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PARCO

CORPORATE PROFILE 2021

VISION

Excite Design Create

MESSAGE

Kozo Makiyama

KOZO MAKIYAMA
Representative Director, President and Executive Officer

PURPOSE

To Change the World
with Sensibility



Fashion, theater, film, literature, music, art.

We have long expressed through culture the beauty of living and the splendor of being free. And we have constantly explored the potential of the imagination to fashion the future.

Sharing excitement in tune with the times. Drawing and designing with belief in sensibility. Creating, with the focus on people, place, and connection.

To change the world with excitement beyond imagining—this is our new vision for the future.

We will join with the next generation to forge a new era by connecting together diverse individualities and sensibilities driven by the imagination and passion of individuals. With sensibility, we will change the world.

The PARCO Group has long expressed independent-minded lifestyles and the beauty of diversity through fashion, culture, and art. Discovering new possibilities in boundless imagination with a sense of the future has been our constant pursuit.

The world now, and Japan, and the PARCO Group, are undergoing great change.

PARCO has to this point focused on Incubation, Urban Revitalization, and Trends Communication as its major roles in society. For our next stage, we have dynamically refashioned these three axes to put forward a new Vision: Excite, Design, and Create. Based on a sensitive reading of the times, we will spearhead a group that creates to transcend the ordinary, generate excitement, and change the world.

We have also defined a new Purpose: To Change the World with Sensibility. In this coming age of DX* and sustainability, when what is essential will come into focus, the driving force for the Group to be needed by society and for expressing PARCO's trademark edginess will be the sensibility, imagination, passion, and adventurous spirit of each and every employee. I firmly believe that individuals thinking independently is the energy that generates innovation, and that the sensibilities of individuals can change the world and bring about a new era.

We will connect diverse individualities and sensibilities for the future and propose sustainable lifestyles with the next generation to create the trends to come.

* DX: Digital Transformation

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Cover Design

A number of lines connecting together create the letters in PARCO and the three words of our Vision: Excite, Design, and Create. The lines represent diverse individualities, sensibilities, and partners, and they connect in various forms to express the creation of PARCO itself.



PARCO Medium-term Business Plan (FY2021-2023)

Positioning of Medium-term Business Plan (FY2021-2023)

The PARCO Group has defined a new Vision and Purpose and put forward a new ideal for PARCO in 2030. Backcasting from this ideal, we established our Medium-term Business Plan (FY2021-2023) with the aim of restoring profit to FY2019 levels over the plan's three years. We will work under the plan to build the foundation for renewed growth. The plan also establishes a 2030 outlook for each of our business domains, which we will work toward while reforming and creating business models that utilize digital in pursuit of sustainable growth.

Evolution of existing stores modeled on Shibuya PARCO



Medium-term Business Plan (FY2021-2023)

Building a foundation for renewed growth

Ideal PARCO for 2030

Deeply connect people with communities, co-create with diverse partners, and provide unique experiences and emotional riches

Creation of Medium-term Business Plan by backcasting from an ideal

Medium-term Business Plan (FY2017-2020)

FY2020 H2
PARCO acquires the real estate business (excluding some portions) of the J. Front Retailing Group

2030 Outlook for Business Domains

PARCO Shopping Complex Business	Establish a uniquely dominant presence by evolving PARCO's longstanding competitive advantage and creating new value (= rebranding)
Digital Strategy	Maximize experience value in real and digital and create unique value
Development Business	Aim to be an urban lifestyle developer to propose diverse urban lifestyles and create appealing communities
Content Business	Develop and expand SDGs- and CSV-oriented content and incorporate it into businesses to further increase brand value

Overall Policy of Medium-term Business Plan (FY2021-2023)

Guided by a policy of building a foundation for renewed growth, which is centered on the two axes of the PARCO Shopping Complex Business and Development Business, plus the Content Business, we will carry out business with a focus on "raising," "changing," and "creating." In addition, we will promote a digital strategy for our sustainable growth and conduct socially meaningful business activities by defining sustainability themes from our own standpoint.

Ideal PARCO for 2030

Strategy Pillars

- Position the Development Business as our next growth domain
- Rebuild value of store brands
- Create appealing content

Sustainable Development

- Digital shift
- Promote socially meaningful businesses

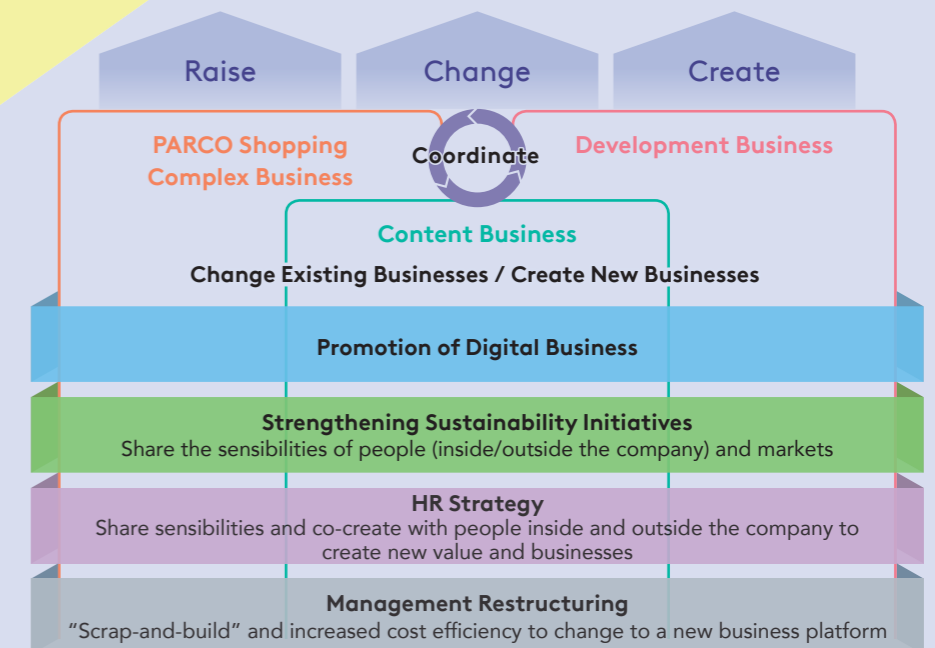
Strengthen Business Foundation

- Secure and develop human resources and build systems for achieving the Medium-term Business Plan

Management Restructuring

- Revise business foundation and increase cost efficiency

Deeply connect people with communities, co-create with diverse partners, and provide unique experiences and emotional riches



Priority Strategies of Medium-term Business Plan (FY2021-2023)

PARCO Shopping Complex Business Rebranding	<ul style="list-style-type: none"> Expand stores business domain modeled on Shibuya PARCO Clarify the roles of stores in each market Strengthen inbound measures from global standpoint 	<ul style="list-style-type: none"> Promote collaborative sales floors and new content development Pursue platform for digital shopping complex Refashion building configurations at core stores
Digital Strategy DX strategy	<ul style="list-style-type: none"> Build and implement systems for promoting CRM* strategy Engage customers in J. Front Retailing Group Reform PARCO Online Store Create PARCO appeal with XR* technology 	<ul style="list-style-type: none"> Promote innovations in business foundations * CRM: Customer Relationship Management XR: Extended Reality XR refers collectively to virtual reality (VR), augmented reality (AR), mixed reality (MR), and other such technologies
Development Business Portfolio reform	<ul style="list-style-type: none"> Develop JFR's "Urban Dominant Strategy" in priority areas Initiatives for diverse applications not limited to retail Diversify revenue sources through cyclical investment scheme 	<ul style="list-style-type: none"> Develop new site creation during the "new normal" in semi-urban locations CRE* strategy focused on properties acquired from Daimaru Matsuzakaya Department Stores * CRE: Corporate Real Estate
Content Business Raise brand value	<ul style="list-style-type: none"> Develop content not limited to specific sites Develop sustainability-themed businesses 	<ul style="list-style-type: none"> Coordinate within the J. Front Retailing Group and increase customers through projects and products
Sustainability Lifestyle co-creation	<ul style="list-style-type: none"> Establish sustainability policy of "Connect diverse individualities and sensibilities and co-create exciting, sustainable lifestyles" and conduct activities on six key themes: Cultural value creation, With the next generation, D&I and fulfilling work, Increasing local appeal, For a carbon-free society, and Co-creation with stakeholders 	
HR Strategy	<ul style="list-style-type: none"> Promote solutions to issues and reforms to the corporate culture by building an HR system oriented to strategy promotion 	
Management Restructuring	<ul style="list-style-type: none"> Select and focus investment in anticipation of future changes and increase cost efficiency in various areas 	