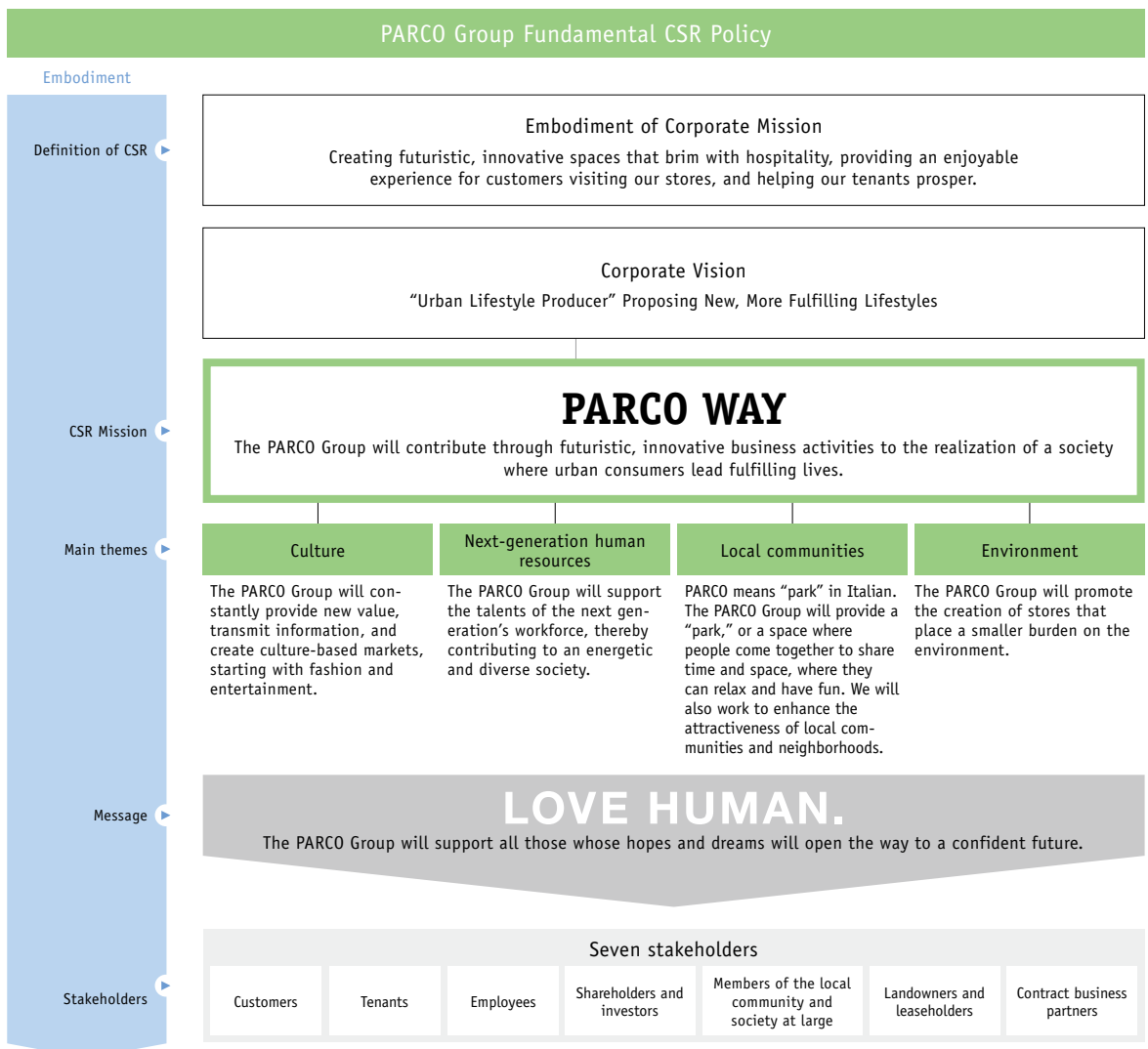


Corporate Social Responsibility

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