

PARCO CO., LTD. FY2011 Q1 (Mar.-May) Briefing Material



TSE 1st Section, stock code 8251

July 6, 2011

1. Overview of FY2011 Q1 results

■ Q1 results

Unit: Million yen

Consolidated	FY2011 Q1 Mar.-May	FY2010 Q1 Mar.-May	Change ¥	Change %	H1 forecasts	Change %	H2 forecasts	Change %	Full-year forecasts	Change %
Net sales	60,350	65,183	(4,832)	(7.4%)	125,100	(2.9%)	139,800	2.7%	264,900	0.0%
Operating income	1,441	2,119	(677)	(32.0%)	3,700	(18.8%)	4,900	5.1%	8,600	(6.7%)
Ordinary income	1,302	2,009	(706)	(35.2%)	3,400	(21.5%)	4,800	8.7%	8,200	(6.3%)
Net income	631	1,040	(408)	(39.3%)	1,600	(24.4%)	2,400	5.1%	4,000	(9.1%)
EBITDA	2,976	3,720	(743)	(20.0%)						

Non-consolidated	FY2011 Q1 Mar.-May	FY2010 Q1 Mar.-May	Change ¥	Change %	H1 forecasts	Change %	H2 forecasts	Change %	Full-year forecasts	Change %
Net sales	55,393	60,463	(5,070)	(8.4%)	115,100	(3.3%)	129,100	2.1%	244,200	(0.5%)
Operating income	1,384	2,004	(620)	(30.9%)	3,500	(18.8%)	4,500	2.3%	8,000	(8.1%)
Ordinary income	2,245	1,936	308	15.9%	4,200	2.1%	4,300	4.7%	8,500	3.4%
Net income	1,668	1,011	657	65.0%	2,500	21.2%	2,200	0.9%	4,700	10.8%
EBITDA	2,835	3,552	(717)	(20.2%)						

*Earnings forecasts are unchanged from those announced on May 18, 2011.

*EBITDA in these tables refers to operating income plus depreciation and amortization.

*Non-consolidated ordinary income and net income included dividends received from subsidiaries of ¥1 billion.

■ Consolidated results by segment

Unit: Million yen

	FY2011 Q1 Mar.-May	FY2010 Q1 Mar.-May	(Reference) Change ¥	
Shopping Complex Business	Net sales	54,599	61,181	*1 (6,582)
	Operating income	1,312	1,968	*1 (655)
Retail Business	Net sales	3,656	3,637	18
	Operating income	(18)	15	(33)
Space Engineering and Management Business	Net sales	4,751	5,013	(262)
	Operating income	120	118	2
Other Business	Net sales	1,667	146	*1 1,520
	Operating income	22	12	*1 10
Total	Net sales	64,675	69,979	(5,304)
	Operating income	1,437	2,114	(676)
Adjustments	Net sales	(3,600)	(4,078)	478
	Operating income	4	5	(0)
Consolidated	Net sales	61,075	65,901	(4,826)
	Operating income	1,441	2,119	(677)

■ Consolidated SG&A expenses

Unit: Million yen

	FY2011 Q1 Mar.-May	Change ¥	Change %
Personnel	2,336	19	0.8%
Lease/rental	2,226	(125)	(5.3%)
Advertising	877	(86)	(8.9%)
Agency services	1,569	54	3.6%
Building and repairs	355	40	12.8%
Depreciation	1,534	(66)	(4.1%)
Tax and dues	356	99	38.6%
Reversal of common-service charges	(1,887)	111	(5.6%)
Total SG&A	8,346	80	1.0%

Unit: Million yen

Reference	FY2011 Q1 Mar.-May	FY2010 Q1 Mar.-May	Change ¥	
PARCO-CITY CO., LTD.	Net sales	155	148	7
	Operating income	(4)	12	(17)

*Figures for net sales by segment include operating revenue.

*1 The entertainment business of PARCO CO., LTD., included in Shopping Complex Business until last fiscal year, has been included in Other Business from this fiscal year.

Figures for PARCO-CITY CO., LTD., conventionally included in Other Business, are on the right.

Consolidated

Net sales and profits temporarily impacted by the Great East Japan Earthquake, but net sales have been strong since April, driven by renovation effects, etc.

NEUVE A

Opened 11 new stores across 4 business types in Q1, bringing total to 151 stores. Carried out promotions with social contribution themes, such as offering discounts for energy-saving solar-powered watches and making a donation for each watch sold

PARCO SPACE SYSTEMS

Rising demand for energy-saving attracted attention to the company's effective lighting design and installation solutions driven by the environmentally friendly P'es Lighting private brand of lighting fixtures. Focused on interior work and sales orders

PARCO-CITY

Formed a business and capital alliance with Stylife Corporation and as part of this "Stylife PARCO-CITY" opened in the PARCO online shopping mall. Net sales grew on increase in brands handled and successful implementation of marketing plans that tie in with those carried out at actual PARCO stores

PARCO FY2011 Q1 Briefing Material (cont.)



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2. Overview of sales

■ Non-consolidated tenant sales by store

Unit: Million yen

Store	Mar.-May total	Change %	Apr.-May total	
Urban store group	Sapporo PARCO *1	2,557	7.8%	10.9%
	Sendai PARCO	2,108	(12.2%)	15.5%
	Ikebukuro PARCO	6,578	(9.9%)	(1.6%)
	Shibuya PARCO	2,711	(17.4%)	(7.1%)
	Shizuoka PARCO	2,613	(0.4%)	1.6%
	Nagoya PARCO	7,886	(4.3%)	(2.8%)
	Hiroshima PARCO	4,036	(1.5%)	0.0%
7 store total	28,492	(6.0%)	0.3%	
Community store group	Utsunomiya PARCO	1,195	(13.3%)	(1.3%)
	Urawa PARCO	3,159	1.6%	10.6%
	Shin-Tokorozawa PARCO	1,907	(8.3%)	(1.0%)
	Chiba PARCO	1,682	(1.6%)	5.5%
	Tsudanuma PARCO	2,210	(6.7%)	0.8%
	Hibarigaoka PARCO	1,893	(4.5%)	(0.5%)
	Kichijoji PARCO	1,837	(20.4%)	(9.9%)
	Chofu PARCO	3,932	(7.1%)	(1.6%)
	Matsumoto PARCO	1,825	0.1%	4.2%
	Otsu PARCO	1,141	(12.6%)	(13.6%)
	Shinsaibashi PARCO	412	(13.7%)	(19.8%)
	Kumamoto PARCO	1,181	(1.3%)	1.6%
	12 store total	22,379	(6.7%)	(0.4%)
Existing store total *2	50,872	(6.3%)	0.0%	
Fukuoka PARCO (opened Mar. 2010)	2,829	—	(31.3%)	
Sapporo PARCO New Building (closed Mar. 2011)	71	—	—	
(Oita PARCO (closed Jan. 2011))	—	—	—	
Total	53,773	(9.0%)	(3.9%)	

*1 Sapporo PARCO figures exclude the New Building (closed Mar. 30, 2011).

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

■ Non-consolidated paying customers, average spend per customer

Comparisons are with FY2010 Q1

Existing stores*	Mar. 2011	Apr. 2011	May 2011	June (quick estimate)**
Integrated sales of stores	(18.3%)	2.2%	(2.1%)	4.4%
Paying customers	(16.9%)	0.4%	(2.4%)	1.8%
Average spend per customer	(1.7%)	1.7%	0.3%	2.6%

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

**June (quick estimate) based on quick estimate data as of July 4.

■ Non-consolidated sales by item

July 6, 2011

Comparisons are with FY2010 Q1

Existing stores*	Mar.-May total	Apr.-May total
Womenswear	(8.6%)	(2.0%)
Menswear	(4.8%)	1.3%
General clothing	4.9%	12.4%
Clothing	(5.1%)	1.8%
Shoes	(4.2%)	3.6%
Bags	(12.1%)	(9.2%)
Accessories	(11.8%)	(5.1%)
Cosmetics	(7.2%)	(2.4%)
Personal items	(5.0%)	1.9%
Culture-related	(8.9%)	(4.0%)
Living-related	(5.1%)	0.6%
General merchandise	(8.2%)	(3.1%)
Foods	(5.2%)	(2.3%)
Restaurants	(13.7%)	(5.7%)
Other	(7.4%)	(0.9%)

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

■ Non-consolidated renovation

■ FY2011 Mar.-May renovation results:

Scale of renovation:

240 sections, approx. 24,300m²
(of which new stores comprised 105 sections)

Effect of renovation:

Sales up 20.3% in same zone comparison

Planned FY2011 renovation:

Scale: approx. 61,000m²

■ Non-consolidated stores/tenants/sales area

20 stores in total
Total tenants: 2,844
Sales area: 450,000m² (as of end May 2011)

*Sales by item, same zone comparisons, paying customers and average spend per customer are based on "integrated sales" of stores.

"Integrated sales" demonstrate the overall sales capacity 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 PARCO

- The impact of the Great East Japan Earthquake and subsequent rolling blackouts caused temporary closure or operation under shortened opening hours at Sendai PARCO and 10 Kanto area stores, which served to decrease net sales, but Sendai PARCO reopened fully (except for certain restaurants) on Mar. 30 and the 10 Kanto stores were all operating under normal hours by April 4, with some lights turned off and so forth to cut down on electricity usage. Performance has been strong since April
- Actively renovated existing stores in Q1, renovating 240 sections, approx. 24,300m², about 1.5 times the floor area in FY2010 Q1. Renovated zone sales strong, up 20.3% YoY