

Digital Strategy

PARCO is promoting programs that use digital technologies to propose new forms of communication with customers and provide new ways of experiencing art.

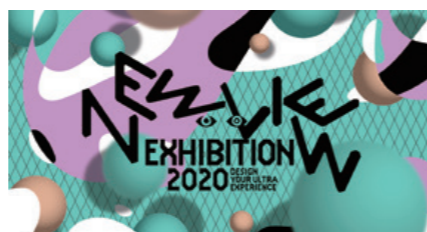
Shinsaibashi PARCO Virtual Tour

Shinsaibashi PARCO Virtual Tour is online content that provides a highly realistic tour through the new complex with 360-degree video of recommended spots and shops. Viewable with smartphones, computers and other digital devices, the tour was available from November 20 when Shinsaibashi PARCO opened to the end of the year.



NEWVIEW Communicates New Digital Art

NEWVIEW is an experimental project* to pioneer creative expression using XR technology; it has conducted XR content awards, art classes, collaborative projects, and other programs since 2018. In May 2021, the project launched DOMMUNE, a live streaming studio, and NEWVIEW DOMMUNE, an experimental XR program based on collaboration.



*A joint project with Psychic VR Lab Co., Ltd. and Loftwork Inc.

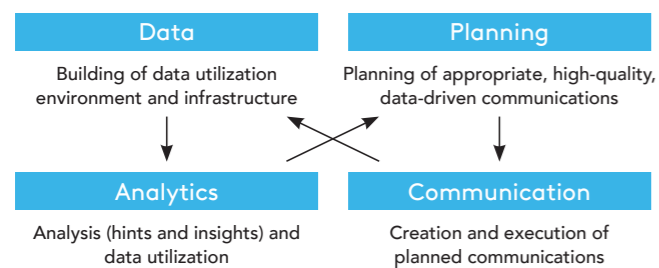
Medium-term Business Plan (FY2021-2023)

We are currently growing our platform for digital shopping complexes in four stages: launch, develop, transition, complete. The three years from fiscal 2021 to 2023 are the second stage, “develop,” and during this time we plan to promote DX with a focus on the following four points

1 Build and implement systems for promoting CRM strategy

Through enhancements to POKEPARU PAYMENT, our proprietary code-based settlement service, we are increasing the number of customers with in-house PARCO IDs. Executing an ongoing cycle of data, analytics, planning, and communication (“DAPC”), we will work to expand our base of loyal customers.

Ongoing DAPC Cycle



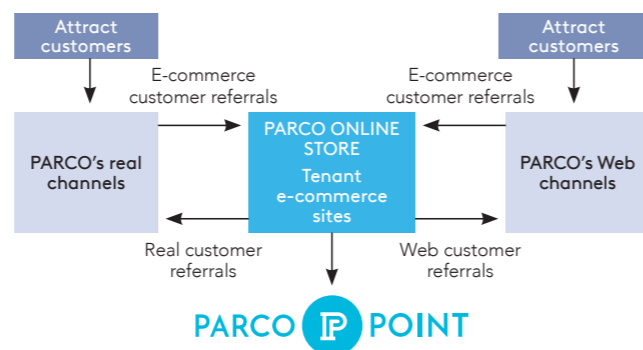
2 Engage customers in J. Front Retailing group

A customer database for the PARCO Group will be built to enable us to provide value as the J. Front Retailing Group to the fullest extent possible. We will work to share customers with Daimaru Matsuzakaya Department Stores and consider integrated identification and data analysis of both companies’

customers using the customer database of the J. Front Retailing Group.

3 Reform PARCO Online Store

We plan to promote online store reforms, enhance e-commerce services to be a receptacle for both real and Web channels, and build a framework for mutual customer referrals.



4 Creating real & digital PARCO appeal with XR technology

Smart glasses are expected to be the next digital device after smartphones to gain widespread use, and we will respond by augmenting the PARCO experience both visually and audibly using XR technology to create new forms of appeal.

Development Business

PARCO has taken over the real estate business of the J. Front Retailing Group (excluding some portions) and is promoting a business strategy in domestic real estate development with the aim of being an urban lifestyle developer that delivers diverse proposals for urban living and helps create highly attractive urban districts. In Nagoya’s Sakae district and Osaka’s Shinsaibashi district in particular, which are the Group’s strategic priority areas, we are carrying out redevelopment of large-scale complexes and are planning development projects that contribute to the appeal of these districts over the long term. By tackling new diverse applications not limited to commercial and the challenge of new formats and categories using development mechanisms like cyclical investment schemes, we will transform the real estate portfolio of the J. Front Retailing Group and thereby expand the Group’s business domain.

Succeeding and consolidating the real estate business of Daimaru Matsuzakaya Department Stores Co., Ltd. (some portions excluded)



Our business strategy for domestic store development is to operate commercial facilities in diverse locations and formats nationwide, centering on ZERO GATE, low- and medium-rise commercial complexes in prime urban locations, and BINO, whose focus is beauty and health.

ZERO GATE



ZERO GATE is our category of low- and medium-rise commercial complexes in prime urban locations. These locations are utilized to create complexes consisting of one or a small number of tenants—which differs from PARCO-brand complexes—and they are efficiently operated based on the scale of the business. Going forward, we plan to introduce a high-rise category linked to diverse sectors not limited to retail and to create new business schemes that utilize DX technologies and the high level of visibility afforded by prime locations. PARCO has long produced urban lifestyles based on themes like fashion and culture, and the name ZERO GATE signals our desire to return to a zero point, a new beginning, to propose new values through the gate, the entrance, to the district at large.

BINO



BINO consists of low- and medium-rise commercial facilities transferred to PARCO from Daimaru Matsuzakaya Department Stores Co., Ltd. in September 2020. Its main focus is beauty and health, on providing support for beauty from the inside and the outside. The name BINO is an acronym of the phrase “beauty inside and out.”



BINO Sakae Opened November 6, 2020

The fourth in the BINO series and the first since the business was transferred to PARCO, BINO Sakae opened in Nagoya’s Sakae district on November 6, 2020. The new BINO in Sakae, where redevelopment projects have been progressively transforming the district, takes a step forward from BINO’s traditional concept. It reinterprets the “beauty” in BINO to include gourmet food and luxury accessories and seeks to be a place that enriches the daily lives of visitors.

Other stores

We operate commercial facilities in diverse formats and locations around the country that are needed by their districts.

Medium-term Business Plan (FY2021-2023)

As an urban lifestyle developer, we promote real estate development and format creation based on five key points

1 Development in priority areas for the J. Front Retailing Group

In priority areas like Sakae in Nagoya and Shinsaibashi in Osaka, which have clusters of the Group's key properties, we will maximize synergies to further increase the appeal and dynamism of these districts. Along with building large-scale urban complexes that generate new images, consumption, and customers as a format that bridges PARCO shopping complexes and department stores, for medium-scale facilities in prime locations we will work to create new business schemes that utilize DX technologies and the visibility afforded by these locations.



Courtesy of Mitsubishi Estate Co., Ltd.

3 Nishiki, Naka-ku, Nagoya Due to open in 2026

Envisioning a center for cultural exchange and value creation, one that will be a new landmark for Nagoya's Sakae district, we are joining with another developer to build a new complex with a hotel, office space, cinema, and commercial facilities and plan to own and operate the commercial portion.

2 Initiatives for diverse applications not limited to retail and store openings in commercial complexes

In order to flexibly accommodate changes in the real estate market, we will not only develop commercial-oriented real estate but also collaborate with business partners and build real estate portfolios with diverse applications. We will promote building plans based on a mix of various applications and segments and create new formats through linkage with retail.

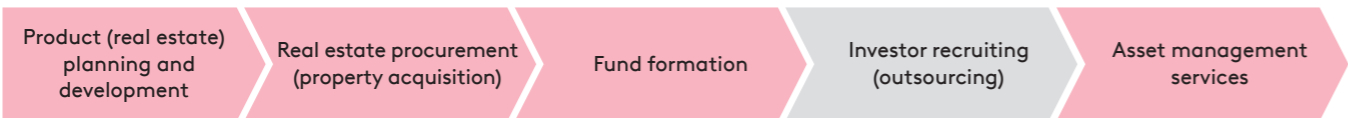


Kumamoto Shimotori GATE Project Due to open in spring 2023

At this commercial and hotel complex planned for the former site of Kumamoto PARCO in central Kumamoto, we intend to lease the commercial portion and open a commercial facility. The hotel and commercial facility will be linked seamlessly with the goal of bringing additional synergies to the life of the district.

3 Building a cyclical investment scheme

By entering the asset management business and expanding ownership and involvement in real estate while separating ownership from operations through private funding schemes, we will accelerate the trajectory of our Development Business and work to diversify revenue. (Investment advisory and agency business licensing has been acquired.)



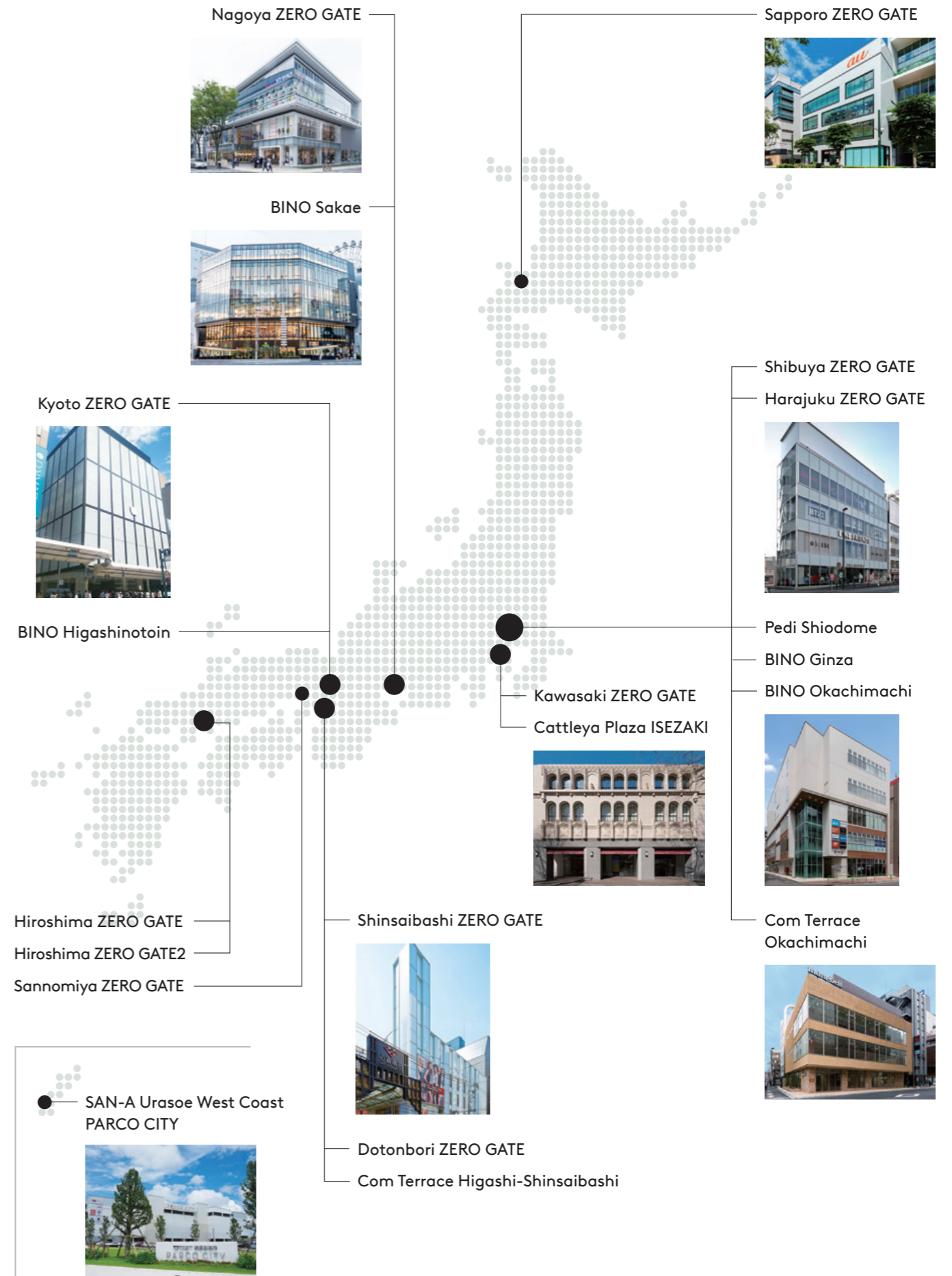
4 Semi-urban site development

Promoting new development in semi-urban locations in anticipation of increasing demand for facilities where work, home and shopping are all in close proximity, we will take on the challenge of developing next-generation complexes that accommodate these changes to the "new normal," both in terms of tenants/products and facilities. This category of complex will propose new sustainable lifestyles through a mix of stores and segments to function as a hub for collaborative area living and creation.

5 Executing CRE strategy

We plan to sell or reshuffle some of the assets transferred from Daimaru Matsuzakaya Department Stores Co., Ltd. in order to maximize the value of our overall real estate portfolio.

Main Stores



Content Business

Entertainment Business

Since its establishment, PARCO has actively introduced new cultural offerings in the fields of theater, music, and art through our Entertainment Business, contributing to enriching the lifestyles of our customers. We produce varied, highly appealing content from the standpoints of theater, music, movies, publishing, and content development. In addition to multi-media productions, such as DVD and book versions of this content, and organizing collaborations, we also offer entertainment with real emotion and discovery.

PARCO STAGE @ONLINE

PARCO STAGE @ONLINE is a project of PARCO Theater to convey the appeal of the theater online. "I want to see a play," "I want to participate in the theater," "I want to know more about it," "I want get a glimpse behind the scenes"—a variety of content is provided online from perspectives such as these.

<https://stage.parco.jp/blog/detail/2335>



"Daichi" streamed online

PARCO-Produced Play Wins Outstanding Play Award at the 28th Yomiuri Theater Awards

"Guernica," staged in September 2020 at PARCO Theater as its Opening Series, won the Outstanding Play award at the 28th Yomiuri Theater Awards.

Screenplay Ikue Osada

Direction Tamiya Kuriyama

Cast Moka Kamishiraishi, Yuma Nakayama, Ryo Katsuji, Seina Sagiri, Reo Tamaoki, Shota Matsushima, Kazutaka Hayashida, Takenori Goto, Shoichiro Tanigawa, Mika Ishimura, Ayumi Tanida and Midoriko Kimura



"Guernica"

PARCO Hosts "Life is Beautiful," the First Large-scale Exhibition by Mr. Brainwash in Japan

Shibuya PARCO's PARCO MUSEUM TOKYO and Shinsaibashi PARCO's SPACE14 hosted Japan's first large-scale exhibition by Mr. Brainwash, a Los Angeles-based graffiti artist. The exhibition showed existing works by the artist as well as pieces made specially for the event, plus limited-edition works on Japanese themes, a total of 80 two- and three-dimensional pieces. An online exhibition was also held that provided the chance to experience the show through a 3D viewer.

<https://my.matterport.com/show/?m=JMaKybtVRwD>



Medium-term Business Plan (FY2021-2023)

Develop content not limited to specific sites

Strengthening hybrid entertainment through digital technologies to combine live shows with digital streaming, we plan to develop online projects for art content like exhibitions, online projects for music and the theater, live commerce events, and more.

Enriching urban living

Through strengthening collaboration with local districts, we will hold art festivals and cultural events that become identified with that area and develop sustainable projects with the next generation that help increase the appeal of these local areas.

Increasing customers

Partnering with the companies of the J. Front Retailing Group, we will develop entertainment projects, exclusive products, and live commerce events.

Wellness Business

With societal conditions surrounding consumers changing and values diversifying at an accelerating rate, and with awareness of physical health and mental wellbeing sharply increasing during the COVID-19 pandemic, we established the Wellness Business Department in September 2020 to propose new lifestyles and provide new value in the wellness field. The department will work to develop new wellness services in support of women's inner beauty and health.

Business Alliance and Investment Agreement with Dricos, Inc.

In March 2021, we entered into a business alliance and investment agreement with Dricos, Inc., a healthcare company that provides personal healthcare services using digital technologies. The partnership will work to create new value by combining the real facility knowhow of PARCO with Dricos' expertise in digital.



Working Space Business

"Between like and like" is the concept for the community-based working space SkiiMa, which is being developed by PARCO as a place for polishing your likes and giving them tangible form with your friends in the highly stimulating space of a commercial facility where people and goods are in constant interchange. Through this space, we hope to create a world where individuals with talent and ideas can continuously take on challenges.



SkiiMa Locations

Opened November 2020

SkiiMa No. 1 Shinsaibashi PARCO



Shinsaibashi PARCO 4th floor

Opened April 2021

SkiiMa No. 2 Kichijoji PARCO



Kichijoji PARCO 8th floor

Crowd Funding Service

BOOSTER, a crowd funding service, is a mechanism that enables people and organizations that need funds for new challenges to raise those funds from individuals over the internet. Projects get off the ground with support that fuses online and real-world resources, including collaborations with PARCO stores, and are sent out into the world through partnerships with community members.

