

PARCO CO., LTD.
FY2011 First Half Results
Investor Presentation

TSE 1st Section 8251



新しい時代を、
君とつくる。

新しい時代をつくるのは、
他の誰かじゃなくて、君なんだ。
若い力と才能が、未来を切り開き、
世の中を変えていく。

今、この時代にこそ、君の力を思い切り発揮してほしい。
恐れずに。自信を持って。
一人ひとりの才能が繋がって、
絆となり、やがて大きな力となる。
PARCOはこれからも君とともに進んでいく。
希望と夢を胸に。
ラブヒューマン。

PARCO
www.parco.co.jp

LOVE
HUMAN.

総合PARCO館にて

Summary

I FY2011 H1 results overview

FY2011 H1 overview: Income exceeded forecasts (operating income up 8.9% on forecast), despite 3.8% decline in sales and 11.5% fall in operating income YoY

In H1, the March earthquake had a temporary effect on earnings, but active renovation and topical marketing campaigns raised customer traffic and led to a recovery in sales and profits from April, with existing store sales achieving YoY growth from Q2. Higher-than-expected profits were driven also by good performance in the entertainment business (theater business, etc.)

II FY2011 H1 achievements and future plans

Existing store renovations:	Renovated 31,000m ² in H1, exceeding initial target . (Renovated-zone sales up 24.5%)
Existing store renovation target:	Planning to renovate approx. 61,000m ² over the full year in response to consumer styles requiring added value Making new lifestyle proposals by carrying renovation that is among our biggest ever

Domestic store development:	Plan to open a store in the refurbished Hiroshima Takarazuka Kaikan as another model low to medium-rise urban shopping complex following on from the change of business format at Shibuya ZERO GATE and rebuilding of Shinsaibashi PARCO
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Retail business:	Opened 12 stores in H1, bringing total to 150. Five more to follow in H2
Space engineering and management business:	In H1, became the first shopping complex design, construction and building management company in Japan to obtain ISO50001:2011 certification (energy management systems). In H2, plan to accelerate orders for projects where environmental friendliness and energy cost reduction are important factors
E-commerce business:	In H1, formed a business and capital alliance with Stylife Corporation, broadening our brand lineup. In H2, plan to enhance listings on shopsnavi, a mobile recruitment site that specializes in fashion-related work. Applicant base is rapidly growing
Entertainment business:	Exceeds H1 sales target on support from hit plays, etc. Planned for H2 is a series of high-quality, topical plays/events featuring established performers/entertainers

III Great East Japan Earthquake

Undertaking initiatives and support plans that reflect PARCO Group's unique characteristics

Presentation Contents

- I Overview of FY2011 H1 results
- II FY2011 H1 achievements and future plans
- III Great East Japan Earthquake

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H1 income exceeded forecasts on strong performance from Apr. on, despite a temporary impact from the Great East Japan Earthquake

Unit: Million yen

Consolidated	FY2011 H1 (Mar.-Aug.)	FY2011 H1 (Mar.-Aug)	Change ¥	Change %	Initial forecasts	Change ¥	Change %
Net sales	123,844	128,780	(4,935)	(3.8%)	125,100	(1,255)	(1.0%)
Operating income	4,030	4,554	(523)	(11.5%)	3,700	330	8.9%
Ordinary income	3,967	4,333	(365)	(8.4%)	3,400	567	16.7%
Net income	2,042	2,116	(74)	(3.5%)	1,600	442	27.6%
EBITDA*	7,120	7,788	(667)	(8.6%)	—	—	—

Consolidated	End of FY2011 H1	End of FY2010	Change ¥
Total assets	213,891	222,135	(8,243)
Net assets	82,903	81,868	1,034
Interest-bearing debt	64,271	73,447	(9,176)
Equity ratio	38.7%	36.8%	1.9%

*EBITDA in this table refers to operating income plus depreciation and amortization.

1-2 Consolidated quarterly results

6/28

Return to positive YoY earnings growth in Q2 (June-Aug.)

Unit: Million yen

Consolidated	FY2011 Q1 (Mar.-May)	FY2010 Q1 (Mar.-May)	Change ¥	Change %	FY2011 Q2 (June-Aug.)	FY2010 Q2 (June-Aug.)	Change ¥	Change %
Net sales	60,350	65,183	(4,832)	(7.4%)	63,494	63,597	(102)	(1.2%)
Operating income	1,441	2,119	(677)	(32.0%)	2,589	2,435	154	6.3%
Ordinary income	1,302	2,009	(706)	(35.2%)	2,665	2,324	341	14.7%
Net income	631	1,040	(408)	(39.3%)	1,410	1,076	334	31.0%
EBITDA*	2,976	3,720	(743)	(20.0%)	4,143	4,067	76	1.9%

*EBITDA in this table refers to operating income plus depreciation and amortization.

2-1 Consolidated H1 results by segment

7/28

Unit: Million yen

Shopping Complex Business

PARCO CO., LTD. exceeds earnings forecasts on strong existing store sales at from April onward

Retail Business

NEUVE A CO., LTD. opened 12 stores in H1 and closes 2, bringing bring total to 150. Worked with others business divisions to carry out sales promotion activities centered on environmental/social awareness themes

Space Engineering and Management Business

PARCO SPACE SYSTEMS CO., LTD. became first shopping complex design, construction and building management company to obtain ISO50001:2011 certification

Other Business

PARCO-CITY CO., LTD. formed a business and capital alliance with Stylife Corporation. Entertainment business contributed to customer traffic by holding events in conjunction with various PARCO stores

*1 PARCO's Entertainment Business earnings, which were previously included in Shopping Complex Business, were transferred to to Other Business from the start of FY2011. Financial data for PARCO-CITY CO., LTD., which is included in Other Business, is presented below.

Unit: Million yen

		FY2011 H1 Mar.-Aug.	FY2010 H1 Mar.-Aug.	(Reference) Change ¥
Shopping Complex Business*1	Net sales	112,192	120,389	(8,196)
	Operating income	3,674	4,197	(523)
Retail Business	Net sales	7,805	7,512	292
	Operating income	150	149	0
Space Engineering and Management Business	Net sales	9,201	9,771	(570)
	Operating income	130	172	(42)
Other Business*1	Net sales	3,232	274	2,958
	Operating income	57	7	50
Total	Net sales	132,432	137,948	(5,516)
	Operating income	4,013	4,527	(514)
Adjustments	Net sales	(7,192)	(7,772)	579
	Operating income	17	26	(9)
Consolidated	Net sales	125,239	130,175	(4,936)
	Operating income	4,030	4,554	(523)

Reference		FY2011 Q2 Mar.-Aug.	FY2010 Q2 Mar.-Aug.	Change ¥
PARCO-CITY CO., LTD.	Net sales	329	278	51
	Operating income	(4)	7	(11)

Note: Figures for net sales by segment include operating revenue.

2-2 Consolidated quarterly results by segment

8/28

Unit: Million yen

		FY2011 Mar.-May	FY2010 Mar.-May	(Reference) Change ¥	FY2011 June-Aug.	FY2010 June-Aug.	(Reference) Change ¥
Shopping Complex Business*	Net sales	54,599	61,181	(6,582)	57,593	59,208	(1,614)
	Operating income	1,312	1,968	(655)	2,362	2,229	132
Retail Business	Net sales	3,656	3,637	18	4,148	3,874	273
	Operating income	(18)	15	(33)	168	134	34
Space Engineering and Management Business	Net sales	4,751	5,013	(262)	4,449	4,757	(308)
	Operating income	120	118	2	9	54	(44)
Other Businesses*	Net sales	1,667	146	1,520	1,565	127	1,437
	Operating income	22	12	10	35	(5)	40
Subtotal	Net sales	64,675	69,979	(5,304)	67,756	67,968	(211)
	Operating income	1,437	2,114	(676)	2,575	2,413	162
Adjustments	Net sales	(3,600)	(4,078)	478	(3,592)	(3,694)	101
	Operating income	4	5	(0)	13	21	(8)
Total	Net sales	61,075	65,901	(4,826)	64,164	64,274	(110)
	Operating income	1,441	2,119	(677)	2,589	2,435	154

*PARCO's Entertainment Business earnings, which were previously included in the Shopping Complex Business, were transferred to Other Business from the start of FY2011.

Note: Figures for net sales by segment include operating revenue.

Non-consolidated income also exceeded forecasts on YoY growth in existing stores and entertainment business from April onward

Unit: Million yen

Non-consolidated	FY2011 H1 (Mar.-Aug.)	FY2010 H1 (Mar.-Aug.)	Change ¥	Change %	Initial forecasts	Change ¥	Change %
Net sales	113,713	118,994	(5,281)	(4.4%)	115,100	(1,386)	(1.2%)
Operating income	3,848	4,311	(463)	(10.7%)	3,500	348	10.0%
Ordinary income *1	4,635	4,115	520	12.6%	4,200	435	10.4%
Net income *1	3,007	2,061	945	45.9%	2,500	507	20.3%
EBITDA *2	6,761	7,419	(658)	(8.9%)	—	—	—

Non-consolidated	End of FY2011 H1	End of FY2010	Change ¥
Total assets	210,589	218,846	(8,257)
Net assets	84,146	82,136	2,010
Interest-bearing debt	65,836	75,372	(9,536)
Equity ratio	40.0%	37.5%	2.4%

*1 FY2011 H1 ordinary income and net income include ¥1 billion in dividend income from subsidiaries.

*2 EBITDA in this table refers to operating income plus depreciation and amortization.

3-2 Non-consolidated quarterly results

10/28

Operating income also started to grow YoY in Q2 (June-Aug.), driven by existing store and entertainment business sales

Unit: Million yen

Non-consolidated	FY2011 Q1 (Mar.-May)	FY2010 Q1 (Mar.-May)	Change ¥	Change %	FY2011 Q2 (June-Aug.)	FY2010 Q2 (June-Aug.)	Change ¥	Change %
Net sales	55,393	60,463	(5,070)	(8.4%)	58,320	58,530	(210)	(0.4%)
Operating income	1,384	2,004	(620)	(30.9%)	2,463	2,306	157	6.8%
Ordinary income *1	2,245	1,936	308	15.9%	2,390	2,178	211	9.7%
Net income *1	1,668	1,011	657	65.0%	1,338	1,050	288	27.5%
EBITDA *2	2,835	3,552	(717)	(20.2%)	3,926	3,866	59	1.5%

*1 FY2011 Mar.-May (Q1) ordinary income and net income include ¥1 billion in dividend income from subsidiaries.

*2 EBITDA in this table refers to operating income plus depreciation and amortization.

4-1 FY2011 H1 tenant sales by store

11/28

Sendai PARCO, closed until late March because of the earthquake, nonetheless achieved substantial sales growth from April onward, driven by continuous renovation and events to stimulate customer traffic, with H1 sales increasing YoY

Unit: Million yen

	Store	Net sales	Change %
Urban store group	Sapporo PARCO *1	5,192	10.3%
	Sendai PARCO	5,151	8.2%
	Ikebukuro PARCO	13,504	(8.0%)
	Shibuya PARCO	5,987	(10.6%)
	Shizuoka PARCO	5,362	1.5%
	Nagoya PARCO	16,095	(0.5%)
	Hiroshima PARCO	8,011	(0.6%)
	7 store total	59,305	(1.8%)

	Store	Net sales	Change %
	Fukuoka PARCO (opened Mar. 2010)	5,605	—
	Sapporo PARCO New Building (closed Mar. 2011)	71	—
	(Oita PARCO (closed Jan. 2011))	—	—
	Total *2	110,573	(5.2%)
	Existing store total *3	104,896	(2.5%)

	Store	Net sales	Change %
Community store group	Utsunomiya PARCO	2,484	(7.7%)
	Urawa PARCO	6,626	6.3%
	Shin-Tokorozawa PARCO	3,862	(4.7%)
	Chiba PARCO	3,456	1.1%
	Tsudanuma PARCO	4,483	(3.3%)
	Hibarigaoka PARCO	3,860	(0.2%)
	Kichijoji PARCO	3,866	(15.2%)
	Chofu PARCO	8,043	(2.7%)
	Matsumoto PARCO	3,640	0.1%
	Otsu PARCO	2,237	(11.9%)
	Shinsaibashi PARCO	662	(26.8%)
	Kumamoto PARCO	2,365	(0.5%)
	12 store total	45,591	(3.4%)

*1 Change % for Sapporo PARCO excludes sales of the New Building (closed March 30, 2011) .

*2 Change % for Total includes the previous year's sales of the Sapporo PARCO New Building and Oita PARCO.

*3 Existing store total exclude sales of Fukuoka PARCO (opened Mar. 19, 2010), Sapporo PARCO New Building (closed Mar. 30, 2011), and Oita PARCO (closed Jan. 31, 2011).

4-2 Tenant quarterly sales by store

12/28

Strong performance in Q2 (June-Aug.), with existing store sales up 1.4% YoY and urban stores up 2.6%

Unit: Million yen

Store		Mar.-May	June-Aug.
Urban store group	Sapporo PARCO *1	7.8%	12.8%
	Sendai PARCO	(12.2%)	28.9%
	Ikebukuro PARCO	(9.9%)	(6.0%)
	Shibuya PARCO	(17.4%)	(4.1%)
	Shizuoka PARCO	(0.4%)	3.3%
	Nagoya PARCO	(4.3%)	3.4%
	Hiroshima PARCO	(1.5%)	0.3%
7 store total		(6.0%)	2.6%

Store	Mar.-May	June-Aug.
Fukuoka PARCO (opened Mar. 2010)	—	(14.6%)
Sapporo PARCO New Building (closed Mar. 2011)	—	—
(Oita PARCO (closed Jan. 2011))	—	—
Total *2	(9.0%)	(1.2%)
Existing store total *3	(6.3%)	1.4%

Store		Mar.-May	June-Aug.
Community store group	Utsunomiya PARCO	(13.3%)	(1.9%)
	Urawa PARCO	1.6%	10.9%
	Shin-Tokorozawa PARCO	(8.3%)	(0.8%)
	Chiba PARCO	(1.6%)	3.9%
	Tsudanuma PARCO	(6.7%)	0.2%
	Hibarigaoka PARCO	(4.5%)	4.3%
	Kichijoji PARCO	(20.4%)	(9.9%)
	Chofu PARCO	(7.1%)	1.9%
	Matsumoto PARCO	0.1%	0.0%
	Otsu PARCO	(12.6%)	(11.1%)
	Shinsaibashi PARCO	(13.7%)	(41.5%)
	Kumamoto PARCO	(1.3%)	0.3%
12 store total		(6.7%)	0.0%

*1 Change % for Sapporo PARCO excludes sales of the New Building (closed March 30, 2011) .

*2 Change % for Total includes the previous year's sales of the Sapporo PARCO New Building and Oita PARCO.

*3 Existing store total exclude sales of Fukuoka PARCO (opened Mar. 19, 2010), Sapporo PARCO New Building (closed Mar. 30, 2011), and Oita PARCO (closed Jan. 31, 2011).

5 Year-on-year sales comparisons by item

Sales driven by recovery in average spend per customer from June in clothing, personal items and general merchandise

- Menswear, living-related general merchandise including home electrical appliances sold well on energy saving and “cool biz” demand
- Personal items and general merchandise grew on the introduction of “lifestyle support” shops (cosmetics, interior goods, etc.)

Existing stores	FY2010 total	FY2011		
		Mar.-May	June-Aug.	Total
Year-on-year				
Tenant sales	(3.7%)	(6.3%)	1.4%	(2.5%)
Paying customers	(0.6%)	(6.4%)	(0.4%)	(3.3%)
Average spend per customer	(3.0%)	0.0%	3.7%	1.8%

Category and item		FY2011 H1 change % from FY2010 H1 Existing stores		
		Mar.-May	June-Aug.	Total
Clothing	Womenswear	(8.6%)	0.2%	(4.3%)
	Menswear	(4.8%)	0.9%	(1.9%)
	General clothing	4.9%	13.8%	9.2%
		(5.1%)	2.3%	(1.4%)
Personal items	Shoes	(4.2%)	5.0%	0.3%
	Bags	(12.1%)	(1.6%)	(6.9%)
	Accessories	(11.8%)	7.6%	(2.1%)
	Cosmetics	(7.2%)	1.7%	(2.9%)
	(5.0%)	7.2%	1.0%	
General merchandise	Culture-related	(8.9%)	(1.7%)	(5.4%)
	Living-related	(5.1%)	7.8%	0.8%
	(8.2%)	1.6%	(3.6%)	
	Foods	(5.2%)	(0.2%)	(2.7%)
	Restaurants	(13.7%)	(5.8%)	(9.8%)
	Other	(7.4%)	11.1%	3.0%

Note: Comparisons with the previous fiscal year are based on integrated store sales. Integrated store sales indicates the overall sales strength of stores, as it includes tenant sales as well as the sales of PARCO Theater and fixed rate tenants.

* Existing-store figures exclude the sales of Fukuoka PARCO (opened March 19, 2010), the Sapporo PARCO New Building (closed March 30, 2011), and Oita PARCO (closed January 31, 2011).

Selling, general and administrative expenses

Unit: Million yen

Consolidated		Amount	Change ¥	Change %
FY2011 H1 (Mar.-Aug.)	Personnel	4,737	57	1.2%
	Lease/rental	4,490	(314)	(6.6%)
	Advertising	1,157	(161)	(12.3%)
	Agency services	3,012	24	0.8%
	Building and repairs	816	38	5.0%
	Depreciation	3,089	(143)	(4.5%)
	Tax and dues	760	156	26.0%
	Reversal of common-service charges	(3,859)	172	(4.3%)
	Total SG&A	16,138	(39)	(0.2%)

Capital expenditure

Unit: Million yen

Consolidated		Amount	Change ¥	Change %
FY2011 H1 (Mar.-Aug.)	Capex	1,753	(29,807)*	(94.4%)

* Opened Fukuoka PARCO and acquired land and buildings of Urawa PARCO in March 2010.

7 Consolidated full-year forecasts

15/28

Revised earnings forecasts upward on projected higher sales in H2, as the earnings recovery trend seen in Q2 (June-Aug.) is expected to continue

Unit: Million yen

Consolidated	Full-year						
	FY2011 revised forecasts	FY2010 results	Change ¥	Change %	Initial forecasts	Change ¥	Change %
Net sales	263,600	264,840	(1,240)	(0.5%)	264,900	(1,300)	(0.5%)
Operating income	9,000	9,218	(218)	(2.4%)	8,600	400	4.7%
Ordinary income	8,750	8,750	(0)	0.0%	8,200	550	6.7%
Net income	4,300	4,400	(100)	(2.3%)	4,000	300	7.5%

Consolidated	H1				H2			
	FY2011 results	FY2010 results	Change ¥	Change %	FY2011 revised forecasts	FY2010 results	Change ¥	Change %
Net sales	123,844	128,780	(4,935)	(3.8%)	139,755	136,059	3,695	2.7%
Operating income	4,030	4,554	(523)	(11.5%)	4,969	4,664	304	6.5%
Ordinary income	3,967	4,333	(365)	(8.4%)	4,782	4,417	364	8.3%
Net income	2,042	2,116	(74)	(3.5%)	2,257	2,283	(25)	(1.1%)

8 Non-consolidated full-year targets

16/28

Unit: Million yen

Non-consolidated	Full-year						
	FY2011 revised forecasts	FY2010 results	Change ¥	Change %	Initial forecasts	Change ¥	Change %
Net sales	242,700	245,488	(2,788)	(1.1%)	244,200	(1,500)	(0.6%)
Operating income	8,400	8,709	(309)	(3.6%)	8,000	400	5.0%
Ordinary income	8,900	8,222	677	8.2%	8,500	400	4.7%
Net income	5,000	4,242	757	17.9%	4,700	300	6.4%

Non-consolidated	H1				H2			
	FY2011 results	FY2010 results	Change ¥	Change %	FY2011 revised forecasts	FY2010 results	Change ¥	Change %
Net sales	113,713	118,994	(5,281)	(4.4%)	128,986	126,493	2,493	2.0%
Operating income	3,848	4,311	(463)	(10.7%)	4,551	4,397	153	3.5%
Ordinary income	4,635	4,115	520	12.6%	4,264	4,107	156	3.8%
Net income	3,007	2,061	945	45.9%	1,992	2,180	(188)	(8.6%)

*Non-consolidated ordinary income and net income H1 results and full-year forecasts include ¥1 billion in dividend income from subsidiaries.

Dividends

For FY2011, we have decided to pay an interim dividend per share of ¥8 and plan to maintain an annual dividend per share of ¥17

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Renovated approx. 31,000m² in FY2011 H1, exceeding initial target
Renovated-zone sales up 24.5%

Urban stores Grew customer base by continuing to strengthen ability to offer the very latest trend-setting fashions and offering an increased number of items in a broader range of themes



Nagoya PARCO

Introduced organic cosmetics, fashion accessory and other highly differentiated stores that attract repeat visitors on 1st floor of West Building, based on the successful ground floor concept established at Fukuoka PARCO, providing total lifestyle offerings and creating diverse motivations to visit the store



Sendai PARCO

Entire store quickly resumed operations on March 30, except for some restaurants. Introduced 15 new stores in H1, including cafes, restaurants and high-quality food stores. Also undertook a concept change, stepping up new functions based on the themes of *familiarity* and *being yourself*. Big jump in overall sales in Aug., up 31.8% YoY

Community stores Expanded customer numbers and base through renovation rooted in the local market and supporting people's daily lives



Chiba PARCO

Continued with strategy of expanding customer numbers and base en route to transforming into a "one-stop shop" store for consumers. Currently carrying out structural reform centered on the introduction of large tenants including outdoor goods and suit stores

Planning to renovate more than 61,000m² in full year, to meet expansion in consumption styles requiring added value
Aim to offer new lifestyle proposals through one of the largest renovations ever

Urban stores

Ikebukuro PARCO

Planning full renewal of 7th-8th floor restaurant zone (first in 12 years since 1999). Use location in railway station building to create a lineup of famous stores and build a space that provides offerings for discerning customers seeking real quality. Aiming to attract food and lifestyle trendsetters and achieve a knock-on effect/synergies in which they circulate throughout the entire store, including fashion floors

Hiroshima PARCO

Plan to mark the 10th anniversary of the current main store/annex arrangement with a renewal of 30 stores, ranging from seasonal ladies' and men's fashion and personal items to general merchandise. Some stores are making their first appearance in the Hiroshima area



Perspective drawing of part of new restaurant floor, Ikebukuro PARCO

Community stores

Urawa PARCO

Planning to turn part of atrium at 1st-2nd floors into sales space, with urban fashion store to be introduced on first floor and home appliances store, which is in high demand in the market, on the second. Well balanced as a big store and serving as a hub for the local community at the railway station. Now being given the finishing touches as a model multifunctional one-stop shopping complex targeting all customer segments



Opening store in the refurbished Hiroshima Takarazuka Kaikan

Plan to open a store in the refurbished Hiroshima Takarazuka Kaikan as another model low to medium-rise urban shopping complex following on from the change of business format at Shibuya ZERO GATE and rebuilding of Shinsaibashi PARCO

About the planned store

Toho Company, owner of the Hiroshima Takarazuka Kaikan (located beside the Hiroshima PARCO New Building), is to replace the existing building, which is getting old, with a new mixed-use complex. We have reached a basic agreement with Toho under which we will occupy the lower floors



Overview of new store

Location	2-10 Shintenchi, Naka-ku, Hiroshima-shi
Structure	14 above-ground floors and 1 basement level (PARCO space: 1st-3rd floors)
Building area	Total floor space: 12,300m ² (part to be leased by PARCO: 2,575m ²)
Opening	Scheduled for autumn 2013
No. of tenants	To be confirmed

Hiroshima PARCO, Takarazuka Kaikan

Opened 12 stores in H1(total: 150 stores)

All four businesses centered their openings on large shopping complexes

Major openings in H1

Month	Shopping complex etc.	Business opening store
Mar.	AMU PLAZA HAKATA	TiCTAC, COLLECTORS
Mar.	Ofuna Lumine Wing	TiCTAC
Mar.	FUTAKOTAMAGAWA rise Dogwood Plaza	EYEWEAR
Apr.	Umeda Tokyu Hands	TiCTAC
Apr.	Odakyu Sagami-Ono Station Square	ROSEMARY
May	Lucua Osaka	EYEWEAR, COLLECTORS
Aug.	Shinjuku Tokyu Hands	TiCTAC

Business (product)	Stores
TiCTAC (wristwatches)	67
EYEWEAR (eyeglasses)	27
ROSEMARY (cosmetics, general merchandise)	24
COLLECTORS (men's/ladies' general merchandise)	32
Four business total	150

Stores inside PARCO: 38%
Stores outside PARCO: 62%
As of end-August 2011

Plan to open 5 more in H2

Major openings planned for H2

Month	Shopping complex etc.	Business opening store
Sept.	Shibuya Tokyu Hands	TiCTAC
Oct.	Lumine Yurakucho	TiCTAC

Continuing with CSR activities and promotional campaigns centered on environmental/social awareness themes

TiCTAC: "MottainaiWatch Exchange" etc.

COLLECTORS business: "Bag, Purse and Hat Trade-in Campaign" (CO2 reduction)

TiCTAC/ROSEMARY/ANNA BEILLE: Pink Ribbon Campaign(promoting breast cancer screening)



WATCH POLITICS (TiCTAC;
Shibuya Tokyu Hands)

In August 2011, became first shopping complex design, construction and building management company to obtain ISO50001:2011 certification. In H2, plan to accelerate orders for projects where environmental friendliness and energy cost reduction are important factors

“ISO50001:2011 specifies requirements for establishing, implementing, maintaining and improving an energy management system, whose purpose is to enable an organization to follow a systematic approach in achieving continual improvement of energy performance, including energy efficiency, energy use and consumption.”

JQA-ER0002



HEADQUARTERS



LED illumination system

Common-use aisles, 1F, Kichijoji PARCO

Received construction work and building maintenance orders, including an energy-saving construction work order for a large shopping complex and facility and hotel maintenance work for a large foreign airline

Growth in sales contribution from P'es Lighting series of original, environmentally-friendly lighting fixtures, which feature high efficiency, low energy consumption, and ease of maintenance

E-commerce business

Formed a business and capital alliance with Stylife Corporation, broadening brand lineup from 440 brands at end Aug. to 650 brands

Stylife PARCO-CITY store now open in the PARCO-CITY online shopping mall. Currently developing/soliciting new brands to enhance merchandising strength and drawing power of both company's sites

Plan to open an online contemporary art store in late October, with works from 80 artists displayed on what promises to a very imaginative site



Stylife PARCO-CITY BRANCH
<http://www.parco-city.com/stylife>



shopsnavi <http://shopsnavi.com>

IT/website consulting business

Taking on more website design and management projects for external shopping complexes and, from September, enhancing listings on shopsnavi, a mobile recruitment site that specializes in fashion-related work

Listings from Shopsnavi now being reposted on the Recruit job placement site. The applicant base is rapidly growing

In the first half, hit performances such as *Film Der Nation* (written & produced by Koki Mitani), *HYMNE A L'AMOUR* (written, produced and acted by Akihiro Miwa) and *Crazy Honey* (written & produced by Yukiko Motoya; acted by Masami Nagasawa) contributed to results.

In the second half, an ongoing series of high quality productions featuring proven performers and shows is planned, including *The Hunting Gun* (Original writer: Yasushi Inoue; Producer: Francois Girard; Starring Miki Nakatani), *Ninety Minutes* (written & produced by Koki Mitani), and *Golden Pavilion* (Original writer: Yukio Mishima; Producer: Amon Miyamoto), Japan's sole and triumphant entrant in the NY Lincoln Center Festival

Featured in August print and digital versions of the high quality visual magazine PLUP series. Part one features Masami Nagasawa. Part two in October features Yoko Maki



The Hunting Gun

Writer Yasushi Inoue; Producer Francois Girard
Performance: Miki Nakatani, as seen in Montreal
Canada, PARCO Theatre and elsewhere



The Club Quattro live house in Shinsaibashi has a proud 20-year history stretching back to its opening in 1991. It will

reopen in new premises in April 2012, carrying on the four-location link of Tokyo, Nagoya, Osaka and Hiroshima

I Overview of FY2011 H1 results

II FY2011 H1 achievements and
future plans

III Great East Japan Earthquake

PARCO would like to express its condolences to the victims of the Great East Japan Earthquake and subsequent tsunami on March 11, 2011.

Providing support that reflects PARCO Group's unique characteristics

1. Supporting tenants impacted by the disaster

¥431 million in support for affected tenants at Sendai PARCO/10 Kanto stores

Our tenant support includes easing of rental conditions for tenants in the disaster/rolling-blackout regions

2. Working with tenants to reduce summer power consumption by 25%+*

Maximal power savings at Sendai PARCO/10 Kanto stores

80% lighting reduction in common areas and 25% reduction in tenant stores. Introduced LED lighting in collaboration with PARCO SPACE SYSTEMS, and also adjusted air conditioning, etc.

*Maximum hourly consumption, compared to previous year. Government imposed mandatory reduction was 15%.

Reduced power consumption without reducing customer appeal in the store environment, through creative lighting arrangement

3. Providing direct support in disaster zone

Recovery support program with staff volunteers, centered on Sendai Parco (With S-Pal Sendai)

The S-Pal x PARCO Smile Market Recovery Fashion Project is bringing together seasonal autumn and winter wear from tenant stores, coordinated and distributed free. Around 10 staff from other PARCO stores are joining the effort

4. Donating portion of PARCO sales to disaster recovery fund



Donating all proceeds from sale of Parcoala mascot soft toy

Producing and selling the Parcoala mascot soft toy at PARCO nationwide and donating proceeds

Hosting charity party at Fukuoka PARCO and donating all proceeds

Under the theme “Coming together by design” hosting a disaster support charity party using the entire first floor (entry by admission fee) as a spin-off event from the Fukuoka Designing Exhibition

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5. Hosting charity events through PARCO entertainment division

Jane Birkin Recovery Support Concert at Shibuya Club Quattro

Charity concert arranged at the initiative of Jane Birkin herself, with all proceeds to recovery efforts and Jane Birkin performing for free



Performance by PARCO rock band SISTER JET at Sendai Koutoudai Park

Unplugged guitar concert in the Sendai affected zone, hosted without using any electric power

6. Soliciting contributions from PARCO Group companies for recovery fund

“Singapore designers GIVE BACK” at PARCO Singapore

Tenant store designers and local apparel designers selling their own items, with all proceeds to the Japan recovery fund

Donating all proceeds from sales of Original Charity Wallpaper at PARCO CITY online shopping mall



Statements in this presentation that are not historical fact, such as forecasts, are forward-looking statements, based on information available as of Oct. 3, 2011, and are subject to a number of risks and uncertainties. Actual results may be materially different.

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