term accounts receivable	126		125		(1)
(9) Others	221		239		18
(10) Less: Allowance for doubtful accounts	(224)		(223)		0
Total investments and other assets	60,607	33.3	58,919	31.5	(1,688)
Total fixed assets	161,635	88.7	166,743	89.1	5,108
<b>Total assets</b>	<b>182,257</b>	<b>100.0</b>	<b>187,186</b>	<b>100.0</b>	<b>4,928</b>
<b>(LIABILITIES)</b>					
<b>.Current Liabilities:</b>					
1 Accounts payable - trade	15,490		14,027		(1,463)
2 Short-term bank loans	5,870		6,310		440
3 Current portion of long-term bank loans	4,063		3,222		(841)
4 Accounts payable - other	6,004		4,890		(1,114)
5 Accrued expenses	915		1,015		99
6 Accrued income taxes	3,105		831		(2,274)
7 Advance received	290		338		47
8 Withholdings	225		307		82
9 Allowance for bonuses to employees	456		445		(11)
10 Allowance for sales returns	13		18		4
11 Allowance for books unsold	75		107		32
12 Current portion of straight bonds	2,000		1,000		(1,000)
13 Current portion of guarantee deposits received from tenants	1,862		1,985		123
14 Others	157		356		198
Total current liabilities	40,532	22.2	34,856	18.6	(5,676)
<b>.Long-term Liabilities:</b>					
1 Straight bonds	-		4,000		4,000
2 Long-term bank loans	21,992		27,925		5,933
3 Long-term accounts payable - other	175		175		-
4 Reserve for retirement benefits	210		235		24
5 Allowance for loss on store closing	2,179		1,809		(370)
6 Guarantee deposits received from tenants	43,513		41,958		(1,555)
7 Others	-		224		224
Total long-term liabilities	68,072	37.4	76,328	40.8	8,256
Total liabilities	108,605	59.6	111,185	59.4	2,580

PARCO CO., LTD.

Non-consolidated Balance Sheets for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2008			28-Feb 2009			Increase (Decrease)
<b>(NET ASSETS)</b>			%			%	
<b>.Shareholders' Equity:</b>							
1 Common stock		26,867	14.7		26,867	14.3	-
2 Capital surplus							
(1) Additional paid-in capital	26,623			6,100			
(2) Other capital surplus	904			21,428			
Total capital surplus		27,527	15.1		27,528	14.7	0
3 Retained earnings							
(1) Legal reserve	681			681			
(2) Others							
General reserve	12,811			12,811			
Retained earnings brought forward	5,542			8,229			
Total retained earnings		19,035	10.5		21,721	11.6	2,686
4 Treasury stock		(57)	(0.0)		(60)	(0.0)	(2)
Total shareholders' equity		73,372	40.3		76,057	40.6	2,684
<b>.Valuation and     Translation Adjustments:</b>							
1 Net unrealized gains on securities		279	0.1		(56)	(0.0)	(336)
Total valuation and translation adjustments		279	0.1		(56)	(0.0)	(336)
Total net assets		73,652	40.4		76,000	40.6	2,348
<b>Total liabilities and net assets</b>		182,257	100.0		187,186	100.0	4,928

PARCO CO., LTD.

Non-consolidated Statements of Income for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	29-Feb 2008			28-Feb 2009			Increase (Decrease)
.Net sales:			%			%	
1 Tenants	256,883			255,194			
2 Other	6,641	263,525	100.0	6,556	261,751	100.0	(1,774)
.Cost of sales:							
1 Tenants	226,499			223,524			
2 Other	4,634	231,134	87.7	4,592	228,117	87.2	(3,016)
Net		32,391	12.3		33,634	12.8	1,242
Provision for allowance for sales returns		-	-		4	0.0	4
Reversal of allowance for sales returns		1	0.0		-	-	(1)
Gross profit		32,393	12.3		33,629	12.8	1,236
.Other operating revenue		2,614	1.0		2,811	1.1	197
Gross operating profit		35,007	13.3		36,441	13.9	1,433
.Selling, general and administrative expenses		25,920	9.9		27,555	10.5	1,635
Operating income		9,087	3.4		8,885	3.4	(201)
.Non-operating income:							
1 Interest income	69			64			
2 Dividends income	122			459			
3 Others	322	515	0.2	435	958	0.4	443
.Non-operating expenses:							
1 Interest expenses	471			650			
2 Bonds interest expenses	131			2			
3 Bonds issue expenses	-			90			
4 Others	24	628	0.2	33	776	0.3	148
Ordinary income		8,974	3.4		9,067	3.5	92
.Special income:							
1 Gain on sales of investment securities	0			168			
2 Reversal of allowance for doubtful accounts	5			6			
3 Compensation for cancellation of leasehold contracts	-			204			
4 Dividends from sales of anonymous associations' assets	784			-			
5 Others	-	789	0.3	79	459	0.2	(330)
.Special losses:							
1 Loss on sales of fixed assets	0			-			
2 Loss on disposal of fixed assets	939			545			
3 Loss on write-down of investment securities	286			1,332			
4 Loss on sales of investment securities	53			-			
5 Provision for allowance for doubtful accounts	-			10			
6 Special allowance for retirement	3			-			
7 Loss on restructuring	-			913			
8 Amortization of leasehold	-			325			
9 Loss on store closing	259			-			
10 Loss on collecting amortized coupons	47			-			
11 Others	7	1,598	0.6	85	3,212	1.3	1,613
Income before income taxes		8,165	3.1		6,314	2.4	(1,850)
Income taxes:							
Current income taxes	3,513			2,520			
Deferred income taxes	(189)	3,323	1.3	(210)	2,309	0.9	(1,013)
Net income		4,841	1.8		4,004	1.5	(837)

PARCO CO., LTD.

Non-consolidated Statement of Changes in Net Assets  
for the Fiscal Year Ended February 29, 2008  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Shareholders' Equity									
	Common Stock	Capital surplus			Legal reserve	Retained earnings			Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus		Other retained earnings	General reserve	Retained earnings brought forward		
Balance at February 28, 2007	26,867	26,623	903	27,527	681	10,511	4,154	15,346	(54)	69,687
Change of items during the period										
Fund for general reserve						2,300	(2,300)	-		-
Dividends from surplus							(1,153)	(1,153)		(1,153)
Net income							4,841	4,841		4,841
Acquisition of treasury stock									(3)	(3)
Sales of treasury stock			0	0					0	0
Net changes of items other than shareholders' equity										
Total changes of items during the period	-	-	0	0	-	2,300	1,388	3,688	(3)	3,685
Balance at February 29, 2008	26,867	26,623	904	27,527	681	12,811	5,542	19,035	(57)	73,372

	Valuation and Translation Adjustments	Total net assets
	Net unrealized gains on securities	
Balance at February 28, 2007	975	70,662
Change of items during the period		
Fund for general reserve		-
Dividends from surplus		(1,153)
Net income		4,841
Acquisition of treasury stock		(3)
Sales of treasury stock		0
Net changes of items other than shareholders' equity	(695)	(695)
Total changes of items during the period	(695)	2,989
Balance at February 29, 2008	279	73,652

PARCO CO., LTD.

Non-consolidated Statement of Changes in Net Assets  
for the Fiscal Year Ended February 28, 2009  
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Shareholders' Equity									
	Common Stock	Capital surplus			Legal reserve	Retained earnings			Treasury stock	Total shareholders' equity
		Additional paid-in capital	Other capital surplus	Total capital surplus		General reserve	Retained earnings brought forward	Total retained earnings		
Balance at February 29, 2008	26,867	26,623	904	27,527	681	12,811	5,542	19,035	(57)	73,372
Change of items during the period										
Transfer from additional paid-in capital to other capital surplus		(20,523)	20,523	-						-
Dividends from surplus							(1,318)	(1,318)		(1,318)
Net income							4,004	4,004		4,004
Acquisition of treasury stock									(2)	(2)
Sales of treasury stock			0	0					0	0
Net changes of items other than shareholders' equity										
Total changes of items during the period	-	(20,523)	20,523	0	-	-	2,686	2,686	(2)	2,684
Balance at February 28, 2009	26,867	6,100	21,428	27,528	681	12,811	8,229	21,721	(60)	76,057

	Valuation and Translation Adjustments	Total net assets
	Net unrealized gains on securities	
Balance at February 29, 2008	279	73,652
Change of items during the period		
Transfer from additional paid-in capital to other capital surplus		-
Dividends from surplus		(1,318)
Net income		4,004
Acquisition of treasury stock		(2)
Sales of treasury stock		0
Net changes of items other than shareholders' equity		(336)
Total changes of items during the period		2,348
Balance at February 28, 2009	(56)	76,000