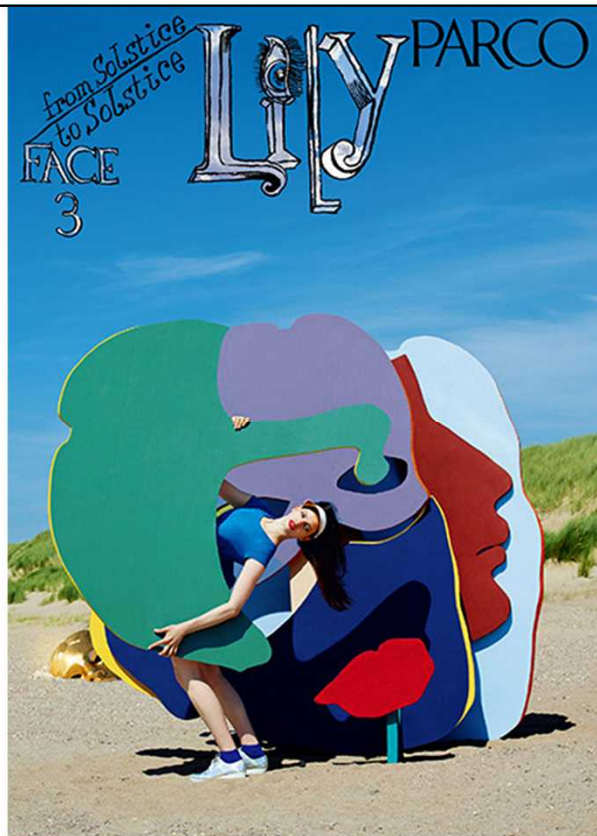


PARCO CO., LTD.
FY2014 Financial Highlights
(March 1, 2014 –
February 28, 2015)
TSE 1st Section 8251



- I Overview of FY2014 results and FY2015 forecasts
- II Progress on Medium-term Business Plan (FY2014-16)
- III Topics
 - 1. PARCO Stores Business
 - 2. Related Businesses
 - 3. CSR initiatives

I'll give you financial highlights of PARCO.

I Overview of FY2014 results and FY2015 forecasts

II Progress on Medium-term Business Plan
(FY2014-16)

III Topics

1. PARCO Stores Business
2. Related Businesses
3. CSR initiatives

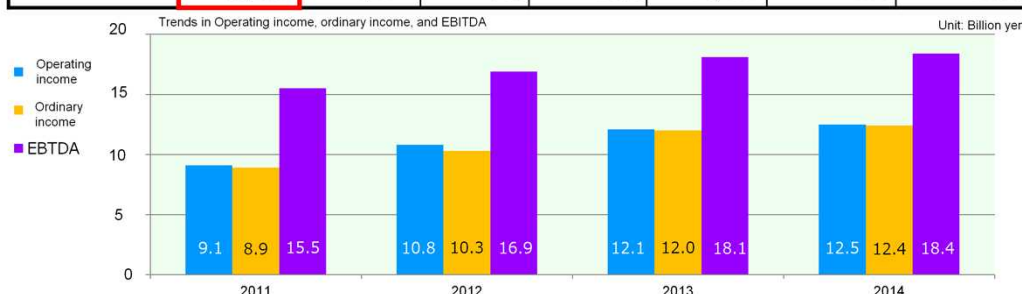
1. FY2014 Results (1)

4/31

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

Consolidated Results Unit: Million yen

Consolidated	FY2014	FY2013	Change ¥	Change %	Forecasts	Difference from forecast ¥	Difference from forecast %
Net sales	269,889	264,384	5,505	2.1%	272,000	(2,110)	(0.8%)
Operating income	12,508	12,196	311	2.6%	12,300	208	1.7%
Ordinary income	12,499	12,013	485	4.0%	12,150	349	2.9%
Net income ¹	6,294	6,778	(483)	(7.1%)	6,800	(505)	(7.4%)
EBITDA ²	18,402	18,052	349	1.9%	18,172	230	1.3%



¹Decline in net income and differences from forecasts are primarily due to impairment loss at Chiba PARCO

²EBITDA in this table refers to operating income plus depreciation and amortization

April 7, 2015 PARCO CO., LTD. FY2014 Results Investor Presentation

As for consolidated results for fiscal year 2014, both operating income and ordinary income reached record highs for third consecutive fiscal year. Net sales were up 2.1%, or 5 billion 505 million yen year on year to 269 billion 889 million yen.

Operating income was up 2.6%, or 311 million yen year on year to 12 billion 508 million yen, which was record-high and was 208 million yen higher than forecast despite acquisition tax and increase in expenses at the time of opening of Fukuoka Parco New Building.

Partly due to a drop in interest expenses in non-operating expenses, ordinary income was 12 billion 499 million yen, exceeding forecast.

As extraordinary loss, impairment loss at Chiba PARCO was recognized. As a result, net income was down 7.1%, or 483 million yen to 6 billion 294 million yen.

EBITDA was up 1.9%, or 349 million yen year on year to 18 billion 402 million yen.

1. FY2014 Results (2)

5/31

Consolidated Results

Unit: Million yen

	FY2014	FY2013	Change ¥	Change %
Total assets	226,830	220,757	6,073	2.8%
Net assets	113,211	108,823	4,387	2.7%
Interest-bearing debt	45,229	50,424	(5,194)	(10.3%)
Equity ratio	49.9%	49.3%	0.6%	
Market price-based equity ratio	46.4%	40.5%		
Debt service coverage ratio: years	3.0	5.1		
Interest coverage ratio: times	33.5	19.8		

April 7, 2015 PARCO CO., LTD. FY2014 Results Investor Presentation

Total assets increased by 6 billion 73 million yen from the end of fiscal year 2013 to 226 billion 830 million yen. That was due to an increase in tangible fixed assets such as Fukuoka PARCO New Building and an impact of bank holiday at the end of February.

Interest-bearing debt was down 5 billion 194 million yen. Equity ratio was 49.9%.

1. FY2014 Results (3)

6/31

Sales and profits grew in Retail Business, Space Engineering and Management Business, and Other Business.

Consolidated results by segment

Unit: Million yen

		FY2014	FY2013	Change ¥	Change %
Shopping Complex Business	Net Sales	243,783	241,680	2,102	0.9%
	Segment income	11,317	11,437	(119)	(1.0%)
Retail Business	Net Sales	19,802	18,344	1,457	7.9%
	Segment income	647	565	82	14.6%
Space Engineering and Management Business	Net Sales	18,983	17,643	1,340	7.6%
	Segment income	328	255	73	28.9%
Other Business	Net Sales	6,891	5,624	1,267	22.5%
	Segment income	256	(20)	277	—
Consolidated	Net sales	274,212	268,292	5,919	2.2%
	Segment income	12,508	12,196	311	2.6%

Figures for net sales by segment include operating revenue.

Segment income is adjusted to operating income in the consolidated statements of 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 7, 2015 PARCO CO., LTD. FY2014 Results Investor Presentation

Consolidated results by segment are shown on the next page. As I'll give you details by company later, net sales of PARCO increased on non-consolidated basis.

Both sales and income of Retail business, Space engineering and management business and other business increased. Other business includes entertainment business and PARCO CITY Co., ltd.

1. FY2014 Results (4)

7/31

Selling, general and administrative expenses

Unit: Million yen

Consolidated	FY2014	FY2013	Change ¥	Change %
Personnel	10,045	9,769	276	2.8%
Lease/rental	8,509	8,261	247	3.0%
Advertising	3,265	3,248	17	0.5%
Agency services	5,407	5,345	62	1.2%
Depreciation	5,894	5,856	38	0.7%
Total SG&A	32,760	31,580	1,180	3.7%

Capital expenditure

Consolidated	FY2014	FY2013	Change ¥	Change %
Capex	10,532	36,330	(25,798)	(71.0%)

* The ¥36.3 billion capital expenditure in 2013 was primarily due to financing for the acquisition of physical fixed assets, including trust beneficiary rights in Fukuoka.

April 7, 2015 PARCO CO., LTD. FY2014 Results Investor Presentation

Selling, general and administrative expenses are shown on Page 7. Total SG&A was up 3.7%, or 1 billion 180 million yen due to expenses related to opening of Fukuoka PARCO New Building, an increase in lease and rental expenses of ZERO GATE, and an increase in personnel and lease and rental expenses because of new store openings of NEUVE A.

Breakdown is as shown here.

Capex was down 25.8 billion yen year on year to 10.5 billion yen.

Operating income and ordinary income exceeded forecasts.

Non-consolidated results

Unit: Million yen

Non-consolidated	FY2014	FY2013	Change ¥	Change %	Forecasts	Difference from forecast ¥	Difference from forecast %
Net sales	245,646	242,653	2,992	1.2%	248,400	(2,753)	(1.1%)
Operating income	11,747	11,823	(75)	(0.6%)	11,500	247	2.1%
Ordinary income	11,718	11,725	(6)	(0.1%)	11,350	368	3.3%
Net income ¹	5,994	6,772	(777)	(11.5%)	6,550	(555)	(8.5%)
EBITDA ²	17,216	17,258	(42)	(0.2%)	-	-	-

Non-consolidated	FY2014	FY2013	Change ¥	Change %
Total assets	222,876	218,915	3,960	1.8%
Net assets	113,696	109,554	4,141	3.8%
Interest-bearing debt	48,795	53,275	(4,480)	(8.4%)
Equity ratio	51.0%	50.0%	1.0%	

¹Decline in net income and differences from forecasts are primarily due to impairment loss at Chiba PARCO.

²EBITDA in this table refers to operating income plus depreciation and amortization.

Will pay FY2014 term end dividend per share of ¥9. Annual dividend per share of ¥18.

April 7, 2015 PARCO CO., LTD. FY2014 Results Investor Presentation

I'll explain non-consolidated results.

Net sales were up 1.2%, or 2 billion 992 million yen year on year to 245 billion 646 million yen due to an increase in existing store sales of PARCO and an increase in sales of entertainment business.

As for operating income, although income increased due to an increase in operating revenue caused by new opening of Nagoya ZERO GATE and strong performance of entertainment business, SG&A increased due to acquisition tax and incurrence of expenses at the time of opening of Fukuoka PARCO New Building. As a result, operating income was slightly down 0.6%, or 75 million yen to 11 billion 747 million yen. However, both operating income and ordinary income exceeded forecast.

As extraordinary loss, impairment loss at Chiba PARCO was recognized. As a result, net income was down 11.5%, or 777 million yen to 5 billion 994 million yen as impairment loss of Chiba PARCO was significant.

As a result, year-end dividend per share was decided to be 9 yen. Annual dividend per share is 18 yen in line with the original forecast.

1. FY2014 Results (6)

9/31

Sales were driven by Urban Stores as a result of inbound demand and synergies from the opening of the Fukuoka PARCO New Building

FY2014 Tenant sales by store

Unit: Million yen

Store		Net sales	Change	Store		Net sales	Change
Urban Store Group	Sapporo PARCO	11,891	4.1%	Community Store Group	Utsunomiya PARCO	4,478	(6.1%)
	Sendai PARCO	13,135	(1.3%)		Urawa PARCO	17,441	3.0%
	Ikebukuro PARCO	28,256	(0.5%)		Shin-Tokorozawa	9,051	1.9%
	Shibuya PARCO	14,666	8.9%		Chiba PARCO	5,718	(10.4%)
	Shizuoka PARCO	10,096	(2.0%)		Tsudanuma PARCO	8,811	(3.4%)
	Nagoya PARCO	35,215	(1.1%)		Hibarigaoka PARCO	7,460	(1.5%)
	Hiroshima PARCO	16,989	(1.6%)		Kichijoji PARCO	7,274	(4.0%)
	Fukuoka PARCO*	13,202	9.5%		Chofu PARCO	16,915	(1.0%)
	8 store total	143,454	1.1%		Matsumoto PARCO	7,477	(0.7%)
Existing store total*	237,532	0.1%	Otsu PARCO		4,276	(4.9%)	
Fukuoka PARCO New Building	1,624	-	Kumamoto PARCO		5,173	(0.2%)	
Total for all stores	239,157	0.7%	11 store total	94,078	(1.5%)		

*Fukuoka PARCO and Existing store total sales figures do not include sales at Fukuoka PARCO New Building (opened November 13, 2014).
Inbound refers to overseas visitors to Japan.

April 7, 2015 PARCO CO., LTD. FY2014 Results Investor Presentation

Total sales for all stores were up 0.7% year on year to 239 billion 157 million yen.

Shibuya PARCO(+8.9%) and Sapporo PARCO(+4.1%) attracting inbound demand and Fukuoka PARCO(+9.5%) which enjoyed synergies from opening of the New Building were major growth drivers for sales.

1. FY2014 Results (7)

10/31

Personal items were steady, driven by sales of bags which are popular with overseas customers. Sundry good and restaurants strengthened response to lifestyle changes and performed strongly.

FY2014 Sales by item, customers, average spend per customer

Category and item	Total of existing stores	Category and item	Total of existing stores
Womenswear	(5.4%)	Culture-related	2.0%
Menswear	(7.5%)	Hobby and living-related	0.1%
General clothing	3.0%	Sundry goods	0.8%
Clothing	(2.9%)	Foods	(1.8%)
Shoes	(1.2%)	Restaurants	9.1%
Bags	20.2%	Other (service, etc.)	5.8%
Accessories	(2.2%)		Existing stores
Cosmetics	3.2%		YoY change %
Personal items	3.4%	Paying customers	(0.6%)
		Average spend per customer	1.2%

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.

April 7, 2015 PARCO CO., LTD. FY2014 Results Investor Presentation

As for characteristics by item, personal items were steady, driven by sales of bags which are popular with overseas customers. Besides, sundry goods and restaurants strengthened response to lifestyle changes and performed strongly.

With PARCO's focus on proposals of lifestyle, consumption of goods and experiential consumption is increasing. As a result, average spend per customer was up 1.2%.

1. FY2015 Forecasts

11/31

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

Unit: Million yen

Consolidated	FY2015 forecasts (year to Feb. 2016)	FY2014 results (year to Feb. 2015)	Change ¥	Change %
Net sales	285,600	269,889	15,710	5.8%
Operating income	12,800	12,508	291	2.3%
Ordinary income	12,500	12,499	0	0.0%
Net income	6,900	6,294	605	9.6%

Non-consolidated	FY2015 forecasts	FY2014 results	Change ¥	Change %
Net sales	259,700	245,646	14,053	5.7%
Operating income	11,800	11,747	52	0.4%
Ordinary income	11,600	11,718	(118)	(1.0%)
Net income	6,600	5,994	605	10.1%

Consolidated	FY2015 forecasts	FY2014 results	Change ¥	Change %
Capital expenditure	20,573	10,532	10,041	95.3%

Planning to increase dividend by ¥2, with interim dividend per share of ¥10 and annual dividend per share of ¥20.

April 7, 2015 PARCO CO., LTD. FY2014 Results Investor Presentation

In fiscal year 2015, the second year of medium-term business plan(2014FY-2016FY), we'll make use of Fukuoka PARCO New Building and success of Nagoya ZERO GATE achieved in fiscal year 2014 and prepare for more businesses. By revitalizing shopping center business and expanding other related businesses, we'll increase both sales and income and aim at renewing record high income.

We are planning to increase dividend per share by 2 yen, with interim dividend per share of 10 yen and annual dividend per share of 20 yen.

- I Overview of FY2014 results and FY2015 forecasts
- II Progress on Medium-term Business Plan (FY2014-16)
- III Topics
 - 1. PARCO Stores Business
 - 2. Related Businesses
 - 3. CSR initiatives

I will discuss progress on medium-term business plan.

**Endeavoring to realize long-term vision
by advancing three strategies.**

PARCO Group 2020 Long-term Vision

Achieve goal of being [*A business group that prospers in urban markets*]

*[Designers of unique offerings for 24/7 urban life]
[Creative drivers of urban evolution]*

Three Business strategies

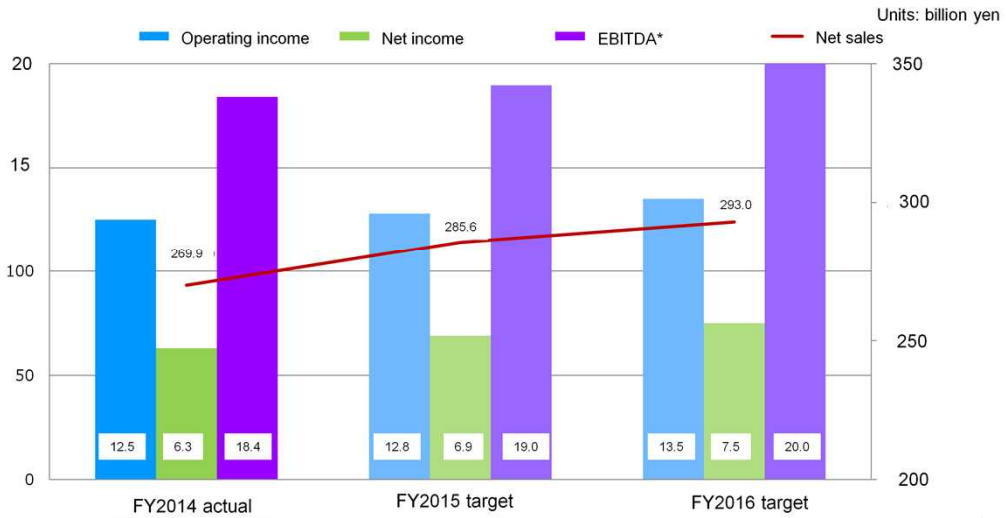
5 tactics



* ICT : Information and Communication Technology

Our long term vision is to be a business group that prospers in urban markets. And our biggest goal is to create urban life for 24 hours. To realize the long term vision, we set three business strategies and 5 tactics as you see here.

The Medium-term Business Plan is progressing steadily towards its final year.



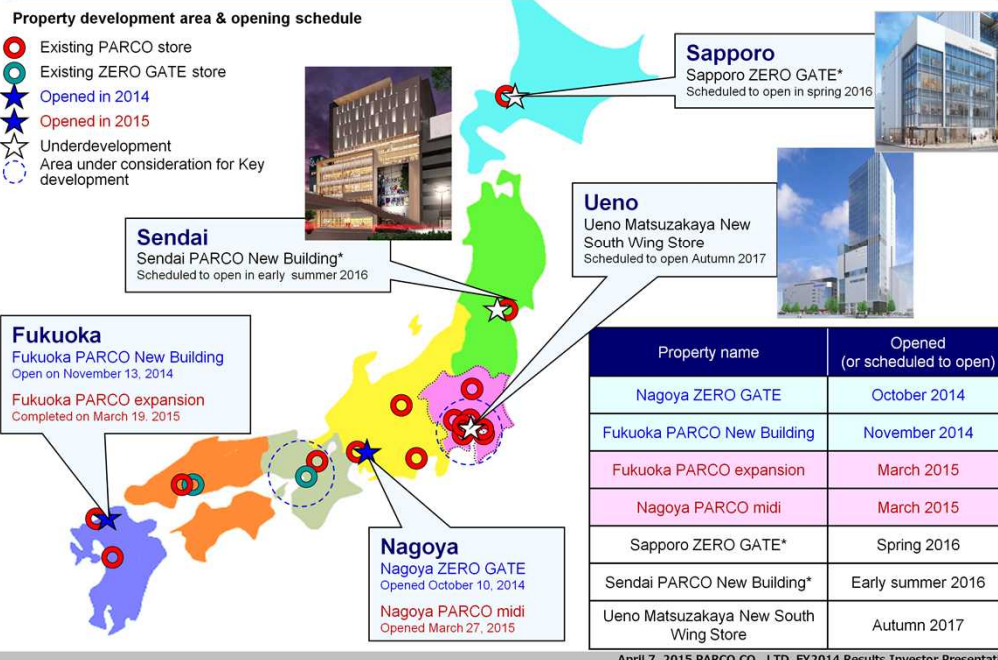
Capital expenditure in FY2014 was approximately ¥10.5 billion.
Planned Capital expenditure for FY2015 is ¥20.6 billion.

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

Based on the vision, we made medium-term business plan as shown in the graph. Fiscal year 2014 actual and fiscal year 2015 target are also shown. Fiscal year 2016 targets are net sales of 293 billion yen, operating income of 13.5 billion yen, net income of 7.5 billion yen and EBITDA of 20 billion yen. We are progressing steadily towards the targets.

II Progress on Medium-term Business Plan (FY2014 - FY2016) (3) 15/31

Pursued development focused on areas around key urban stores and in cities where PARCO does not yet have a presence.



On Page 15, you see a map of Japan showing progress of major development projects. Plans indicated in medium-term business plan are steadily progressing on schedule. As I explain later, 2 properties already opened in fiscal year 2015.

As for ZERO GATE, we decided to open a new property as ZERO GATE next to Sapporo PARCO in fiscal year 2016.

In medium-term business plan, we also have a plan to utilize asset owned by J Front Retailing and open a store in Ueno Matsuzakaya New South Wing Store in the autumn of fiscal year 2017. We are currently planning contents.

II Progress on Medium-term Business Plan (FY2014 - FY2016) (4) 16/31

Fukuoka area (1) FY2014 achievements

Further evolution of Fukuoka PARCO as a “pleasant and appealing store in Tenjin.” Synergies created by the opening of the New Building led to strong performance.

Fukuoka PARCO New Building opened on November 13 with 45 shops, including 8 making their Japan debut.

- Shop composition that presents scenes of experiential consumption by positioning cafes on every floor, and other initiatives.
- Offer options for communication using ICT.

Conducted renewal of approx. 1,600m² of floor space in Fukuoka PARCO Main Building.

- Maximized synergies with the New Building in terms of increasing customer traffic and customer browsing time.
- Enhanced “Great shopping experience for couples”- and “Incubation”, which are strengths in Tenjin market.

Overview	Fukuoka PARCO New Building
Structure	6 above-ground floors 3 below-ground floors
Floor area	Approx. 14,000m ²

Annual sales target: ¥5 billion
Annual visitor target: 6 million

Unit: Million yen

FY2014 tenant sales	Sales	YoY Change
Fukuoka PARCO Main Building	13,202	9.5%
Fukuoka PARCO total	14,827	22.9%

Fukuoka PARCO Main Building (left) and Fukuoka PARCO New Building (right)



In fiscal year 2014, in Fukuoka area, Fukuoka PARCO New Building proposing new lifestyle opened in November. Due to the synergy effect, tenant sales of Fukuoka PARCO as a total were up 22.9% year on year. Both the Main Building and the New Building showed strong performance.

In the New Building, we reinforced shop composition that presents scenes of experiential consumption. We want customers to spend a relaxing time. The New Building has the latest shop composition based on the concept. Also in consideration of customers from overseas, we built environments for free-wifi in the entire buildings. Besides, we offer options for new communication with customers using ICT including offering of information contents through large-sized monitors.

At the same time as opening of the New Building, we implemented large-scale renovation of the Main Building to maximize synergies with the New Building in terms of increasing customer traffic and customer browsing time in fiscal year 2014.

Fukuoka area (2) FY2015

**Evolution of Fukuoka PARCO into a top-level center for shopping in Tenjin.
Build a new foundation as a key PARCO store.**

Fukuoka PARCO Main Building floor expansion opened on March 19 with 27 shops, including 4 making their Japan debut.

- Expanded experiential consumption that brings enjoyment of life, stimulation, and new discoveries.
- Improved access and customer traffic via PARCO.

Also renovated 1,500m² of floor space in existing section of Main Building.

- Aim to create synergies by renovating the exiting section simultaneously with opening of floor expansion.
- Introduced topical shops under the themes of "Inbound" and "Mature, High quality."

Overview	Floor expansion section
Building scale	Basement floor 1, above-ground floors 4 - 7
Leased floor area	Approx 4,200m ²
Expanded area: Annual sales target: ¥3 billion Annual visitor target: 3 million	
Fukuoka PARCO overall (including New Building): Annual sales target: ¥23 billion Annual visitor target: 23 million	

Fukuoka PARCO Main Building floor expansion (left)

And in March in fiscal year 2015, we increased floor space of the Main Building. Seen from the outside, the two buildings look like one building. With this expansion, Fukuoka PARCO became the largest shopping center in Tenjin area. As a result, we fulfilled proposals of urban lifestyle that was impossible with the previous scale. New foundation as a key store for PARCO business was established.

In the basement, under the theme of restaurants, 24 shops in newly added space, the Main Building and the New Buildings are connected. Therefore, in fiscal year 2015, for Fukuoka PARCO as a whole, we aim at sales of 23 billion yen and 23 million visitors.

Nagoya area (1) FY2014 achievements

With the opening of Nagoya Zero PARCO is making a stroll through the town a greater pleasure, as part of our strategy for area development.

Opened Nagoya Zero Gate (October 10, 2014).

- Largest Zero Gate
- Evolution to curated-style business category

Completed renovation of 88 shops, approx. 5,400m² of floor space at existing Nagoya PARCO in timing with ZERO GATE opening.

- Reorganize the 1st basement floor that connects the West and East Buildings and runs between Otsu-dori Street and Yaba-cho Station subway station. Focus on sundry goods and restaurants.
- Realigned tenant composition with target of “mature female consumers who retain youthful sensibilities.”



Overview	Nagoya ZERO GATE
Building scale	3 above-ground floors
Total floor area	7,500m ²



Nagoya Zero Gate

I'll move on to Nagoya area. In fiscal year 2014, we opened Nagoya Zero Gate in Nagoya area. There were two purposes. Firstly, I think we were able to revitalize Otsu-dori street Matsuzakaya faces as J Front Retailing group. After the opening, we see a situation where shared parking lots in this neighborhood are fully occupied.

Secondly, Nagoya ZERO GATE is the largest Zero Gate. Every Zero Gate which opened in the past consists of one shop and personnel expenses are very small. However, Nagoya ZERO GATE opened with 5 shops and is an advanced format as Zero Gate. With the addition of Zero Gate, we also renovated Nagoya PARCO West Building and East Building. We reorganized the first basement floor that connects the West and East Buildings and runs between Otsu-dori street and Yaba-cho station, focusing on sundry goods and restaurants.

Nagoya area (1) FY2015

Through the opening of PARCO midi adjacent to Nagoya PARCO West Building, PARCO is further developing the face of the Sakae area.

Opened PARCO midi (March 27, 2015).

- Comprising fashion-attuned stores and popular restaurants

Conducted renovation of approx. 3,400m² of floor space at existing PARCO store in timing with midi opening.

- Revise themes to "Mature, high-quality" and "great shopping experience for men and women," linking with the themes of PARCO midi restaurants



Overview	Nagoya PARCO midi
Building scale	3 above-ground floors
Total floor area	Approx. 1,180m ²

Very recently, on March 27th, we opened Nagoya PARCO midi. As you see on this small map, PARCO midi was built along the intermediate street between the West and East Buildings. To revitalize also the intermediate street, we opened 4 shops which have ability to attract customers.

- I Overview of FY2014 results and FY2015 forecasts
- II Progress on Medium-term Business Plan (FY2014-16)
- III Topics
 - 1. PARCO Stores Business
 - 2. Related Businesses
 - 3. CSR initiatives

I'll briefly touch upon topics for fiscal year 2014 onwards.

Overview of renovations

Expanding to other stores the unique renovation techniques that helped Ikebukuro and Fukuoka PARCO to successfully respond to consumer lifestyle changes and expand our target to include a mature, discerning generation of customers.

FY2014 achievements

Area renovated	Approx. 46,000m ² (11.0% more than projected; sales in renovated zones grew 18.6% YoY)
Urban Stores Group: Sales growth in renovated areas +21.5%. Community Stores Group: Sales growth in renovated areas +12.2%.	

FY2015 plans

Area scheduled for renovation	Approx. 48,000m ² scheduled for renovation (5.4% more than previous year)
<ul style="list-style-type: none"> • Continue to launch tenant incubation initiatives and new methods of tenant composition to respond to changing and diversifying consumer needs. • Pursue renovations that respond to inbound demand. • Enhance new areas such as anime targeting the digital native generation. 	
Urban Store Group Pursue focus on mature customer segment. Continue to offer options for urban lifestyles.	Community Store Group As a community-based shopping center, diversify and promote synergy to reach deeper segments of the market.

I'll explain strategy for renovations. In fiscal year 2014, we renovated approximately 46 thousand square meters of area. The total space will have been renewed in about 5 years' time.

In fiscal year 2014, sales in renovated zones grew 18.6% year on year. That was the effect of renovations. We will continue to renovate, going forward. As shown in the two cases (the Urban Store Group and the Community Store Group), there are themes of renovations. By attracting new customers and proposing new zones, PARCO become the talk of the town and sales will grow. So, the point is to renovate zones or floors based on respective theme.

**Grew sales of Japanese designer tenants, animation and culture tenants.
 Boosted sales with unique targeted PARCO initiatives.**

Inbound reference	Shibuya PARCO	Sapporo PARCO	Ikebukuro PARCO	Fukuoka PARCO
Overseas customer sales (YoY change)*	52.2%	100.4%	56.1%	67.0%
Overseas customer share of net sales	7.6%	3.9%	1.2%	0.6%

* YoY comparisons of sales to overseas customer is based on transactions using foreign-issued credit cards. It does not include cash sales.

Exclusive PARCO information

We broadcast targeted, country-specific information using unique PARCO channels via SNS, bloggers and other influencers.

Inbound-focused tenants

We target inbound demand by linking with tenants to develop products, business domains and brands that tap into the needs of repeat shoppers and individuals visiting Japan.

PARCO Card sales progressing strongly. Expand further by making use of website and apps.

PARCO Card sales amount (YoY change)	¥56.4 billion (+7.6%)
PARCO Card share of net sales (YOY change)	20.3% (+1.2%)
Number of PARCO Card members at end February 2015 (YoY)	1,754,000 (+6.8%)
Number of Class S members (YoY change)	+10.1%

*SNS : Social Networking Service

April 7, 2015 PARCO CO., LTD. FY2014 Results Investor Presentation

I'll explain customer service including inbound strategy. In fiscal year 2014, overseas customer sales increased by more than 50% at Shibuya PARCO, Sapporo PARCO, Ikebukuro PARCO and Fukuoka PARCO.

In light of from which countries they come to Japan, what kinds of information they have and what they expect from PARCO, we would like to make sure to give information of PARCO to overseas customers before they come.

We plan to use bloggers, so-called influencers in each country to disseminate information. And we hope people coming to PARCO after checking bloggers' information will spread their impressions about PARCO via SNS.

And then, based on their needs, we will develop business formats and brands by focusing on tenant introduction and merchandising in an accelerated manner.

As for PARCO card, PARCO card share of net sales exceeded 20%.

As I discuss later, we started a web-based service of Pocket PARCO in our initiatives related to ICT last year. When those who download Pocket PARCO become a card member, they tend to buy relatively a lot. That is something we identified. By making use of website and apps, we intend to increase the number of cardholders.

In FY2014 constructed the base of a web platform* that connects with physical stores. In FY2015 begin full-scale operation of services using ICT.

Online reservation and ordering function "Kaeru PARCO"

- Online reservations and orders of PARCO Store stock
- Added as a feature on PARCO shop blogs
- Recorded as physical tenant sale

FY2014

Launched the service in May, expanded service to eight Urban Group stores in November.

FY2015

Expand to all PARCO stores. Aim for participation by more than 100 shops.

- Increase orders from areas where PARCO does not have a presence
- Increase sales outside store hours

Official PARCO smartphone app "POCKET PARCO"

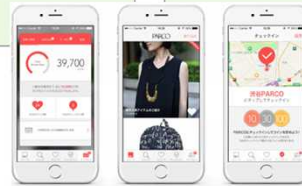
- Browse products recommended by tenant shop staff throughout PARCO stores nationwide and buy or reserve them by linking with Kaeru PARCO
- Links with credit card registered with PARCO member information
- Check in at a store or make a purchase to receive virtual coins

FY2014

Released in line with Fukuoka PARCO New Building in October

FY2015

In March expanded features such as acquisition of virtual coins to all stores



POCKET PARCO

- Increase PARCO fans by offering a more personal service 24 hours a day
- Promote sales by issuing coupons depending on amount of coins collected

*An online environment that allows connections between various web services

April 7, 2015 PARCO CO., LTD. FY2014 Results Investor Presentation

Let me move on to one more ICT strategy. This strategy is made possible by creating a situation where tenants can upload various information on PARCO's web blog. To make the process of direct purchase smooth for those checking the web blog, we introduced "Kaeru PARCO".

We wanted to give tenants as much time as possible for serving customers and create a situation in which tenants can serve customers even after business hours and customers can buy products. That is the biggest reason why we introduced "kaeru PARCO".

After that, at the time of opening of Fukuoka PARCO New Building, we launched official PARCO smartphone app called "POCKET PARCO". To add some fun and game elements to the app, we decided to give virtual coins to customers when they make a purchase. We also offer benefits unique to PARCO. So we want to evolve this as a system for tenant service to support sales in an integrated manner.

The target for this fiscal year is to expand "Kaeru PARCO" to more than 100 shops. To invite shops to participate, we will show cases of success which indicate "Kaeru PARCO" is quite convenient. We will make this initiative a major pillar of ICT strategy.

Sales and profits grew in FY2014 due to successful aggressive shop openings and inbound demand. In FY2015, further expand locations and promote new business categories.

FY2014 topics

Share of stores outside PARCO	68.1%
Share of stores inside PARCO	31.9%

Business name (item)	No. of stores
TICTAC (watches)	90
EYEWEAR (eyeglasses)	27
ROSEMARY (cosmetics, sundry goods)	23
COLLECTORS (men's sundry goods)	36
Other new business categories	6

Opened 18 shops.

182-shop network as of end of February

- Pursued launch of new business categories (new select shops combining 3 main business categories; speciality store for handmade, additive-free soaps; and others)
- Duty-free sales grew 110.3% YoY, representing a 1.4% share of overall sales (primarily at TiCTAC).

FY2015 plans

Pursue aggressive shop openings.

22 shops planned.

- As in FY2014, continue to focus on new business categories. Plan to open two shops specializing in stationery, a new category.
- Surpass ¥10 billion in sales at TicTAC



POKER FACE TOKYO TRADITION at Coredo Muromachi 3

Let me move on to related businesses. NEUVE A in retail business established 182-shop network in fiscal year 2014. New select shops combining existing brands were opened. A new speciality store for additive-free soaps was also developed.

In fiscal year 2015, we plan to cover the entire nation mainly with TiCTAC business and open speciality stores in new business categories by taking essence from what we have. In this way, we intend to continue to focus on new business categories.

Sales and profits grew in FY2014 due to new orders from large-scale commercial facilities. In FY2015 pursue multiple construction orders from large-scale commercial complex and external PM contracts.



Contracted for environment design, interior supervision, lighting-related work, and tenant interior construction at AMU Plaza Kagoshima Premium

FY2014 topics

- Leveraged strengths of multi-function framework to provide comprehensive support to clients, and received orders for planning and design through to construction.
- Began first PM project at Nagoya ZERO Gate.
- Received BM project order from new client.
- Received housekeeping contract from new client in the hotel business.

FY 2015 plans

- Receive construction contracts from multiple tenants of new large-scale commercial complex.
- Develop structure to win external PM contracts by strengthening group cooperation.

*PM: Property management
BM: Building management

I'll explain PARCO SPACE SYSTEMS in space engineering and management business.

As we are receiving Building management project orders and others of large-scale commercial facilities steadily, by utilizing them, we will receive more orders of large-scale commercial complex. As we established a structure not only for BM but also for of Property management, we will receive contracts also of Property management.

**Develop new services in e-commerce and market internally and externally.
In FY2015 develop more new shopping center and retail-store clients.**

FY2014 topics

- Launched an online shopping service that links to tenant shop blogs and allows users to purchase from stock at tenant shops in large-scale commercial facilities.
- Developed a service tool that analyzes the movement of customers in a shopping complex, and conducted analysis at Nagoya PARCO.



Comprehensive redesign of fashion recruitment site Shopsnavi, managed by PARCO CITY

FY2015 plans

- Expand sales of online commercial facility sales support system for external shopping centers and specialty stores
- Aggressively promote fashion recruitment site Shopsnavi and hiring management system externally

I'll discuss PARCO CITY.

Fortunately, PARCO CITY achieved positive profit in fiscal year 2014. We will increase the number of new shopping center and retail-store clients and teach them how to make web sites. At the same time, we will provide methods for using web sites for employee services and expand sales of the system.

Entertainment Business 1

Expand quality content created using PARCO expertise to external venues. PARCO productions and publications were critically acclaimed and won theatre award for excellence and the Tokyo Governor’s Prize, respectively.

FY2014 topics

- Zepp Blue Theatre Roppongi opened in January 2015
(Operated jointly by eight live entertainment companies, including PARCO)
- Opened new business category, music, café & bar QUATTRO LABO in Kichijoji in November
- “Manju Kowai”, a PARCO production, won the Yomiuri Theatre Prize for Excellence
- A book published by PARCO Publishing, was awarded the Tokyo Governor’s prize in the Japan Federation of Printing Industries Book Design & Binding Contest.

FY2014 main theatre performances

Manju Kowai (writer: Kankuro Kudo)	PARCO Theatre
SINGIN' IN THE RAIN (by invitation from the UK)	TOKYU THEATRE Orb
The Authoresses (writer, producer: Koki Mitani)	PARCO Theatre

FY2015 main planned theatre performances

Maku-ga Agaru play (investment in film version)	Zepp Blue Theatre Roppongi
burst! - Kiken na futari - (Koki Mitani / Tsuyoshi Kusanagi / Shingo Katori)	PARCO Theatre
Mary Stewart (starring Miki Nakatai)	PARCO Theatre



I’ll explain entertainment business which is a part of PARCO business.

In fiscal year 2014, performances at theatres and clubs became a hit one after another, leading to increase both in sales and income. Also in fiscal year 2015, as strong lineup was already fixed, I think we can generate earnings steadily as we did in the last fiscal year.

**Character collaboration cafes, produced as content development, remain popular and contribute to raising the appeal of physical stores.
Continue to expand collaboration cafes in FY2015.**

Popular character motif

Fun spaces with original menus produced by PARCO

- The first six collaboration cafes launched in Shibuya PARCO in March 2014 and all proved to be hits with total sales of ¥500 million and 200,000 customers. Some cafes expanded to Nagoya.
- Merchandise that can only be purchased at shops attached to the cafes and photo spots for souvenir photos were also very popular.
- Achieved synergies between FUNAcafe and PARCO publishing
(Creation of real-life café from picture book "Funashi no ohanashi," published in February 2014)



Examples of original menu items at each cafe

April 7, 2015 PARCO CO., LTD. FY2014 Results Investor Presentation

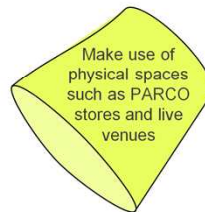
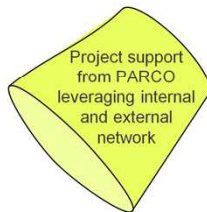
Besides, in fiscal year 2014, entertainment department worked on content development. Entertainment business of PARCO produced Character collaboration cafes with contents holders of characters and companies which have decent ability to create menus for restaurants. 6 cafes were launched in Shibuya and 2 in Nagoya. We were able to achieve very good results in Shibuya with total sales of 500 million yen and 200 thousand customers.

As we established know-how for collaboration cafes, we intend to evolve this initiative.

Launch new service to discover and support creative talent.

Started “BOOSTER,” a crowd-funding service in December 2014

- An initiative to send out into the world innovative efforts created together with ordinary individuals.
- All seven projects selected in this round achieved their funding goals



Project examples



Type	Publishing
Outline	Theseus Chan / Art magazine publishing project (target funding JPY2 million)
Project content	Magazine produced by Theseus Chan, famous and treasured Singaporean and Asian designer known for collaboration with Comme des Garçons and Yayoi Kusama. First edition produced in collaboration with Japan fashion industry leader Anrealage.
Typical return	JPY2,000 to JPY500,000 ex. JPY15,000 for signed edition of Theseus or Anrealage designer, etc.

Lastly, let me talk about incubation initiatives. Crowd-funding services that we started as CSR initiatives started to show some signs of success as a business.

As we wanted to shift from equity-based crowd-funding services we provided in the past and try rewards-based crowd-funding, we named our crowd-funding service “BOOSTER” in December, 2014. We already started 7 projects. All of them were launched by March, this year. All of the projects achieved their funding goals.

We will continue to discover and support creative, designers and creators. And we hope to provide them with a stage in PARCO for them to play an active role.

Continue to discover and support designers.

1. Continue to provide support through "Asia Fashion Collection"

- Since 2013, together with fashion schools in Japan, PARCO has continued to discover and incubate young Asian designers and bring them to the international stage.
- Designers supported by the program in FY2014 have acquired sponsors and have expanded their field of activity, selling products in select shops.

Activities in FY2014
Taipei, Tokyo, New York

Planned activities for FY2015
April - Taipei

Designers on stage in New York at Asia Fashion Collection



2. Continue and expand initiative to provide entire PARCO buildings as spaces to exhibit

Shibu-cul Matsuri in Shibuya Parco.

Launched in 2011
Held for 4th time
in 2014

Tenjin Lab in Fukuoka Parco

3rd year

Nagoparu Bunka-sai in
Nagoya PARCO

2nd year

There are two more pages about CSR. We would like to continue and reinforce CSR initiatives unique to PARCO.

Continue social-contribution projects at the PARCO Group as a whole.

PARCO initiatives

“Healthy is Delicious! EAT & SMILE FESTA”

A project in which restaurants provide menus that describe nutritional balance, ingredients, cooking methods, and other details.

Underway at 15 PARCO stores nationwide.

Launched in 2010 and held for the 5th time in 2014

Collaboration with the “Table for Two” initiative, which aims to simultaneously improve the health of people in developed and developing countries.



NEUVE A initiatives

“Pink Ribbon Campaign”

Each division collected donations through sales of charity merchandise and donation boxes

Launched in 2009 and held for the 6th time in 2014

Supporting the activities of NPO Japan Society of Breast Health, which conducts early detection and awareness activities.

Each division is also undertaking numerous other initiatives, including trade-in projects



Statements in this presentation that are not historical fact, such as forecasts, are forward-looking statements, based on information available as of April. 1, 2015, 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.