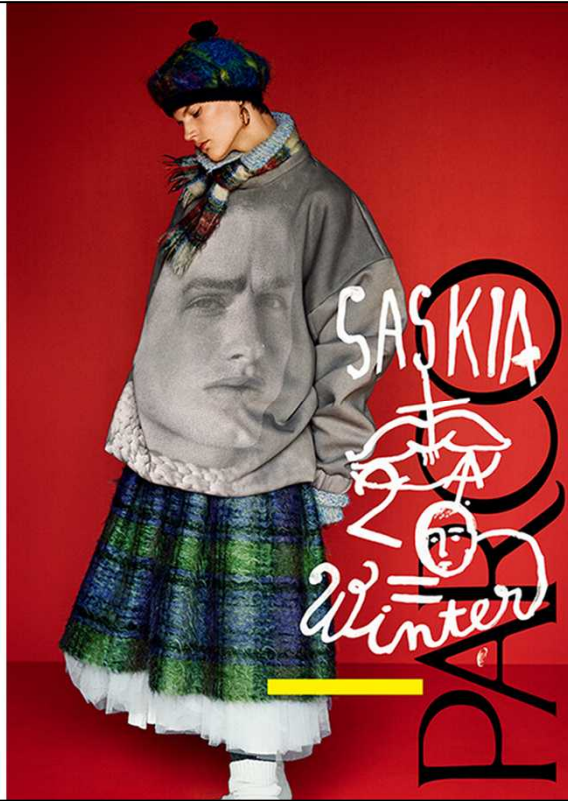


PARCO CO., LTD.
FY2017 First Half Results
Investor Presentation
TSE 1st Section 8251

*As of 2017, PARCO has adopted IFRS



I'll give you an overview of financial results for the first half of fiscal year 2017 and topics of each business, mainly Shopping Complex Business.

- In Q2, operating profit and profit exceeded forecasts despite YoY decreases in revenue and profit caused by the temporary closure of Shibuya PARCO and closure of Chiba PARCO.
- PARCO's Medium-term Business Plan outlines our business portfolio innovation as the direction we will take to develop our business to achieve future growth.
- Of the 12 development projects targeted in the Medium-term Business Plan, 8 are already underway.
- New development project in the North Building of Daimaru Shinsaibashi announced in September. The new PARCO store will open in the Shinsaibashi area of Osaka, an area with no current PARCO presence.
- Advancement in new construction of Sannomiya ZERO GATE and steady progress in the new Shibuya PARCO and across all development projects.
- Planned opening of J. Front Retailing joint project PARCO_ya in Ueno, and Kyoto ZERO GATE in a popular Kyoto commercial district in H2.
- Closure of Otsu PARCO, which was opened 1996, in August based on recent changes in the commercial environment and prospects for future returns on investment.

Page 2 shows a summary.

Overview of FY2017 H1 results and FY2017 full-year forecasts

Shopping Complex Business

- Development Projects

- PARCO Stores Business

PARCO Group Related Businesses

Let me begin with consolidated results.

Profit in Shopping Complex Business exceeded forecasts despite decreases in revenue and profit due to decrease in the number of PARCO stores.

Unit: Million yen

| Consolidated | FY2017 Mar.-Aug. | FY2016 Mar.-Aug. | Change ¥ | Change % | Forecasts | Difference from forecast ¥ | Difference from forecast % |
|---------------------|---------------------|---------------------|-------------|-------------|-----------|----------------------------------|----------------------------------|
| Operating revenue | 45,230 | 47,168 | (1,938) | (4.1%) | 45,500 | (269) | (0.6%) |
| Operating profit *1 | 6,666 | 9,716 | (3,049) | (31.4%) | 5,900 | 766 | 13.0% |
| Profit *1 | 4,469 | 5,672 | (1,202) | (21.2%) | 3,800 | 669 | 17.6% |
| EBITDA *2 | 9,398 | 12,322 | (2,923) | (23.7%) | — | — | — |

*1 Operating profit and profit decreased mainly as a result of the sale of real estate in connection with the reconstruction of Shibuya PARCO the previous year

*2 EBITDA (IFRS) in the table above refers to operating revenue plus depreciation and amortization (the depreciation and amortization expenses listed in the consolidated statements of cash flows).

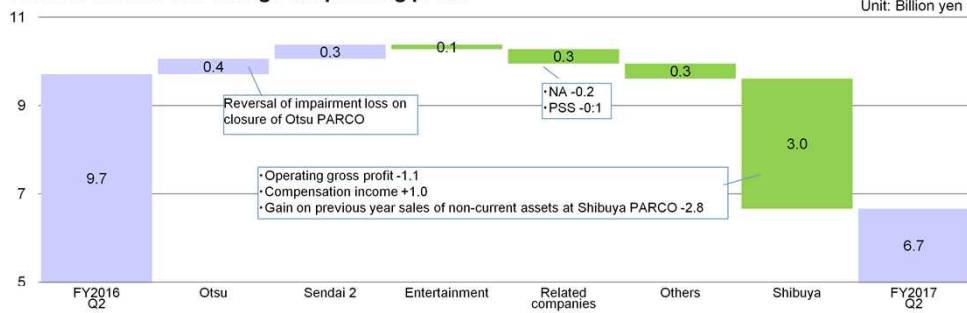
For the first half of fiscal year 2017, revenue and profit decreased year on year mainly due to a decrease in the number of stores in Shopping Complex Business, our main business. But operating profit and profit exceeded forecasts.

Operating revenue was 45 billion 230 million yen, down 1 billion 938 million yen due to downward trend of sales caused by sluggish sales of clothing of PARCO, temporary closure of Shibuya PARCO, closure of Chiba PARCO and others.

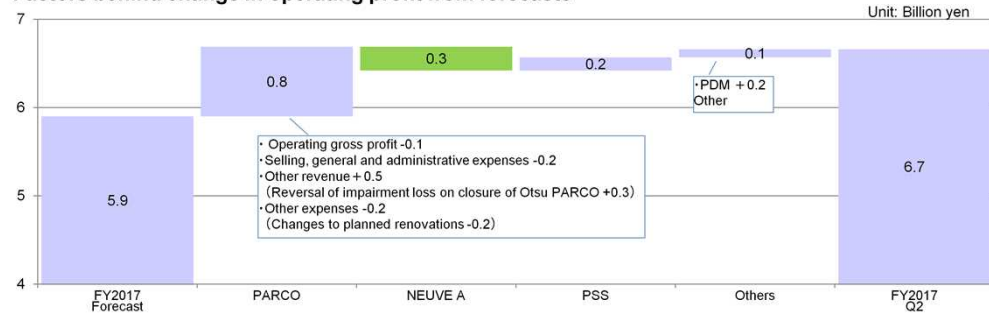
Operating profit was 6 billion 666 million yen, down 3 billion 49 million yen as a result of the sale of real estate in connection with the reconstruction of Shibuya PARCO in the previous year. However, operating profit was 766 million yen higher than forecast.

Profit attributable to owners of parent was down to 4 billion 469 million yen, but was 669 million yen higher than forecast.

Factors behind YoY change in operating profit



Factors behind change in operating profit from forecasts

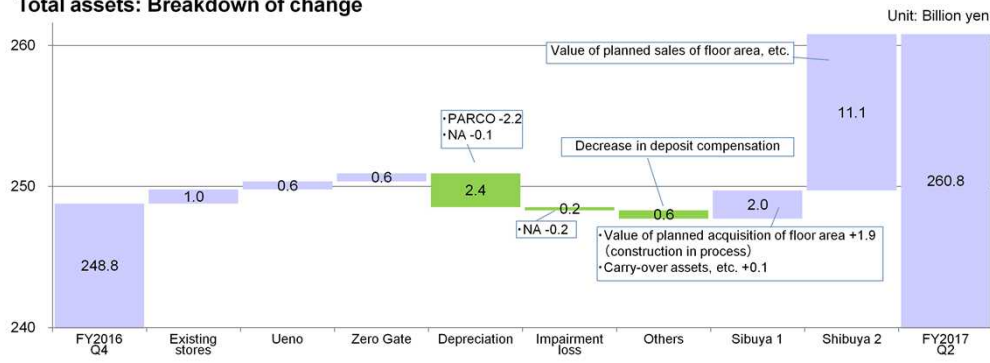


As you see in the graph on the bottom, as for year on year change in operating profit, 2 billion 950 million yen from Shibuya shown on the far right was the biggest factor. As for change from forecasts, an increase in other revenue due to reversal of impairment loss on closure of Otsu PARCO and a decrease in other expenses were significant.

Unit: Million yen

| Consolidated | FY2017 End of Aug. | End of FY2016 | Change ¥ |
|---------------------------------|--------------------|---------------|----------|
| Total assets | 260,803 | 248,806 | 11,997 |
| Net assets | 123,842 | 120,600 | 3,242 |
| Interest-bearing debt | 47,665 | 58,162 | (10,496) |
| Market price-based equity ratio | 47.5% | 48.5% | (1.0%) |

Total assets: Breakdown of change



Total assets stood at 260 billion 803 million yen, up 11 billion 997 million yen from the end of fiscal year 2016 mainly due to an increase in cash and deposits as a result of posting value of planned acquisition of floor area and value of planned sales of floor area associated with redevelopment of Shibuya.

The point is that total assets increased significantly because of value of planned sales of floor area for redevelopment of Shibuya. when the impact is excluded, an increase in total assets was about 900 million yen.

Net assets stood at 123 billion 842 million yen, up 3 billion 242 million yen. Market price-based equity ratio was 47.5%.

Interest-bearing debt was down 10 billion 496 million yen.

Unit: Million yen

| | | 2017 Mar - Aug | 2016 Mar - Aug | Change ¥ | Change % |
|---|-------------------|-------------------|-------------------|----------|----------|
| Shopping Complex Business | Operating revenue | 25,513 | 27,483 | (1,970) | (7.2%) |
| | Segment profit | 6,617 | 9,256 | (2,638) | (28.5%) |
| Retail Business | Operating revenue | 10,597 | 10,404 | 193 | 1.9% |
| | Segment loss | (192) | 26 | (218) | - |
| Space Engineering and Management Business | Operating revenue | 10,273 | 10,619 | (345) | (3.3%) |
| | Segment profit | 299 | 393 | (93) | (23.8%) |
| Other Business | Operating revenue | 2,781 | 3,021 | (240) | (8.0%) |
| | Segment loss | (55) | 46 | (102) | - |
| Consolidated | Operating revenue | 45,230 | 47,168 | (1,938) | (4.1%) |
| | Segment profit | 6,666 | 9,716 | (3,049) | (31.4%) |

Segment profit or loss refers to operating profit.

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.

In consolidated results by segment, revenue was up in Retail Business but profit was down in all the segments.

In Retail Business of NEUVE A, due to sound performance in ROSEMARY business mainly including cosmetics and EYEWEAR business, business of eyeglasses and challenging operating environment in mainstay TiCTAC business, watches business, revenue was up but profit was down.

Revenue and profit of PARCO SPACE SYSTEMS decreased in the first half, following large-scale tenant interior work orders for SENDAI PARCO 2 received in the previous year. However, results exceeded forecasts due to orders for external shopping complexes in interior work and display businesses and several new projects in hotel business.

As for Other Business, in PARCO Digital Marketing, although revenue was down due to withdrawal from human resources business, profit was up due to acquisition of new client projects and others.

However, in another business, Entertainment Business of PARCO, profit was down mainly due to closure of PARCO theater. Consequently, in Other Business, profit was negative in total.

Selling, general & administrative expenses

Unit: Million yen

| Consolidated | 2017 Mar - Aug | 2016 Mar - Aug | Change ¥ | Change % |
|-----------------------|-------------------|-------------------|------------|-------------|
| Personnel | 3,998 | 3,955 | 43 | 1.1% |
| Lease/rental | 1,461 | 1,382 | 78 | 5.7% |
| Advertising | 334 | 305 | 29 | 9.7% |
| Agency services | 568 | 552 | 16 | 3.0% |
| Depreciation *1 | 426 | 404 | 21 | 5.4% |
| Taxes and dues | 399 | 310 | 89 | 28.7% |
| | | | | |
| Total SG&A | 9,424 | 9,143 | 280 | 3.1% |

*1 Figures for depreciation include depreciation from processing of selling, general and administrative expenses and processing of operating costs

Capital expenditure

| Consolidated | 2017 Mar - Aug | 2016 Mar - Aug | Change ¥ | Change % |
|--------------|-------------------|-------------------|----------|----------|
| Capex | 5,205 | 10,689 | (5,484) | (51.3%) |

*YoY change in capital expenditure principally reflects investments pertaining to Sendai PARCO 2 and the reconstruction of Shibuya PARCO in the previous year

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Consolidated selling, general and administrative expenses were 9 billion 424 million yen, up 280 million yen year on year. Although expenses were reduced at existing stores of PARCO, lease and rental and depreciation associated with opening, closing and renovation of stores of NEUVE A increased and taxes and dues increased because of changes in size-based business tax rate.

Capex was 5 billion 205 million yen, down 5 billion 484 million yen mainly due to investments pertaining to Sendai PARCO 2 and the reconstruction of Shibuya PARCO in the previous year.

Overall, profit exceeded forecasts despite YoY decreases in revenue and profit.

Non-Consolidated results

Unit: Million yen

| | FY2017 Mar - Aug | FY2016 Mar - Aug | Change ¥ | Change % | Forecasts | Difference from forecast ¥ | Difference from forecast % |
|------------------------|---------------------|---------------------|----------|-------------|-----------|----------------------------------|----------------------------------|
| Operating revenue | 27,828 | 29,976 | (2,148) | (7.2%) | 28,246 | (417) | (1.5%) |
| Operating profit *1 | 6,522 | 7,576 | (1,054) | (13.9%) | 5,724 | 798 | 13.9% |
| Profit *1 | 4,682 | 4,750 | (68) | (1.4%) | 3,996 | 686 | 17.2% |

* Operating profit and profit decreased mainly as a result of the sale of real estate in connection with the reconstruction of Shibuya PARCO the previous year

| | FY2017 End of Aug | End of FY2016 | Change ¥ |
|--------------|----------------------|------------------|----------|
| Total assets | 257,168 | 245,802 | 11,365 |
| Net assets | 123,062 | 119,621 | 3,441 |

October, 2017 PARCO CO., LTD. FY2017 Half Results Investor Presentation

As is the case with consolidated results, in non-consolidated results, profit exceeded forecasts despite year on year decrease in revenue.

Operating revenue was 27 billion 828 million yen, down 2 billion 148 million yen due to temporary closure of Shibuya PARCO, closure of Chiba PARCO and others.

Operating profit was 13.9% or 798 million yen higher than forecast.

Profit was 17.2% or 686 million yen higher than forecast.

Upward revision in operating profit and profit

Unit: Million yen

| Consolidated | FY2017 Revised forecast | FY2016 results | Change ¥ | Change % | Initial forecast | Change ¥ |
|-------------------|-------------------------|----------------|----------|----------|------------------|----------|
| Operating revenue | 94,000 | 93,780 | 219 | 0.2% | 95,100 | (1,100) |
| Operating profit | 11,600 | 14,203 | (2,603) | (18.3%) | 11,500 | 100 |
| Profit | 7,500 | 8,795 | (1,295) | (14.7%) | 7,400 | 100 |

Planning to set interim dividend per share of ¥11 and annual dividend per share of ¥23.

October 2017 PARCO CO., LTD. FY2017 Half Results Investor Presentation

For full-year forecasts for fiscal year 2017, we revised consolidated forecasts slightly, to 94 billion yen in operating revenue, 11.6 billion yen in operating profit and 7.5 billion yen in profit.

For dividend, interim dividend was set at 11 yen per share and annual dividend is expected to be 23 yen per share.

Overview of FY2017 H1 results and FY2017 full-year forecasts

Shopping Complex Business

Development Projects

PARCO Stores Business

PARCO Group Related Businesses

Let me move on to topics of Shopping Complex Business.



This page shows a map. In development plans, the other day, in September, we decided new PARCO store opening in the North Building of Daimaru Shinsaibashi. At present, 8 development plans are in progress in total.

1 PARCO store and 1 ZERO GATE store scheduled to open in FY2017.

PARCO_ya (located inside Ueno Frontier Tower) to open on November 4

- Cater to new market as the first new PARCO store opening in the 23 wards of Tokyo in 44 years since Shibuya PARCO
- Opening in large-scale multi-use complex with selection of specialty shops tailored to target demographics
- Brand new PARCO_ya name to clearly portray uniqueness from existing PARCO stores to customers
- Second-generation baby boomer adult men and women designated as target demographic



| | |
|---------------------|-----------------------------|
| PARCO_ya scale | 1F-6F |
| PARCO_ya floor area | Approx. 8,200m ² |

Kyoto ZERO GATE* to open in H2 FY2017

Popular commercial area adjacent to Daimaru Kyoto

| | |
|------------------|---------------------------------------|
| Building scale | B2F-7F |
| Total floor area | Approx. 5,200m ² (planned) |

*Provisional name

One PARCO store and one ZERO GATE store are scheduled to open in fiscal year 2017.

In a press conference of Ueno Frontier Tower held the other day, we announced opening of PARCO_ya, a new type of PARCO store scheduled for November 4th.

It will be the first new PARCO store opening in new area in the 23 wards of Tokyo in 44 years since opening of Shibuya PARCO in 1973.

There will be office spaces and cinemas on the upper floors and department store and parking lot next door. In such an environment, we are selecting tenants which will meet needs of similar customer targets.

In addition, Kyoto ZERO GATE will open in the second half. It will open in the area adjacent to Daimaru Kyoto and will be the first opening of a retail facility in Kyoto as PARCO group.

Steady progress across all development projects

Development progress

| | |
|-------------------------------|---|
| New Shibuya PARCO | <ul style="list-style-type: none"> • Construction started (May) • Transfer agreement for reserved floor space in office portion (May) |
| Kinshicho Ekimae Property | <ul style="list-style-type: none"> • Decision on opening reached (April) • Agreement on opening commercial property reached (April) |
| Urasoe West Coast Development | <ul style="list-style-type: none"> • Construction started (July) |
| Harajuku ZERO GATE* | <ul style="list-style-type: none"> • Construction started (June) |
| Sannomiya ZERO GATE* | <ul style="list-style-type: none"> • Decision on new construction agreed (July) • Demolition work on existing structure begins (July) |

*Provisional name

Images of each development project



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Other development projects are also progressing steadily as you see in this table.

**Planned opening in Shinsaibashi announced;
12 target development plans with 8 currently underway.**

New store opening planned in the North Building of Daimaru Shinsaibashi, an area with no current PARCO presence. Opening set for spring of 2021.

- PARCO store opening in Shinsaibashi, a highly popular commercial area with strong interest among foreign visitors to Japan

- Walkway connecting North Building to Main Building planned for 2F – 10F

*PARCO lease portion

| | |
|------------|--|
| Scale | B2F-7F |
| Floor area | Approx. 22,000m ² (planned) |
| Opening | Spring 2021 (planned) |

Medium-term Business plan progress

| | Target | Planned | Planned opening | | | | Remaining |
|-------------|--------|--|-----------------|------|--------|--------|-----------|
| | | | 2017 | 2018 | 2019 | 2021 | |
| PARCO | 4 | PARCO_ya | Autumn | | | | 1 |
| | | New Shibuya PARCO | | | Autumn | | |
| | | North Building of Daimaru Shinsaibashi | | | | Spring | |
| New formats | 3 | Kinshicho Ekimae Property | | | Spring | | 1 |
| | | Urasoe West Coast Development | | | Summer | | |
| ZERO GATE | 5 | Kyoto ZERO GATE | H2 | | | | 2 |
| | | Harajuku ZERO GATE | | | Spring | | |
| | | Sannomiya ZERO GATE | | | Autumn | | |
| Total | 12 | | | | | 8 | 4 |

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We announced new store opening planned in the North Building of Daimaru Shinsaibashi. Opening is set for spring of 2021. We plan to open PARCO store in Shinsaibashi, a highly popular commercial area attracting many inbound tourists.

Former Shinsaibashi PARCO was revitalized as Shinsaibashi ZERO GATE. After that, we will open PARCO store for the first time or reopen PARCO store in the adjacent area in Osaka with no current PARCO presence.

Including this store in Shinsaibashi, 8 development plans were already decided and are currently underway out of 12 target development plans.

Advance renovations based on consumers' changing lifestyles and demand.

Total renovation area in H1: Approx. 18,000m², renovation zone transaction volume YoY increase of 27.5%

- Urban stores: Renovations principally at Nagoya PARCO. Renovation zone transaction volume YoY increase of 25.9%
- Community stores: Renovations principally at Urawa PARCO. Renovation zone transaction volume YoY increase of 29.8%

Expected full-year total of 44,000m²

Urban stores

○ **Advance renovations and utilize respective themes to foster a new pattern of consumer behavior centered on preferred and value-based consumption**

○ **Planned focus on renovations at Fukuoka PARCO and Nagoya PARCO in H2**

New non-sales efforts at Fukuoka PARCO to increase store appeal and attract customers

- Attracted new-age hostel (April) and share office (December), both new efforts inside a shopping complex

Responding to the growingly diverse needs of women with unique values at Nagoya PARCO

- Developed restaurant floor (May) to share fun times comfortably and enjoy local ingredients in a photogenic space
- Further expand on fashionable brands to reinforce offerings in fashion (H2)



BOOK AND BED TOKYO

This page is for store renovations.

In the first half, we renovated area of approximately 18 thousand square meters. Renovation zone transaction volume increased 27.5% year on year, showing double digit growth.

I will mention topics so that you can understand easily characteristics of renovations of urban stores.

Centered on time consumption and under the theme of upper floors, new-age hostel, "BOOK AND BED TOKYO" opened at Fukuoka PARCO in April. In addition, we decided to introduce so-called share office in December this year.

In this way, we are working on a theme of reinforcement of store brand to meet market needs by focusing on time consumption and consumption by couples

Community stores

- **Restructure tenant composition to focus on key tenants with high capacity to attract customers, and improve one-stop offerings by attracting tenants with new items and services catered to each market**
- **In H2, renovate foods floor at Tsudanuma PARCO and Urawa PARCO to fulfill regional demand**

Opening of "TsudanuMarche" in B1F of Tsudanuma PARCO on October 5

- Full grand opening of the basement floors of Buildings A and B at Tsudanuma PARCO
- Introduce high-specialty, high-quality foods and expand lifestyle necessities and household goods at all 15 shops



Opening planned for high-quality food zone including large-scale supermarket in B1F of Urawa PARCO at the end of November

- Target three-generation families, centered on 30-40 year-old demographic in nearby business district
- Opening of new urban format of large-scale supermarket Yaoko and a variety of specialty shops including sweets shops, grocery stores and cafes, and household good shops.

In community stores, we restructure tenant composition to focus on key tenants with high capacity to attract customers. I will give you easy-to-understand topics.

The basement floors of Buildings A and B opened after renovation at Tsudanuma PARCO on October 5th. Food-zone and food-related household goods shops were introduced to the basement floors.

We will renovate each store on the food floor and open food zone to meet further local demand at Urawa PARCO in November.

Continue to support growth in inbound transaction volume through pre-arrival approaches and increased offerings of services at stores.



| Reference: Inbound achievements | Sapporo PARCO | Ikebukuro PARCO | Fukuoka PARCO | Nagoya PARCO | All-store total*1 |
|--|------------------|-----------------|-----------------|-----------------|-------------------|
| YoY change in purchases by foreign-issued credit cards | 7.2% | 43.8% | 69.3% | 128.9% | 35.6% |
| Share of transaction volume accounted for by foreign-issued credit cards (YoY change) ² | 11.6% (+0.6%) | 3.7% (+0.9%) | 2.5% (+0.9%) | 1.2% (+0.7%) | 1.6% (+0.5%) |

¹ All-store totals for YoY change in purchases by foreign-issued credit cards do not include figures from Shibuya PARCO

² Share of net sales accounted for by foreign-issued credit cards represent the share in tenant transaction volume

As for inbound business in PARCO Stores Business, as I mentioned many times, at PARCO, we just have to check purchases by foreign-issued credit cards and Unionpay card. Share of transaction volume accounted for by those cards increased steadily.

As pre-arrival approaches, we secure information pathways used abroad and disseminate information effectively with the use of videos and social media so that inbound tourists will come to PARCO stores with purpose when they come to Japan.

We are also reinforcing store guidance by utilizing ICT.

Utilize ICT in tenant support and proof-of-concept testing to yield future contributions.

Advance and evolve individual customer relations strategies through technology

- Proof-of-concept testing of AI-capable robots to offer customers ideal products
- Utilize data obtained from stores and apps in strategy development
- Introduce systems for quantifying customer numbers and characteristics across shops. Offer service to tenants (to be implemented at PARCO_ya in November)



Enhance shop sales and operating efficiency by expanding Kaeru PARCO functionality

- Proof-of-concept testing of delivery boxes utilizing blockchain technology
- Link EC product data and in-store inventory data with Kaeru PARCO to optimize operations by reducing product registration-related labor

Actively deploy robot technology to revitalize and optimize shop operations

- Shift shop staff trainings to an online environment (initiated at Fukuoka PARCO in July and currently being rolled out at other stores)
- Proof-of-concept testing of automatic store guidance and stocking robots



ICT: Information and Communication Technology AI: Artificial Intelligence EC: Electronic Commerce

Guidance and stocking robot

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We are currently working hard on customer service and tenant support with the use of ICT. As one of the initiatives, we are advancing and evolving individual customer relations strategies through technology.

Secondly, we are enhancing not only shop sales but also operating efficiency by expanding Kaeru PARCO functionality of reserve and purchase. We are promoting tenants' customer services before customers come to stores.

Thirdly, we are also actively deploying robot technology to revitalize and optimize shop operations.

In any case, we intend to reinforce and expand our initiatives by utilizing ICT in proof-of-concept testing on the real stage of PARCO through tie up with partners with the most advanced technologies.

**Demonstrate capability to develop productions through collaborations
and full use of generationally relevant content.**

PARCO Museum exhibitions

Showcase record-breaking PARCO original exhibitions at Ikebukuro PARCO and other external venues

Collaborations with popular films

Implement advertising tie-ups with PARCO Grand Bazaar and limited-time collaboration cafes at PARCO stores throughout Japan

Promotional events on Parco_ya opening

Hold joint PARCO exhibitions at Matsuzakaya Ueno, and link exhibitions from Ueno's own Tokyo Metropolitan Art Museum and PARCO-distributed films to PARCO_ya opening promotions



Next, let me move on to promotion development. In PARCO Store Business, we are demonstrating capability to develop productions through collaborations and full use of generationally relevant content including collaborations with museum exhibitions or films at PARCO's promotional events.

In the first half, PARCO planned an exhibition entitled "Tokyo Creators' File Festival" presented by a celebrity named Robert Akiyama. It became a record-setting hit and contributed significantly to PARCO stores as it attracted many customers.

We also collaborated with the movie, "DESPICABLE ME 3" at PARCO's summer Grand Bazaar and implemented advertising tie-ups and limited-time collaboration cafes at PARCO stores. They were highly appreciated. Besides, we opened merchandise shops, which caused a buzz and showed successful results.

So far, through tie-up with LEGO, we held WORLD HERITAGE EXHIBIT BUILT WITH LEGO BRICK every year. An art museum in Ueno designed by Le Corbusier was registered as a World Heritage Site.

So in promotional events on Parco_ya opening scheduled for November, we will hold joint exhibitions at Matsuzakaya Ueno by adding a model of Le Corbusier building as an extension to exhibitions we held so far.

In addition, an exhibition entitled "Van Gogh & Japan" will be held at Tokyo Metropolitan Art Museum located in Ueno. We will tie up with the museum and show PARCO-distributed films at cinema complexes. In this way, we are currently collaborating with local communities by linking promotions.

Overview of FY2017 H1 results and FY2017 full-year forecasts

Shopping Complex Business

Development Projects

PARCO Stores Business

PARCO Group Related Businesses

Lastly, we added a description of PARCO Group Related Businesses including NEUVE A, PARCO SPACE SYSTEMS and Entertainment Business.

PARCO Group Related Businesses (1)

Retail Store Business (NEUVE A), Space Engineering and Management Business (PARCO SPACE SYSTEMS)

22/24

Retail Store Business (NEUVE A)

Operating revenue growth and profit downturn in H1. Prioritize sales in existing stores to enhance profitability.

H1 achievements

- Sound performance in ROSEMARY and EYEWEAR businesses, but challenging operating environment in TICTAC and COLLECTORS businesses
- 2 stores opened with 14 unprofitable stores restructured

H2 plans

- Prioritize improvement of sales at existing stores, alongside two new store openings
- Accelerate strengthening of products and systems to expand EC sales

| Business name (item) | No. of shops |
|------------------------------------|--------------|
| TICTAC (watches) | 94 |
| EYEWEAR (eyeglasses) | 27 |
| ROSEMARY (cosmetics, sundry goods) | 23 |
| COLLECTORS (men's sundry goods) | 40 |
| Other new business categories | 5 |

Space Engineering and Management Business (PARCO SPACE SYSTEMS)

Despite YoY decrease, operating revenue and profit exceeded forecasts in H1. Increase in construction orders expected in H2.

H1 achievements

- Decline in operating revenue following large-scale interior work orders among tenants at Sendai PARCO 2 the previous year
- Profit targets reached due to new construction orders for large-scale external shopping complexes and several new projects in hotel business

H2 plans

- Expected increase in construction orders including interior work orders from PARCO_ya tenants

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In Retail Business of NEUVE A, due to sound performance in ROSEMARY business mainly including cosmetics and EYEWEAR business, business of eyeglasses and challenging operating environment in mainstay TICTAC business, watches business, revenue was up but profit was down.

Revenue and profit of PARCO SPACE SYSTEMS decreased in the first half, following large-scale tenant interior work orders for SENDAI PARCO 2 received in the previous year. However, results exceeded forecasts due to orders for external shopping complexes in interior work and display businesses and several new projects in hotel business.

PARCO Group Related Businesses (2)

Other Business (PARCO Digital Marketing, Entertainment Business)

23/24

PARCO Digital Marketing

Profit increase in H1. Strengthen business foundation through focus on expanding digital marketing business.

H1 achievements

- Acquisitions of 6 new clients contributed to profit growth despite decline in operating revenue from withdrawal of human resources business

H2 plans

- Expand corporate support businesses under theme of ICT support, including promotion of omni-channelization, etc.

Entertainment Business (PARCO CO., LTD)

Decrease in operating revenue and profits in H1 due to closure of theater and movie theater as a result of Shibuya PARCO renovations. Focus on external locations and collaboration cafes.

H1 achievements

- Repeat production of *Singin' in the Rain* at external locations, and strong review for productions directed by Koki Mitani, and others
- Deployment of successful Shibuya PARCO character collaboration cafes at five stores including Ikebukuro PARCO

H2 plans

- Planned holding of popular productions including *The Rocky Horror Picture Show* and *Orlando* at external theaters
- Production planned of the fully painted film *Loving Vincent*



As for Other Business, in PARCO Digital Marketing, although revenue was down due to withdrawal from human resources business, profit was up due to acquisition of new client projects and others.

However, in another business, Entertainment Business of PARCO, profit was down mainly due to closure of PARCO theater.



Statements in this presentation that are not historical fact, such as forecasts, are forward-looking statements, based on information available as of October. 6, 2017, and are subject to a number of risks and uncertainties. Actual results may be materially different.

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