

PARCO CO., LTD.



Non-consolidated Financial Statements for the Interim Term Ended August 31, 2005
(Fractional amounts less than one million yen are discarded)

October 12, 2005

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 12, 2005

Interim dividends payment system: Yes

Interim dividends day: October 24, 2005

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

1. Results for the Interim Term of Fiscal 2005 (March 1, 2005-August 31, 2005)

(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.2005 interim term	117,234	[+2.6]	4,017	[+16.9]	3,798	[+30.3]
Aug.2004 interim term	114,258	[-4.4]	3,436	[-16.1]	2,914	[-21.0]
Fiscal 2004	236,359	[-2.5]	7,212	[-6.3]	6,557	[-4.9]

	Net income (¥million)	Year-on year Change [%]	Net income per share(¥)
Aug.2005 interim term	1,558	[+43.6]	19.24
Aug.2004 interim term	1,085	[+37.9]	13.82
Fiscal 2004	1,262	[-34.0]	15.85

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

Aug.2005 interim term	81,002,167 shares
Aug.2004 interim term	78,528,818 shares
Fiscal 2004	79,675,601 shares

2. Changes in Accounting Methods: None

3. Percentages above represent the change from the prior interim term (fiscal year) unless otherwise stated.

(2) Dividends

	Interim dividends per share (¥)	Annual dividends per share(¥)
Aug.2005 interim term	5.00	—
Aug.2004 interim term	5.00	—
Fiscal 2004	—	10.00

(3) Financial Position

	Total assets (¥million)	Shareholders' equity (¥million)	Shareholders' equity/ total assets [%]	Shareholders' equity per share (¥)
Aug.2005 interim term	182,562	65,925	[36.1]	810.02
Aug.2004 interim term	194,858	64,393	[33.0]	796.56
Fiscal 2004	183,890	64,171	[34.9]	793.72

Notes:

1.Total number of shares outstanding:	As of August 31, 2005	81,386,875 shares
	As of August 31, 2004	80,839,852 shares
2.Total number of treasury stock:	As of February 28, 2005	80,848,566 shares
	As of August 31, 2005	823,906 shares
	As of August 31, 2004	1,370,929 shares
	As of February 28, 2005	1,362,215 shares

2. Projected Results for Fiscal 2005 (March 1, 2005-February 28, 2006)

	Net sales (¥million)	Operating income (¥million)	Ordinary income (¥million)	Net income (¥million)	Annual dividends per share(¥)	
					Interim	
Fiscal 2005	240,000	7,500	7,100	2,700	5.00	10.00

Reference: Estimated net income per share (fiscal 2005): ¥ 33.17

Notes : The above projected results are announced presupposing available information at October 12, 2005 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, 2005
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Interim Term						Increase (Decrease)	Fiscal 2004			Increase (Decrease)
	Aug.2004		Aug.2005		%	%			%		
(ASSETS)											
.Current Assets:											
1 Cash and time deposits	16,111			10,171			(5,939)	10,437		(266)	
2 Notes receivable - trade	2			-			(2)	2		(2)	
3 Accounts receivable - trade	4,899			4,728			(170)	4,787		(58)	
4 Marketable securities	20			-			(20)	10		(10)	
5 Finished products	252			250			(2)	286		(36)	
6 Work-in-process	6			17			10	3		14	
7 Supplies	0			0			(0)	0		(0)	
8 Deferred tax assets	650			394			(256)	426		(32)	
9 Short-term loans	2,898			510			(2,388)	2,021		(1,510)	
10 Other current assets	1,532			1,466			(66)	1,428		38	
Less: Allowance for doubtful accounts	(808)			(47)			760	(2)		(45)	
Total current assets		25,567	13.1		17,492	9.6	(8,075)		19,401	10.6	(1,909)
.Fixed Assets:											
1 Tangible fixed assets:											
(1)Buildings	38,794			37,995			(799)	38,599		(603)	
(2)Land	40,311			40,622			310	40,666		(44)	
(3)Other tangible fixed assets	2,577			1,523			(1,054)	1,854		(330)	
Total tangible fixed assets	81,684			80,142			(1,542)	81,120		(978)	
2 Intangible fixed assets:											
(1)Leasehold	11,014			11,014			-	11,014		-	
(2)Other intangible fixed assets	1,072			681			(390)	892		(210)	
Total intangible fixed assets	12,086			11,696			(390)	11,906		(210)	
3 Investments and other assets:											
(1)Investment securities	8,575			8,375			(199)	7,975		399	
(2)Investments in affiliated companies	12,269			12,411			142	12,436		(25)	
(3)Long-term loans	826			904			77	819		84	
(4)Fixed leasehold deposits	51,724			48,870			(2,854)	47,621		1,248	
(5)Deferred tax assets	703			1,438			735	1,274		164	
(6)Long-term accounts receivable - other	-			2,005			2,005	2,066		(61)	
(7)Other investments	3,299			1,098			(2,200)	1,143		(44)	
Less: Allowance for doubtful accounts	(1,879)			(1,872)			7	(1,877)		5	
Total investments and other assets	75,519			73,232			(2,287)	71,461		1,770	
Total fixed assets		169,290	86.9		165,070	90.4	(4,220)		164,488	89.4	581
Total assets		194,858	100.0		182,562	100.0	(12,295)		183,890	100.0	(1,327)

PARCO CO., LTD.

Non-consolidated Balance Sheets for the Interim Term Ended August 31, 2005
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Interim Term						Increase (Decrease)	Fiscal 2004			Increase (Decrease)
	Aug.2004		Aug.2005		%	%			%		
(LIABILITIES)											
.Current Liabilities:											
1 Notes payable - trade	510			566			55	723			(156)
2 Accounts payable - trade	15,296			15,636			339	13,512			2,123
3 Short-term bank loans	20,581			19,376			(1,205)	19,624			(248)
4 Accounts payable - other	2,293			2,348			54	2,614			(266)
5 Accrued income taxes	833			1,594			761	1,730			(135)
6 Allowance reserve	575			565			(10)	551			13
7 Other current liabilities	5,514			3,359			(2,154)	4,019			(659)
Total current liabilities		45,605	23.4		43,446	23.8	(2,158)		42,775	23.3	671
.Long-term Liabilities:											
1 Straight bonds	14,000			14,000			-	14,000			-
2 Long-term bank loans	27,823			15,822			(12,001)	20,028			(4,206)
3 Long-term accounts payable - other	-			281			281	281			-
4 Reserve for retirement benefits	190			191			1	185			6
5 Accrued retirement benefits for directors and statutory auditors	252			-			(252)	-			-
6 Allowance for loss on store closing	-			807			807	-			807
7 Guarantee deposits received from tenants	42,593			42,087			(505)	42,448			(361)
Total long-term liabilities		84,859	43.6		73,191	40.1	(11,668)		76,944	41.8	(3,752)
Total liabilities		130,464	67.0		116,637	63.9	(13,827)		119,719	65.1	(3,081)
(SHAREHOLDERS' EQUITY)											
.Common Stock											
		26,867	13.8		26,867	14.7	-		26,867	14.6	-
.Capital Surplus											
1 Additional paid-in capital	26,292			26,292			-	26,292			-
2 Other capital surplus	813			856			42	815			40
Total capital surplus		27,105	13.9		27,148	14.9	42		27,107	14.8	40
.Retained Earnings											
1 Legal reserve	681			681			-	681			-
2 General reserve	7,911			8,611			700	7,911			700
3 Unappropriated retained earnings	2,137			2,365			227	1,911			454
Total retained earnings		10,730	5.5		11,657	6.4	927		10,503	5.7	1,154
.Net Unrealized Gains on Securities											
		443	0.2		708	0.4	264		442	0.2	265
.Treasury Stock											
		(753)	(0.4)		(456)	(0.3)	296		(750)	(0.4)	293
Total shareholders' equity		64,393	33.0		65,925	36.1	1,531		64,171	34.9	1,754
Total liabilities and shareholders' equity		194,858	100.0		182,562	100.0	(12,295)		183,890	100.0	(1,327)

PARCO CO., LTD.

Non-consolidated Statements of Income for the Interim Term Ended August 31, 2005
(Fractional amounts less than one million yen are discarded)

(¥ millions)

	Interim Term						Increase (Decrease)	Fiscal 2004		
	Aug.2004			Aug.2005						
.Net sales:			%			%				%
1 Net sales by tenants	111,514			114,407				231,273		
2 Own sales	2,743			2,826				5,086		
		114,258	100.0		117,234	100.0	2,976		236,359	100.0
.Cost of sales:										
1 Cost of net sales by tenants	98,202			100,763				204,031		
2 Cost of net own sales	2,033			2,002				3,680		
		100,235	87.7		102,765	87.7	2,530		207,711	87.9
		14,022	12.3		14,468	12.3	445		28,647	12.1
Provision for allowance for sales returns		1	0.0		2	0.0	1		-	-
Reversal of allowance for sales returns		-	-		-	-	-		2	0.0
Gross profit on sales		14,021	12.3		14,466	12.3	444		28,650	12.1
.Other operating revenue		866	0.7		1,034	0.9	168		1,840	0.8
Gross profit		14,887	13.0		15,500	13.2	612		30,490	12.9
.Selling, general and administrative expenses		11,450	10.0		11,482	9.8	31		23,278	9.8
Operating income		3,436	3.0		4,017	3.4	580		7,212	3.1
.Non-operating income		209	0.2		222	0.2	12		539	0.2
.Non-operating expenses		732	0.6		441	0.4	(290)		1,194	0.5
Ordinary income		2,914	2.6		3,798	3.2	883		6,557	2.8
.Special income		219	0.2		58	0.1	(160)		302	0.1
.Special losses		1,096	1.0		1,260	1.1	163		3,810	1.6
Income before income taxes		2,036	1.8		2,596	2.2	559		3,049	1.3
Income taxes:										
Current income taxes	732			1,352				1,914		
Deferred income taxes	218	951	0.8	(314)	1,037	0.9	86	(127)	1,787	0.8
Net income		1,085	1.0		1,558	1.3	472		1,262	0.5
Retained earnings:										
Balance, beginning of the term		1,052			806		(245)		1,052	
Cash dividends (interim)		-			-		-		404	
Balance at end of the term		2,137			2,365		227		1,911	