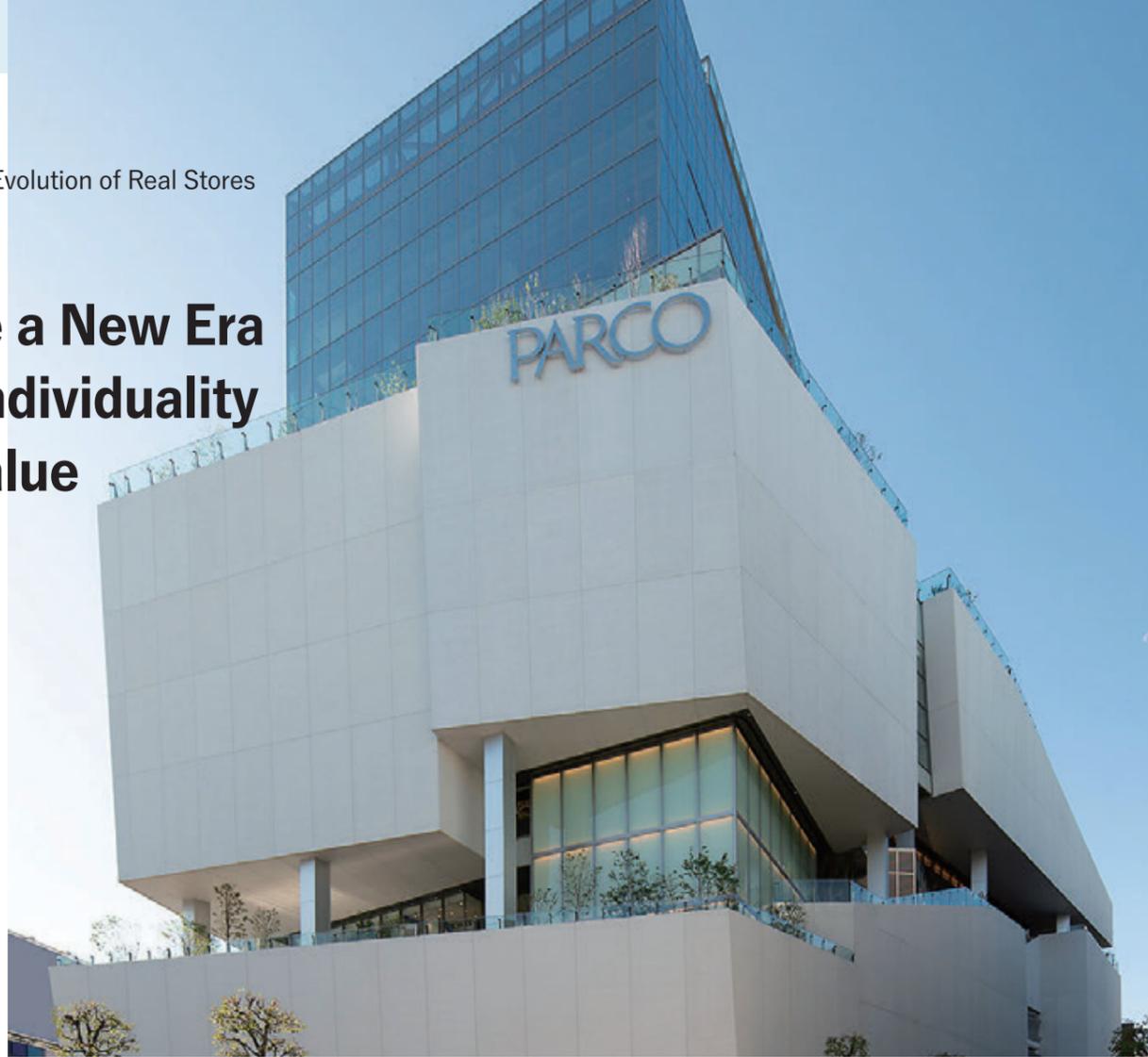


SC Business-Evolution of Real Stores

Create a New Era with Individuality and Value



“PARCO”brand increases its value from Shibuya

Parco operates shopping centers PARCO throughout Japan, from Sapporo in Hokkaido to Fukuoka in Kyushu, with a different store concept for each market in which PARCO operates. We are building a solid revenue base by quickly responding to market changes at each store and optimizing our product mix and operational methods. In addition, based on the principle of equal partnership with tenants, we aim to increase each tenant's sales by refreshing their premises through renovations, attracting customers through advertising and promotion activities, and providing meticulous tenant support. Furthermore, since our establishment, we have not only sold goods, but have also worked to create a unique culture by serving as an information dissemination base that produces and proposes new ways of spending time and enjoying new lifestyles.

It is Shibuya PARCO, which continues to evolve as the “one and only” next-generation commercial space, that strongly communicates the PARCO brand. Through re-branding with Shibuya as the starting point, we continue to work on evolving our value proposition to establish our presence as the building of choice for customers, tenants, and creators, and to improve our financial value over the medium to long term. By developing unique projects that leverage the relationships that we have built with tenant

companies over the years, we embody our corporate image of “taking on new challenges.” In recent years, the inbound market has expanded rapidly, and Shibuya PARCO's estimated overseas sales have soared. The store continues to grow as a presence that is attracting global attention.

Allocate resources to four key stores

In the Medium-term Business Plan that began this fiscal year, Shibuya PARCO, Nagoya PARCO, Ikebukuro PARCO, and Shinsaibashi PARCO have been positioned as four key stores, and resources will be allocated to them on a priority basis. We aim to further improve profitability by promoting comprehensive renovations and strengthening our IP content. Shibuya PARCO and Shinsaibashi PARCO, which lead Parco with strong performance, are planning large-scale renovations and will ensure results through selection and concentration based on investment effects.

Of these, Nagoya PARCO will undergo a major renovation of its West and East Buildings to create the largest concentration of pop culture shops in the Tokai region and rebuild the fashion zone for the MZ generation in order to attract customers from a wider area. In addition, by participating in the development project “The Landmark Nagoya Sakae,” we will contribute to maximizing group synergies in the Sakae area in Nagoya.

Produce software content

Parco is actively involved in developing content and promotions. We create commercial added value by presenting cultural information from theater, movies, and other sources, and content materials that reflect the times in a multifaceted way, and by producing collaborations between different materials to create hit projects. Parco's unique resources make it possible to create diverse content, which gives rise to various forms of culture and contact points with stakeholders, which then leads to further content production.

The Opanchu Usagi Exhibition, which promotes the appeal of Opanchu Usagi, a highly popular character drawn by the artist KawaiSouni!, was held starting at Ikebukuro PARCO in March 2023 and traveled to PARCO stores in Nagoya, Shinsaibashi, Shizuoka, Hiroshima, Sendai, Sapporo, Fukuoka, Matsumoto, and Urawa as well as SAN-A Urasoe West Coast PARCO CITY in Okinawa.



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Communication using digital technology

Parco uses digital technology as a way to communicate with customers. This includes shop staff members themselves communicating online through Shop News, the e-commerce site ONLINE PARCO, the “secret function” in which sales are made only to select customers, and POCKET PARCO, its official smartphone app, that offers services for various scenarios during a customer's visit—various functions connect customers with shop staff online and provides sales opportunities to shops.

The latest technology is also being utilized in advertising, such as the Happy Holidays campaign consisted of fashion advertisements that used visual generative AI to enliven the holiday season at PARCO. No photoshoot of models was conducted; everything from the people to the backgrounds was created with generative AI, including the graphics, movie, narration, and music. The campaign won an Excellence Prize at the Digital Contents of the Year '23/29th AMD Awards held by the Digital Media Society.



Medical wellness mall Welpa

Welpa is a medical wellness mall that provides services that support the habituation of selfcare by making lifestyle proposals and providing value in the field of wellness. Currently, we have two locations, Shinsaibashi PARCO and Urawa PARCO, where we mainly offer clinics. Women undergo significant change both physically and mentally depending on their stage of life, and Welpa provides opportunities for women to “learn” about healthcare and an environment for “enriching” experiences.

The second location, Welpa Urawa, opened in February 2024 on the 7th floor of Urawa PARCO. Japan ranks extremely low among developed countries for breast cancer screening and nearly 60% of women do not get screened. Welpa aims to contribute to an enriched society primarily by supporting solutions to medical and health-related problems facing women in their 20s to 40s, the main customer segment at PARCO stores.



Opened Welpa Urawa in February 2024

Crowd funding service BOOSTER

BOOSTER, a crowd funding service, is a mechanism for fundraising and support where people who wish to take on challenges can communicate that fact via the Internet. We contribute to local revitalization and fan generation by partnering with the areas where PARCO, Daimaru, and Matsuzakaya stores are located. In fiscal 2023, around 160 projects were conducted, with support being provided to people taking on challenges and local communities.



Project to erect a “statue of HUIKATA Toshizo” in Mibu, Kyoto to mark 160 years since the formation of the Shinsengumi swordfighters

Partnering with Daimaru Kyoto store, a statue of HUIKATA Toshizo, the second in command of the Shinsengumi swordfighters, was erected using crowd funding in order to vitalize tourism in the Mibu area, Kyoto, the “birthplace of the Shinsengumi.” Mibudera temple, where the statue was erected, has seen a host of Shinsengumi fans and history-lovers visit the site.