

PARCO Business (Stores)

<https://www.parco.co.jp/en/about/business/parco.php>

We develop PARCO shopping complexes throughout the country, from Hokkaido to Fukuoka in Kyushu, and operate each with a store concept matched to the local market. We help tenants increase sales in equal partnerships with them by reinvigorating complexes through renovations, advertising and sales promotions to attract customers, and attentive, detailed support. Moreover, since our founding, we have not simply focused on selling products; we have produced new ways of spending time and enjoying life, creating unique forms of culture as a communicator of lifestyles. These initiatives have played a major role in enhancing our corporate brand and differentiating PARCO shopping complexes from competitors.

Comprehensive production of shopping complexes

PARCO continually works to create more appealing commercial spaces by harnessing our comprehensive capabilities in producing shopping complexes. This includes everything from marketing and event planning in the local area to concept-based shop selection, design of environments, and store operations. We enhance the ability of complexes to draw in customers by conducting an array of advertising and promotional activities and also provide support for safe and secure store operations through daily maintenance and management. Moreover, refurbishments are made regularly and proactively to ensure PARCO sales floors are always fresh and attractive.



Strengthening Branding Starting with Shibuya PARCO

Through rebranding, PARCO is establishing a strong presence as the complex of choice for tenants, creators, and customers and working to evolve our longstanding competitive advantage to improve our financial value over the medium to long term. Drawing on relationships with tenants cultivated over many years, we carried out uniquely PARCO events and promotions to further solidify our image as a company that takes on new challenges.

Jiyuna Sebiro (suit freedom) Pop Up Store Special Collection

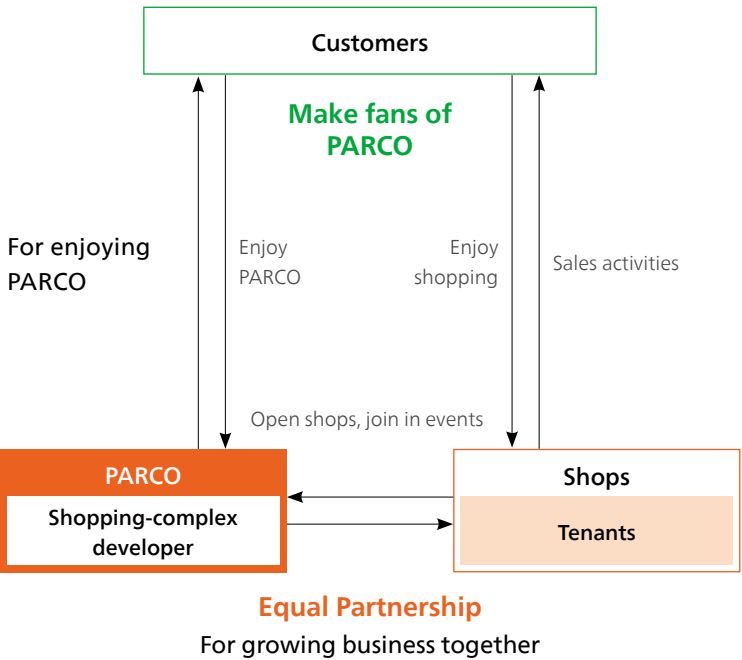


A special pop up store collection, Jiyuna Sebiro, unique to PARCO, a company that has cultivated close relationships with tenants over many years, was opened at Shibuya PARCO from March to April 2022. The special shop was a collaboration between PARCO and three other companies, UNITED ARROWS, COMME des GARÇONS and New Balance, and was organized on the idea of wearing suits and suit jackets with greater freedom and enjoyment. Its façade was designed by Rei Kawakubo, the owner-designer of COMME des GARÇONS. The shop transcended retail stereotypes in offering unique items, styling, visual presentations and shop staff.

Longstanding competitive advantage

Equal Partnership

PARCO has agreements with tenants that clarify our respective roles. PARCO is responsible for sales promotions and attracting customers to our complexes, while tenants focus on actual sales to customers. The commercial spaces we design for our stores nationwide give people places to gather and enjoy themselves, earning the support of customers and giving us a strong customer base. Tenants and PARCO are partners—we grow and develop together while sharing each other’s values. This principle of equal partnership is a key characteristic of PARCO. Building win-win relationships with tenants built on lasting trust is what supports our own continuing growth.



Increasing Brand Value through Refurbishments to Core Stores

We are continuing to redesign product and shop arrangements through large-scale refurbishments to our core stores. In fiscal 2021, along with PARCO OUTDOOR PARK on the fifth floor of Shibuya PARCO, refurbishments geared toward communicating lifestyles were carried out on the first and second floors of Urawa PARCO. In fiscal 2022, we conducted large-scale renovations at Nagoya PARCO, one of our largest ever projects, and other core stores, including Ikebukuro PARCO and Shibuya PARCO. We plan to continue to actively carry out refurbishments in fiscal 2023 as well.

Shops new to the Tokai region at Nagoya PARCO following large-scale refurbishments



Nagoya PARCO West Building 5th floor IN

A total of 36 new and renovated shops were opened at Nagoya PARCO in spring 2023. New to the Tokai region, the ladieswear shops Ground Y and HARE opened in March. From April to May, SNKR Dunk, one of Japan’s largest sneaker flea market apps, opened a directly managed store, and the popular Kyoto mixed-label boutique IN also established its first shop in the region. On the fifth floor of the complex’s West Building, all 13 shops underwent major renovations to update the design of the floor’s common areas for the first time since the complex opened 34 years ago. The floor has been transformed into one that gives expression to the joy of shopping.

Shibuya PARCO 4th floor Renovated on the theme of Sustainable & Vintage

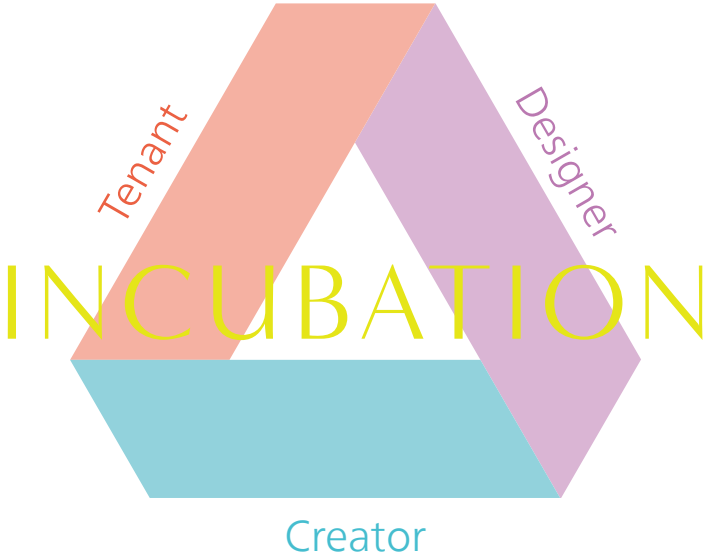


Shibuya PARCO 4th floor Mid-Century MODERN

The fourth floor of Shibuya PARCO was renovated in November 2022 on the theme of Sustainable & Vintage. Its lineup was expanded to cater to unisex needs and now includes interior furnishings and decorations, miscellaneous merchandise, lifestyle-oriented fashions, eyeglasses, and art objects and related goods. With “reuse, reproduct, handcraft” as a theme, the floor attracted appealing shops and brands offering such items as clothing made from clothing scraps as well as yarn and fabrics rewoven from yarn leftovers, plus vintage furniture, clothing and merchandise.

Shop Selection and Incubation

When attracting tenant companies to PARCO, we offer standard leasing options in which proposals are made to the market, such as putting out shops that meet diversifying market needs, and also launch innovative shops in formats that accommodate changes in consumer lifestyles and related demand. We also focus on joint development of new shop formats with tenant companies and on incubation, which involves supporting up-and-coming fashion designers and creators as well as companies with promising growth prospects. Active support measures are provided to this end, including holding events that introduce designers to the public and providing areas for young designers to show their work.



Creating New Value through Co-Creation with Outside Resources

Shibuya PARCO Collaborates with SKWAT on Social Project



Shibuya PARCO 4th floor KANE-ZANMAI

In the renovation to Shibuya PARCO’s fourth floor on the theme of “new possibilities in commercial complexes,” we partnered with SKWAT, a social project that creates new meaning by “squatting” (occupying) on urban “voids” (open spaces), to create a flexible space for shops where changes to them are made on a regular basis. This area, which is organized for limited-time shops, reduces the waste materials and interior costs that occur when shops are replaced, which had been an issue in realizing a sustainable commercial complex. This flexible space that integrates common space with the sales floor attracts independent new shops and brands by sharing and providing support for checkout register and shop staff, back office administration, and other tasks.

Asia Fashion Collection (AFC)

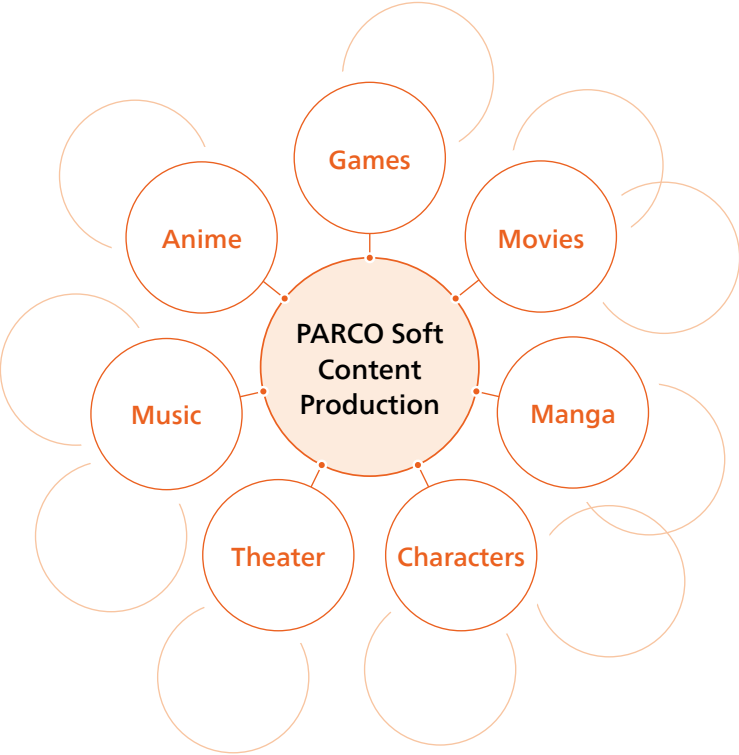


From the runway show at AFC NY Stage

PARCO has partnered with Vantan Inc. since 2013 to sponsor Asia Fashion Collection, a project for discovering and incubating young fashion designers in Asia that provides opportunities for designers to grow their businesses. In fiscal 2022, five brands from young designers representing a number of Asian countries were selected through a show-based competition at Shibuya PARCO, with the winners going on to make their runway debuts on the AFC NY Stage, official content of New York Fashion Week 2023, in February 2023. This year marked the tenth year the competition was held.

Producing Entertainment Content as Added Commercial Value

PARCO is actively involved in developing content and promotions, with cultural works such as plays and movies and also trendy, timely content that reflects the times. We also generate hits as a producer in collaboration with diverse sources, creating added commercial value. Thanks to the unique resources possessed by PARCO, it becomes possible to create diverse content, which gives rise to various forms of culture and contact points with stakeholders, which then leads to further content production.



Content That Demonstrates Appeal Inside and Outside PARCO

PARCO×GUNDAM Campaign



From summer to fall 2022, PARCO collaborated with the monumental robot anime Gundam Series centering on its newest animated TV series “Mobile Suit Gundam: The Witch from Mercury.” The project started with the PARCO Grand Bazar, our summer sale held in July at all PARCO stores, and included the pop up store event GUNDAM NEXT FUTURE held successively at the stores, and also the recycling event Gundam R (Recycle) Sakusen (Operation Gundam R). In addition, from September to October, the COLLABORATION ITEM FAIR was held with around 30 brands that have stores at PARCO complexes selling limited edition items in collaboration with Gundam.

PARCO & Chiikawa Golden Week



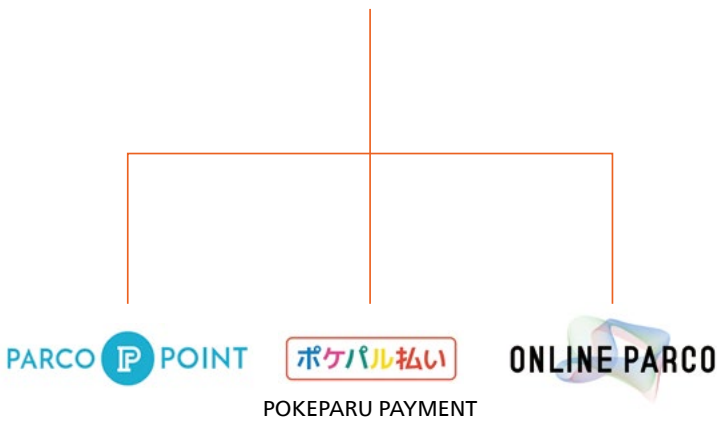
Through a tie-up with the hugely popular character Chiikawa drawn by illustrator Nagano, PARCO held a Golden Week campaign that used new Chiikawa illustrations for its main visuals. The campaign included gift coasters with original illustrations depicting dining at restaurants and cafés in PARCO stores across the country, sales of items created through collaboration between Chiikawa and select brands, setting up photobooths, and providing gifts through an online giveaway. In addition, the PARCO & Chiikawa G.W. Pop Up Store, with an assortment of limited-time goods and other items, was set up at eight PARCO stores throughout Japan.

Communication Using Digital Technology

PARCO uses digital technology as a way to communicate with customers. This includes shop staff members themselves communicating online through Shop News, the e-commerce site ONLINE PARCO, and the “secret function” in which sales are made only to select customers—various functions are available to connect customers with shop staff online and provide shops with selling opportunities. POCKET PARCO, our official smartphone app, offers services for various scenarios during a customer’s visit, helping us track customer actions and provide better service. In addition, consolidating IDs into a single shared ID that gives us an integrated understanding of customers, allowing us to further optimize communication.

PARCO MEMBERS

PARCO ID (shared ID)



Pursue Platform for Digital Shopping Complex

As a part of our efforts to build and implement systems for promoting CRM strategy, in fiscal 2022 we started a new online membership service called PARCO Members. We updated our e-commerce site in March 2023 to launch ONLINE PARCO. In addition, multiple events were held that used extended reality technology to promote the appeal of PARCO, both the real and digital versions, and thereby create new value.

Launch of ONLINE PARCO, a Co-Creation E-Commerce Site



ONLINE PARCO E-Commerce Site

PARCO updated its e-commerce site in March 2023 to launch ONLINE PARCO. In partnership with our various stakeholders, the site proposes new value that provides customers with the enjoyment of all PARCO content in a way the transcends the online/offline divide, as it seeks to create new loyal customers at the global level. PARCO will maximize customer assets that support its management over the medium to long term by encouraging customers to sign up for the PARCO ID and prompting those customers who already have an ID to maintain or raise their rank. Through PARCO Members, which was introduced in November 2022, the IDs used with all the services provided by PARCO are consolidated into this one ID, which is used to provide diverse services by allowing us to connect with customers in an integrated manner.

Julian Opie’s “OP. VR@PARCO”



Experiencing virtual reality

Photo: TAKAMURA DAISUKE

PARCO held “OP. VR@PARCO”, a digital art exhibition of public virtual reality (VR) artwork by the British modern artist Julian Opie, the first of its kind in the world, from October to November 2022 at PARCO MUSEUM TOKYO on the fourth floor of Shibuya PARCO. Two rooms for experiencing this VR artwork were created at the exhibition venue, which required advance reservations because participation was limited. Using portable headsets, exhibition-goers had the luxury of freely walking around the rooms, which was the style of exhibition adopted for this event. This new challenge for the artist, who has vividly expressed people, cityscapes and other aspects of the world in a minimal expressive language, was a highly innovative exhibition that provided visitors the experience of multiple different exhibition spaces while wearing VR goggles.

List of Stores

<https://www.parco.co.jp/en/about/business/store/>



Awards

PRIDE Index Gold Award
Received for LGBT-related
Activities



J. Front Retailing Group, including PARCO, received the Gold Award at the PRIDE Index 2022 awards, which evaluates initiatives related to LGBT and other sexual minorities. In order to cultivate a corporate culture that generates new ideas through the diverse working styles of personnel with individuality, PARCO is working to maintain a diverse organization without prejudice toward LGBT people. The award recognized PARCO's establishment of a consultation desk and regulations as a part of efforts to maintain an environment and mechanisms that allow all employees to demonstrate their individuality and also our various related initiatives, including PARCO PRIDE WEEK at Shibuya PARCO and Shinsaibashi PARCO's role in helping to promote LGBTQ tourism.

Received Honorable
Mention at the Senken
Trade Advertising Awards



The TEAM HARMONY 2022 season advertisement that appeared in the Senken Shimbun newspaper on March 29, 2022 received Honorable Mention at the 39th Senken Trade Advertising Awards for fiscal 2021 in the third division (advertising by department stores, shopping centers, etc.). Our 2022 season advertisement was the work of the creative director Jamie Reid, who was also employed for our 2021 season. PARCO developed advertising and PR on the concept of TEAM HARMONY. The season advertising is the core of corporate PARCO's branding strategy that defines PARCO's theme for that year. Discussions are held on how PARCO should be expressed and communicated as of the present and creative work is then produced based on this.

NEWVIEW Project
Receives Award for
Excellence from the "good
digital award" Program



PARCO's NEWVIEW Project that it co-sponsors with Psychic VR Lab and Loftwork was selected for an Award for Excellence in the Art Category by the "good digital award" program created by Japan's Digital Agency. In the NEWVIEW Project, a diverse array of artists do pioneering creative work in three-dimensional space, or extended reality (xR). The project exists to identify, foster and communicate the next generation of creators while giving them opportunities to interact. These activities to lower the barrier to learning about technology and related artwork and communicating new expressions and experiences to society were recognized by the "good digital award" program in light of the coming era when xR technology will serve as societal infrastructure. The "good digital award" recognizes individuals, companies and groups that are contributing, or will potentially contribute in the future, to a people-friendly form of digitalization that leaves no one behind.

Shinsaibashi PARCO
Building and Facilities
Initiatives Receive
Multiple Awards



Shinsaibashi PARCO, together with Daimaru Shinsaibashi, received the Osaka Governor's Award at the Osaka Climate Change Action Awards and the Osaka Mayor's Award at the Osaka Urban Landscape Architecture Awards. The Osaka Climate Change Action Awards recognized our efforts to reduce carbon dioxide by using renewable energy for all electricity consumed and the contribution of this to reducing greenhouse gases, as well as the environmental activities of the entire J. Front Retailing Group and its procurement of electricity derived from renewable energy in a planned manner. The Osaka Urban Landscape Architecture Awards identified the modern exterior design of Shinsaibashi PARCO and its drapery theme and how a striking urban landscape is created by its pairing with the Daimaru Shinsaibashi building next to it.

Planning and Developing New Business Models and New Formats

Harnessing our strengths in retail, entertainment, content and digital, we are planning and developing new business models and formats oriented to the future that will integrate these strengths and provide a vision of the PARCO to come.

HAB@Kumamoto Opens in April 2023



HAB@Kumamoto opened on April 25, 2023 on the well-known site formerly occupied by Kumamoto PARCO. HAB@, a new PARCO format, proposes the redefined value of going out to the city and spending time there while being well aware of the changes that have taken place in lifestyles and consumption patterns in recent years. The facility seeks to be a hub for a new lively urban area envisioned as a place where people routinely meet up with one another. It wants to be a facility in tune with the local area and one that values the things that can only be experienced in a real, offline place, such as the joy of meeting face to face for a meal or shopping at a store one has dropped into casually on the way to somewhere else.

(Tentative name) Tenjin Nichome South Block Station Tozai Zone Project



The Shintenchō Shopping District Merchants Association, Shintenchō Shotengai Corporation, PARCO CO., LTD., Nishi-Nippon Railroad Co., Ltd. and Sumitomo Mitsui Banking Corporation together established the Tenjin Nichome South Block Station Tozai Zone Project Promotion Committee to promote urban development that is safe, secure and dynamic into the future by improving earthquake resistance and other measures as an important site for creating dynamism in the Tenjin area. A project summary was submitted to Fukuoka City on November 30, 2022. With a view to creating an appealing high-quality district in the Tenjin area, through the committee, the five project members will move forward on specific considerations.