

PARCO Corporate Mission

Creating welcoming, forward-thinking, innovative spaces that provide an enjoyable experience for customers and help our tenants prosper.

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 “Creating welcoming, forward-thinking, innovative spaces that provide an enjoyable experience for customers 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 to create new value that surpasses what customers expect in order to provide a space where people can feel happy and inspired.

PARCO Group Long-term Vision

A business group that prospers in urban markets

- Designers of unique offerings for 24/7 urban life
- Creative drivers of urban evolution

CONTENTS

Introduction

02-21

- 02 History of Value Creation
- 08 To Our Stakeholders
- 10 The PARCO Group Value Creation Process
- 12 PARCO Group Business Model
- 18 Consolidated Financial and Non-Financial Highlights
- 20 Eleven-Year Financial and Non-Financial Summary

Strategy

22-35

- 22 President's Message
- 27 PARCO Group's Growth Strategy
 - 30 Tactic 1: Evolve the Store Brands
 - 32 Tactic 2: Produce Commercial Real Estate
 - 34 Tactic 3: Expand Soft Content

Performance

36-47

- 36 Success of Value Creation
 - 36 PARCO Group Business Fields
 - 38 Group Business Overview
 - 38 Shopping Complex Business
 - 40 Retail Business
 - 41 Space Engineering and Management Business
 - 42 Other Business
 - 44 Produced by PARCO Brand
 - 46 Fiscal 2018 Accolades and Awards

ESG Initiatives

48-57

- 48 Promotion of ESG Initiatives
 - 48 PARCO Group CSR
 - 50 Environment and Society
 - 52 Corporate Governance
 - 57 Board of Directors and Officers

Financial Section

58-109

- 58 Management's Discussion and Analysis
- 64 Consolidated Statements of Financial Position
- 65 Consolidated Statements of Income
- 65 Consolidated Statements of Comprehensive Income
- 66 Consolidated Statements of Changes in Equity
- 68 Consolidated Statements of Cash Flows
- 69 Notes to Consolidated Financial Statements
- 109 Independent Auditor's Report

Corporate Information

110-113

- 110 About PARCO
- 111 Organization Chart
- 112 Stock Information
- 113 Information on PARCO's Website

Refer to the Investor Relations section of the PARCO website for more detailed information concerning financial reporting.

URL www.parco.co.jp/en/ir/

Refer to the Sustainability section of the PARCO website for detailed information concerning ESG.

URL www.parco.co.jp/en/csr/

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 Integrated Report 2019" was compiled and edited with reference to the "International Integrated Reporting Framework" propagated by the International Integrated Reporting Council. In addition to the content found in previous reports, this latest report contains content describing non-financial business value, such as an explanation of the cycle of business activities labeled the "PARCO Group Value Creation Process" and insight into the corporate governance system that underpins business.

The cover for this year's report was produced by Cap, a design office involved in PARCO campaign posters and seasonal catalogs, as well as high-quality design advertising.

Comment from the Designer

Congratulations to PARCO on its 50th anniversary.

I have changed the style of the block letter P in the company logo so that the vertical stroke is now on an ascending angle to symbolize PARCO's aspirations for further growth in the next 50 years.