



Let me start explanation on this handout for investor presentation.

The top page shows the visual designed by a designer MM/Paris for the 50th anniversary of opening of Parco.

This visual was created by globally recognized people, including a photographer Viviane Sassen. She is the only female photographer who can have supermodels take any poses.

This indicates how enthusiastic we are about the 50th anniversary of Parco.

FY2019 H1 results summary

◆ Operating results

- Revenue increased due to contributions from store openings, etc. The application of IFRS 16 resulted in an increase in operating profit.
- Total assets grew due to increase in right-of-use assets and other effects of the application of IFRS 16
- Full-year profit forecasts for fiscal 2019 have been revised in view of these second quarter financial results

◆ Dividend

- Decision made to increase dividend by 1 yen. Full-year dividend to be increased by 2 yen to 26 yen

◆ Development plans

- Four properties in different business formats planned for FY2019. Three of these opened in H1
- Shibuya PARCO will open in H2, representing the evolution of the "Incubation," "Urban Revitalization" and "Trends Communication" that are PARCO's point of origin

◆ PARCO Stores Business, Entertainment Business

- Active introduction of shops that cater for diverse consumption contributing to increases in sales and customers
- Renew store brands using inspiration from Shibuya PARCO and PARCO's 50th anniversary
- Renew card bonus and settlement environment.
- Opening PARCO Theater and a number of other locations in Shibuya, planning to increase variety of original content

◆ PARCO Group Related Businesses

- ◆ NEUVE A will conduct revamp, improving existing stores and reforming profit structure

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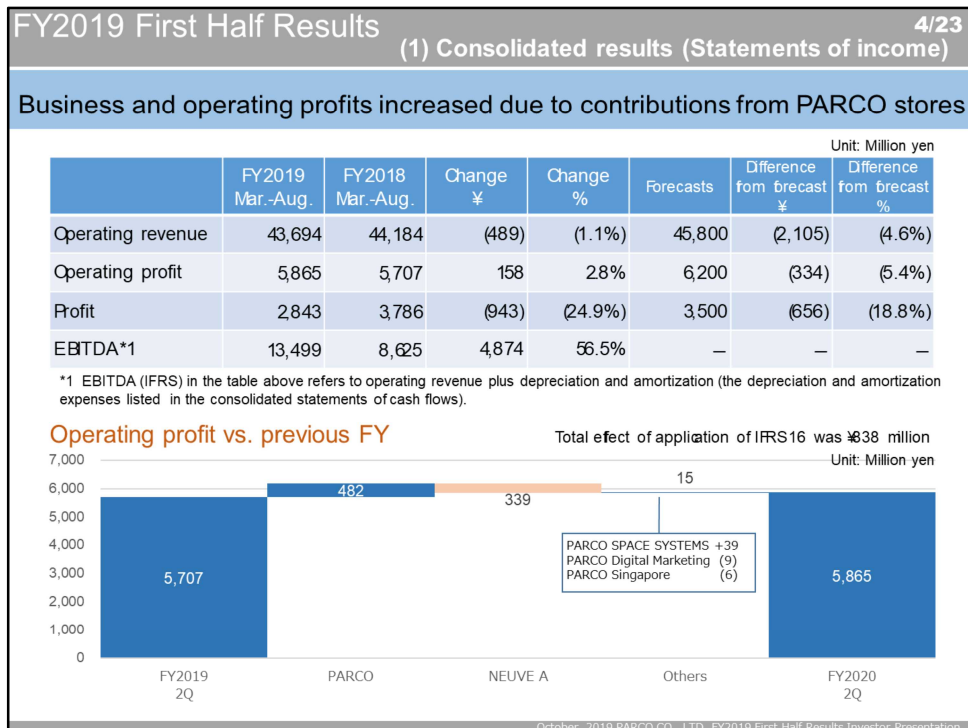
Overview of FY2019 H1 Results and FY2019 Full-Year Forecasts

Development Plans

PARCO Stores Business and Entertainment Business

PARCO Group Related Businesses

Now let me start explanation of overview of FY2019 first half results.



Please turn to page 4. This page shows our consolidated results.

Despite contribution from store openings of PARCO and entertainment business, consolidated revenue declined due to challenging situations of retail business for NUEVE A.

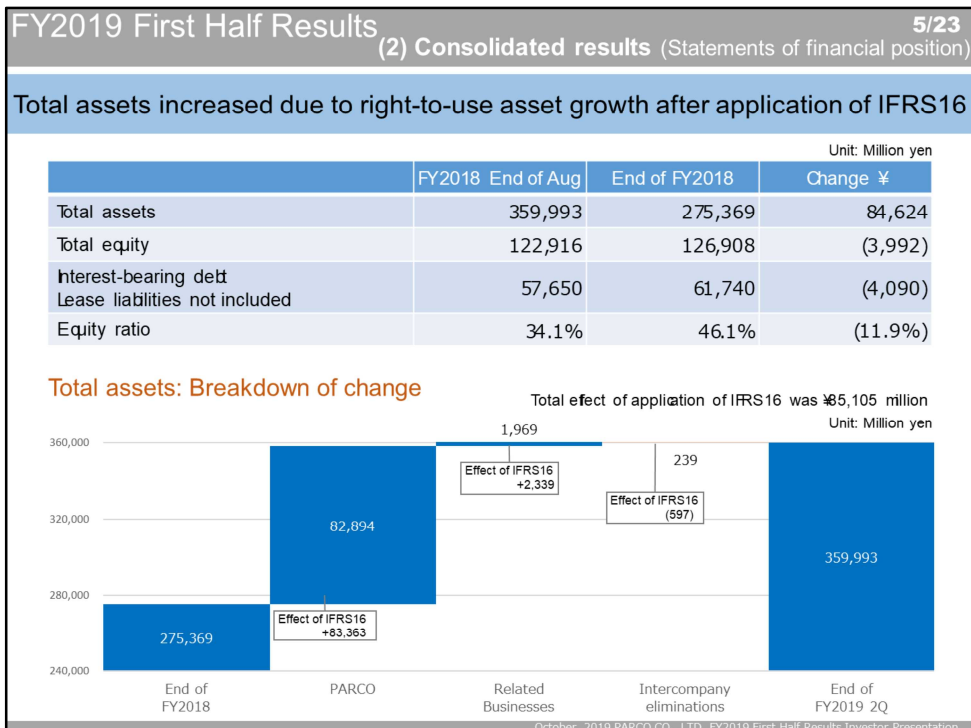
operating profit increased, however, profit for the quarter decreased due to application of IFRS 16.

Although operating revenue of PARCO increased thanks to contribution from new stores including Kinshicho PARCO opened in March, and entertainment business, especially theater business of PARCO, consolidated operating revenue declined by 489 million yen to 43 billion 694 million yen due to negative impact from closure of unprofitable shops of NUEVE A.

Operating profit increased 158 million yen year-on-year to 5 billion 865 million yen despite impairment loss of PARCO and NUEVE A, This was because of contribution of store openings, strong performance of construction work division of PARCO Space Systems which has high profit margins, and application of IFRS 16, which increased depreciation of right-of-use assets but decreased leasehold and office rents more than that increased amount.

Profit attributable to owners of parent was 2 billion 843 million yen with a decline of 943 million yen year-on-year due to increased interest expense as a result of IFRS 16 application.

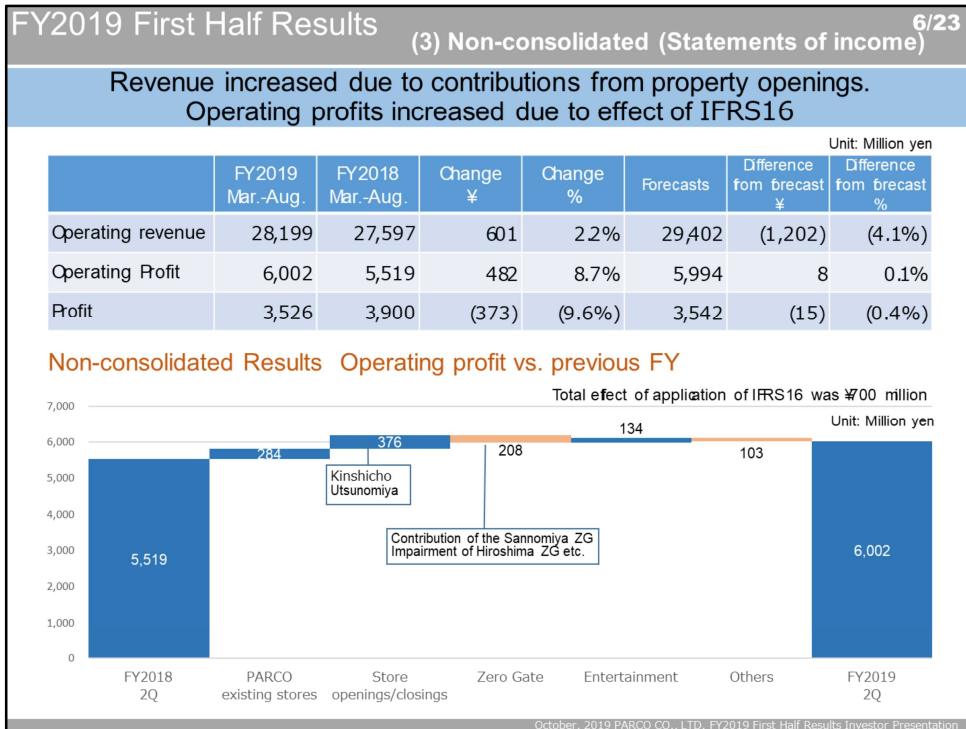
EBITDA was 13 billion 499 million yen.



Total assets increased by 84.6 billion yen from the end of the previous fiscal year to 359 billion 993 million yen. Excluding the effect of IFRS 16, it decreased by 481 million yen.

Total equity was 122 billion 916 million yen and equity ratio was 34.1%.

Interest-bearing debt decreased 4 billion 90 million yen to 57 billion 650 million yen.



Next, I will explain non-consolidated results.

PARCO recorded revenue increase due to contributions from store openings mentioned earlier.

Same as consolidated results, operating profit increased due to IFRS 16 application and other reasons. These results were better than forecasts.

Operating revenue grew 601 million yen to 28 billion 199 million yen thanks to Sannomiya Zero Gate opened in FY 2018, as well as new store openings including Kinshicho PARCO and Kawasaki Zero Gate in FY 2019, and contribution of theater division of entertainment business.

Despite impairment loss of Hiroshima Zero Gate, operating profit rose 8.7%, or 482 million yen year-on-year by operating revenue increase.

Profit for the quarter under review decreased 373 million yen to 3 billion 526 million yen.

Consolidated results by segment		FY2019 Mar.-Aug.	FY2018 Mar.-Aug.	Change ¥	Change %
Shopping Complex Business	Operating revenue	25,680	25,490	190	0.7%
	Segment profit	6,116	5,764	351	6.1%
Retail Business	Operating revenue	8,938	9,927	(988)	(10.0%)
	Segment loss	(342)	(3)	(339)	-
Space Engineering and Management Business	Operating revenue	9,586	9,990	(403)	(4.0%)
	Segment profit	204	165	39	23.6%
Other Business	Operating revenue	3,081	2,692	388	14.4%
	Segment loss	(82)	(198)	115	-
Consolidated	Operating revenue	43,694	44,184	(489)	(1.1%)
	Segment profit	5,865	5,707	158	2.8%

Unit: Million yen

- Segment profit or loss refers to operating profit or loss.
- 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.

Consolidated Capital Expenditure	FY2019 Mar.-Aug.	FY2018 Mar.-Aug.	Change ¥	Change %
Capital Expenditure	4,570	4,384	185	4.2%

Unit: Million yen

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Please turn to page 7 for consolidated results by segment.

As I explained earlier, consolidated results of shopping complex business mainly led by PARCO recorded increase both in revenue and profits.

Retail business that is operated by NUEVE A recognized declined revenue and profits.

Parco Space Systems for space engineering and management business recorded declined revenue, but its segment profit increased thanks to strong performance of construction work division with high profit margin.

In Other business, Parco Digital Marketing decreased profit because of increased costs for business enhancement.

Entertainment business of Parco increased its revenue as explained earlier, and the total of other business segment recognized increased revenue and decreased segment loss.

Revision to full-year forecast in view of H1 performance

Unit: Million yen

Consolidated forecasts	FY2019 Revised forecast	FY2018 results	Change ¥	Change %	Initial forecast	Change ¥
Operating revenue	114,100	89,969	24,130	26.8%	116,200	(2,100)
Operating profit	12,500	5,425	7,074	130.4%	12,700	(200)
Profit	6,600	3,370	3,229	95.8%	7,100	(500)

*Operating profit includes that temporary sales floor expansion at the Shibuya redevelopment project, which is forecasted as an operating cost.

Interim dividend per share will be increased by 1 yen as planned

Interim dividend amount is ¥13 per share, a ¥1 increase compared with fiscal 2018. The annual dividend for fiscal 2019 will be increased to ¥26, to commemorate PARCO's 50th anniversary

Despite contribution from the opening of new Shibuya PARCO is expected, we will revise the FY 2019 full-year forecasts to 114.1 billion yen for consolidated full-year operating revenue, 12.5 billion yen for operating profit and 6.6 billion yen for full-year profit reflecting negative factors of the first half results.

As for dividend, we will have a 2-yen increase as originally planned to commemorate PARCO's 50th anniversary for the year. Interim dividend was decided to be 13 yen per share with a 1 yen increase from FY 2018, and the annual dividend for FY 2019 will be 26 yen.

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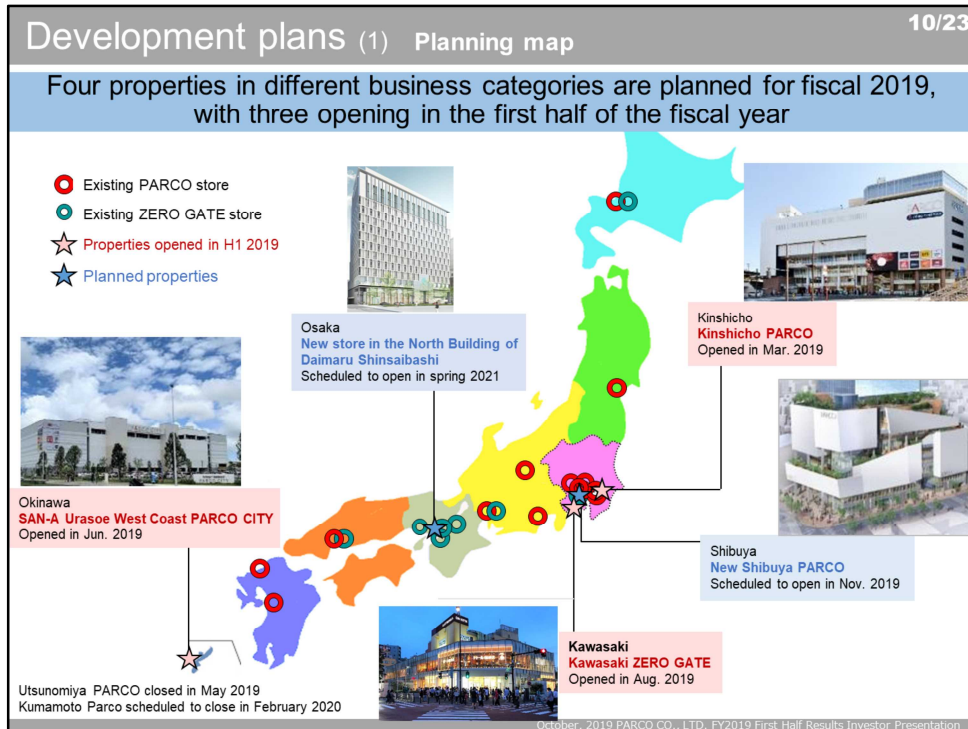
Overview of FY2019 H1 Results and FY2019 Full-Year Forecasts

Development Plans

PARCO Stores Business and Entertainment Business

PARCO Group Related Businesses

Next, I'd like to explain about development plans.



A map is shown on page 10. In this fiscal year 2019, we plan to develop 4 stores in different business categories, and 3 of them were opened in this first half.

Also, New Shibuya PARCO is scheduled to open on November 22nd.

October 8, 2019 postscript :

New store in the North Building of Daimaru Shinsaibashi has been changed from the spring of 2021 to the fall of 2020.

Kinshicho PARCO opened in March 2019 to a strong start

- Maximized synergies by opening in a multi-use complex that also houses amusement facilities
- The facility contributes to regional infrastructure through an abundant line-up of tenants offering lifestyle support services other than shopping.
- In addition to food and drink shops, including Food hall that meets the needs of Sumida area customers, large general merchandise shops attract customers throughout the building.



Scene from the opening



In front of Sumida Food Hall on the first floor

*PARCO lease portion

Scale*	1F-7F
Floor area*	Approx. 22,857m ²

Please turn to page 11 for development projects in the first half of FY 2019.

In March, Kinshicho Parco was opened after renovation of commercial facilities of a multi-purpose complex in front of Kinshicho station. Its restaurants including Food Hall are thriving and good performance of large general merchandise shops have an effect to attract customers to the entire building.

Customers are also flowing from annexed Toho Cinemas, as a result, it is showing favorable performance steadily.

Opening the largest shopping mall in Okinawa Prefecture, managed by local corporation and joint venture

SAN-A Urasoe West Coast PARCO CITY opened in June 2019



- Boasts a selection of best-in-market cosmetics, waterfront dining, and the Okinawa debut of many shops
- Okinawa's leading shopping center off to a strong start

Scale	Commercial area: 1F-3F
Floor area	Approx. 60,000m ²

Kawasaki ZERO GATE opened in August 2019

- Advanced, low-rise, multi-function facility
- Supports urban lifestyles and is host to nine shops that enhance the city's functionality

Scale	1F-2F
Floor area	Approx. 3,300m ²



Next, San-A Urasoe West Coast Parco City was opened on June 27th in an overwhelming scale. It is operated by San-A PARCO, a joint venture with a local company in Okinawa.

It has been recording the highest daily revenue in Okinawa every day.

We made a good start by attracting customers steadily owing to a selection of best-in-market cosmetics, a dining area with 3 zones and 94 shops opened for the first time in Okinawa.

Its local market continues to grow with increasing population in the prefecture as well as increasing tourists which stands at over 9.8 million per year, we assume it is essential to make various recommendations to both domestic and overseas tourists from this shopping mall for better recognition.

This property is operated under the scheme to earn profit from investment gain on equity method.

In August, Kawasaki Zero Gate opened as a low-rise facility with multi-function on 2 floors.

13/23

Development plans (4) FY2019 H2 Plans: Opening of Shibuya PARCO (1)

An evolution based on PARCO's core concepts of "Incubation," "Urban Revitalization," and "Trends Communication"



- Scheduled to open Nov. 22, 2019 with 193 shops
- Leverage opportunity as first opening in a special urban renaissance district
- Realization of unique commercial facility with global appeal
- Creating a "3D town" based on the perception of Shibuya as a "town of hills and roads"
- Building constructed using ESG principles: environmental consideration through CO₂ reduction, contribution to the area, etc.



Floor area	Approx. 64,000m ² Commercial area: approx. 42,000m ²
Scale	B3-19 Commercial area: B1-9, 10 (partial use)

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Let's move on to page 13. In November 22nd, new Shibuya PARCO will finally open.

This property was designated as a special urban renaissance district in December 2015, and developed as an urban redevelopment project, and it will be revitalized in a special year marking the 50th anniversary of opening of PARCO.

It will go beyond the traditional concept of commercial facility, and will become a building to appeal fun and values of exciting experience globally through new initiatives by up-and-coming designers and creators. We organize its sales floors for this purpose and we strongly believe it will open with a substantial impact.

Also, we focused on environmental consideration in building this facility as it was adopted as leading projects program for sustainable buildings by the Ministry of Land, Infrastructure, Transport and Tourism. Also, it was built based on ESG principles to make contribution to local community as PARCO through communicating various information and nurturing theater culture and fashion.



The chart on page 14 provides more details.

Its design including building, building concept and environment of common use area is very new and shows characteristics of PARCO.

Currently 193 shops are planned to open for 5 different elements.

First one is fashion, and this includes a shopping area organized and operated directly by us for incubation of next generation fashion designers and brands.

For Art and culture, we will open PARCO Museum Tokyo to showcase culture to the world and 9 shops with gallery function.

In Entertainment, PARCO Theater, a core of our cultural communication will reopen with one-and-a-half times more seats than the former theater. We will add other entertainment functions as well.

For Food, Chaos Kitchen will be opened in the basement with various types of restaurants and bars including a standing bar and restaurants for gibier or insect dishes, and they will be mixed with other shops on this floor such as a record shop, a festival goods shop, and general merchandise shops under the concept of music and culture.

For Technology, we will open an omnichannel shopping area produced by PARCO which combines physical shops with e-commerce function. 11 shops are planned to be open for this area.

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Now let me move on to page 15.

In this first half, PARCO stores business and entertainment business have been enhanced and we took some teaser measures in anticipation of new Shibuya PARCO.

Active introduction of shops that cater for diverse consumption contributing to increases in sales and customers

- Implemented anniversary plans primarily at core stores, including the 30th anniversaries of Nagoya PARCO and Chofu PARCO
- Pursued Scrap & Build policy. Opened Kinshicho PARCO in March and closed Utsunomiya PARCO in May
- H1 store visitors: Total of all stores - 9.2%, existing store group - 4.3%
- Total renovation area: Approx. 15,000m², renovation zone transaction volume of 7.5%
*Excluding effects of service-category shops not included in the transaction volume

30th Anniversary of Nagoya PARCO

Developed campaigns in partnership with local businesses and venues

- Held anniversary day events and developed collaborative goods with local sweet makers
- Sold 30th anniversary limited-edition goods at each shop and a special limited-edition menu on the restaurant floor

An anniversary day event



<H1 Achievements>

PARCO Tenant Transaction Volume by Store	Change	Existing stores totals	Change
Total	4.4%	Paying customers	6.4%
Existing store total	1.0%	Average spend per customer	(5.1%)

For stores business in this first half, we implemented anniversary events mainly at core stores including the 30th anniversary of Nagoya PARCO, and decided to increase customer turnout by renovation, and to create a situation with good merchandise turnover throughout the year.

As a result, the number of visitors grew 9.2% in all stores and 4.3% in existing stores in the first half, and this led to increased paying customers.

Renew store brands using inspiration from Shibuya PARCO and PARCO's 50th anniversary

- Implement leading-edge initiatives ahead of the opening of Shibuya PARCO and PARCO's 50th anniversary
 - Move ahead with CRM* strategy and shift to a customer-focused business model
 - Start new inbound tourism measures at Shibuya PARCO
 - Total renovation area of around 24,000m² planned for H2, resulting in approximately 39,000m² of renovations for the entire year
- * Customer relationship management



PARCO's 50th anniversary campaign ads



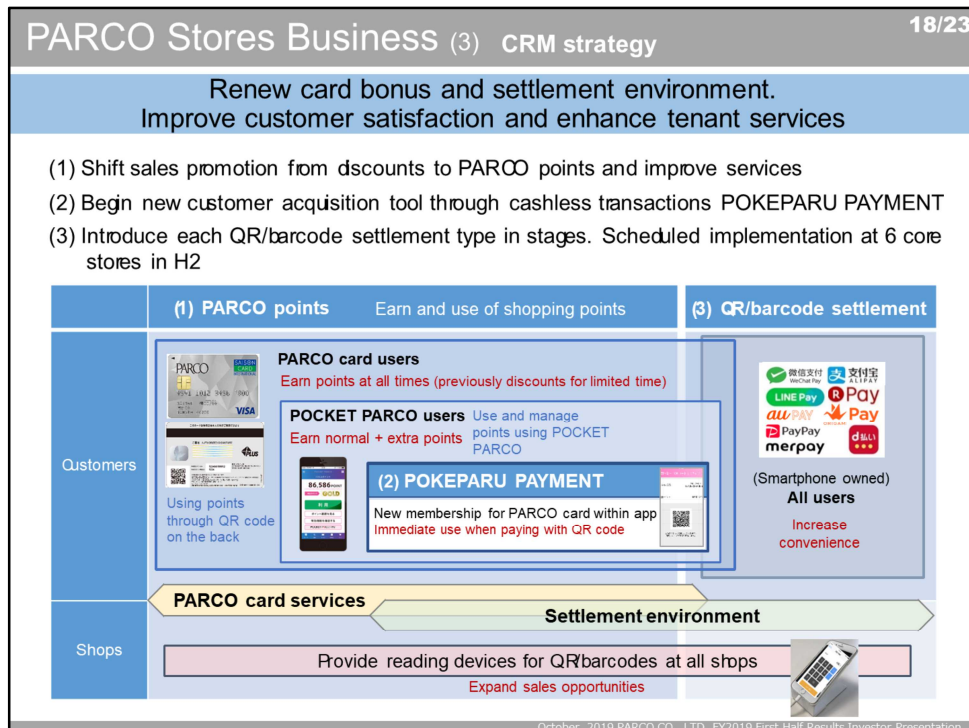
Teaser collection of the first batch of Shibuya PARCO launch ads

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In this 2nd half, in addition to the opening of new Shibuya PARCO, we will implement events to commemorate PARCO's 50th anniversary in all PARCO stores in November and December.

For the next 50 years, we will implement initiatives with an edge in each PARCO store to deliver things better than expectation to the market leveraging the opening of new Shibuya PARCO and the 50th anniversary. We consider it is a phase to renew the way to appeal the store brand of PARCO widely.

We also plan to implement large-scale renovations in this second half mainly in core stores such as Nagoya, Ikebukuro and Sapporo PARCOs to incorporate new elements and increase customer turnout, and total renovation area is 24,000m².



Another factor associated with the opening of new Shibuya PARCO is CRM strategy of stores business. We will execute following 3 major measures.

1st one is about PARCO card. So far it has employed a discount system for sales promotion, and now we plan to shift it to PARCO point. Customers will enjoy various experiences by using awarded shopping points at PARCO stores.

At the same time, we will prepare a system in which customers can be upgraded to a higher rank according to their amount of payment for more benefits.

2nd measure is to offer QR code payment method. This will immediately become available after the registration by new users if they sign up for PARCO card from our official application, Pocket PARCO.

3rd measure is for improving shopping convenience at PARCO stores. We will introduce a service for QR and barcode payment by various applications. It will be introduced to 6 core stores in a phased manner by the end of this fiscal year, and we plan to do the same to all stores in next fiscal year.

We implement these measures to offer payment methods to eliminate stress in payment for both customers and shop staff.

19/23

PARCO Entertainment Business

Entertainment Business (PARCO)
 Opening PARCO Theater and a number of other locations in Shibuya,
 planning to increase variety of original content

H1 Performance

- Revenue increased due to strong performance of theater business at external venues and full-scale operation of two movie theaters which opened in the previous fiscal year

H2 plans

- A new PARCO Theater with Approx. 15x number of seats
- 14 opening performances and opening series planned

Entertainment venues other than PARCO Theater in Shibuya PARCO	
QUATTRO LABO	Musical café & bar
WHITE CINE QUINTO	Mini movie theater
TOKYO PARADE goods & café	Collaboration café
GALLERY X	Gallery




Image
PARCO Theater



Image
WHITE CINE QUINTO



Shinosuke Rakugo
in PARCO 2020



ラヴ・レターズ
LOVE LETTERS



Pizarro



KOKI MITANI'S
SHOW GIRL



Mitani Bunraku :
Much Ado about Love Suicide

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Please turn to the next page, page 19.

Closely related to this stores business, PARCO's entertainment business increased its revenue in the 1st half even without the theater in Shibuya PARCO due to strong performance of theater business at external venues and movies.

Regarding PARCO theater, we announced a schedule of 14 opening performances which already received very good reactions on SNS.

Also, we built a mini movie theater, White Cine Quinto for showing high quality movies. Our plan is to show not only regular movies but also videos related to culture or from collections of fashion brands to satisfy people interested in culture.

The first one to be screened is already decided to be a documentary film of Yayoi Kusama.

New Shibuya PARCO will be opened with other entertainment venues, such as a music café and bar, Quattro Labo, produced by the live house, Club Quattro, a gallery, a collaboration café, etc. We are promoting a measure to offer cutting-edge experiences in the city for visitors including international tourists at Shibuya PARCO.

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PARCO Group Related Businesses

Lastly, PARCO group related businesses are explained briefly.

NEUVE A (Retail Business)

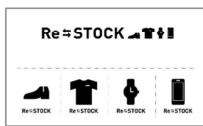
Decline in revenue and profit in H1. Plan to strengthen stores and reform profit structures

H1 achievements

- Despite contributions from 5 new stores, performance at existing stores continued to be sluggish due to the reduction in the number of shops, and other factors
- The core watch business struggled even with popular original merchandise. The cosmetics business was affected by the absence of the large-scale buying seen in the previous year



POKER FACE in SAN-A Urasoe West Coast PARCO CITY



New business type store, Re=STOCK, mainly focused on maintenance services

H2 plans

- Aiming for increase in profitability by strengthening sales capabilities and reviewing products
- Pursue omnichannel strategy by uniting e-commerce and real stores
E.g. the start of e-commerce of cosmetic business in September
- Planning opening of three shops in Shibuya PARCO and elsewhere which are expected to improve profit

Retail business that is operated by NUEVE A recognized declined revenue and profits.

PARCO Group Related Businesses (2) 22/23	
PARCO SPACE SYSTEMS / PARCO Digital Marketing / Overseas Business	
PARCO SPACE SYSTEMS (Space Engineering and Management)	
Decline in revenue and increase in profit in H1. Increase in construction orders expected in H2	
<div style="border: 1px solid black; padding: 5px;"> <p>H1 achievements</p> <ul style="list-style-type: none"> Revenue declined due to the absence of gains from large-scale projects in the same period of the previous fiscal year, profit increased due to the strong performance of highly profitable construction projects <p>H2 plan</p> <ul style="list-style-type: none"> Orders expected to increase due to the steady success of Shibuya PARCO related construction work </div>	
PARCO Digital Marketing (Other Business)	
Increase in revenue and decline in profit. Promote conversion to comprehensive digital services	
<div style="border: 1px solid black; padding: 5px;"> <p>H1 achievements</p> <ul style="list-style-type: none"> Revenue increased due to growth in external client projects in both Store Digital business and Web Consulting business <p>H2 plan</p> <ul style="list-style-type: none"> Grow external clients by providing a Web service for commercial facilities using PICTONA and a combined store digital service </div>	
PARCO Singapore (Shopping Complex Business)	
While the performance of the Japanese restaurant zone concept was solid, revenue and profit declined	
<div style="border: 1px solid black; padding: 5px;"> <p>H1 achievements</p> <ul style="list-style-type: none"> Decline in revenue and profit due to the absence of commercial facility design consulting fees received in the same period of the previous fiscal year <p>H2 plan</p> <ul style="list-style-type: none"> Increase floor space facility due to the continued strong performance of the Japanese restaurant zone concept in Singapore </div>	

October, 2019 PARCO CO., LTD. FY2019 First Half Results Investor Presentation

Parco Space Systems for space engineering and management business recorded declined revenue, but its segment profit increased thanks to strong performance of construction work division with high profit margin.

In Other business, Parco Digital Marketing decreased profit because of increased costs for business enhancement.

This concludes my presentation.



Statements in this presentation that are not historical fact, such as forecasts, are forward-looking statements, based on information available as of October 4, 2019, and are subject to a number of risks and uncertainties. Actual results may be materially different.

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