

1. Overview of FY2010 Q1 results

■ Q1 results

Unit: Million yen

Consolidated	FY2010 Q1 Mar.-May	FY2009 Q1 Mar.-May	Change ¥	Change %
Net sales	65,183	65,069	113	0.2%
Operating income	2,119	2,398	(278)	(11.6%)
Ordinary income	2,009	2,317	(307)	(13.3%)
Net income	1,040	1,304	(264)	(20.3%)

Interim forecasts	Change %
127,000	(0.7%)
4,100	(13.8%)
3,800	(19.0%)
1,900	(13.8%)

Full-year forecasts	Change %
264,000	1.1%
8,700	1.1%
8,300	(3.0%)
4,200	2.2%

Non-consolidated	FY2010 Q1 Mar.-May	FY2009 Q1 Mar.-May	Change ¥	Change %
Net sales	60,463	60,300	163	0.3%
Operating income	2,004	2,310	(305)	(13.2%)
Ordinary income	1,936	2,364	(427)	(18.1%)
Net income	1,011	1,384	(373)	(27.0%)

Interim forecasts	Change %
118,000	(0.8%)
3,900	(15.4%)
3,700	(20.6%)
1,900	(20.2%)

Full-year forecasts	Change %
245,000	0.7%
8,200	0.6%
7,700	(6.2%)
4,000	(4.4%)

*There is no change from the interim and full-year forecasts announced on April 7, 2010.

■ Consolidated results by segment

Unit: Million yen

	FY2010 Q1 Mar.-May	Change ¥
Shopping Complex Business	Net sales	61,181
	Operating income	1,968
Retail Business	Net sales	3,637 *1
	Operating income	15 *1
Space Engineering and Management Business	Net sales	5,013
	Operating income	118
Other Business	Net sales	146 *2
	Operating income	12 *2
Total	Net sales	69,979
	Operating income	2,114
Eliminations or corporate	Net sales	(4,078)
	Operating income	5
Consolidated	Net sales	65,901
	Operating income	2,119

■ Consolidated SG&A expenses

Unit: Million yen

	FY2010 Q1 Mar.-May	Change ¥	Change %
Personnel	2,316	(98)	(4.1%)
Lease/rental	2,352	(239)	(9.3%)
Advertising	964	(9)	(1.0%)
Agency services	1,514	(35)	(2.3%)
Depreciation	1,600	224	16.3%
Tax and dues	256	10	4.1%
Total SG&A	8,265	(170)	(2.0%)

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

*1 PALM GARDEN CO., LTD. in the Retail Business withdrew from the directly operated store business as of February 28, 2010.
(FY09Q1 contribution: Sales of ¥480 million; Operating loss of ¥3 million)

*2 HOTEL NEW CRESTON CO., LTD. in Other Business was sold on June 1, 2009.
(FY09 Q1 contribution: Sales of ¥392 million; Operating income of ¥12 million)

Results overview:

- Consolidated net sales exceeded previous Q1 period and forecast, with a favorable contribution from Fukuoka PARCO, which opened in March
- Consolidated operating income and ordinary income were lower than FY2009 Q1 on a fall in existing stores sales at PARCO, but were both broadly in line with initial forecasts
- Consolidated net income was impacted by an increase in losses on disposal of fixed assets arising from active renovation since FY2009, but our renovation plan and net income for the quarter are both on target
- In segment information, the number of companies in the Retail Business and Other Business is one less for each compared to FY2009 Q1
- In segment information, each of the core companies in the Retail Business, the Space Engineering and Management Business and Other Business achieved sales and income growth compared to FY2009 Q1

PARCO FY2010 Q1 Briefing Material (cont.)



TSE 1st Section, stock code 8251

2. Overview of sales

July 8, 2010

■ Non-consolidated tenant sales by store

Unit: Million yen

Store	FY2010 Q1 Mar.–May	
	Net sales	Change %
Urban store group	Sapporo PARCO	2,607 (8.2%)
	Sendai PARCO	2,399 4.7%
	Ikebukuro PARCO	7,304 (6.2%)
	Shibuya PARCO	3,283 (12.0%)
	Shizuoka PARCO	2,623 4.0%
	Nagoya PARCO	8,242 (6.9%)
	Hiroshima PARCO	4,097 (7.4%)
	Fukuoka PARCO	3,725 -
Urban store group total	34,285 5.6%	
Urban store group total excluding Fukuoka PARCO	30,559 (5.8%)	
Kanto store group	Utsunomiya PARCO	1,378 (12.9%)
	Urawa PARCO	3,108 (0.2%)
	Shin-Tokorozawa PARCO	2,080 (2.3%)
	Chiba PARCO	1,710 (11.3%)
	Tsudanuma PARCO	2,369 (2.8%)
	Hibarigaoka PARCO	1,982 *1 2.7%
	Kichijoji PARCO	2,307 (1.4%)
	Chofu PARCO	4,232 0.5%
Kanto store group total	19,169 (2.6%)	
Regional store group	Matsumoto PARCO	1,823 (6.2%)
	Otsu PARCO	1,306 (16.0%)
	Shinsaibashi PARCO	477 1.5%
	Oita PARCO	849 (15.6%)
	Kumamoto PARCO	1,197 (4.9%)
Regional store group total	5,654 (9.3%)	
Total	59,109 0.7%	
Existing store total	55,384 *2 (5.1%)	

*1 The year-on-year comparison for Hibarigaoka PARCO excludes the figures for the NosVos by PARCO annex, which closed on February 28, 2010.

*2 Existing store total excludes the figures for Fukuoka PARCO, which opened on March 19, 2010, and Hibarigaoka PARCO's NosVos by PARCO annex, which closed on February 28, 2010.

■ Non-consolidated sales by item

Comparisons are with FY2009 Q1

Category and item	FY2010 Q1 Mar.–May	
	All store total	Existing store total
Clothing	Womenswear	(2.5%) (6.8%)
	Menswear	(5.4%) (8.5%)
	General clothing	12.7% 3.2%
Clothing	(0.5%) (5.5%)	
Personal items	Shoes	(3.2%) (8.6%)
	Bags	(6.6%) (15.8%)
	Accessories	4.9% (4.3%)
	Cosmetics	12.1% 2.4%
Personal items	1.1% (7.1%)	
General merchandise	Culture-related	3.1% (3.0%)
	Living-related	(1.0%) (6.9%)
General merchandise	2.7% (3.0%)	
Foods	0.5% (0.6%)	
Restaurants	0.8% (6.8%)	
Other	(6.0%) (10.1%)	

■ Non-consolidated paying customers, average spend per customer

Comparisons are with FY2009 Q1

Existing stores	FY2009 H2	Mar. 2010	Apr. 2010	May 2010	FY2010 Q1
Paying customers	(1.8%)	(1.5%)	(0.3%)	(1.2%)	(1.0%)
Average spend per customer	(6.2%)	(4.4%)	(5.7%)	(3.7%)	(4.6%)

Note: Sales by item, paying customers and average spend per customer are based on "integrated sales" of stores. "Integrated sales" demonstrate the overall sales capability of a store, and include net sales by tenants, sales at PARCO Theater and other facilities, and sales to tenants under fixed rent contracts.

■ Non-consolidated renovation

■ FY2010 Q1 renovation results:

Scale of renovation:
133 sections, approx. 16,000m²
(of which new stores comprised 76 sections)

Effect of renovation:
Sales up 20.3% in same zone comparison

Planned FY2010 renovation:
Scale: approx. 56,000m²

■ Non-consolidated stores/tenants/sales area

21 stores in total
Total tenants: 3,024
Sales area: 465,000m² (as of end May. 2010)

News by company:

[Shopping Complex Business: PARCO CO., LTD.]

- **Fukuoka PARCO** opened on March 19. Good start, with sales and customer numbers both significantly exceeding targets, supported by a stable flow of customers, with the store's diverse variety of items drawing a wide range of customers
- Carried out active renovation (133 sections, approx. 16,000m²). Sales strong in renovated zones. Up 20.3% from FY2009 Q1. Pursued differentiation strategy at urban stores by generating a sense of change in the stores as a whole, through stepping up initiatives to attract growing companies as tenants and encouraging major tenant companies to shift to the latest business models. Carried out renovation at Kanto stores based on the themes of attracting customers and ensuring a knock-on effect on sales throughout the stores, by inviting as tenants stores with the capability to draw large numbers of customers, renewing food floors, and introducing shops offering various different services
- Acquired ownership of land and building of **Urawa PARCO** in March 2010 and started making preparations for a major future renewal

[Shopping Complex Business: PARCO (Singapore) Pte Ltd.]

- **PARCO Marina Bay** opened on March 31 at Millenia Walk in Singapore. Lineup of Japanese restaurants and general merchandise tenants playing a central role in attracting customers

[Retail Business: NEUVE A CO., LTD.]

- Opened 6 stores and closed 1 in FY2010 Q1, bringing total to 141 stores. Sales up 2.6% on FY2009 Q1, driven by watch business TICTAC, which performed strongly in sales of private label products and in e-commerce business, and cosmetics and general merchandise business ROSEMARY, which carried out successful promotions through enhanced cooperation between online and regular stores

[Space Engineering and Management Business: PARCO SPACE SYSTEMS CO., LTD.]

- Sales and operating income both increased compared to FY2009 Q1, with growth in orders for structural reform work at major shopping complexes and orders for construction work by tenants of Fukuoka PARCO
- Sales of the energy-efficient, environmentally friendly P'es Lighting series of private label lighting fixtures also trended favorably