



November 7, 2016

For Immediate Release

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PARCO to establish a joint corporation with SAN-A CO., LTD.

PARCO CO., Ltd. ("PARCO") has agreed to establish a joint corporation with SAN-A CO., Ltd. ("SAN-A") for the operation of a new shopping complex business in Okinawa prefecture.

1. Reason for establishment of joint corporation

Consumer spending is growing steadily in Okinawa prefecture due to population growth and over 8 million tourists from both Japan and overseas visiting each year. With major infrastructure projects planned, such as the construction of an additional runway at Naha Airport and improvements to the Naha West Coast Road, the prefecture is attracting international attention.

SAN-A's main operation is a supermarket business, but it also operates restaurants and a joint venture convenience store business. It is planning a new shopping complex in Urasoe city, Okinawa ("Urasoe West Coast Development") through a subsidiary company (SAN-A Urasoe West Coast Development Co., Ltd., a 100% subsidiary). As a 'Naha Port, Urasoe Wharf area stage one urban infrastructure business', the shopping complex will be the largest in Okinawa prefecture and due to its location in Urasoe's west coast area with excellent access from Naha Airport and Naha Port's cruise ship terminal, it hopes to attract a diverse range of customers, including people from a wide area within Okinawa prefecture and tourists visiting from other prefectures and overseas.

PARCO and SAN-A aim to create an attractive new shopping complex by fully exercising their respective strengths, such as the wealth of management resources and credibility cultivated by SAN-A through its retailing and restaurant operations in Okinawa, and the expertise in operating urban shopping centers accumulated by PARCO. Both companies have agreed to the establishment of the joint corporation in order to plan and operate the complex together.

2. Outline of Urasoe West Coast Development (new shopping complex)

(1) Address	3 Irijima, Urasoe-shi, Okinawa, Japan
(2) Area of planned site	85,484.92m ²
(3) Leasable floor area	Approx. 78,000m ² (planned)
(4) Store area	Approx. 60,000m ² (planned)
(5) Opening	Scheduled for summer 2019

Note: The Urasoe West Coast Development store name will be decided in due course.

3. Outline of joint corporation

The establishment of a joint corporation for the planning and operation of the Urasoe West Coast Development store has been agreed as below. We plan to make it a PARCO equity method affiliate company.

(1) Name	SAN-A PARCO, Inc
(2) Address	7-2-10 Oyama, Ginowan-shi, Okinawa, Japan
(3) Representative name, title	Fumikatsu Uechi, President
(4) Business Description	Shopping center operation
(5) Capitalization	¥10 million
(6) Fiscal year-end	February
(7) Ownership	SAN-A CO., LTD.: 51%, PARCO CO., LTD.: 49%

4. Outline of SAN-A

(1) Name	SAN-A CO., LTD.
(2) Address	7-2-10 Oyama, Ginowan-shi, Okinawa, Japan
(3) Representative name, title	Tessei Uechi, President
(4) Business Description	Sale of food, clothing, and lifestyle products; restaurant operation
(5) Capitalization	¥3,723 million
(6) Date of establishment	May 1970

5. Schedule

November 7, 2016	Agreement to establish a joint corporation
December 2016	Establishment of joint corporation (planned)

6. Outlook

Urasoe West Coast Development is scheduled to open for business in summer 2019, and it is expected that the impact of this agreement on PARCO's financial results for the current fiscal year will be minor.