

## Feature 1: Medium-term Business Plan Overview and Progress

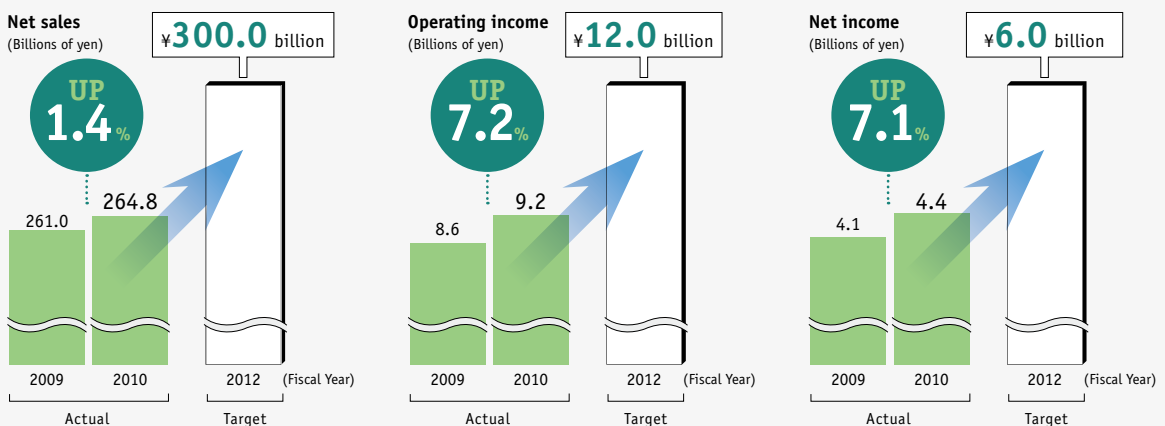
### New Vision for Fiscal 2015

#### “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)