

PARCO CO., LTD.

Non-consolidated Financial Statements for the Interim Term Ended August 31,2002  
(Fractional amounts less than one million yen are discarded)

October 25, 2002

Corporate Name: PARCO CO.,LTD. Stock Exchange Listings: Tokyo Stock Exchange  
( U R L <http://www.parco.co.jp> ) (first section)  
Address: Headquarters in Tokyo Code Number: 8251  
Personnel to Contact: Director Board of Directors meeting: Oct 25, 2002  
Mr. Kazumi Kojima Interim dividends payment system: Yes  
TEL (03)3477-5791 Trading unit (Tangenkabu) system: Yes  
(1 unit 1,000shares)

1. Results for the Interim Term of Fiscal 2002 (March 1, 2002-August 31, 2002)

(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.2002 interim term	120,003	[-0.3]	3,742	[+2.3]	3,298	[-8.4]
Aug.2001 interim term	120,345	[+0.1]	3,656	[+8.1]	3,044	[+21.5]
Fiscal 2001	248,525	[+1.0]	6,929	[+10.1]	5,719	[+17.1]

	Net income (¥ million)	Year-on year Change [%]	Net income Per share(¥)
Aug.2002 interim term	595	[-10.7]	7.80
Aug.2001 interim term	666	[-63.7]	9.60
Fiscal 2001	1,127	[ ]	15.80

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

Aug.2002 interim term 76,340,676 shares  
Aug.2001 interim term 69,425,035 shares  
Fiscal2001 71,365,687 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.2002 interim term	4.00	
Aug.2001 interim term	4.00	
Fiscal 2001		8.00

(3) Financial Position

	Total assets (¥ million)	Shareholders' equity (¥ million)	Shareholders' equity/ total assets [%]	Shareholders' equity per share (¥)
Aug.2002 interim term	199,706	59,188	[+29.6]	766.18
Aug.2001 interim term	214,430	56,429	[+26.3]	785.42
Fiscal 2001	202,846	57,419	[+28.3]	762.81

Notes: 1.Total number of shares outstanding:

As of August 31, 2002 77,251,825 shares  
As of August 31, 2001 71,845,731 shares  
As of February 28, 2002 75,274,045 shares

2.Total number of treasury stock:

As of August 31, 2002 1,054,457 shares  
As of August 31, 2001 3,355 shares  
As of February 28, 2002 20,981 shares

2. Projected Results for Fiscal 2002 (March 1, 2002-February 28, 2003)

	Net sales (¥ million)	Operating income (¥ million)	Ordinary income (¥ million)	Net income (¥ million)	Annual dividends per share (¥)	
					Interim	
Fiscal 2002	250,000	7,200	6,200	1,550	4.00	8.00

Reference: Estimated net income per share (fiscal 2002): ¥20.06

Notes: The above projected results are announced presupposing available information at October 25,2002 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 31,2002  
(Fractional amounts less than one million yen are discarded)

	(¥ millions)		
	Interim Term		Fiscal
	Aug.2001	Aug.2002	2001
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash on hand and in banks	¥ 15,778	¥ 5,399	¥ 8,013
Notes receivable - trade	60	80	94
Accounts receivable - trade	5,374	6,819	5,748
Marketable securities	2,200	-	-
Finished products	246	190	212
Work-in-process	17	4	9
Supplies	33	12	30
Short-term loans to affiliated company	5,948	6,308	5,235
Other short-term loans	9	57	57
Deferred tax assets-current	1,135	920	917
Other current assets	5,065	3,828	2,219
Less: Allowance for doubtful accounts	(1,788)	(1,999)	(1,887)
Total current assets	<u>34,080</u>	<u>21,622</u>	<u>20,649</u>
<b>Fixed Assets:</b>			
Tangible fixed assets:			
Buildings	37,091	38,321	38,941
Land	39,398	39,400	39,400
Other tangible fixed assets	2,335	1,503	1,937
Total tangible fixed assets	<u>78,826</u>	<u>79,225</u>	<u>80,280</u>
Intangible fixed assets:			
Leasehold	10,943	11,014	10,943
Other intangible fixed assets	2,406	1,923	2,170
Total intangible fixed assets	<u>13,349</u>	<u>12,938</u>	<u>13,114</u>
Investments and other assets:			
Investment securities	11,092	11,687	10,690
Investments in affiliated companies	12,999	12,571	12,413
Long-term loans	1,016	1,009	1,017
Fixed leasehold deposits	58,740	56,670	59,560
Deferred tax assets -non current	2,899	2,211	3,269
Other investments	1,414	1,854	1,922
Less: Allowance for doubtful accounts	(5)	(84)	(71)
Total investments and other assets	<u>88,157</u>	<u>85,920</u>	<u>88,802</u>
Total fixed assets	<u>180,333</u>	<u>178,083</u>	<u>182,196</u>
<b>Deferred Assets:</b>			
Discount on bonds issued	16	-	-
Total deferred assets	<u>16</u>	<u>-</u>	<u>-</u>
Total assets	<u>¥ 214,430</u>	<u>¥ 199,706</u>	<u>¥ 202,846</u>

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Non-consolidated Balance Sheets for the Interim Term Ended August 31,2002  
(Fractional amounts less than one million yen are discarded)

	(¥ millions)		
	Interim Term		Fiscal
	Aug.2001	Aug.2002	2001
<b>LIABILITIES</b>			
<b>Current liabilities:</b>			
Notes payable – trade	¥ 509	¥ 536	¥ 944
Accounts payable – trade	15,766	16,081	14,205
Short-term loans	29,064	25,739	26,169
Accounts payable – other	2,886	3,349	5,109
Accrued income taxes	123	117	145
Allowance reserve	668	618	621
Current portion of bonds	24,400	2,000	10,000
Other current liabilities	5,801	5,824	5,447
Total current liabilities	<u>79,220</u>	<u>54,266</u>	<u>62,643</u>
<b>Long-term liabilities:</b>			
Straight bonds	2,000	-	2,000
Convertible bonds	4,204	1,337	2,674
Long-term loans	19,085	36,676	27,246
Reserve for retirement benefits	99	105	162
Accrued retirement benefits for directors and statutory auditors	282	270	305
Provision for loss on guaranty of bank loans	350	350	350
Guarantee deposits received from tenants	52,759	47,509	50,046
Other long-term liabilities	0	-	-
Total long-term liabilities	<u>78,781</u>	<u>86,250</u>	<u>82,783</u>
Total liabilities	<u>158,001</u>	<u>140,517</u>	<u>145,427</u>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Common Stock</b>	24,459	25,892	25,224
<b>Capital Surplus</b>			
Additional paid-in capital	23,884	25,318	24,649
Total capital surplus	23,884	25,318	24,649
<b>Retained Earnings</b>			
Legal reserves:	681	681	681
General reserve:	6,011	6,261	6,011
Unappropriated retained earnings	1,069	1,247	1,243
Total retained earnings	7,762	8,190	7,935
<b>Net Unrealized Gains on Securities</b>	323	344	(378)
<b>Treasury Stock</b>	-	(556)	(11)
Total shareholders' equity	<u>56,429</u>	<u>59,188</u>	<u>57,419</u>
Total liabilities and shareholders' equity	<u>¥ 214,430</u>	<u>¥ 199,706</u>	<u>¥ 202,846</u>

PARCO CO., LTD.

Non-consolidated Statements of Income for the Interim Term Ended August 31,2002  
(Fractional amounts less than one million yen are discarded)

	(¥ millions)		
	Interim Term		Fiscal
	Aug.2001	Aug.2002	2001
<b>Net sales:</b>			
Net sales by tenants	¥ 117,473	¥ 117,538	¥ 242,753
Own sales	2,871	2,464	5,771
	<u>120,345</u>	<u>120,003</u>	<u>248,525</u>
<b>Cost of sales:</b>			
Cost of net sales by tenants	104,121	103,925	215,294
Cost of net own sales	2,222	1,753	4,513
	<u>106,344</u>	<u>105,679</u>	<u>219,808</u>
	14,001	14,323	28,717
Provision for allowance for sales returns	-	9	-
Reversal of allowance for sales returns	12	-	13
	<u>14,013</u>	<u>14,314</u>	<u>28,730</u>
<b>Other operating revenues</b>	732	889	1,612
Gross profit	<u>14,746</u>	<u>15,203</u>	<u>30,342</u>
<b>Selling, general and administrative expenses</b>	<u>11,089</u>	<u>11,460</u>	<u>23,412</u>
Operating income	3,656	3,742	6,929
<b>Non-operating income</b>	280	254	637
<b>Non-operating expenses:</b>	893	697	1,847
Ordinary income	<u>3,044</u>	<u>3,298</u>	<u>5,719</u>
<b>Special income:</b>	410	106	696
<b>Special losses:</b>	2,229	2,268	4,361
Income before income taxes	<u>1,225</u>	<u>1,137</u>	<u>2,054</u>
<b>Income taxes:</b>			
Current	11	11	22
Deferred	547	530	905
Net income	<u>666</u>	<u>595</u>	<u>1,127</u>
<b>Retained earnings:</b>			
Balance at beginning of the term	402	652	402
Cash dividends (interim)	-	-	287
Balance at end of the term	<u>¥ 1,069</u>	<u>¥ 1,247</u>	<u>¥ 1,243</u>