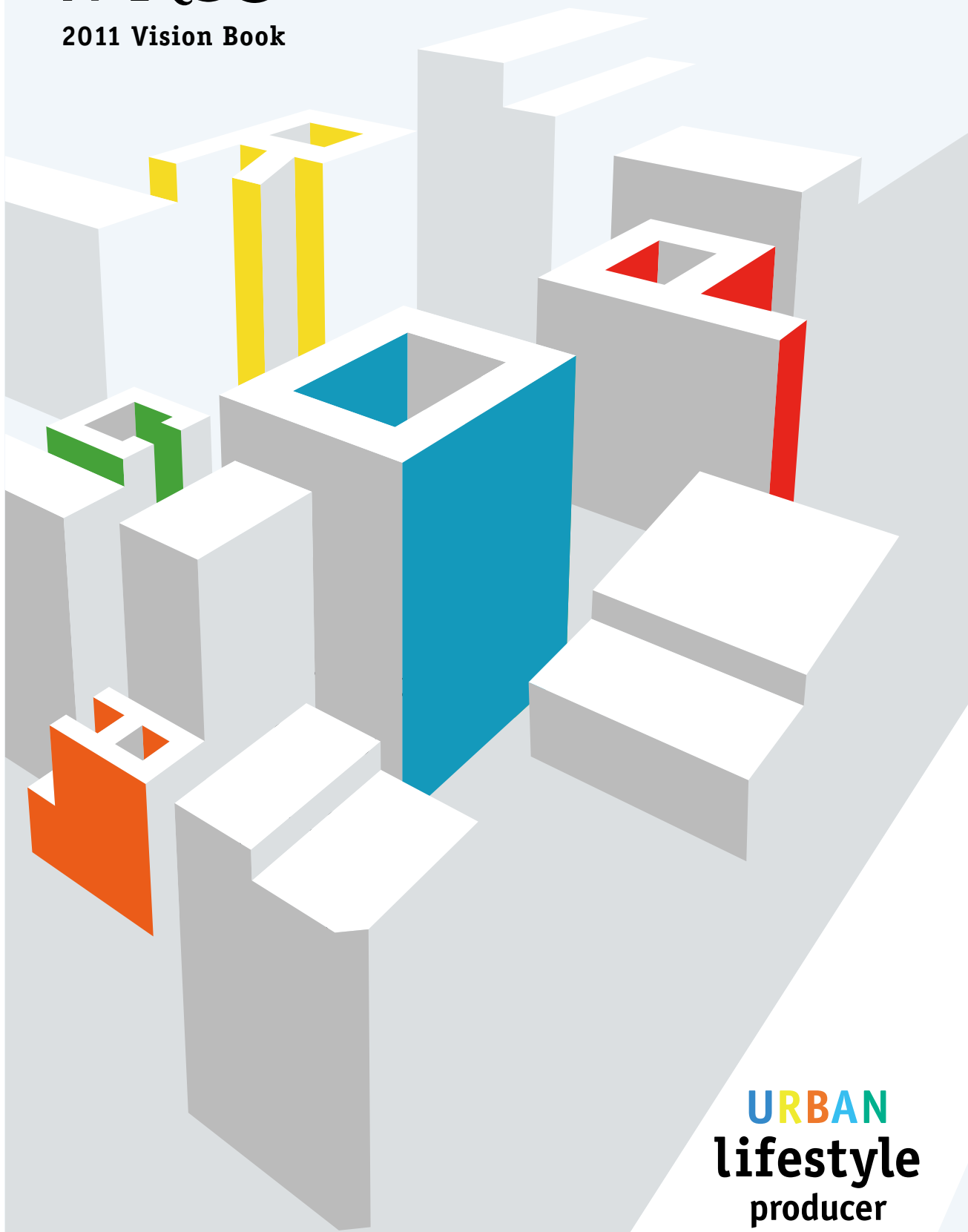


PARCO

2011 Vision Book



URBAN
lifestyle
producer





The Concept Behind Our Name

Our company name, PARCO, is the Italian word for “park.”

Like a park, each PARCO location is a space where people come together to share time and space, where they can relax and have fun.

Our Corporate Mission is to create parks: futuristic, innovative spaces that brim with hospitality, provide an enjoyable experience for customers visiting our stores, and help our tenants prosper.

The “main characters” at each PARCO location are the people who gather there, that is, customers and retail shops. The role of PARCO as a company is to create stores that customers want to visit, and then visit again, and to strengthen the link between retail shops and customers.

Our employees are constantly seeking out customer wants and needs in order to provide a space where people can feel happy and inspired, and working to meet those needs fully.



Contents

PARCO Corporate Mission	01
Letter to Our Stakeholders	02
PARCO Group at a Glance	04
PARCO Business Model	06
PARCO Stores	08
Feature 1 Medium-term Business Plan Overview and Progress	10
Feature 2 PARCO Corporate Message.....	12
Feature 3 Producer Amon Miyamoto One-on-One with President and Representative Executive Officer Kouzou Makiyama	14
PARCO Entertainment	20
Produced by PARCO Brand	22
About PARCO	24
Organization Chart	25
Board of Directors and Officers	26
Corporate Social Responsibility	28

Cautionary Statement About Forecasts

Descriptions related to future prospects in this report are based on our targets and forecasts and are not intended to provide any assurance or guarantee. Please use this report with the understanding that future earnings of PARCO may differ from our current forecasts.

PARCO Corporate Mission

Creating futuristic, innovative spaces that brim with hospitality, providing an enjoyable experience for customers visiting our stores, and helping our tenants prosper.



Management Review



This corporate Vision Book is designed to convey the vision and business activities of PARCO CO., LTD. For financial and management data, please refer to the separate Management Review.



Letter to Our Stakeholders

Towards Attainment of Our Medium-term Business Plan

I am the newly appointed President and Representative Executive Officer, Kouzou Makiyama.

We at PARCO offer our deepest condolences to all those who suffered as a result of the Great East Japan Earthquake. We sincerely hope that recovery progresses swiftly, and that daily life returns to normal as soon as possible.

PARCO is currently making companywide efforts toward attainment of our medium-term business plan.

The plan is proceeding smoothly, with sales and profit gains achieved in fiscal 2010, the first year of the plan. In fiscal 2011, we are pushing ahead with a detailed plan for the next phase.

Without halting this steady progress, we intend to further increase the speed of new projects we have been working on “aggressively” to date, and expand our imagination to execute them flexibly and “super-aggressively.”

Consumption patterns and the consumer mindset have changed significantly due to the March earthquake. As a result, it will be even more important to identify the true essence of consumption from within this change. With this in mind, we plan to take dynamic steps, in close cooperation with our tenants and employees, toward attaining our targets.

As PARCO’s leader, I would like to create a new stage in our Corporate Mission—“providing an enjoyable experience for customers visiting our stores and helping our tenants prosper.”

We ask for your continued understanding and support in the future.

June 2011

PARCO CO., LTD.

President and Representative Executive Officer

Kouzou Makiyama



PARCO Group at a Glance

The PARCO Group is involved in four categories of business. Our core **Shopping Complex Business** operates our PARCO commercial facilities. The **Retail Business** operates distinctive specialty shops. The **Space Engineering and Management Business** conducts interior design, decorating and electrical work, and manages buildings. Finally, our **Other Business** segment provides web-based information and online shopping services.

PARCO works with its tenants to create commercial spaces that provide customers with enjoyment and maximize synergies within the Group.



Ikebukuro PARCO



ROSEMARY store in Kawasaki

Shopping Complex Business

The Shopping Complex Business is the PARCO Group's flagship operation. Specializing in comprehensive commercial facility production, this business develops and operates PARCO shopping complexes in Japan and overseas.

Currently, the Shopping Complex Business operates 20 shopping complexes in Japan, and one overseas in Singapore. In addition, our entertainment business engages in a diverse range of promotion activities for theater, music, film and publishing, designed to differentiate us from other commercial facilities.

PARCO CO., LTD.	
Net Sales	¥245,488 million
Operating Income	¥8,790 million
Paid-in Capital	¥26,867.38 million

*For further information about the Company, please see P. 24.

PARCO (Singapore) Pte Ltd	
Net Sales	-
Operating Loss	(¥273 million)
Paid-in Capital	S\$15,926 thousand

Retail Business

The Retail Business is centered on NEUVE A CO., LTD., which develops and operates select stores offering fashion-related goods. The 140 individual retail shops (end of fiscal 2010) each fall into one of four store formats based on the concept of customer lifestyle support. In addition to developing new stores outside of PARCO complexes, we continue to develop new business formats and pursue other ways to bring new information to customers, with the aim of expanding earnings.

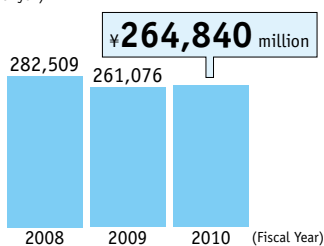
NEUVE A CO., LTD.	
Net Sales	¥15,396 million
Operating Income	¥338 million
Paid-in Capital	¥490 million

- TiC TAC Business Watch specialty store
- EYEWEAR Business Eyeglass specialty store
- ROSEMARY Business Cosmetics and accessories specialty shop
- COLLECTORS Business Men's variety shop

Consolidated Financial Highlights

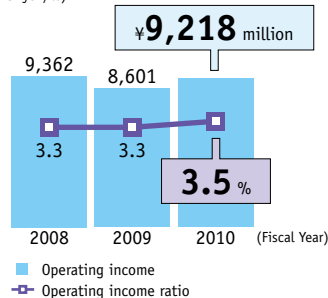
Net sales

(Millions of yen)



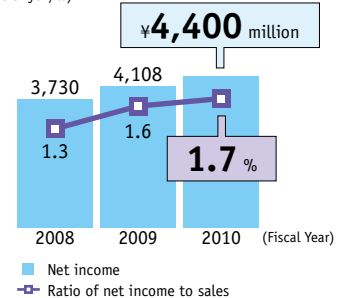
Operating income/Operating income ratio

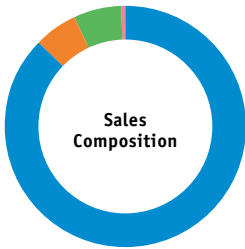
(Millions of yen/%)



Net income/Ratio of net income to sales

(Millions of yen/%)





Shopping Complex Business

87.7%

Retail Business

5.4%

Space Engineering and Management Business

6.7%

Other Business

0.2%



Nagoya PARCO West annex 1F



Stylife on the PARCO-CITY online shopping mall

Space Engineering and Management Business

PARCO SPACE SYSTEMS CO., LTD., which handles the Space Engineering and Management Business, is involved in the development and operation of commercial facilities through its two pillars of the Space Production Department, which handles activities ranging from the planning and design of commercial spaces to interiors, fixtures and electrical work, as well as supervising interior decorating, and the Building Management Department, which provides safety and maintenance, and janitorial and security services for maintaining a comfortable building environment. We develop and sell original lighting fixtures products, pursue contracts with external commercial facilities, and promote energy saving lighting designs for commercial spaces (lighting with a lower environmental impact) taking advantage of our specialized and comprehensive expertise accumulated through designing PARCO spaces and managing facilities.

PARCO SPACE SYSTEMS CO., LTD.

Net Sales	¥11,830 million
Operating Income	¥385 million
Paid-in Capital	¥490 million

Other Business

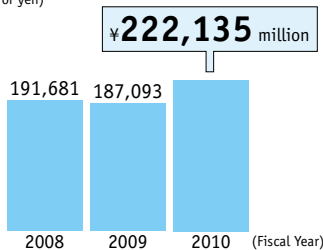
Other Business is centered on web-based customer communication services, which are handled by PARCO-CITY CO., LTD. The web business centers on creating websites for commercial facilities outside the PARCO Group.

We also operate PARCO-CITY, an online shopping mall focused on specialty stores that have opened in PARCO complexes, and shopsnavi, a mobile phone-based employment website specializing in the fashion retail industry that started in November 2010.

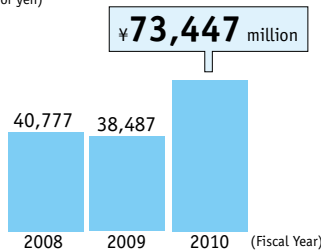
PARCO-CITY CO., LTD.

Net Sales	¥600 million
Operating Income	¥16 million
Paid-in Capital	¥10 million

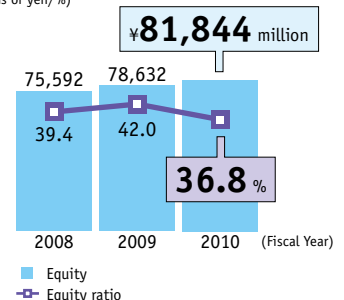
Total assets
(Millions of yen)



Interest-bearing debt
(Millions of yen)

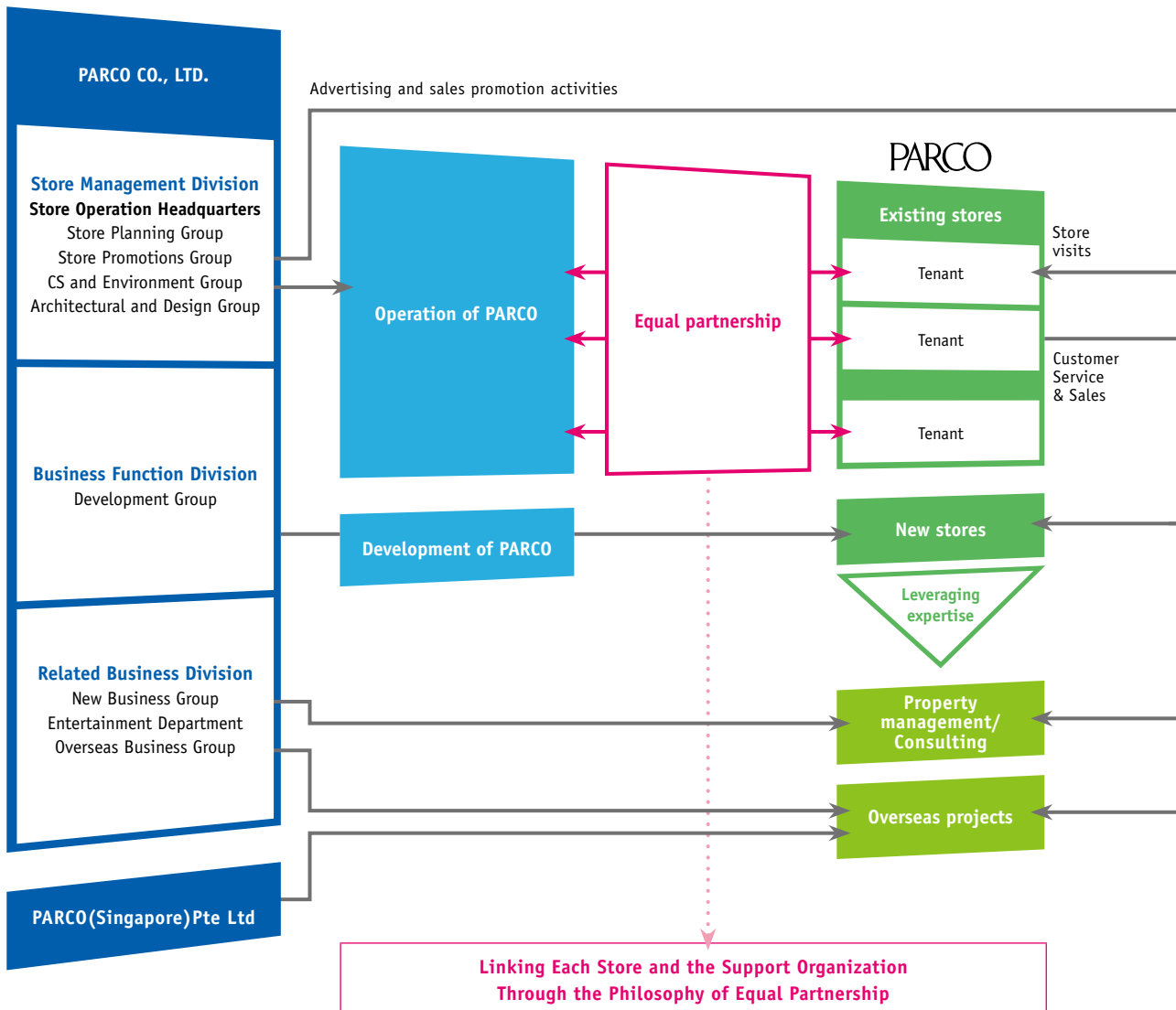


Equity/Equity ratio
(Millions of yen/%)



PARCO Business Model

Structure of the Shopping Complex Business



Within the design and structure of the Shopping Complex Business, one of the main characteristics that distinguishes PARCO is our equal partnership with tenants. We view our tenants as partners with whom we can grow and develop by virtue of our mutually shared values. Every one of our corporate divisions at PARCO headquarters works to support and invigorate the operations of the PARCO shopping complexes where our tenants open their stores.

The Store Management Division comprises four groups and the headquarters: the Store Planning Group, Store Promotions Group, CS and Environment Group, and Architectural and Design Group, all operating under the Store Operation Headquarters. The division as a whole controls all business processes related to operation of each shopping complex.

The Related Business Division comprises three groups: the Overseas Business Group, the Entertainment Department, and the New Business Group. This division is responsible for expansion of businesses in Asian markets, including China, overseas business development in cooperation with PARCO (Singapore) Pte Ltd, PARCO's initiatives in entertainment, including new businesses, and low-rise commercial real estate in urban areas.

The Development Group in the Business Function Division is responsible for new PARCO-brand project development.

Customer

PARCO Stores



PARCO Complexes are operated as either Urban Complexes or Community Complexes, depending on the target market.

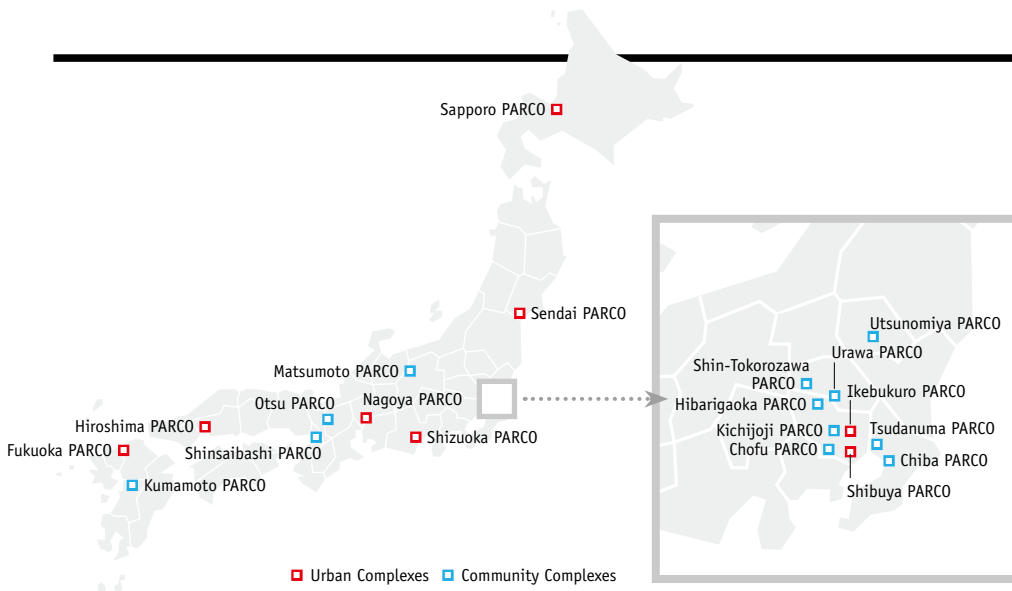
In each market where PARCO shopping complexes open, we utilize a different store concept. In order to be able to respond quickly and accurately to the constant changes in the environments of each location, we group the 20 shopping complexes according to function based on their target market characteristics.

After categorizing a complex as either an Urban Complex or a Community Complex, the next step in building a robust revenue base is to optimize product composition and operation methods at each facility to suit the applicable customer base.

Urban Complexes

PARCO will secure predominance in the market by providing well-informed, active urban consumers with relevant themes and topics, while offering fashionable, innovative and enjoyable lifestyle propositions. We will also lay the foundation for new business by pursuing unique collaborations with tenants, creators and companies in other industries.

<p>Sapporo PARCO 3-3 Minami-Ichijo Nishi, Chuo-ku, Sapporo City, Hokkaido</p> <hr/> <p>B2F-8F Open 24 August, 1975</p> <hr/> <p>www.parco-sapporo.com</p>		<p>Shizuoka PARCO 6-7 Koyamachi, Aoi-ku, Shizuoka City, Shizuoka</p> <hr/> <p>B1F-8F Open 15 March, 2007</p> <hr/> <p>www.parco-shizuoka.com</p>			
<p>Sendai PARCO 1-2-3 Chuo, Aoba-ku, Sendai City, Miyagi</p> <hr/> <p>B1F-9F Open 23 August, 2008</p> <hr/> <p>www.parco-sendai.com</p> <p>Temporarily suspended operations due to the earthquake on March 11, 2011. Some tenant stores on floors 1 and B1 resumed operations on March 26, with some stores in the rest of the building reopening on March 30.</p>		<p>Nagoya PARCO 3-29-1 Sakae, Naka-ku, Nagoya City, Aichi</p> <hr/> <p>West Building: B1F-11F East Building: B1F-8F Open 29 June, 1989</p> <hr/> <p>South Building: B1F-10F Open 6 November, 1998</p> <hr/> <p>www.parco-nagoya.com</p>			
<p>Ikebukuro PARCO 1-28-2 Minami-Ikebukuro, Toshima-ku, Tokyo</p> <hr/> <p>Main Building: B2F-8F Open 23 November, 1969</p> <hr/> <p>P'PARCO: B2F-8F Open 10 March, 1994</p> <hr/> <p>www.parco-ikebukuro.com</p>		<p>Hiroshima PARCO 10-1 Hondori, Naka-ku, Hiroshima City, Hiroshima</p> <hr/> <p>Main Building: B1F-10F Open 9 April, 1994</p> <hr/> <p>New Building: B1F-9F Open 21 September, 2001</p> <hr/> <p>www.parco-hiroshima.com</p>			
<p>Shibuya PARCO 15-1 Udagawa-cho, Shibuya-ku, Tokyo</p> <hr/> <p>PART 1: B1F-9F Open 14 June, 1973</p> <hr/> <p>PART 3: B1F-8F Open 10 September, 1981</p> <hr/> <p>CLUB QUATTRO: 4F-5F Open 28 June, 1988</p> <hr/> <p>ZERO GATE: B1F-4F Open 27 April, 2002</p> <hr/> <p>www.parco-shibuya.com</p>		<p>Fukuoka PARCO 2-11-1 Tenjin, Chuo-ku, Fukuoka City, Fukuoka</p> <hr/> <p>B1F-8F Open 19 March, 2010</p> <hr/> <p>www.parco-fukuoka.com</p>			
<p>Singapore</p>				<p>PARCO Marina Bay 9 Raffles Boulevard, Millenia Walk, Singapore 039596</p> <hr/> <p>1F-3F Open 31 March, 2010</p> <hr/> <p>www.parco.com.sg</p>	



Community Complexes

This category of complex does not merely market fashion but will make proposals that respond to regional needs by taking into account such market characteristics as functionality and convenience. Facilities are multi-functional and multi-purpose, featuring a range of goods and services from food, general merchandise, appliances, school supplies, and sports goods. Various activities such as community events will be organized to attract customers from the local neighborhood.

Utsunomiya PARCO

3-1-1 Baba-dori, Utsunomiya City, Tochigi

B1F-10F

Open 20 March, 1997

www.parco-utsunomiya.com



Urawa PARCO

11-1 Higashi-Takasago-cho, Urawa-ku, Saitama City, Saitama

B1F-7F

Open 10 October, 2007

www.parco-urawa.com



Chiba PARCO

2-2-2 Chuo, Chuo-ku, Chiba City, Chiba

B1F-8F

Open 1 December, 1976

www.parco-chiba.com



Tsudanuma PARCO

2-18-1 Maebara-Nishi, Funabashi City, Chiba

A Building: B1F-6F

B Building: B1F-6F

Open 1 July, 1977

www.parco-tsudanuma.com



Shin-Tokorozawa PARCO

1-2-1 Midori-cho, Tokorozawa City, Saitama

P Building: B1F-5F

L Building: B1F-4F

Open 23 June, 1983

www.parco-shintokorozawa.com



Hibariagaoka PARCO

1-1-1 Hibariagaoka, Nishi-Tokyo City, Tokyo

B1F-5F

Open 8 October, 1993

www.parco-hibariagaoka.com



Kichijoji PARCO

1-5-1 Kichijoji-honcho, Musashino City, Tokyo

B2F-8F

Open 21 September, 1980

www.parco-kichijoji.com



Chofu PARCO

1-38-1 Kojima-cho, Chofu City, Tokyo

B1F-10F

Open 25 May, 1989

www.parco-chofu.com



Matsumoto PARCO

1-10-30 Chuo, Matsumoto City, Nagano

B1F-6F

Open 23 August, 1984

www.parco-matsumoto.com



Otsu PARCO

14-30 Uchidehama, Otsu City, Shiga

B1F-8F

Open 2 November, 1996

www.parco-otsu.com



Shinsaibashi PARCO

1-9-1 Shinsaibashi-suji, Chuo-ku, Osaka City, Osaka

Main Building: B1F-9F

Open 31 May, 1991

DUE Building: B1F-4F

Open 3 September, 1992

www.parco-shinsaibashi.com



Kumamoto PARCO

5-1 Tetorihoncho, Kumamoto City, Kumamoto

B1F-9F

Open 2 May, 1986

www.parco-kumamoto.com



Feature 1: Medium-term Business Plan Overview and Progress

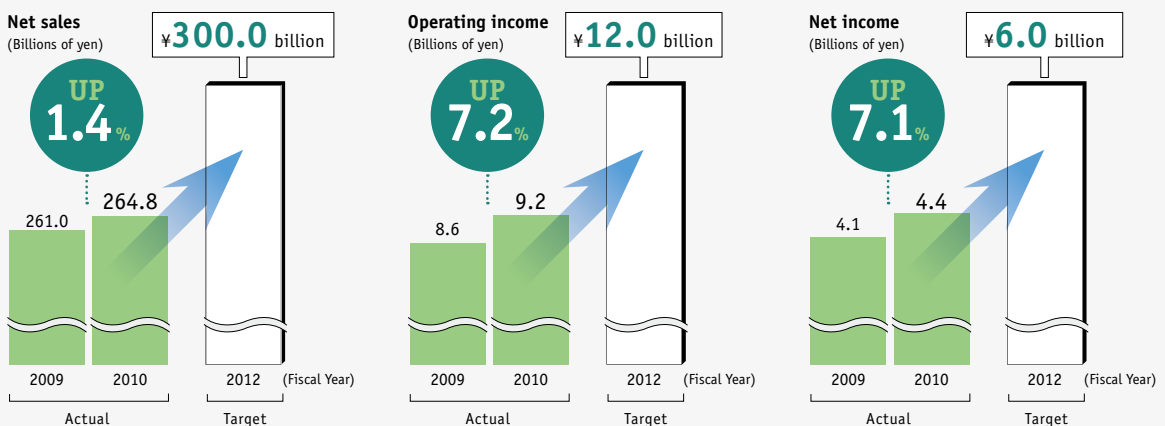
New Vision for Fiscal 2015

“Urban Lifestyle Producer” Proposing New, More Fulfilling Lifestyles

This new vision, implemented over a 6-year period, is broken down into 2 stages: Stage 1, “Expanding the Shopping Complex Business” (Fiscal 2010–2012), and Stage 2, “Broadening the Group’s Business Fields” (Fiscal 2013–2015).

Medium-term Business Plan (2010 to 2012)

□ Fiscal 2012 Targets (Consolidated)



□ Three Business Strategies

Strategy 1

Innovation at existing complexes
Build a robust revenue base

Twenty PARCO complexes will be divided into Urban Complexes and Community Complexes, and the appropriate product composition and operation methods will be optimized.

Strategy 2

Expansion of commercial activities in urban areas both in Japan and overseas
Establish a business foundation for further growth

Aggressive expansion in Japan and overseas, by leveraging PARCO’s profitability and expertise in urban retailing, and further advancing its M&S and alliance strategy.

Strategy 3

Rapid development of related and new businesses
Broaden business fields

Expand existing business fields into entertainment, e-commerce, retail (general goods stores), and space engineering and management fields, with the aim of becoming an “Urban Lifestyle Producer” that promotes new ways to live a fulfilling lifestyle.

Three Strategies That Underpin the Strengthening of the Group’s Management Foundation

Strategic Task 1

Diversification of financial strategy

Strategic Task 2

Overhaul of real estate strategy

Strategic Task 3

Advancing of M&S and alliance strategy

Progress Thus Far

2010

March

- ▶ Opening of Fukuoka PARCO
- ▶ Trust beneficiary rights secured for Urawa PARCO
- ▶ Opening of PARCO Marina Bay in Singapore

October

- ▶ Trust beneficiary rights secured for Ikebukuro PARCO Annex (P'PARCO)
- ▶ Complex format of Shinsaibashi PARCO changed

December

- ▶ Complex format of Shibuya PARCO ZERO GATE changed

2011

April

- ▶ Memorandum of Understanding signed with CapitaMalls Asia Limited (CMA) regarding business collaborations in China and Japan
- ▶ Spanish casual brand "Bershka" opens first store in Japan in Shibuya PARCO ZERO GATE
- ▶ Business and capital alliance formed with Stylife Corporation
Trend-setting fashion site "Stylife" opened on the PARCO-CITY online shopping mall

2012

2015

New Vision

**Becoming an
"Urban Lifestyle Producer"**

Business Strategy 2

—Expanding Overseas Business

Memorandum of Understanding signed with CapitaMalls Asia Limited (CMA) regarding business collaborations in China and Japan

This agreement with CMA, a group company of one of Asia's largest real estate companies, CapitaLand Limited, has allowed us to delve deeper into collaboration possibilities in the Japanese and Chinese markets. Going forward, this tie-up will allow us to accelerate our business operations domestically, and in the major cities of China, Shanghai and Beijing in particular.

Examples of retail properties in Asia managed by CMA



Raffles City Shanghai



ION Orchard (Singapore)

Business Strategy 2

—Expansion of Commercial Activities in Urban Areas

Spanish casual brand "Bershka" opens first store in Japan in Shibuya PARCO ZERO GATE

We completely renovated the ZERO GATE store to coincide with the 40th anniversary of Shibuya PARCO. This makeover saw ZERO GATE, located in a prime location in the heart of Shibuya, welcome the very first Bershka store in Japan. Bershka, a casual fashion brand belonging to Inditex, which also operates the ZARA chain of stores, will occupy the first four floors of the revamped ZERO GATE. The renewal was part of our new business model for small to medium-sized complexes in urban settings.



Shibuya PARCO ZERO GATE
Bershka

Business Strategy 3

—Accelerated Development of E-commerce Business

Business and capital alliance formed with Stylife Corporation Trend-setting fashion site "Stylife" opened on the PARCO-CITY online shopping mall

The number of brands/items available through the PARCO-CITY online mall increased 50% as a result of Stylife's incorporation into the site. This alliance will allow PARCO to further cultivate its partnership with Stylife, and thus strengthen brand development, increase distribution channels, and attract a greater number of customers. By linking our e-commerce business with our shopping complex business, we aim to secure growth in both domains.



PARCO-CITY online shopping mall
(Stylife opening campaign)

Feature 2: PARCO Corporate Message



Building a new era with you.

At the end of the day, it is people that help and support people.

We have learned that human relationships can provide great strength when facing difficulties.

It will probably take much more time to overcome it all.

That is exactly why we need the power of young people like you.

The energy and strong will to change the world. A fresh sensitivity.

Your hopes and dreams will open the way to the future. Let's move forward together. "LOVE HUMAN."

Since Ikebukuro PARCO was opened in 1969, PARCO has actively introduced not only fashion but also culture such as music, art, and theater, discovering and supporting diverse new talents.

We have also created stores that propose a fulfilling life by combining “events,” “products,” and “services” for each era, as an urban lifestyle producer.

In adopting a new corporate message, “LOVE HUMAN.,” in the fall of 2010, we reaffirmed our commitment to supporting talented people who will open the way to a confident future.

LOVE HUMAN.

Fulfilling lives suited to each and every person: Quality of Life

At our 20 PARCO stores nationwide, we are creating stores suited to the market together with talented individuals who have roots in their respective markets. We are also proposing a fulfilling life that does not depend on consumption of “things” alone by introducing culture in various forms, led by our entertainment business.

Supporting new talent; hopes and dreams will open the way to the future

Our advertising visuals, which reflect current trends, will spotlight new talents, in many genres, that are as yet unknown to the world, and continue to transmit a vibrant and positive message.

2011 campaign model

Seia Yasuda



Born June 23, 1996 in Akita Prefecture

Won the Grand Prize out of 24,000 participants nationwide in the 35th Hori Productions Talent Scout Caravan “Star Audition 2010.”—a competition that can often give the contestant their big break. The theme for this competition, in which staff from all of our stores participated as judges, was to find a woman that other women support. As a grand prize bonus, she was selected as PARCO’s youngest-ever PARCO SWIM DRESS campaign model. She is a new talent as yet unknown to the world.



Building a new era with you.

No-one will build the future but you.

Youthful power and talent will open the way to the future and change the world.

Now is the time for you to fully display your power.

Don't be afraid. Have confidence.

The talents of each and every person will be connected, become a bond, and ultimately be transformed into great power.

PARCO will continue to move forward together with you, filled with your hopes and dreams.

“LOVE HUMAN.”

Following the Great East Japan Earthquake of March 11, we are communicating the following message of support to the people of Tohoku and Kanto, “The talents of each and every person will be connected, become a bond, and ultimately be transformed into great power,” “PARCO will continue to move forward together with you.” This message is incorporated in our spring campaign poster.

This poster, the second poster campaign of the year, is based on a photograph taken in Sendai, one of the areas devastated by the earthquake and tsunami, in front of our Sendai store of 40 employees at Sendai PARCO. Our message of “Let’s work together to rebuild,” sent from the disaster area of Sendai, is filled with our hope for a re-energized Japan.

Feature 3: Producer Amon Miyamoto One-on-One with President

PARCO Corporate Culture: Entertainment

Leading the Culture Scene

Makiyama: You have had a long relationship with PARCO Theater. How would you describe PARCO?

Miyamoto: We have a long history. My relationship with PARCO began as a simple spectator in the audience when I was in high school. It has since evolved into a major influence in my life that cannot be described

in simple terms. Toru Takemitsu's MUSIC TODAY and the world-renowned artist Jan Fabre, among others, made their Japanese debuts at PARCO. Tadeusz Kantor's *The Dead Class* and other new trend-setting works also came to PARCO Theater. Harumi Yamaguchi and Eiko Ishioka were genuine innovators in advertising and consistently ahead of their time, in my view. PARCO has been at

the center of a new culture melding art with entertainment. Culture with its roots in Shibuya has established a global presence, with PARCO at its center. I sincerely hope that the fundamental spirit embodied there will remain unchanged.

Makiyama: People and what they bring to the company are key at PARCO. Through each of our employees, human connections grow and evolve. Shibuya PARCO was quite an innovative place, in the commerce sector at least, when it first opened. Rather than focusing primarily on



President and Representative
Executive Officer
Kouzou Makiyama

and Representative Executive Officer Kouzou Makiyama

generating profits, the emphasis was on creating a pleasurable experience for people. That has remained our focus to this day.



PARCO Theater Shibuya PARCO PART 1 9F
Photo: Jun Nishimura

Currently, Shibuya PARCO includes the PARCO Theater, CINE QUINTO, PARCO FACTORY, and other venues. People drawn to these venues are fashion-conscious and keen to be the setter of the next big trend. Other customers take notice and say to themselves, "PARCO is the place

to be!" PARCO is a stage, a gathering-point for people coming to look at other people, a place where they are constantly assessing their needs based on their surrounding conditions. It has a fast-changing metabolism based on changes tailored to the times.

PARCO has been at the center of a new culture melding art with entertainment. Culture with its roots in Shibuya has established a global presence, with PARCO at its center. I sincerely hope that the fundamental spirit embodied there will remain unchanged.

Amon Miyamoto

Producer
Amon Miyamoto





1989 "Ich Bin Weill" at PARCO SPACE PART 3
Conceived and directed by Amon Miyamoto
Starring: Michiko Otsuka, Eisuke Sasai

Miyamoto: Ich Bin Weill at PARCO PART 3, which I had the pleasure of directing, was already a bold experimental piece. However, PARCO created a challenging environment that encouraged me to experiment further. Being able to bring people together to participate in and view such exploratory works is pretty rare.

PARCO provided a space through which we could bring together the right people and take our art to the world.

Changing the subject somewhat, I was in Milan last year and found myself at a cafe with the same logo used by PARCO. I was actually in front of a park and therefore didn't feel anything strange about the cafe having the same "park" logo as PARCO in Tokyo. There were children playing in the park, people reading, animals, street performers. The very picture of freedom. It was the same feeling you find at Shibuya PARCO. A place where you sense the promise that the future holds.

Makiyama: The true character of PARCO's is there for all to see. I studied it when Ikebukuro PARCO was opened in 1969, and it's exactly

Without scrapping and rebuilding, rapid aging makes it difficult to keep on track. When one task is completed, we immediately consider the next move. This instinct is our DNA.

Kouzou Makiyama



"LOVE HUMAN."

Miyamoto: If you look at fast fashion stores and large stores today, don't most of them look the same? How is PARCO's own corporate culture different from those of other companies?

Makiyama: Since our founding, we have emphasized breaking away from merely providing merchandise.

Instead, we integrate merchandise, activities, and services. Our thinking is to furnish not only fashion, but culture. To create commercial spaces where people will spend time enjoying themselves. Shibuya is a town that never sleeps, and PARCO offers a convivial atmosphere like no other. This is the stage we have built there. Occasional failure is par for the course, but our focus remains on creative destruction, you have to destroy something to build something better.

Miyamoto: Shedding long-held conservative practices takes courage.

Makiyama: Without scrapping and rebuilding, rapid aging makes it difficult to keep on track. When one task is completed, we immediately consider the next move. This instinct is our DNA. Of course, some things must remain unchanged. PARCO will never be swept away by passing fads nor shall we tolerate anti-social behavior.

as you say. Working to bring people together in an atmosphere of freedom is our message. When the Shibuya store opened, it was close to Yoyogi Park. In making PARCO like a park itself, we were abiding by our founder's message to "create culture on the hilltop."

Miyamoto: Culture on the hilltop. An interesting concept.

Makiyama: It's true. That was 40 years ago, and there are now 20 PARCO stores in Japan. Staying faithful to the same founding concepts, all of these stores have different exteriors and interiors. They are completely distinct, reflecting their location and the customers they serve. This adheres to the concept of creating stores with their own identities.

Bearing these things in mind, change will continue.

Miyamoto: For me, I want PARCO to always be a place where new life is infused into old practices, where human creativity is sustained, even after 40 years. The theater is seeing a succession of new ideas emanating from Europe. There is documentary theater, and cases in which amateur actors are preferred over professionals for certain roles. The free flow of ideas never fails to amaze. At PARCO, stores have been receptive to new ideas since the beginning. I believe their receptiveness to new trends from around the world will help them move forward in the future.

Makiyama: Thank you for saying so. In the arts and sports worlds, many young people operate on the global stage. PARCO believes their talent

think PARCO, working hand-in-hand with talented youth as they develop their skills, can invigorate their careers in many ways. Ideally, we would help them grow and evolve as they make that transition to the big time. Regarding tenants, our aim is not for them to merely open stores, but to work with us in building and revolutionizing the PARCO stage, in enhancing PARCO in its entirety. This is the format we want to use.

Miyamoto: Do you confer with tenants and exchange ideas?

Makiyama: Yes. PARCO has a tenant organization with an executive council appointed by tenant representatives. I believe such a format is largely nonexistent in the specialty retailing sector. Thanks to this organization, market requests from customers arrive directly to us through

our tenants. Then, we can formulate bigger plans than tenants could achieve on their own. It is much clearer to see when you are out of touch with customer views. We believe tenants are our equal partners. This leads to some vigorous exchanges of ideas as well as some frank requests and demands, usually from us! (laughs)

Miyamoto: This is important. If you worry about hurting feelings and sugar-coat everything you say, nothing will ever change. I have directed a number of plays at PARCO. When I work for other companies, I am often reminded of the freedom I have enjoyed with PARCO (laughs).

Future Initiatives

Makiyama: You have been active overseas. Your play *The Temple of the Golden Pavilion* is being performed in New York. PARCO has been spreading the word about Japanese culture overseas through your work and would like to continue this role in the future. Now, we are truly in an age without borders. So much so that we were recently able to quickly arrange a Jane Birkin concert at PARCO in April, only one week after it was proposed. This free live performance raised money for earthquake and tsunami relief in East Japan. I think she felt she could rely on PARCO because of the latent energy we could bring to the fundraising effort. We would like to work in other genres as well as musicals and theater to spread overseas culture to Japan and Japanese culture overseas.

This is important. If you worry about hurting feelings and sugar-coat everything you say, nothing will ever change. I have directed a number of plays at PARCO. When I work for other companies, I am often reminded of the freedom I have enjoyed with PARCO.

Amon Miyamoto

should be supported and nurtured. Our "LOVE HUMAN." message adopted last year is aimed at enriching hearts and minds and increasing opportunities for everyone to realize their potential.

Miyamoto: What exactly does that mean?

Makiyama: We mean to support and nurture young talent. Last year, for example, we used Maïa Barouh, a rising young flautist and vocalist, to lead our "LOVE HUMAN." project. We





Miyamoto: In handling performances overseas, I often hear that Japan doesn't convey much information about its art and art scene. In China, South Korea, Singapore, and other Asian countries they actively promote their art and theater works, whereas information is lacking in Japan. So, I think the sense among foreigners is that Japan is still a closed country. They are interested in Japanese works, but in reality, the information is still insufficient. Now, with the world paying closer attention to Japan after the earthquake and subsequent events at nuclear power plants, I feel now is the time to seize the moment and convey our ideas, our message through our work.



Kanagawa Arts Theater
Photo: Hideo Mori

Makiyama: Your play *The Temple of the Golden Pavilion* will travel from Japan to America, and *The Hunting Gun* is being directed by François Girard in a joint Japanese and Canadian production. I think conveying messages from Japan should be a priority. Also, our lives and ideas have been transformed in large and small ways by the recent disaster. Japanese society is in a transitional phase. During this transition, I feel we have to think about what PARCO and the entertainment business can do.



Co-production between PARCO and USINE C
—*The Hunting Gun*.

Stage adaptation of a romance novel by prolific Japanese author Yasushi Inoue directed by Canadian director François Girard.

Dates: September 7 to 10 at USINE C, Montreal,
October 3 to 23 at PARCO Theater, Tokyo

Miyamoto: The Internet is becoming a more powerful medium. Young people freely communicate over the Internet, Twitter for example. From their random talk and chatter, some interesting creativity and expression can emerge. It serves as a source of inspiration for me as I explore what kind of forms my work can take right now.

Makiyama: You have been made artistic director of the Kanagawa Arts Theater (KAAT), where PARCO operates in connection with its programs. This sounds like a very challenging job. What are your plans for the future?



Miyamoto: The concept of an artistic director itself is still new in Japan, so there are no rights or wrongs. Since the earthquake, everyone has been wondering what the role and the meaning of theater really are, and I want to explore this. Instead of just waiting for people to come to the theater, to come to us, we need to reach out to them. As a positive thinker, I find we are living in interesting times in spite of, or perhaps because of, the challenges we face.

Everybody, especially young creative people, wants to start talking about Japan in terms of their own lifestyles and self-expression. I feel this offers a great deal of hope.

Makiyama: I would like to support such people both in Japan and overseas. It might be an exaggeration, but I think PARCO, by its very nature and what it wants to do, can make this a reality and thereby further strengthen its image. I'm convinced that this will further enhance our growth and development as a company.



Stage photography: Shoji Abe



—The Temple of the Golden Pavilion—

World-renowned author Yukio Mishima's masterpiece "The Temple of the Golden Pavilion," the gold standard of Japanese literature, adapted for the stage.

Original work by: Yukio Mishima

Director: Amon Miyamoto

Adapted for the stage by: Serge Lamothe

Playwrights: Chihiro Ito and Amon Miyamoto

Cast: Go Morita, Sosuke Takaoka, Shunsuke Daito, Noriko Nakagoshi, Choei Takahashi, Rei Okamoto, Osamu Kao, Fuyuki Yamakawa, Tetsuro Sagawa

After its highly successful world premiere at the Kanagawa Arts Theater (KAAT), the first performance at this new theater, the show is now heading to New York.

This play brings Mishima's classic novel to life, through a variety of media including video, in an intensely personal portrayal. The main theme of this tale is the fixation of the main character, the Buddhist acolyte, Mizoguchi, and his two friends on both the true meaning of life and the true meaning of beauty—two themes as relevant for the youth of today as they were when this story was first written. The stuttering, alienated Mizoguchi is played by Go Morita. His friend, and chief provocateur despite his physical frailty, Kashiwagi, is played by Sosuke Takaoka. His second friend and fellow acolyte at the temple, the cheerful yet ultimately suicidal Tsurukawa, is played by Shunsuke Daito. This triumvirate, all rising young stars of film and television in Japan, play their respective parts with every ounce of their being.



Lincoln Center Festival
The Temple of the Golden Pavilion
July 21 to July 24, 2011



Amon Miyamoto

Born on January 4, 1958 in Tokyo, Japan.

Beginning his life in theater as an actor and choreographer, Amon Miyamoto went to study in London and New York for two years. He made his directorial debut in 1987 with his own original musical, "I Got Merman," winning the National Arts Festival Prize the following year. Not limited to musicals, Amon Miyamoto has directed plays and operas, attracting attention not just in Japan but also from overseas. In 2004 he became the first Asian national to direct a Broadway musical with his direction of *Pacific Overtures*, which received four Tony Award nominations. This year, he was named the first artistic director of Kanagawa Arts Theater (KAAT) when it opened in January 2011. His first project in this role will be a stage adaptation of Yukio Mishima's "The Temple of the Golden Pavilion" starring Go Morita. The play, already a hit in Japan, will be performed in New York in July as part of the Lincoln Center Festival.

PARCO Entertainment

Theater

PARCO produces content, mainly at PARCO Theater (Shibuya PARCO Part 1 9F) and Le Theatre GINZA by PARCO. From 2011 we will also be providing contract services for productions at the Kanagawa Arts Theater (KAAT).

90 Minutes (PARCO Theater)

Dates: December 2011 Director: Koki Mitani Cast: Masahiko Nishimura, Yoshimasa Kondo

This is a horror story in a modern setting about two men forced to make a choice. Not a minute of laughter will be heard throughout the 90 minute performance.

In 2011, PARCO is producing two of four new works in the 50-year-old Mitani's Koki Mitani Daikanshasai project.

"90 Minutes," to be staged in December, follows "Film of the People," a play starring a popular and talented cast comprised of Fumiyo Kohinata, Yasunori Danda, Noburu Shirai, Yuriko Ishida, and Morio Kazama that was performed in March of this year.

"90 Minutes" once again teams Mitani with actors Masahiko Nishimura and Yoshimasa Kondo, who performed in "University of Laughs," the winner of the Grand Prix at the Yomiuri Theater Awards.



Movie

CINE QUINTO (Shibuya PARCO Part 3, 8F) offers patrons an attractive selection of first-run films. Some of the films screened have tie-ins to sales activities and promotions at PARCO shopping complexes and the PARCO-CITY online shopping mall. CINE QUINTO has also started developing movies in conjunction with leading agencies in studio associations.

The Kids Are All Right

Dates: From Friday 29 April, 2011

Received four Academy Award nominations (Best Picture, Best Actress in a Leading Role, Best Actor in a Supporting Role, Writing (Original Screenplay)), and won two Golden Globe awards (Best Motion Picture, Best Performance by an Actress in a Motion Picture)

This family has two moms. All is fine and dandy until the children's biological father appears on the scene. Then the family begins to take on a new shape.

The household of four includes 18-year-old Joni, her mother (Nic), a brother (Laser) who has the same father as Joni, and Laser's mother (Jules).

Joni, leaving the nest to attend college, is interested in finding Paul, the biological father she has never met. She and Laser sneak off to find him, and when they find Paul, they are attracted to his carefree life as a bachelor.

When the kids' two parents catch on, however, some abrupt changes are in store...

A wonderful movie embodying the meaning of true family and true love!



©2010 TKA Alright, LLC/
UGC PH All Rights Reserved

Publishing

In PARCO Publishing, originality abounds in all of our endeavors.

Hanakotoba

Akihiro Miwa

The collected sayings of Akihiro Miwa from television, radio, magazines, etc., as requested by readers. In print at last.

Masako Takahashi's Converted Recipes

Masako Takahashi

Ms. Takahashi has adapted recipes from famous bakery chefs for the family kitchen.

Faithfully reproduce the tastes of the pros right at home without fear of failure.

The only book you'll ever need to bake better bread!

Collected Poems of Masahiko Shimura

Masahiko Shimura

Popular rock band Fujifabric's sudden end came in December 2009 with the death of front man Masahiko Shimura.

A complete edition of his song lyrics recorded for posterity



Music

We invite popular new performers from Japan and abroad to perform at our four CLUB QUATTRO venues in Shibuya, Nagoya (Nagoya PARCO East Annex, 8F), Shinsaibashi (Shinsaibashi PARCO, 8F), and Hiroshima (Hiroshima PARCO, Main Building, 10F).

- Thursday 6 January to Friday 7 January, 2011 in Shibuya, Monday 10 January, Nagoya, and Tuesday 11 January, Shinsaibashi

Donavon Frankenreiter

The guru of the surf music scene known for its organic and laidback lifestyle. Donavon started his band as a teenager and professional surfer, making his debut in 2003 with his good pal Jack Johnson by his side. Overnight he became the leader of the whole scene.

The Japan tour highlighted his most recent single, Glow.



TOPIC

- Wednesday 6 April, 2011, Shibuya

Jane Birkin, Earthquake Benefit Concert Together for Japan

The singer and actress Jane Birkin dropped everything to come to Japan and perform a free charity concert in Tokyo to help with earthquake relief efforts. In addition to the concert, Japanese artists played music and participated in readings and dance performances in the spirit of promoting reconstruction after the disaster.

Donations accepted at the concert were provided to Medecins du Monde for relief and reconstruction in damaged regions.

Jane Birkin quickly arranged this April 6 concert (Together for Japan, sponsored by PARCO) to benefit earthquake-damaged regions in Japan. The concert was transmitted to 160 countries, and tens of thousands of people viewed it over the Internet worldwide. Jane bought her own air ticket, and required no financial assistance at all. However, the concert would not have been successful without the trust of the artists, the global cultural network, and PARCO's CLUB QUATTRO venue for the performance and its distinguished track record in events such as this. This is the power of culture.

Prof. Kensaku Fukui

Lawyer and visiting professor, Department of Music, College of Art, Nihon University

- Wednesday 18 May, 2011, Shibuya, Friday 20 May, Nagoya, and Saturday 21 May, Shinsaibashi

The Drums

The Drums formed in Brooklyn, New York in 2008. Debuting their catchy guitar and pop sound on the New York indie scene in December 2009, they were an immediate sensation. The band has recorded megahits in the U.K., Australia, America, and Japan and was dubbed the most notable indie newcomer of 2010. They made their first solo tour in Japan last year, kicking off with the Summer Sonic Festival.



©SHOICHI KAJINO



©SHOICHI KAJINO

Produced by PARCO Brand

Advertising

LOVE HUMAN. PARCO

The “LOVE HUMAN.” Campaign, started in September 2010, is geared not only toward further improving operations at stores selling fashion goods, but at introducing culture through music, art, theater, film, publishing, and other entertainment businesses from a number of different perspectives, discovering new talent, and supporting new artists in all their endeavors.

The 2010 “LOVE HUMAN.” Campaign employs Maïa Barouh, a talented musician from a rich and diverse background, to convey the campaign message—‘the world is as bright as you make it.’

The 2011 “LOVE HUMAN.” Campaign also calls on the talents of Seia Yasuda, the Grand Prize winner of Star Audition 2010 at the 35th Hori Productions Talent Scout Caravan, which was conducted in cooperation with PARCO.

* For details, please see Feature 2: PARCO Corporate Message on p. 12.



Campaign Poster 1
Model Seia Yasuda won the Grand Prize of Star Audition 2010. The theme of this competition, in which staff from all of our stores participated as judges, was to find a woman that other women support.



Campaign Poster 2
This poster contains our message of support to the people affected by the Great East Japan Earthquake. The photo of tenant employees was taken in front of the Sendai PARCO.

PARCO SWIM DRESS Campaign

Each year, the PARCO SWIM DRESS Campaign spotlights new talent as campaign models. The campaign has become something of a stepping-stone to stardom. In 2010, the remarkable Mirei Kiritani, an actress and model in magazine and TV advertisements, garnered huge support for the campaign from the younger generation.

In 2011, under the theme “JAPANESE UMI (meaning ocean) GIRL,” PARCO’s campaign proposes becoming an ‘ocean girl,’ wearing fashionable swimwear to the seaside.

The campaign website recommends a range of summer clothing, including outerwear, sandals, bags, and other swimsuit accessories. It features Seia Yasuda as its campaign model for commercials and in “making of” clips and other roles. The online catalogue is increasing sales in tandem with store and e-commerce sales.

Campaign website: <http://www.parco-swim.com/web/>



PARCO SWIM DRESS

The theme of this year’s poster series was “JAPANESE UMI (meaning ocean) GIRL.”

The posters focused on the ability of swim dresses to combine the versatility of normal outerwear and the obvious advantages of swimwear while remaining fashionable.



Business Planning

Store Promotion

Semiannual Grand Bazaar Sales

Summer: Thursday 1 July to Monday 19 July, 2010

Winter: Sunday 2 January to Sunday 23 January, 2011

Shopping is fun with the aid of Parcoala, a character who helps shoppers navigate through our semiannual sale. In summer, we collaborated with RIP SLYME, a hip-hop artist, on exhibitions, songs for commercials, and novelty activities promoting the sale. In winter, we teamed up with amateur models, selected from the readership of popular fashion magazines, who suggested ways to enjoy and take full advantage of the sale.



Left: Poster for summer Grand Bazaar sale PARCO collaborated with RIP SLYME on various events promoting the sale.

Right: Poster for winter Grand Bazaar sale featuring Parcoala and models.

Christmas Tree Campaign Tie-up with Shiseido's MAJOLICA MAJORCA Brand

Friday 12 November to Saturday 25 December, 2010

Promoting sales in conjunction with companies in other business sectors, PARCO joined with Shiseido Co., Ltd. in a joint Christmas campaign promoting the MAJOLICA MAJORCA cosmetics brand at its Shibuya PARCO store. A tree, festooned in red and gold tones based on a new product line for MAJOLICA MAJORCA, had an internal cavity to allow customers to walk in and enjoy the decorations from the inside looking out. The display attracted considerable media coverage during the Christmas season and was a delight to many customers.



Christmas campaign at Shibuya PARCO PART 1
This Christmas tree design, based on a 'young girl fairy tale' theme, incorporated a sweet-smelling fragrance.

Taro Okamoto Centennial Anniversary Exhibition: The Face Is the Universe

Venue: PARCO FACTORY, Shibuya PARCO PART 1, 6F

Friday 20 May to Monday 20 June, 2011

Celebrating the 100th anniversary of the birth of Taro Okamoto, a popular artist and a formidable presence in the post-war art scene, the exhibition focused on face and eye motifs in his considerable body of work.

Among the many centennial exhibitions celebrating the artist, the PARCO show was the only one to travel throughout Japan (in Sapporo, Sendai, Nagoya, and Fukuoka).

The 'TARO Collection Expo' was held simultaneously in a special basement venue. The 'Taro Okamoto x Osaka Expo' world revolves around the 'Tower of the Sun,' an iconic symbol of the Osaka Expo held in 1970.

Paintings were displayed on walls at the Shibuya store, harnessing the excitement felt about the anniversary throughout Shibuya.



Mural 'The Myth of Abundance,' sister piece to 'The Myth of Tomorrow' which is on permanent display at SHIBUYA MARK CITY.

About PARCO

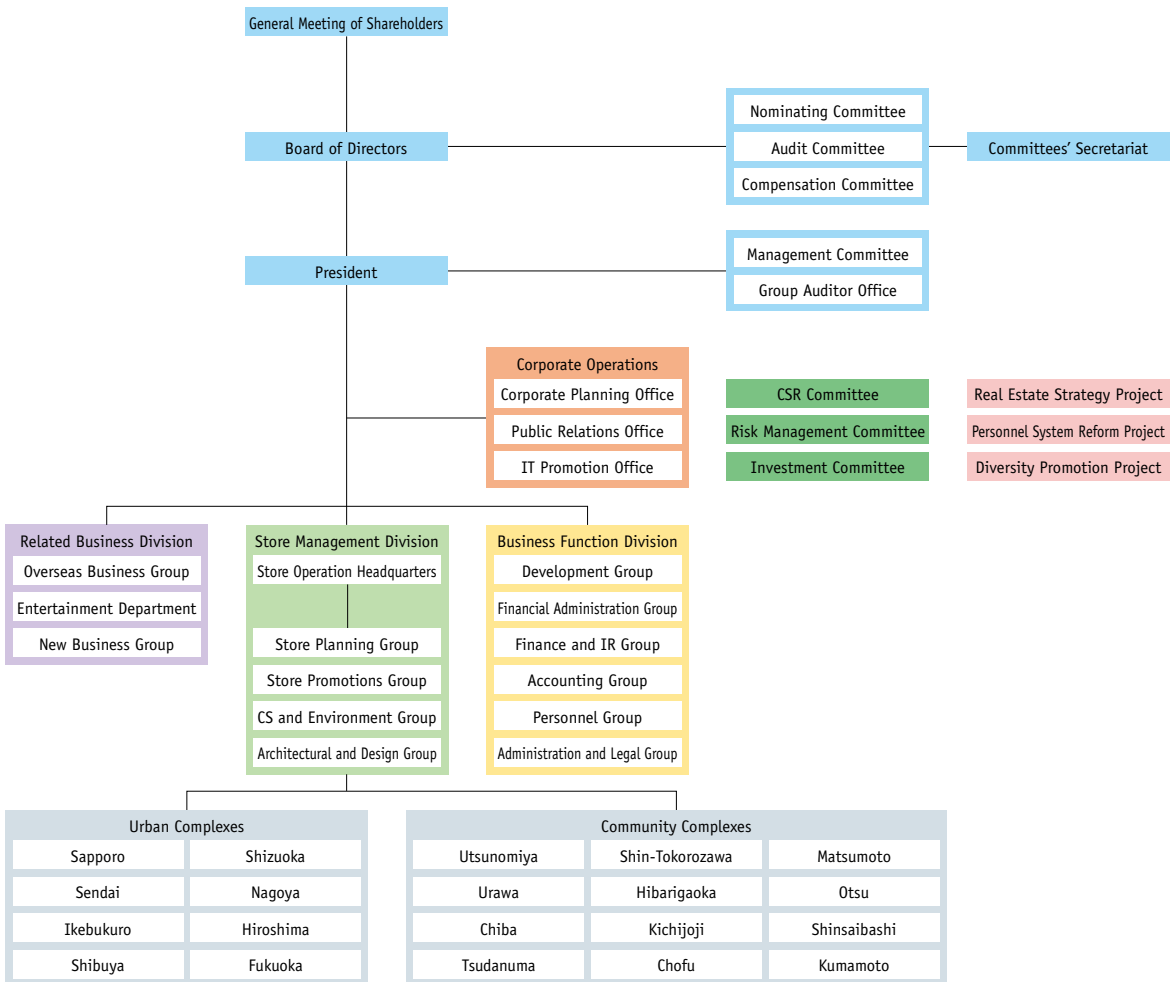
Company Profile (As of 28 February, 2011)

Company Name	PARCO CO., LTD.	Employees	633 (male 351; female 282)
Headquarters	1-28-2 Minami-Ikebukuro, Toshima-ku, Tokyo	Consolidated Employees	2,006
Head Office	Shibuya First Place Bldg. 8-16 Shinsen-cho, Shibuya-ku, Tokyo 150-0045, Japan	Sales	¥264.8 billion (Fiscal 2010)
Founded	13 February, 1953	Sales Floor Area	454,000 m ²
Paid-in Capital	¥26,867.38 million	Tenants	2,857

Corporate History

1953	Feb.	Established Ikebukuro Station Building Co., Ltd.	1991	May.	Opened Shinsaibashi PARCO
1954	Oct.	With the capital participation of Marubutsu Co., Ltd., the Company shifted operations from the management of the Ikebukuro Station Building to the operation of department stores		Sept.	Acquired stake in SEIDENKO CO., LTD.
1957	May	Changed company name to Tokyo Marubutsu Co., Ltd.		Nov.	Established PARCO (Singapore) Pte Ltd
	Dec.	Started operation of department store under the name Tokyo Marubutsu	1992	Sept.	Opened Shinsaibashi PARCO 2 (DUE)
1963	Jul.	Tokyo Marubutsu Co., Ltd. became registered stock with the Osaka Securities Dealers Association	1993	Oct.	Opened Hibiya PARCO
1969	Jun.	Tokyo Marubutsu closed; commenced preparations for the establishment of the PARCO store	1994	Mar.	Opened Ikebukuro P'PARCO
	Nov.	Opened Ikebukuro PARCO		Apr.	Opened Hiroshima PARCO
1970	Apr.	Changed company name to PARCO CO., LTD.	1996	Apr.	Expanded floor space of Matsumoto PARCO
1973	Jun.	Opened Shibuya PARCO Opened Seibu Theater (later renamed PARCO Theater)		Nov.	Opened Otsu PARCO
1975	Aug.	Opened Sapporo PARCO	1997	Mar.	Opened Utsunomiya PARCO
1976	Dec.	Opened Chiba PARCO	1998	Nov.	Opened Nagoya PARCO South Building
1977	Jul.	Opened Tsudanuma PARCO	2000	Mar.	Established PARCO-CITY CO., LTD.
1980	Sept.	Opened Kichijoji PARCO		Sept.	Merged SEIDENKO CO., LTD. and PARCO PROMOTION CO., LTD.; adopted new corporate name of PARCO SPACE SYSTEMS CO., LTD.
1981	Sept.	Opened Shibuya PARCO PART 3	2001	Jun.	NEUVE A CO., LTD. started operations
1983	Jun.	Opened Shin-Tokorozawa PARCO		Sept.	Opened Hiroshima PARCO Annex
1984	Aug.	Opened Matsumoto PARCO	2002	Apr.	Opened Shibuya ZERO GATE
1986	May	Opened Kumamoto PARCO	2003	May	Adopted "Company with Committees System"
1987	Jan.	Stock listed on the Second Section of the Tokyo Stock Exchange	2005	Feb.	Opened Pedestal Shiodome
1988	Jun.	Opened Shibuya QUATTRO by PARCO (later renamed PARCO QUATTRO)	2006	Mar.	Credit card PEC Card renamed as PARCO Card
	Aug.	Stock listed on the First Section of the Tokyo Stock Exchange	2007	Mar.	"Le Theatre GINZA by PARCO" theater started operations
	Sept.	Established PARCO PROMOTION CO., LTD.		Mar.	Opened Shizuoka PARCO
1989	Apr.	Launched PEC Card		Oct.	Opened Urawa PARCO
	May	Opened Chofu PARCO	2008	Aug.	Opened Sendai PARCO
	Jun.	Opened Nagoya PARCO	2010	Mar.	Opened Fukuoka PARCO Opened PARCO Marina Bay in Singapore

Organization Chart



With a view to attaining targets set in the medium-term business plan, PARCO has assigned control functions to its Store Management Division and Corporate Operations to expedite the execution and successful completion of planned initiatives. The establishment of three new projects, on real estate strategy, personnel system reform, and diversity promotion, will allow PARCO flexibility when devising strategies regarding the allocation of managerial resources for specific issues in the medium to long term.

Corporate Operations

Corporate Operations comprises three offices: the Corporate Planning Office, the Public Relations Office and the IT Promotion Office. These offices work to promote measures to maximize corporate value, including by proposing marketing and business strategies and strengthening Company-wide IT strategy functions. Additionally, these offices are responsible for controlling the promotion of medium-term business plans across the entire PARCO Group.

Related Business Division

The Related Business Division comprises three groups centered on the strengthening of our business base: the Overseas Business Group, the Entertainment Department, and the New Business Group. These groups are responsible for expansion of businesses in Asian markets, including China, promotion of our entertainment business, and the development of low-rise commercial real estate operations in urban areas, respectively.

Store Management Division

The Store Management Division includes four groups: the Store Planning Group, Store Promotions Group, CS and Environment Group, and Architectural and Design Group, all operating under the Store Operation Headquarters. The division as a whole controls all business processes related to operation, promotion, and sales of each PARCO shopping complex. In addition, this division also seeks to fortify the Group's revenue base through improvements in operational capabilities, management efficiency, customer satisfaction, and the levels of safety and environment-friendliness of facilities.

Business Function Division

The Business Function Division comprises six groups: the Development Group, the Financial Administration Group, the Finance and IR Group, the Accounting Group, the Personnel Group, and the Administration and Legal Group. These groups work together to provide support for the entire company, serving a wide range of functions such as improving management efficiency, and providing efficient capital procurement and operational functions, in order to achieve goals set out in medium-term management plans.

Board of Directors and Officers (As of 31 May, 2011)

Directors



Isamu Ito
Member of the Board, Chairman



Kouzou Makiyama
Member of the Board, President,
Representative Executive Officer



Hiroshi Matsui
Member of the Board, Advisor (External Director)



Keiji Aritomi
Member of the Board (External Director)



Munehiko Ohno
Member of the Board (External Director)



Shin Takahashi
Member of the Board (External Director)



Aiko Okawara
Member of the Board (External Director)



Tadashi Iwashita
Member of the Board (External Director)



Hiroshi Takahashi
Member of the Board (External Director)



Daisuke Kotegawa
Member of the Board (External Director)

Executive Officers



Hidekazu Hirano
Senior Executive Officer for Business Operations



Kazumi Kojima
Senior Executive Officer for Finance



Masaaki Abe
Managing Executive Officer for Corporate Operations



Shuji Kainaga
Executive Officer for Group Auditor Office



Kourou Hiraide
Executive Officer for the Administration and Legal Group



Koichi Yamazaki
Executive Officer for the Entertainment Department



Tatsumi Imaeda
Executive Officer for the CS, Environment, Architectural and Design Groups



Yuji Hirai
Executive Officer for the New Business, Development and Financial Administration Groups



Takashi Sensui
Executive Officer for the Store Operation Headquarters



Kazuko Hamada
Executive Officer for Personnel Group



Shigeyoshi Sato
Executive Officer for the Overseas Business Group



Hideki Noguchi
Executive Officer for the Accounting, Finance and IR Groups



Hajime Inoue
Executive Officer for the Store Promotions Group



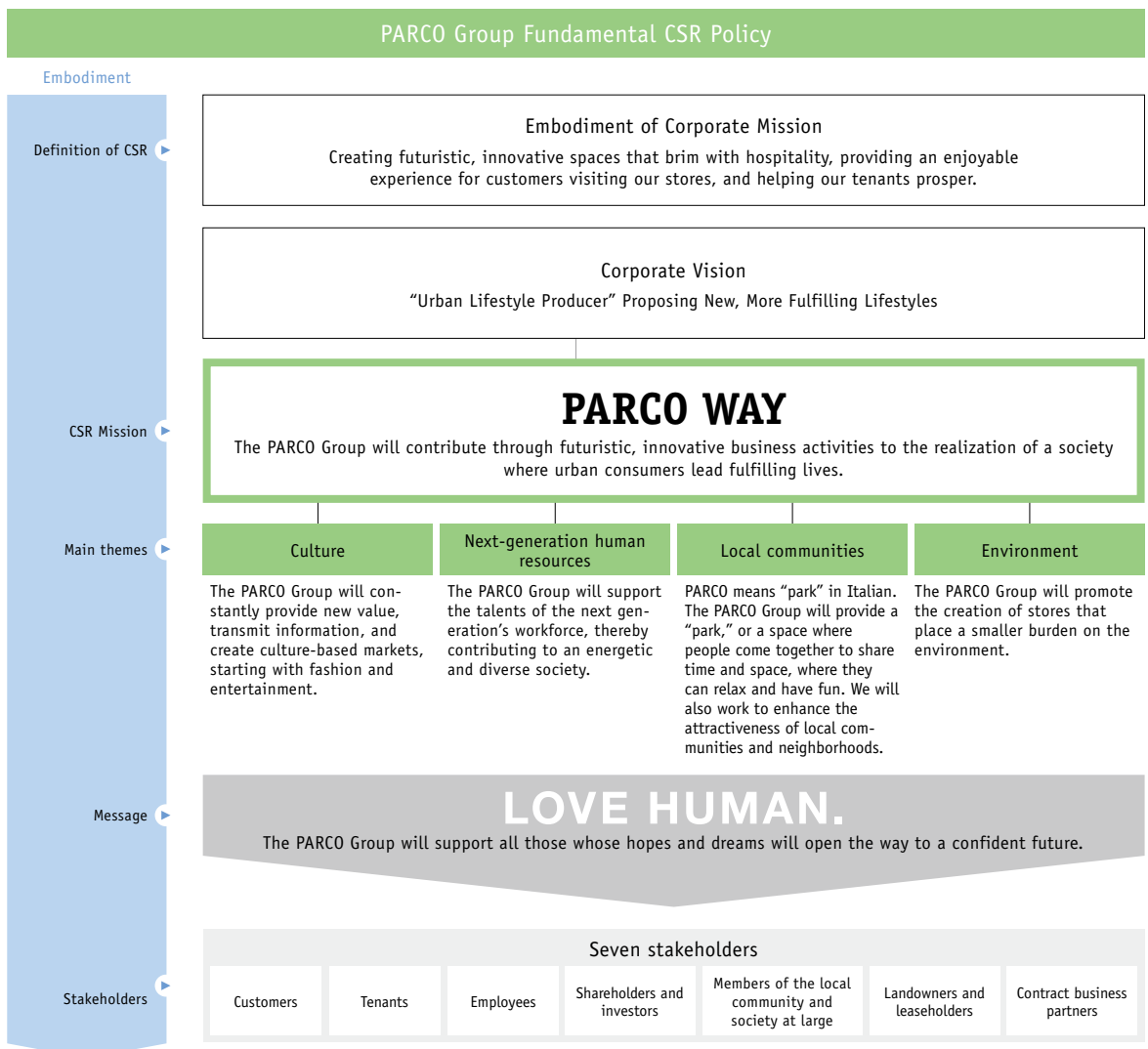
Tomoyuki Yamaki
Executive Officer for Store Planning Group

Corporate Social Responsibility

PARCO Group defines CSR as “measures taken in the course of business to gain the trust and satisfaction of stakeholders, and enhance corporate value,” and many such initiatives have been undertaken through our business activities. We were actively involved in CSR initiatives in fiscal 2010 as well, announcing our environmental policy on our website in November and taking steps to circulate it companywide. Next, we formulated a Fundamental CSR Policy in March 2011 to clearly define our views on CSR and structure our CSR activities. We aim to mesh these policies with our companywide philosophy to further enhance the quality of future CSR activities.

PARCO categorizes the group’s stakeholders into seven groups, led by the “customers” and “tenants” described in our Corporate Mission, and also “employees,” “shareholders and investors,” “members of the local community and society at large,” “landowners and leaseholders,” and “contract business partners.” We are also working to bolster corporate governance by preserving management transparency, for example, to build smooth relationships with all stakeholders.

In order to realize our vision for fiscal 2015 of becoming an “Urban Lifestyle Producer” that proposes ideas for a fulfilling life, we decided to structure our CSR policy around four basic themes. These themes are: “culture,” “next-generation human resources,” “local communities,” and “environment.”



CSR Activities in Fiscal 2010

Employee Work/Life Balance Support System

PARCO offers support centered on child care and nursing in an attempt to provide its employees with a fulfilling work/life balance. During fiscal 2010, 16 women and one man took advantage of child-care leave, bringing the cumulative number of male participants to five since fiscal 2006 when the program was first introduced. PARCO has also created an action plan for the establishment of employment conditions that was certified as conforming to standards for general employers in accordance with the August 2007 Law for Promoting Measures to Support the Development of the Next Generation. As a result, PARCO was awarded the "Kurumin" certification logo.



Kurumin Certification Logo

Diversity Promotion Project

Increasing corporate value through better utilization and development of a diverse workforce

Based on the belief that development of a corporate culture where diverse values are accepted, all employees can perform to the best of their abilities and can sense opportunities for growth, will make the business base stronger and lead to corporate growth, the PARCO Women's Network (PWN) was established in November 2005. The aim of this project was to "utilize and develop a diverse workforce" through enhancing opportunities for female PARCO employees, thereby improving corporate value. This was re-organized as the Diversity Promotion Project from March 2011, with activities conducted in a wide range of areas such as raising awareness of diversity issues among all employees (regardless of gender, job title) as well as recommendations relating to key issues for career advancement of female employees.

In fiscal 2010, PWN held regular monthly meetings, centered on two subcommittees, at which the network reported to the representatives and executive officers, and conducted an exchange of opinions. The network also visited stores to hold discussions with senior staff members overseeing staff, including working mothers. We also held "Next Generation Workforce" discussions for the younger generations of PARCO employees. For these discussions, broadcast using our web conferencing system, we invited a number of panelists, including female managers from other companies, to give their thoughts on a number of relevant issues. In addition, at each branch, bimonthly lunch meetings are held for working mothers and soon-to-be working mothers, as a forum to exchange opinions and create a company in which it is easier for employees with children to work. Project members also took part in training for female employees held by PARCO SPACE SYSTEMS CO., LTD. which combined instruction in daily duties with a course in career development.

Themes for fiscal 2011 include the introduction of diverse working patterns, and more incentives for younger employees to pursue career advancement through better communication between different generations.



"Next Generation Workforce" discussion held in January 2011



A rapt audience

Environmental Measures

Our Head Office and all stores are working together to find ways in which we can help protect the environment. Particular efforts are being made to reduce CO₂ emissions, such as by easing air-conditioning temperatures in stores, converting to LED lighting and introducing hybrid lighting, and relaxing formal dress codes to allow employees more flexibility in adjusting their attire to the seasonal climate. Since the Great East Japan Earthquake, we have also been making efforts to save electricity within the service areas of Tokyo Electric Power and Tohoku Electric Power by turning off neon and outdoor lighting, and lighting in common passageways.

We are also working to raise employee awareness of these diverse environmental initiatives so that each employee will think of this as a personal issue. An example of this would be our participation in the Challenge 25 Campaign hosted by the Ministry of the Environment.



Please see our CSR Report for PARCO Group's CSR activities.

CSR Report "PARCO WAY" http://www.parco.co.jp/group/corporate/about_05_03.php

For more information on PARCO's CSR activities, please visit the CSR page of our website:

<http://www.parco.co.jp/group/en/corporate/> Corporate CSR

PARCO

PARCO CO., LTD.

www.parco.co.jp