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For Immediate Release

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**Introducing the ZERO GATE business model
and decision to open store in Dotonbori area of Osaka**

As one of the strategies of its medium-term business plan, PARCO Co., Ltd. (PARCO) is implementing a business model for developing low to medium-rise urban shopping complexes. PARCO has decided to call this ZERO GATE business. As part of this business, PARCO plans to build a new ZERO GATE store in the bustling Dotonbori area of Osaka.

1. ZERO GATE business model

This business model, one of our strategies for developing shopping complexes in Japan, involves establishing and running low to medium-rise shopping complexes in prime urban locations efficiently in line with their size, while availing of their good locations. This business model is to be called ZERO GATE business and PARCO intends to strengthen it further going forward.

PARCO has already been making steady progress in this business, with the transformation of the business model of Shibuya PARCO ZERO GATE, the planned transformation of the business model of Shinsaibashi PARCO and the planned opening of a new ZERO GATE store in the new Hiroshima Takarazuka Kaikan (see Reference).

Furthermore, PARCO has decided to open a new low to medium-rise shopping complex in the Dotonbori area of Osaka (see 2. below for details).

By pursuing this new business model in combination with the existing PARCO business model, PARCO intends to expand its urban-style shopping complex business in Japan.

Meaning of ZERO GATE

This business is positioned as standing at the origin (or ground zero) of PARCO's endeavors to serve as an urban lifestyle producer with a wide range of themes including fashion and culture, and providing new value as *gate* to the district.

*Originally, Shibuya PARCO ZERO GATE was named for its position as being the gateway (hence GATE) to the other Shibuya PARCO stores (Part 1, Part 2 and Part 3: hence ZERO).



2. Opening of store in Dotonbori area of Osaka

PARCO signed an agreement with Sammy Inc. today to lease land owned by Sammy Inc. in the Dotonbori area of Osaka.

As this land is excellently located in the bustling Dotonbori area of Osaka and a store there is expected to draw in many customers from a wide catchment area, PARCO has decided to build a new store on this plot that will operate as part of the ZERO GATE business. The new store will be called Dotonbori ZERO GATE (provisional name) and is provisionally scheduled to open in autumn 2013.

Overview of new store

Address	1-12 Dotonbori, Chuo-ku, Osaka-shi, Osaka
Lessor	Sammy Inc.
Structure	4 above-ground floors (planned)
Floor area	Approx. 5,000m ² (planned)
Investment amount	Approx. ¥1.2 billion
Opening	Provisionally scheduled for spring 2013
Store name	Dotonbori ZERO GATE (provisional name)
Tenants	Not decided

Future schedule (provisional)

Autumn 2012: Construction starts

Autumn 2013: Opens

Impact on earnings

This is not expected to have any impact on earnings in the current fiscal year.

Ends

Reference: Other ZERO GATE stores

1. Shibuya ZERO GATE business model transformation (announced Dec. 1, 2010)

Address	16-9 Udagawa-cho, Shibuya-ku, Tokyo
Structure	4 above-ground floors and 1 basement level
Floor area	Approx. 1,400m ²
Store name	Shibuya ZERO GATE
Opening	Apr. 16, 2011 (grand opening after transformation of business model)
Tenants	Bershka, ZARU

*Business model transformed at the time of renovation of the entire existing store, Shibuya PARCO ZERO GATE.

**Shibuya PARCO ZERO GATE changed its name to Shibuya ZERO GATE in April 2011.

2. Shinsaibashi PARCO business model transformation (announced Dec. 1, 2010)

Address	1-9-1 Shinsaibashisuji, Chuo-ku, Osaka-shi Osaka
Structure	5 above-ground floors and 1 basement level (planned)
Floor area	Approx. 4,800m ² (planned)
Store name	Shinsaibashi ZERO GATE (provisional name)
Opening	Provisionally scheduled for June 2013
Tenants	Not decided

*Business model to be transformed after the refurbishment of the Shinsaibashi PARCO main building.

3. Opening store in the new Hiroshima Takarazuka Kaikan (announced Sept. 27, 2011)

Address	2-10 Shintenchi, Naka-ku, Hiroshima-shi, Hiroshima
Structure	14 above-ground floors and 1 basement level (part leased by PARCO: 1st-3rd floors)
Floor area	Approx. 12,300m ² (part leased by PARCO: 2,575m ²)
Store name (part leased by PARCO)	Hiroshima ZERO GATE (provisional name)
Opening	Provisionally scheduled for autumn 2013
Tenants	Not decided

*Opening a store in the shopping complex part of the new Hiroshima Takarazuka Kaikan, a multi-use building.