



PARCO CO., LTD.  
FY2015 Financial Highlights  
(March 1, 2015 – February 29, 2016)  
**TSE 1st Section 8251**

Overview of FY2015 results and FY2016 forecasts

Development Projects

PARCO Stores Business

PARCO Group Related Businesses, Overseas  
Business, Other topics

## Overview of FY2015 results and FY2016 forecasts

Development Projects

PARCO Stores Business

PARCO Group Related Businesses, Overseas Business, Other topics

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

### FY2015 Results (1)

#### Consolidated results

4/32

**Operating income, ordinary income, and EBITDA reached record highs for fourth consecutive fiscal year.**

Unit: Million yen

	FY2015	FY2014	Change ¥	Change %	Forecasts	Difference from forecasts ¥	Difference from forecasts %
Net sales	276,358	269,889	6,468	2.4%	283,800	(7,441)	(2.6%)
Operating income	12,772	12,508	263	2.1%	12,900	(127)	(1.0%)
Ordinary income	12,673	12,499	173	1.4%	12,600	73	0.6%
Net income <sup>1</sup>	6,061	6,294	(232)	(3.7%)	6,600	(538)	(8.2%)
EBITDA <sup>2</sup>	19,010	18,402	608	3.3%	19,064	(53)	(0.3%)

<sup>1</sup>Decline in net income and differences from forecasts are primarily due to loss on closure of Chiba PARCO and impairment loss at Utsunomiya PARCO.

<sup>2</sup>EBITDA in this table refers to operating income plus depreciation and amortization.

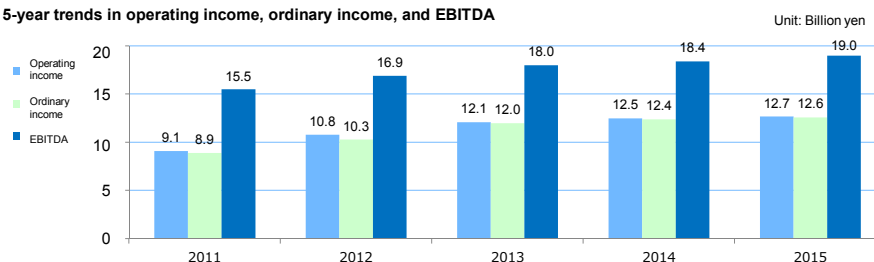
**In FY2015, paid end-of-year dividend per share of ¥10 as planned. Annual dividend per share was ¥20; up ¥2 from previous year.**

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

FY2015 Results (2)  
**Consolidated results**

5/32

5-year trends in operating income, ordinary income, and EBITDA



Unit: Million yen

	End of FY2015	End of FY2014	Change ¥	Change %
Total assets	236,315	226,830	9,485	4.2%
Net assets	116,474	113,211	3,263	2.9%
Interest-bearing debt	54,518	45,229	9,289	20.5%
Equity ratio	49.3%	49.9%	(0.6%)	
Market price-based equity ratio	37.2%	46.4%		
Debt service coverage ratio: years	3.7	3.0		
Interest coverage ratio: times	36.0	33.5		

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

FY2015 Results (3)  
**Consolidated results by segment**

6/32

**Sales and profits grew in Shopping Complex Business, Retail Business, and Space Engineering and Management Business.**

Consolidated results by segment

Unit: Million yen

		FY2015	FY2014	Change ¥	Change %
Shopping Complex Business	Net sales	248,078	243,783	4,294	1.8%
	Segment income	11,549	11,317	231	2.0%
Retail Business	Net sales	21,473	19,802	1,670	8.4%
	Segment income	694	647	46	7.2%
Space Engineering and Management Business	Net sales	19,969	18,983	986	5.2%
	Segment income	433	328	105	32.0%
Other Business	Net sales	6,850	6,891	(40)	(0.6%)
	Segment income	132	256	(123)	(48.3%)
Consolidated	Net sales	281,050	274,212	6,838	2.5%
	Segment income	12,772	12,508	263	2.1%

Figures for net sales by segment include operating revenue.

Segment income refers to operating income.

PARCO's Entertainment Business earnings are included in Other Business.

Due to adjustments between business segment results, totals of business segment figures differ from consolidated figures.

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

FY2015 Results (4)  
**Selling, general and administrative expenses**

7/32

**Selling, general and administrative expenses**

Unit: Million yen

Consolidated	FY2015	FY2014	Change ¥	Change %
Personnel	10,252	10,045	206	2.1%
Lease/rental	8,943	8,509	434	5.1%
Advertising	3,341	3,265	75	2.3%
Agency services	5,393	5,407	(14)	(0.3%)
Depreciation	6,238	5,894	344	5.8%
<b>Total SG&amp;A</b>	<b>33,883</b>	<b>32,760</b>	<b>1,122</b>	<b>3.4%</b>

**Capital expenditure**

Consolidated	FY2015	FY2014	Change ¥	Change %
Capex*	23,487	10,532	12,955	123.0%

The ¥13 billion increase in capital expenditure was primarily due to Sendai PARCO New Building construction costs and acquisition of land and building for Sannomiya Zero Gate (provisional name)

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

Results overview (5)

**Non-consolidated results**

8/32

**Sales grew for second consecutive year due to expansion of floor area of key locations.  
 Net income fell due to loss on closure of Chiba PARCO and impairment loss at Utsunomiya PARCO.**

**Non-consolidated results**

Unit: Million yen

	FY2015	FY2014	Change ¥	Change %	Forecasts	Difference from forecasts ¥	Difference from forecasts %
Net sales	249,366	245,646	3,720	1.5%	257,200	(7,833)	(3.0%)
Operating income	11,731	11,747	(15)	(0.1%)	11,900	(168)	(1.4%)
Ordinary income	11,727	11,718	8	0.1%	11,700	27	0.2%
Net income	5,932	5,994	(62)	(1.0%)	6,500	(567)	(8.7%)
EBITDA*	17,520	17,216	304	1.8%	17,687	(166)	(0.9%)

	End of FY2015	End of FY2014	Change
Total assets	233,450	222,876	10,573
Net assets	116,827	113,696	3,131
Interest-bearing debt	58,281	48,795	9,486
Equity ratio	50.0%	51.0%	(1.0)

\*EBITDA in this table refers to operating income plus depreciation and amortization.

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

## Targeting record consolidated operating income, ordinary income, and net income.

Unit: Million yen

Consolidated	FY2016 forecasts (year to Feb. 2017)	FY2015 results (year to Feb. 2016)	Change ¥	Change %
Net sales	280,150	276,358	3,791	1.4%
Operating income	13,500	12,772	727	5.7%
Ordinary income	13,800	12,673	1,126	8.9%
Net income	7,850	6,061	1,788	29.5%
Non-Consolidated	FY2016 forecasts	FY2015 results	Change ¥	Change %
Net sales	251,700	249,366	2,333	0.9%
Operating income	12,150	11,731	418	3.6%
Ordinary income	12,500	11,727	772	6.6%
Net income	7,050	5,932	1,117	18.8%

Consolidated	FY2016 forecasts	FY2015 results
Capital expenditure	10,434	23,487

\*Capex forecasts for FY2016 are on a recorded basis. Capex results for FY2015 are on a capital basis.

Planning to increase dividend by ¥2 for second consecutive year, with interim dividend per share of ¥11 and annual dividend per share of ¥22.

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

Developing the Shibuya PARCO area as a Special Urban Renaissance District through the "Udagawa-cho 15 Development Project."

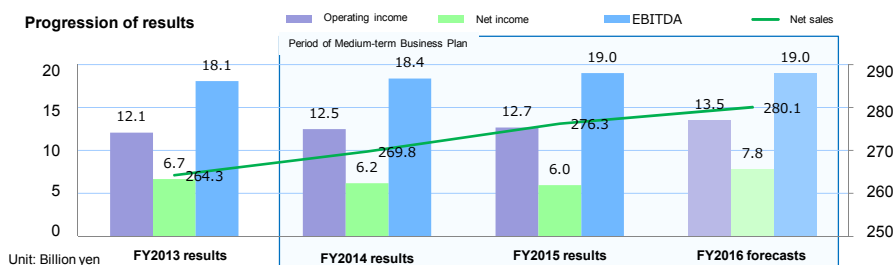
- With Tokyo Metropolitan Government approval of the plan in December, we have decided to temporarily close Shibuya PARCO from August 7, 2016 for reconstruction.
- Aiming to accelerate specific plan and open new premises in autumn 2019.

Project schedule	
June 2015	Development plan submission
December 2015	Plan approval by Tokyo Metropolitan Government
April 2016	Announce temporary closure of Shibuya PARCO Part1/3
August 2016	August 7: Temporary closure of Shibuya PARCO Part1/3 for reconstruction
March 2017	Construction begins on new premises (scheduled)
Autumn 2019	New premises opens (scheduled)

Overview	
Area of site	Approx. 5,380m <sup>2</sup>
Floor area	Approx. 65,000m <sup>2</sup>
No. of floors	20 above-ground floors, 3 below-ground floors Lower floors: commercial (including theatres, etc.) Upper floors: Offices, etc.



**Scheduled to achieve operating income of ¥13.5 billion in FY2016 under Medium-term Business Plan.**

**Operating income forecasts**

Unit: Million yen

	FY2016 forecasts	FY2015 forecasts	Change
PARCO	12,150	11,731	418
NEUVE A	905	694	211
PARCO SPACE SYSTEMS	565	433	131
PARCO CITY	60	32	27
Consolidated	13,500	12,772	727

- Anticipate approx. ¥1.2 billion decline in depreciation expenses due to change in depreciation method (fixed-rate method → straight-line method).
- The effect of the temporary closure of Shibuya PARCO and the closure of Chiba PARCO is expected to be approx. ¥1.2 billion.

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

**Progression of results and Medium-term business plan forecasts**

Unit: Billion yen

	FY2013 results	FY2016 forecasts	Difference	Medium-term plan target for FY2016	Difference
Net sales	264.3	280.1	15.7	293.0	(12.8)
Operating income	12.1	13.5	1.3	13.5	0.0
Net income	6.7	7.8	1.0	7.5	0.3
EBITDA	18.0	19.0	1.0	20.0	(0.9)

	FY2013 results	FY2016 forecasts	Difference
ROE (Ratio of net income to shareholders' equity)	6.4%	6.6%	0.2%
ROA (Ratio of ordinary income to total assets)	5.6%	5.7%	0.1%
Net earnings per share	¥66.81	¥77.73	¥10.92
Debt / Equity ratio (times)	0.46	0.47	0.01
Annual dividend	¥18	¥22	¥4

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

Overview of FY2015 results and FY2016 forecasts

Development Projects






PARCO Stores Business

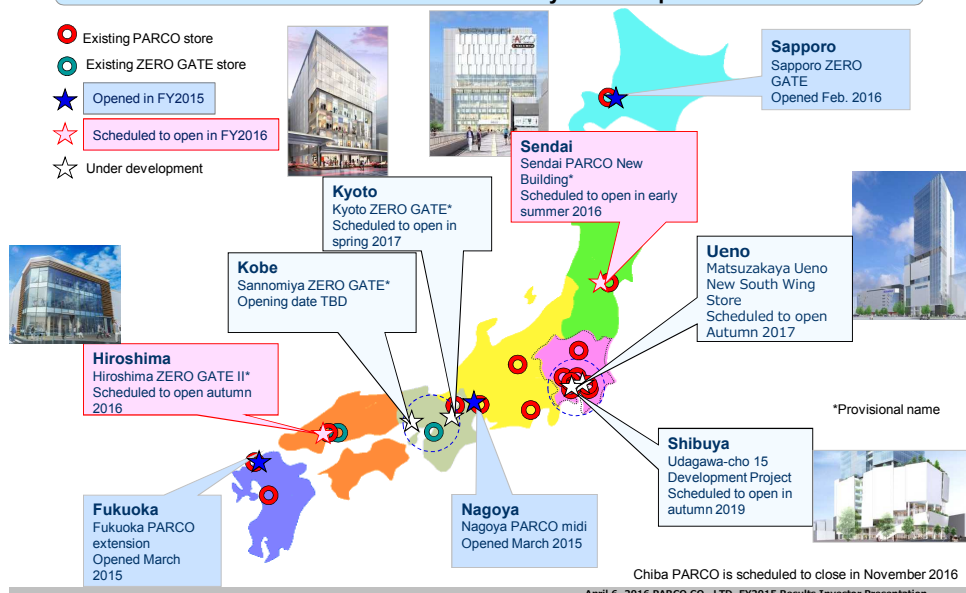
PARCO Group Related Businesses, Overseas Business, Other topics

Development Projects (1)

Development projects & opening schedule

Pursuing development focused on areas around PARCO's key urban locations and in cities where PARCO does not yet have a presence.

-  Existing PARCO store
-  Existing ZERO GATE store
-  Opened in FY2015
-  Scheduled to open in FY2016
-  Under development



Development Projects (2)  
Stores opened in FY2015

15/32

In FY2015, opened three premises in areas around key PARCO locations.

Extended Fukuoka PARCO Main Building on Nishitetsu Fukuoka (Tenjin) Station side.



Opened Nagoya PARCO midi in a small building adjacent to the West Building in March 2015.



Opened Sapporo ZERO GATE on south side of Sapporo PARCO in Feb. 2016.



Tenant: FOREVER 21

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

Development Projects (3)  
Stores scheduled for 2016 (1)

16/32

New Sendai store scheduled to open in early summer 2016.

- New PARCO building planned for the area in front of Sendai station, known as the gateway to the Tohoku region.
- Two buildings in the heart of Sendai will expand the expression of PARCO's unique qualities.
- Attracting a cinema complex to the upper floors provides added function as an entertainment hub.

Map labels: Shiei subway, Sendai PARCO, Sakurano Department Store, JR Aoba-dori station, Aoba-dori, Higashi-2chome-dori, Minamimachi-dori, Sendai subway station, Atago-kamisugi-dori, JR Sendai station, West exit, East exit, Left.

Overview	Sendai PARCO New Building*
Area of site	Approx. 3,600m <sup>2</sup>
Floor area	Approx. 25,000m <sup>2</sup> (planned)
No. of floors	10 above-ground floors

\*Provisional name

Exterior



**Hiroshima ZERO GATE II\* scheduled to open in autumn 2016.**

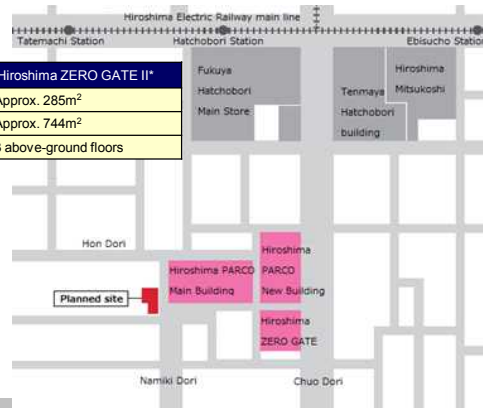
- Announced Hiroshima ZERO GATE II\* in addition to the existing ZERO GATE and opposite Hiroshima PARCO.
- Opening in the same neighborhood as Hiroshima PARCO Main Building, New Building and ZERO GATE, increasing the appeal of the area.
- One new building planned for leasing.

\*Provisional name

Exterior



Overview	Hiroshima ZERO GATE II*
Area of site	Approx. 285m <sup>2</sup>
Floor area	Approx. 744m <sup>2</sup>
No. of floors	3 above-ground floors



**ZERO GATE expansion centered on major cities in which PARCO does not yet have a presence.**

Exterior



**Kyoto ZERO GATE\* scheduled to open in spring 2017 on Kyoto's Shijo Street.**

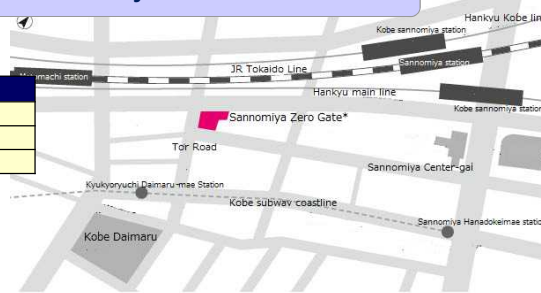
Overview	Kyoto ZERO GATE*
Area of site	Approx. 750m <sup>2</sup>
Floor area	Approx. 5,400m <sup>2</sup> (planned)
No. of floors	7 above-ground floors, 2 below-ground (planned)

**Decision to open Sannomiya ZERO GATE\* in Kobe.**

Overview	Sannomiya ZERO GATE*
Area of site	Approx. 470m <sup>2</sup>
Floor area	Approx. 1,500m <sup>2</sup>
No. of floors	4 above-ground floors, 1 below-ground

Real estate trust beneficiary rights for land and building were acquired in December.

\*Provisional name



## Overview of FY2015 results and FY2016 forecasts

## Development Projects

## PARCO Stores Business

## PARCO Group Related Businesses, Overseas Business, Other topics

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

## Stores Business (1)

## Tenant sales by store

20/32

**Sales increased due to floor expansion at core urban locations.  
Tenant selection proposing the latest styles has driven sales at strong performing urban stores.**

Unit: Million yen

Store		Net sales	Change
Urban Store Group	Sapporo PARCO	12,415	4.4%
	Sendai PARCO	13,309	1.3%
	Ikebukuro PARCO	27,296	(3.4%)
	Shibuya PARCO	15,336	4.6%
	Shizuoka PARCO	10,339	2.4%
	Nagoya PARCO	36,772	4.4%
	Hiroshima PARCO	16,645	(2.0%)
	Fukuoka PARCO	19,573	32.0%
	8 store total	151,689	4.6%
Total for all stores		243,079	1.6%
Existing store total*		235,979	(0.7%)

Store		Net sales	Change
Community Store Group	Utsunomiya PARCO	4,311	(3.7%)
	Urawa PARCO	16,869	(3.3%)
	Shin-Tokorozawa PARCO	9,303	2.8%
	Chiba PARCO	5,157	(9.8%)
	Tsudanuma PARCO	8,526	(3.2%)
	Hibariagaoka PARCO	7,255	(2.7%)
	Kichijoji PARCO	6,934	(4.7%)
	Chofu PARCO	17,064	0.9%
	Matsumoto PARCO	7,219	(3.5%)
	Otsu PARCO	3,613	(15.5%)
	Kumamoto PARCO	5,135	(0.7%)
11 store total	91,389	(2.9%)	

\*Existing Store total sales figures do not include sales at Nagoya PARCO midi (opened March 27, 2015), Fukuoka PARCO New Building (opened November 13, 2014), and Fukuoka PARCO Main Building extension (opened March 19, 2015).

April 6, 2016 PARCO CO., LTD. FY2015 Results Investor Presentation

**Large-sized casual clothing, personal items including bags and cosmetics, and lifestyle sundry goods performed strongly. Hobby and living-related sales were steady.**

Category and item	Total of existing stores	Category and item	Total of existing stores
Womenswear	(5.9%)	Culture-related	(1.9%)
Menswear	(7.6%)	Hobby and living-related	1.8%
General clothing	2.1%	Sundry goods	(0.1%)
Clothing	(4.0%)	Foods	(1.2%)
Shoes	2.3%	Restaurants	(0.9%)
Bags	9.6%	Other (service, etc.)	(3.5%)
Accessories	(2.1%)	Existing stores YoY change %	
Cosmetics	9.1%	Paying customers	(0.6%)
Personal items	4.1%	Average spend per customer	1.2%
			FY2015
			(2.7%)
			1.1%

\*Sales by item, paying customers and average spend per customer are based on "integrated sales" of stores. "Integrated sales" indicate the overall sales performance of a store, and include tenant sales, sales at PARCO Theater and other facilities, and sales to tenants under fixed rent contracts.

**Catching trends amongst urban consumers and promoting proposal-based renovation for evolving lifestyles.**

## FY2015 Results

Area renovated: Approx. 40,000m<sup>2</sup> (sales in renovated zones grew 16.6% YoY)

Carried out renovations proposing revised tenant lineups and new commercial environments corresponding to individual store characteristics.

- Urban Stores Group: Actively proposed contemporary new consumer themes aiming to lead the market
- Community Stores Group: Strengthened initiatives for restaurants and introducing in-demand items. Improved the environment outside Chofu PARCO in timing with the opening of multi-story car park.

## FY2016 Plan

Area scheduled for renovation: Approx. 40,000m<sup>2</sup> (excluding Shibuya PARCO and Chiba PARCO)

Differentiate and improve customer appeal by strengthening lifestyle proposals corresponding to consumer trends and individual store characteristics.

1. Largest-scale renovation since opening planned at Urban Stores (Nagoya PARCO, Fukuoka PARCO, Sendai PARCO).
2. Set priority items for growth, strengthen initiatives in these areas.
3. Transfer of Shibuya PARCO trend communication functions to Ikebukuro PARCO, renovation planned to boost charm of Main Building. Refurbishment of outer walls to include installation of large-sized screen (completed in March 2016).

**Inbound sales grew due to highly effective communications and successful website upgrade.**

FY2015 results

- Disseminated information through key influencers\* using SNS.
- Added multi-lingual function to smartphone websites to improve accessibility from overseas.
- Increased the number of duty-free shops by promoting installation of duty-free system for tenants.

\*Individuals who exert an influence on consumer trends

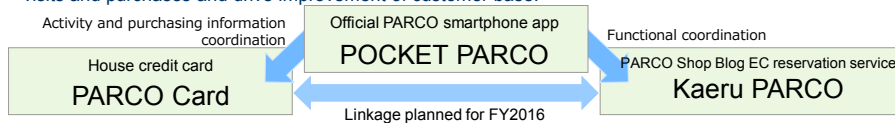
Reference: Inbound achievements	Shibuya PARCO	Sapporo PARCO	Ikebukuro PARCO	Fukuoka PARCO
YoY change in purchases by foreign-issued credit cards	+44.7%	+93.1%	+79.7%	+167.4%
Share of net sales accounted for by foreign-issued credit cards (YoY change)	11.0% (+3.4%)	7.3% (+3.4%)	2.1% (+0.9%)	1.3% (+0.7%)

FY2016 plan

- Introduce payment systems that accept China UnionPay cards in all shops at stores strengthening capacity for inbound demand.
- Choose the most effective communication tools (SNS/internet/travel products) and adopt a unique approach for each country.
- Communicate trends to and plan services for customers using credit cards from Chinese banks.

**Promoting CRM and tenant support measures using ICT.**

Strengthen connectivity between smartphone app, PARCO Card, and Kaeru PARCO to promote store visits and purchases and drive improvement of customer base.



FY2015 results

PARCO Card sales amount (YoY change)	¥58,158 million (3.0%)	<ul style="list-style-type: none"> <li>Sales figures per customer for app-registered PARCO cardholders reached roughly double those of cardholders yet to register. The smartphone app contributed to strong PARCO Card sales and growth in the number of Class S members.</li> <li>219 shops participating in Kaeru PARCO. Success in popular and exclusive products.</li> <li>Set up the e-learning system for shop staff to provide training and information pertaining to customer service.</li> </ul>
PARCO Card share of net sales (YoY)	20.9% (+0.6%)	
Number of PARCO Card members at end FY2015 (YoY)	1,886,000 (7.5%)	
YoY change in number of Class S members	6.3%	

- Introduced the group wear to connect PARCO and tenants. Promoted expansion of time spent on customer service and reduction of time spent on clerical work for tenants.
- Set up Wi-Fi network throughout all shops and ensured tenants can access networks for work purposes.

FY2016 plan

- Load AI onto smartphone app to allow for more precise personalized recommendations and expand promotion efficiency for store visits and purchases.
- Debut the "Pre-Members System," which offers a sample of top-rank Class S member benefits, and drive early-stage customer adoption through PARCO Card service improvements.
- Kaeru PARCO discounts and other PARCO Card services planned for H2; improve cardholder convenience and strengthen omni-channel services.

ICT: Information and Communication Technology CRM: Customer Relationship Management AI: Artificial Intelligence

Overview of FY2015 results and FY2016 forecasts

Development Projects

PARCO Stores Business

PARCO Group Related Businesses, Overseas  
Business, Other topics

PARCO Group Related Businesses (1)  
**NEUVE A Co., LTD (Retail Store Business)**

26/32

**In FY2015, sales exceeded ¥20bn due to successful aggressive shop openings and inbound demand.**

**In FY2016, will expanded business through further shop openings, growth of new business categories and focus on EC.**

FY2015 results

Opened 21 new shops including new businesses. 200-shop network as of end of FY2015.

- Acquired five shops in excellent urban locations within central Osaka with the aim of growing the TiCTAC business.
- Duty-free sales, primarily at TiCTAC, grew 90.8% YoY (up 56.9% over existing stores). Share in overall sales grew to 3.4% contributed to sales.

FY2016 plan

Pursue aggressive shop openings with 19 planned launches while also focusing on EC.



	YoY change in sales	Sales share (YoY change)
Outside PARCO	6.0%	65.3% (+0.7%)
Inside PARCO	9.5%	34.7%

Business name (item)	No. of stores
TiCTAC (watches)	100
EYEWEAR (eyeglasses)	32
ROSEMARY (cosmetics, sundry goods)	23
COLLECTORS (men's sundry goods)	40
Other new business categories	5

**In FY2015, strong growth in sales and operating income due to increase in new construction orders.**  
**In FY2016, aim to expand sales across businesses and realize high-profit compound orders through selection choice and focus.**



Space design and interior work orders for Détour à Bleuët (Jingu-mae, Tokyo)

**FY2015 results**

- Increased tenant interior work, electrical work, and mobile-phone base station work orders from external large-scale commercial facilities, and increased design-related contracts.
- Received trustee contracts in the new Building Management Business as well as orders for construction of government buildings.
- Sales increased in Hotel Business due to increase in operation rate and contract prices.

	YoY change in sales	Sales share (YoY change)
Outside PARCO	9.9%	64.8% (+2.8%)
Inside PARCO	(2.5%)	35.2%

\*Year ending Feb. 2016

**FY2016 plan**

- Identify customer needs through multi-faceted operations, and continue new business development through customer negotiation and optimized proposals.
- Strengthen profit base in Hotel Business through compound orders in room cleaning and related areas.
- Investigate potential for development of specific synergy through mutual coordination with the JFR Group in areas including interior work, electrical work, and lighting planning.

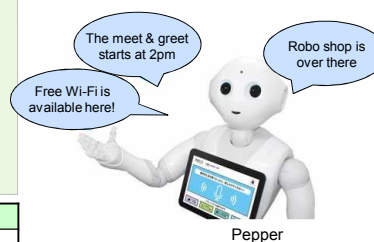
**In FY2015, sales and profits grew due to new website orders from external commercial facilities.**  
**In FY2016, aim for business growth with SC Concierge as a key project.**

**FY2015 results**

- In the Web Consulting Business, planned and developed applications for Pepper, the emotion-sensing humanoid robot capable of providing multilingual support in shopping center information services.
- In the HR Support Business, held seminars and sponsored information exchange meetings focusing on the apparel industry.

	YoY change in sales	Sales share (YoY change)
Outside PARCO	33.5%	50.8% (+2.8%)
Inside PARCO	19.1%	49.2%

\*Year to Feb. 2016



**FY2016 plan**

- In the Web consulting Business, offer diverse services with SC Concierge as a key pillar.
- In the HR Support Business, focus on providing PARCO tenant companies with recruitment channels.
- Considering cooperation scheme between the Web Consulting Business and Apparel-Web Inc., which is currently collaborating with the HR Support Business.

\*SC Concierge is a business support system for shopping centers. People-flow analysis is one component of the system, and functions to analyze the movement of customers throughout shopping complexes.

**Staged high-quality productions at theaters.  
 New business expansion from collaboration café plans and films.**

- The program from January 2016 includes productions consistent with the image of PARCO Theater and includes series and encore performances.
- Strong performance as a result of ongoing expansion of PARCO-produced character collaboration cafes at Shibuya PARCO, Nagoya PARCO, and Fukuoka PARCO. The cafes contribute to raising the appeal of physical stores. A café is planned for the Osaka Shinsaibashi area.
- In the Film Division, PARCO won all rights in Japan, including screening rights, for *The Sea of Trees*, starring Ken Watanabe and Matthew McConaughey, and will distribute to movie theater companies throughout Japan.

FY2015 Main theater Performances

<i>burst!</i> - <i>Kiken na futari</i>	PARCO Theater
Stage version of <i>Maku-ga Agar</i> (investment in film version)	Zepp Blue Theater Roppongi

FY2016 Main Planned Theater Performances

<i>Ryoju</i> (Director: Francois Girard)	PARCO Theater, others
<i>Kegawa no mari</i> (Writer: Shuji Terayama)	New National Theater, PARCO Theater, others



Results Investor Presentation

**Overseas Business**

**Developing PARCO's domestic content and Japanese restaurant tenant ideas overseas.**

**Begin development in ASEAN, capturing local demand and contributing to existing business**

Café image

Signed agreement in Singapore for a trial run of the PARCO-produced character collaboration café organized by PARCO's Entertainment Department.



PARCO (Singapore) is currently in discussions with local developers regarding a development contract for a Japanese restaurant zone in Singapore to be opened in 2016.

Announce and implement reciprocal store card campaign with leading overseas shopping complexes, including in Thailand and Hong Kong.

Promote collaboration to support Apparel-Web cross-border EC at PARCO (Singapore).

Cross-border EC: International e-commerce

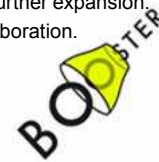


**Established the Restaurant Business Development Group and opened directly managed restaurants in Minami Aoyama.**

- PARCO initiative centered on food, a key theme in lifestyle proposals.

**Incubation initiative crowd-funding service Booster performed strongly.**

- In FY2015, discovered and supported creative talent in 31 projects. Aiming for further expansion.
- In FY2016, launch participating brands at Shibuya PARCO and strengthen collaboration.



**Business and capital alliance with Apparel-Web Inc.**

- Collaborated on ICT strategy to support growth of domestic retail businesses
- Group-wide linkage including coordination on cross-border EC in Overseas Business

**Formulated Fundamental policy for Corporate Governance.**

- Formulated fundamental policy for stakeholders that sets down how PARCO believes corporate governance should best be applied to achieve continual growth and a medium-to-long-term enhancement of corporate value.



Statements in this presentation that are not historical fact, such as forecasts, are forward-looking statements, based on information available as of April. 1, 2016, and are subject to a number of risks and uncertainties. Actual results may be materially different.

Perspective drawings and other pictorial representations contained in this presentation are images and may differ materially from the actual items they represent.

All rights to this material remain with PARCO or its authorized third parties. Unauthorized copying, dissemination, adaptation or distribution of this material is prohibited, as is any use of this material outside the scope of private use as defined under copyright laws.