

Sustainability

With a strong commitment to providing sustainable lifestyles that excite people, PARCO creates new value with the next generation that can be shared broadly in society. Under our sustainability policy, we conduct activities organized into six main themes to help achieve the UN's Sustainable Development Goals (SDGs) and through the practice of sustainable management to earn the trust and satisfaction of stakeholders and raise corporate value.

www.parco.co.jp/en/sustainability/



Incubation

P.O.N.D. (Parco Opens New Dimension)

P.O.N.D. is a festival of culture staged at Shibuya PARCO and featuring art, fashion, music, theater, and more. The name Parco Opens New Dimension reflects our desire to have the event constantly opening up new dimensions. At a time when people's engagement with culture is changing greatly, we plan to develop a variety of projects and initiatives that are enjoyable for all culture-lovers. The energy of creators gathered in the middle of Shibuya, ever-changing in turbulent times, will open up new dimensions beyond anyone's imagining.



P.O.N.D.—PARCO's Festival of New Culture Held October 16-25, 2020

The 2020 festival was held with the participation of around 30 groups of young creators. It communicated content to open up new dimensions from the stage of Shibuya PARCO, including an exhibition at PARCO MUSEUM TOKYO, an online exhibition that lets viewers take in works online, a pop-up store and live streaming at GALLERY X, and a food-themed pop-up store at COMINGSOON. On the first weekend of the event, over 1,600 people came to the exhibition at PARCO MUSEUM TOKYO, the main venue, so the response was very good.

Exhibition at PARCO MUSEUM TOKYO by Ryu Ika

Industry-academia partnership agreement with Showa Women's University

We entered into an industry-academia partnership agreement with the university for the purpose of practical, project-based learning and regional revitalization. Through the partnership, we will connect the educational achievements of students to PARCO's sustainability activities to help identify and solve issues for regional revitalization. Through creating an environment for diverse collaborations with educational institutions, PARCO will engage in the growth of the next generation, in diversity, and in utilizing the ideas of Generation Z in business. By taking part in actual business activities at PARCO, students will hone their problem-solving and communication abilities to address real issues in society and business and utilize their sensibilities to identify issues faced by society, companies, and local governments and propose projects that help solve them.



Summary of activities under industry-academia agreement

- 1 Tre-share Project—students identify local products and conduct crowd funding
- 2 College students gain business experience as interns
- 3 The next generation of young people learn about appealing local products for regional revitalization over the medium to long term



Diversity

Promoting diverse work styles

To foster a corporate culture where our unique personnel can generate new ideas through diverse work styles, PARCO promotes initiatives to realize a diverse organization that is free of prejudice against the LGBT community. As part of our efforts to create an environment and structure that allows all employees to express their individuality while enjoying a fulfilling career, we have established LGBT-related regulations and a leave system.

LGBT Consultation Center

A consultation center has been established for inquiries about LGBT-related workspace issues and systems.

Same-Sex Partnership System

PARCO recognizes same-sex partners as having a relationship equivalent to marriage. Employees just need to complete a set of company procedures for the rules to apply. In addition, the same rights are recognized for de facto heterosexual marriages.

Gender Transition Support Leave

Employees who take a leave of absence for hormone therapy, gender confirmation surgery, or pre- and post-operative medical examinations may use any expired annual paid leave arising from the most recent two-year period.

Supporting work styles that do not require a specific workplace

We are promoting mobile work to further raise per-hour productivity. For example, employees whose jobs frequently take them out of the office are able to make more productive use of their travel time. We also have a telework program to help employees balance their individual circumstances with job duties and to ensure corporate activities can continue when there are emergencies. The program had been limited to employees with time restrictions, but it was revised in April 2020 to allow all employees, in principle, to broadly utilize it. In addition, communication is being promoted and work expedited and condensed by utilizing and expanding digital technologies such as cloud services and mobile computers and smartphones for all employees.



Satellite offices also being utilized depending on the employee's home office environment

Environment



Shinsaibashi PARCO

Renovations and use of 100% renewable energy

Shinsaibashi PARCO is in the renovated Daimaru Shinsaibashi North Building. The renovation made extensive use of the existing building to make the project more sustainable. The distinctive natural stone on the elevator-side wall was retained and utilized in the space design on the first, second, ninth, and tenth floors. Tiles inlaid with a ginkgo tree pattern that had been in the building's elevator hall, which were inspired by Midosuji's ginkgo-lined boulevard, were used in the flooring design on the first floor. The bronze sculptures that were on the outside walls and the mosaic tiles on the ceiling were also reused in the design as public art, and the pillars with fireproof coating that framed the existing building were covered in glass and reused in the space design. Moreover, for the sake of the environment, all of Shinsaibashi PARCO uses 100% renewable energy from hydropower.



Tiles inlaid with a ginkgo tree pattern were moved from the 1st floor elevator hall of the North Building of the former Daimaru Shinsaibashi department store

Chofu PARCO

First shopping complex to acquire Eco Mark certification

Chofu PARCO became the first shopping complex to acquire Eco Mark certification under the first version of the standard for commercial facilities (Eco Mark Product Type No. 509). The certification came after the complex met the six basic standards used by the program to make its evaluation—consideration for the building and surrounding environment, environment-friendly facilities, efficiency of transportation and logistics, cooperation with tenants, eco-activities with customers, and environment-friendly facility management—and also scored highly in individual categories such as appropriate maintenance, management and operation of building facilities, consideration for the environment surrounding stores through measures taken for car and bicycle parking, reducing food loss through food drives, and contributions to local social welfare programs. As an Eco Mark-certified facility, we will work to maintain Chofu PARCO as an environmentally friendly complex that contributes to the local community and helps achieve a sustainable society.



Local Communities

BOOSTER

#Stand By Tohoku and Shizuoka MIRUI Project cheering each other on

BOOSTER, a cloud funding service, provides a mechanism for people and organizations with specific aspirations to raise funds from individuals via the Internet. It gives a boost to fledgling projects by joining together the online and real worlds, including collaborations with PARCO stores, and sends these creative challenges out into the world. #Stand By Tohoku was launched in October 2020, ten years after the Great East Japan Earthquake, and provides support for local products from Tohoku's six prefectures. The Shizuoka MIRUI Project was started in January 2020 and supports new projects and solutions for business owners in Shizuoka Prefecture. These two programs mutually assist one another and cheer each other on to further accelerate consumption in support of their respective regions.

Project No. 1 Shizuoka MIRUI Project

Launched: January 2020

Members: Shizuoka PARCO, Matsuzakaya Shizuoka, The Shizuoka Shimbun and Shizuoka Broadcasting System and Crowd Funding BOOSTER

Initiatives: Stores (Shizuoka PARCO, Matsuzakaya Shizuoka) and media (Shizuoka Shimbun/ Shizuoka Broadcasting Company) provide advertising assistance to lead selected projects to success.

Listings: 19 projects listed (as of February 26, 2021)



Project No. 2 #Stand By Tohoku

Launched: October 2020

Members: Tohoku Standard Market (KANEIRI CO., LTD.), Sendai PARCO and Crowd Funding BOOSTER

Initiatives: Direction is provided from a unique standpoint for traditional crafts and local products spotlighted by Tohoku Standard Market. The store (Sendai PARCO) also provides advertising assistance for publicity that reaches Tohoku and all of Japan.

Listings: 3 projects listed (as of February 26, 2021)



Matsumoto PARCO

PARCO de Museum: A Collaboration between Matsumoto City Museum of Art and Matsumoto PARCO

As a part of the Matsumoto Machinaka Art Project 2021 organized by Matsumoto City, Matsumoto PARCO opened a public museum, PARCO de Museum, using all of its top floor (the sixth floor) and rooftop, one of the very few museums in a shopping center in Japan. It will be open until February 2022 to host art exhibitions curated by Matsumoto City Museum of Art, whose main facility will be closed for a year for major renovations. With concerns about the impact on tourism from the museum's closure, we plan to publicize art and culture from PARCO de Museum to generate opportunities for creation, communication, visits, and purchases from the stage of Matsumoto, a city rich in history and culture. And with the motivation to travel and shop lagging due to the prolonged impact of the COVID-19 pandemic, we will create opportunities to honor art throughout the city to provide added value to the experience of shopping in real locations, create new flows of people, including tourists, and help enliven the downtown area.



PARCO de Museum
Matsumoto City Museum of Art at
Matsumoto PARCO
Matsumoto PARCO 6th floor, rooftop

Medium-term Business Plan (FY2021-2023)

We plan to incorporate sustainability into all corporate activities and promote projects while integrating sustainability with corporate strategy and to co-create in collaboration with the next generation, local communities and all other stakeholders to further develop our businesses. Guided by a sustainability policy of “Connecting diverse individualities and sensibilities and co-creating exciting, sustainable lifestyles with the next generation,” we will promote activities in six main themes to also help achieve the SDGs



Cultural value creation

We will generate cultural value for the future and propose rich, sustainable lifestyles that allow for appreciation of this value

D&I and fulfilling work

We will create places where diverse personnel can flourish as we work to fully embody the values of diversity and inclusion

For a carbon-free society

We will collaborate with the other companies around us, starting with our partners, to help achieve a decarbonized society

With the next generation

We will promote incubation/innovation for a new era with people full of creativity and vitality

Increasing local appeal

We will actively participate in the community and through maintaining safe and secure environments help raise the appeal of local neighborhoods and districts

Co-creation with stakeholders

We will strengthen partnerships with stakeholders, including creators, tenants, and customers

About PARCO

Corporate Profile (As of February 28, 2021)

Company Name	PARCO CO., LTD.
Headquarters	1-28-2 Minami-Ikebukuro, Toshima-ku, Tokyo 171-0022, Japan
Head Office	Shibuya First Place Bldg. 8-16 Shinsen-cho, Shibuya-ku, Tokyo 150-0045, Japan
Founded	February 13, 1953
Paid-in Capital	¥34,367 million
Parent Company	J. FRONT RETAILING Co., Ltd.

Employees	662 <male 359, female 303> <small>(As of May 30, 2021)</small>
Number of Locations	PARCO 18 ZERO GATE 11 BINO 4 Others 34

Corporate History

1953	Feb.	Established Ikebukuro Station Building Co., Ltd.	2007	Mar.	Opened Shizuoka PARCO
1954	Oct.	With the capital participation of Marubutsu Co., Ltd., the company shifted operations from the management of the Ikebukuro Station Building to the operation of department stores		Oct.	Opened Urawa PARCO
1957	May	Changed company name to Tokyo Marubutsu Co., Ltd.	2008	Aug.	Opened Sendai PARCO
	Dec.	Started operation of department store under the name Tokyo Marubutsu	2010	Mar.	Opened Fukuoka PARCO
1969	Nov.	Opened Ikebukuro PARCO	2013	Apr.	Opened Shinsaibashi ZERO GATE
1970	Apr.	Changed company name to PARCO CO., LTD.			Opened Dotonbori ZERO GATE
1973	Jun.	Opened Shibuya PARCO		Oct.	Opened Hiroshima ZERO GATE
1975	Aug.	Opened Sapporo PARCO	2014	Oct.	Opened Nagoya ZERO GATE
1977	Jul.	Opened Tsudanuma PARCO	2016	Feb.	Opened Sapporo ZERO GATE
1980	Sept.	Opened Kichijoji PARCO		Sept.	Opened Hiroshima ZERO GATE2
1983	Jun.	Opened Shin-Tokorozawa PARCO	2017	Nov.	Opened PARCO_ya Ueno
1984	Aug.	Opened Matsumoto PARCO			Opened Kyoto ZERO GATE
1988	Aug.	Stock listed on the 1st Section of the Tokyo Stock Exchange	2018	Mar.	Opened Harajuku ZERO GATE
1989	May	Opened Chofu PARCO		Sept.	Opened Sannomiya ZERO GATE
	Jun.	Opened Nagoya PARCO	2019	Mar.	Opened Kinshicho PARCO
1993	Oct.	Opened Hibiya PARCO		Jun.	Opened SAN-A Urasoe West Coast PARCO CITY
1994	Apr.	Opened Hiroshima PARCO		Aug.	Opened Kawasaki ZERO GATE
2002	Apr.	Opened Shibuya ZERO GATE		Nov.	Opened the new Shibuya PARCO
2005	Feb.	Opened PEDI SHIODOME	2020	Mar.	Became wholly owned subsidiary of J. FRONT RETAILING Co., Ltd.
					Delisted from Tokyo Stock Exchange
				Sept.	Real estate business (excluding some portions) transferred from Daimaru Matsuzakaya Department Stores Co., Ltd.
				Nov.	Opened BINO Sakae
					Opened Shinsaibashi PARCO

About the PARCO Group

The PARCO Group centers on PARCO CO., LTD. and includes PARCO SPACE SYSTEMS CO., LTD., which is involved in space creation and building management, PARCO Digital Marketing CO., LTD., which develops effective services and apps for commercial facilities that utilize digital, and PARCO (Singapore) Pte Ltd, which develops shopping complexes in Asia, creates software content, and provides consulting services for commercial facilities.

Provision of solutions based on space creation, operations, and management

PARCO SPACE SYSTEMS

PARCO SPACE SYSTEMS CO., LTD.

PARCO SPACE SYSTEMS CO., LTD. provides comprehensive services and solutions for every phase of the creation of a facility, including space design planning and construction, facility operation, and safety management. Services range from the space product business, which covers aspects of space creation such as interior design and display presentation, to the building management business, concerned with the maintenance and management of facility safety and comfort. For shopping complexes, specialty stores, public facilities, large-scale city hotels, medical facilities, museums, and other facilities where users value aesthetic design and comfort, we take advantage of PARCO's deep expertise to help sustain and enhance the business partner's asset value.

Web / ICT utilization support to commercial facilities and specialty store companies

PARCO DIGITAL MARKETING

PARCO Digital Marketing CO., LTD.

PARCO Digital Marketing CO., LTD. has a core business of support for ICT utilization at commercial complexes and provides PARCO support for effective use of digital technologies. In close coordination with commercial facilities and specialty stores, it supports the creation of new commercial spaces that fuse real and digital, through website building and operation, planning and development for digital signage and other tools, and consulting on digital marketing for commercial facilities and national chains. In this way, the company provides multiple services combining digital and online tools as store operation solutions for more than 300 commercial facilities and specialty stores.

Shopping complexes in Asia, software content, and consulting for commercial facilities

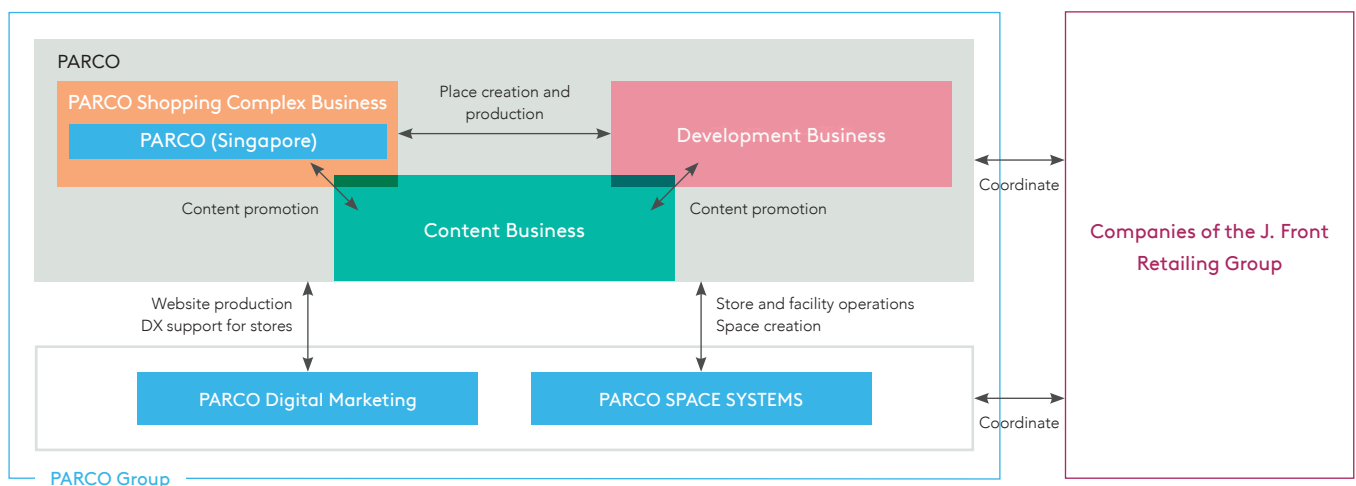
PARCO SINGAPORE

PARCO (Singapore) Pte Ltd

 www.parco.com.sg

PARCO (Singapore) Pte Ltd is actively engaged in business in South and Southeast Asia utilizing the development and operational knowhow in shopping centers we have cultivated over many years inside and outside Japan. In recent years, the company has leveraged its network and experience in Singapore to promote "itadaki-masu" Japanese restaurant zones in commercial facilities, office buildings, hotels, and other locations both in Singapore and neighboring countries. It's also involved in the overseas expansion of character collaboration cafés produced by PARCO and provides consulting services in support of their operation outside of Japan.

Relationship within J. Front Retailing Group





www.parco.co.jp/en/