

Realizing Growth by Widening Unique Value Provided to Urban Areas

Evolve the Store Brands

We will enhance unique tenant services and provide consumers with genuine retail experiences in order to create next-generation commercial spaces and stabilize earnings, aiming to further promote the evolution of the PARCO store brand.

New Shopping Experiences

VR and MR Create New Shopping Spaces

In March 2018, we participated in the SXSW Trade Show held in Austin, Texas, United States, by developing an exhibit of virtual reality (VR) shopping content on the theme of “Shopping in 2020” using the STYLY VR platform developed by Psychic VR Lab Co., Ltd. After the exhibition, in May we conducted a demonstration at the RUNWAY channel Lab. SHIBUYA store of MARK STYLER Co., Ltd., in the SR6 facility operated by PARCO. We aim to provide services that encourage sales by presenting fashion together with experiences that cannot be had in real space.

In the VR space, it is possible to design spaces that are free from constraints such as size and gravity. This enables us to express the brand concept, the designer’s intention, and the seasonal theme as a space without having to create the physical decor. It also enables us to place 3D ensembles of apparel and accessories in the space. Moreover, arranging data within the space eliminates the need to hold actual apparel inventory and enables placement of a greater volume of stock than what is possible in a real store.



Products can be placed in a virtual space that could not be constructed in a real space (rendering)

Visitors can enjoy shopping surrounded by countless products, just like selecting products on an e-commerce website. Furthermore, by detecting the visitor’s movement using sensors, it is possible for multiple people to share the VR space, enabling people to enjoy chatting with friends and looking at products while in the VR space.

Message from Stakeholders



Nobuhiko Watanabe
Psychic VR Lab Co., Ltd.
Director and COO

We have worked together with PARCO to create a shopping experience of the future using next-generation VR and MR interfaces.

I think that PARCO’s desire to spark innovation by incorporating advanced initiatives ahead of anyone else has created a new culture, and I’m delighted that we have achieved this together. I’m excited about the prospect of creating new shopping experiences and an even newer PARCO together, looking forward to 2020.

Promoting Digital Customer Services Using 3D Data

On Thursday, December 14, 2017, we introduced a 3D scanner at the RUNWAY channel Lab. SHIBUYA store at SR6. The scanner captures images of an object from multiple points to grasp its three-dimensional shape and converts them into data. We offered a service that allowed customers to capture 3D image data of their own clothing and view it on a web browser, and shop staff provided digital customer service using the 3D data, such as capturing ensembles of apparel in 3D and posting them on a website or social media.

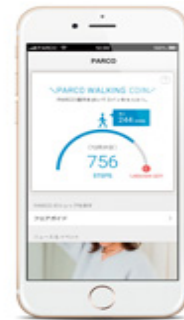
* The service at SR6 finished at the end of May 2018.



A 3D scanner installed at SR6

Promoting Circulation through a Facility Using an App

PARCO WALKING COIN is a new function that measures the number of steps taken by users inside a facility and awards a coin when they reach a target number of steps. The system was introduced at PARCO stores nationwide on Monday, May 14, 2018, after an advance introduction at Urawa PARCO, Chofu PARCO, Fukuoka PARCO, and Tsudanuma PARCO. Visitors start the official PARCO smartphone app, POCKET PARCO, inside the facility and begin counting their steps. When they reach a target number of steps, they can obtain a coin. Adding a function that can be enjoyed inside the facility creates opportunities for customers to encounter store blogs and event information posted on the app when they are in the facility and to discover stores that they have never visited before as they walk around.



Smartphone screen shot



* Customers receive gift vouchers according to the number of coins collected

Robots Support Store Operations

The Siriusbot robot was jointly developed by 08 WORKS Inc. and Nihon Unisys, Ltd. specially to provide guidance to customers and assist employee operations in commercial facilities and retail stores. The robots were trialed at Ikebukuro PARCO in October 2017, PARCO_ya in November 2017, and Nagoya PARCO in May 2018. Siriusbot responds to customer inquiries in English or Japanese using both voice and screen and can guide customers to the store they seek. After closing time, Siriusbot patrolled the inside of the stores, collected data on tenant store stock inventories by reading electronic tags, and supported tenant staff in stocktaking operations.



Siriusbot

This initiative was selected as a Fiscal 2016 Public Offering Joint Research and Development Project by the Tokyo Metropolitan Industrial Technology Research Institute.

Voice Guidance Service Using Smart Speaker

In November 2017, we developed PARCO Skills, a voice dialogue application specially designed for providing guidance in commercial facilities. The application works with the Amazon Alexa* cloud-based voice service provided by Amazon. By installing Amazon Echo smart speakers in stores and starting voice dialog guidance services, customers can use the application in-store as well as in their own homes.

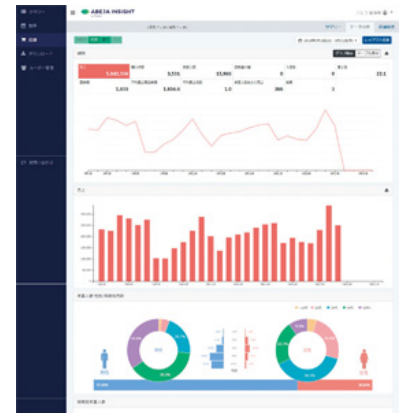
On Tuesday, April 3, 2018, the speakers were installed at several locations inside Ikebukuro PARCO. The system can provide information about shops, restaurants, and available products, as well as responding to over 600 question variations, mainly based on frequently asked questions taken from records of daily inquiries compiled at the Information Center. The system was also installed at Nagoya PARCO on Thursday, May 17, and for a limited time until Monday, May 28, we trialed a service where customers requiring the assistance of a Siriusbot were able to call for one by talking to Amazon Echo.

*Amazon Alexa is the brain supporting Amazon Echo. It is built on a cloud platform and is constantly evolving.



AI-Based Store Analysis Solution

ABEJA, Inc. provides a retail and distribution service for analyzing the number and characteristics of store visitors called ABEJA Insight for Retail. The service has now been introduced for tenant stores at PARCO_ya (with certain exceptions). The data obtained is used to quantitatively measure the impact of marketing initiatives such as promotions and events. We also provide the system to tenants as part of our services for them. Tenants use the system to increase operational efficiency by confirming trends in store visitor numbers at different times of the day, and on different days, helping the tenants to optimize their staffing systems. PARCO_ya is the first in Japan to introduce ABEJA Insight for Retail tenant service for all of its facilities.



Screen shot of the analysis screen

Messages from PARCO Partners



Susumu Sasaki
Chairman, PARCO Association
CEO & President, JUN Group

Expectations for New Shibuya PARCO

Shibuya PARCO is the origin of PARCO. It was an epoch-making store when it opened its doors in 1973, giving birth to the concept of a commercial facility for Japanese fashion and it continued to evolve as a source for cultural dissemination over the years.

As a consumer, I have great expectations for the new start in fall of 2019. With the country's leading design capabilities, PARCO, of all companies, is certain to be reborn as a challenging and appealing facility that creates new surprises as a cultural dissemination point amid the dramatically changing fashion environment of today.

Realizing Growth by Widening Unique Value Provided to Urban Areas

Produce Commercial Real Estate

We are working to expand format variety by creating new formats alongside the existing PARCO and ZERO GAT E formats with the goal of expanding sites primarily in urban areas with growth potential where we have not yet opened complexes.

Stores Opened in Fiscal 2017

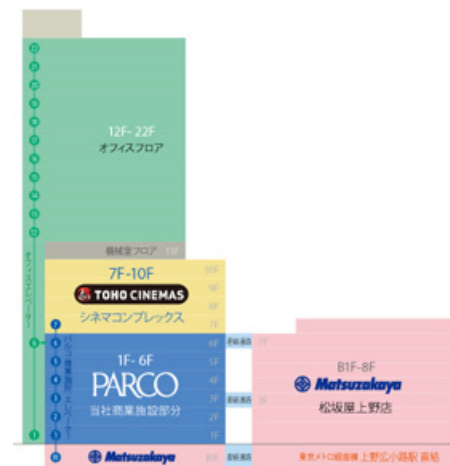
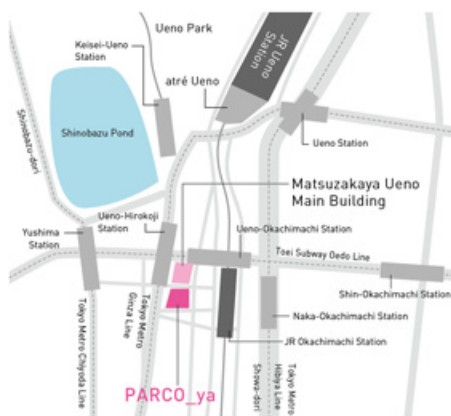
The first PARCO format store in the east side of Tokyo, and the first in the 23 wards in Tokyo in 44 years

PARCO_ya opened Opened Saturday, November 4, 2017



PARCO_ya, a new shopping complex brand, opened in the east side of Tokyo as the first PARCO format store to open in the 23 wards in Tokyo in 44 years. PARCO_ya opened on the first through sixth floors of Ueno Frontier Tower, which was built on the site of the former South Wing of Matsuzakaya Ueno. The store composition is designed to promote circulation with TOHO Cinemas Ueno on the 7th floor and the neighboring Matsuzakaya Ueno, and to satisfy a broad cross-section of customers who visit the Ueno and Okachimachi area, such as users of the offices on the upper levels.

Under the store concept of “a slightly up-market, sophisticated spot that’s fun to visit with friends,” PARCO_ya incorporates 52 stores opening in Tokyo’s Ueno Okachimachi area for the first time, as well as 11 companies with strong ties to the local community. The facility aims to grow in step with the local market, for example by offering exclusive panda merchandise.



Proposing Topical Foods

We are meeting the needs of a wide range of customer segments, mainly with topical cafes, long-established local stores, and famous specialty stores. We are also introducing cafes to create communication spaces on each floor.



6th floor Ueno Yabusoba



1st floor KURIYA otona KUROGI Kuromitsu kinako parfait

Exclusive PARCO_ya products sold in stores

Ueno has a strong association with pandas. The giant panda cub Xiang Xiang, which had its first birthday in June, 2018, has become increasingly popular. PARCO_ya is proposing panda-themed merchandise and menus at many stores to provide visitors with an exciting encounter with the highly individualistic pandas.



1st floor Smith

Left: Five-Partition A4 Folder

Right: Rollbahn L-size Notebook with Pocket



4th floor AYANOKOJI

Left: Shoulder Case with Clasp

Right: Card Case with Divisions and Clasp

* Sales of some items may have finished.

Kyoto ZERO GATE

Opened partially in November 2017



Located adjacent to the Daimaru Kyoto department store, facing Shijo Street, Kyoto's commercial center, this facility opened on some of the upper floors in November 2017. With support from the local community, the facility aims to contribute to creating fresh appeal for the area.

Store Opened in Fiscal 2018

Harajuku ZERO GATE

Opened in March 2018



This facility opened in March 2018 on Meiji Dori avenue in the Harajuku and Jingumae area, which has a high profile both in Japan and internationally. With a popular social media character merchandise store and a fitness gym, the facility contributes to the vibrancy of the district and helps to improve circulation through the area.

Sannomiya ZERO GATE

Opened in September 2018



We decided to rebuild an existing building acquired in the Sannomiya area, Kobe's central commercial district. We plan to open a commercial facility designed to contribute to enlivening the Sannomiya district and creating new appeal.

Scheduled Openings

PARCO Format

New Shibuya PARCO

Due to open in fall 2019

The New Shibuya PARCO is designed to be a next-generation global shopping center that will contribute to a vibrant atmosphere in the area around Shibuya Station, serving as a hub for nurturing and disseminating fashion and performing arts culture.



New Shibuya PARCO rendering

North Building of Daimaru Shinsaibashi Due to open in spring 2021

The North Building of Daimaru Shinsaibashi is located in Osaka's Shinsaibashi district, a leading commercial area in the Kansai region. The facility is to open there as a second joint venture with the J. Front Retailing Group. It will form a new local landmark for Shinsaibashi, combining a department store with a dedicated collection of fashion stores.



North Building of Daimaru Shinsaibashi rendering

New Format

Sumida-ku Kinshicho Station Area project Due to open in spring 2019

For this new commercial facility in eastern Tokyo, we are leasing a portion of the Rakutenchi Building and making major renovations to the interior and exterior.



Sumida-ku Kinshicho Station Area project rendering

Okinawa Urasoe West Coast Development project Due to open in summer 2019

We established a joint corporation with leading Okinawan retailer SAN-A CO., LTD. on Urasoe's west coast, which has excellent access. PARCO and SAN-A aim to create an attractive new shopping complex by fully exercising their respective strengths.



Okinawa Urasoe West Coast Development project rendering

ZERO GATE Format

Kawasaki ZERO GATE(tentative name) Due to open in early fall 2019

Kawasaki ZERO GATE is to be situated in a triangular plot bordered by the main road in front of JR Kawasaki Station and Shinkawa Street. We plan to open a commercial facility that will help to enhance the pleasure of walking in the town and enliven the local area.



Kawasaki ZERO GATE (tentative name) rendering

Realizing Growth by Widening Unique Value Provided to Urban Areas

Expand Soft Content

We will work to evolve and create new entertainment content, the locus of PARCO's unique soft content. Further, the Group will play the role of incubator and collaborate with up-and-coming creators and companies to provide novel experiences to consumers.

Development Utilizing PARCO's Information Dissemination Centers Ryuji Akiyama (Robert) Presents “Creator's File Festival”

“Tokyo Creator's File Festival Ikebukuro Creative Operation” produced by Ryuji Akiyama (Robert) was held at PARCO MUSEUM in Ikebukuro PARCO from Saturday, April 29 to Monday, May 22, 2017. The event featured content exclusive to the exhibition as well as multiple events in which Akiyama took the stage in a series of impersonations of various creators. It caught the attention of the public, drawing approximately 50,000 visitors in 24 days. Subsequently the event was held in Nagoya, Fukuoka, Sendai, Sapporo, and Hiroshima, drawing approximately 220,000 people in total nationwide, including spin-off events.

In response to the hit performance around the country, the complete version of the Tokyo Creator's File Festival was held at PARCO MUSEUM from Friday, March 2 to Monday, April 2, 2018, with updated exhibition content and products. Over 30,000 people attended, with a national cumulative total exceeding 250,000. On Thursday, February 22, 2018 around the same time, we collaborated again with a campaign at Ikebukuro PARCO that was used in a poster visual.

Furthermore, at THE GUEST cafe & diner, we held a collaboration cafe called Creator's File Cafe, which was run at sites throughout Japan, starting at Ikebukuro PARCO. Under the direction of Ryuji Akiyama (Robert), the collaboration menu featured 11 popular impersonated creators.

Looking ahead, we will produce a variety of content and provide customers with new consumption experiences using PARCO as a center for information dissemination.



Ikebukuro PARCO Main Building 7th floor
PARCO MUSEUM
March 2018 “Complete edition of Tokyo Creator's File Festival—Operation Grand Finale of the National Tour: Thank you and one more time”



April 2017 Opening ceremony of the “Tokyo Creator's File Festival”



December 2017 Hiroshima PARCO live event with Ryuji Akiyama (Robert)

PARCO MUSEUM

As part of the temporary closure of Shibuya PARCO, PARCO MUSEUM was relocated to the seventh floor of the Ikebukuro PARCO Main Building, then renovated and reopened in September 2016. Here it continues to create and curate diverse exhibitions and events transcending the existing categories of art, design and culture.

In 2017, the art museum has been transmitting culture in and outside Japan. Activities include the hit exhibition "Tokyo Creator's File Festival" in 2017, followed in November by an exhibition of the fashion brand ANREALAGE, which went on to tour Los Angeles in January 2018.

[> PARCO MUSEUM](#)

A Mini Theater Operated by PARCO

CINE QUINTO

CINE QUINTO was reopened on Friday, July 6, 2018. The mini theater operated by PARCO had been closed temporarily for the rebuilding of Shibuya PARCO. The cinema has screened unique, high-quality domestic and foreign productions of all genres under the concept of "Entertainment from around the world." The reopened cinema has been expanded from a one-screen to a two-screen theater, and has introduced pair seats that are unique in Shibuya with a view to making CINE QUINTO one of the area's most engaging movie theaters. In this role, the cinema will now work to provide live entertainment that delivers an authentic experience and sense of discovery. Based on the success of productions purchased and distributed by the company that have won support from many customers, PARCO will bring diverse foreign and domestic entertainment to Shibuya, including the high-quality artistic independent art productions with which it has come to be associated.

Going forward, CINE QUINTO will collaborate in multifaceted projects and events with the new Shibuya PARCO, working together as a facility that contributes to the vibrancy of the overall Shibuya district.

[> CINE QUINTO](#)



CINE QUINTO

Location:
7F Shibuya Mitsuba Building, 20-11 Udagawa-cho,
Shibuya, Tokyo

Seating:
162 seats / 115 seats + 1 wheelchair space per screen

Shibukaru Festival

The Shibukaru Festival culture event has been held since 2011 with Shibuya PARCO as the main venue, aiming to provide young women creators the opportunity to show their work. Shibuya PARCO was closed in 2017, but GALLERY X BY PARCO on Spain Hill Street in Shibuya provided a space for the young women creators to display their work and contribute to information dissemination and creation of excitement in Shibuya. In addition, live events were held at Shibuya CLUB QUATTRO and Shibuya WWW (Live Performance), while the construction site of Shibuya PARCO in mid-rebuild was used as a venue for a fashion show for highly individual next-generation designers.

In May 2018, the event was held in Hong Kong, for the third time overseas following events in Singapore in 2013 and Bangkok in 2015. The event will further promote the presence of PARCO in overseas markets and we will link it to the opening of New Shibuya PARCO in fall of 2019, aiming to evolve into a center for transmitting culture and fashion not only in Japan, but to the whole world.

> [Shibukaru Festival](#)

Culture Dissemination Center and Art Space

GALLERY X BY PARCO

GALLERY X BY PARCO, opened in Shibuya in December 2016, will generate culture across genres, including art, music, fashion and anime, and send it out into Shibuya and beyond.

> [GALLERY X BY PARCO](#)



Shibukaru Festival



October 2017 Shibukaru Festival main theater
GALLERY X BY PARCO

Collaboration Cafe

THE GUEST cafe & diner

PARCO develops cafes tied in with various content such as popular characters, films and anime. Featuring themed menus, the cafes enable customers to engage in the unique worlds of particular works. There are now five* in operation around the country. In 2017, we started promoting overseas development with the “Minion Daidassou Cafe” opening for a limited period in Singapore, after “Minions Cafe” was so well received throughout Japan.

*Ikebukuro PARCO, Nagoya PARCO, Fukuoka PARCO, Sapporo PARCO and Shinsaibashi 161

> [THE GUEST cafe & diner](#)

PARCO’s Crowd-Funding Service BOOSTER

In 2014, PARCO launched BOOSTER, a crowd-funding service dedicated to supporting the realization of projects across the full spectrum of creative content domains through a framework that enables individual consumers to come together to put innovative challenges out into the public sphere. In addition to supporting the launch of projects, BOOSTER draws on the nationwide strengths of PARCO to expand awareness of projects and support business growth after launches.

In Jun 2018, PARCO concluded an alliance agreement and investment agreement with CAMPFIRE, Inc., operator of Japan’s No. 1 crowd-funding platform CAMPFIRE. Through the alliance, both companies will jointly operate BOOSTER and work to achieve its further growth.

> [BOOSTER](#)

Sample from the “Minion Daidassou Cafe”
collaboration cafe



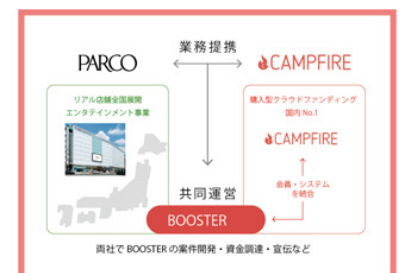
MINIONS CAFE custard pudding



MINIONS prison break rice gratin



From left: Representative Director and President Kazuma Ieiri of CAMPFIRE, Inc. and Managing Executive Officer Sensui of PARCO



Messages from PARCO Partners



Ryuji Akiyama (Robert)
Comedian

Expectations for New Shibuya PARCO

PARCO really helped me at the Creator's File exhibition. Starting at the PARCO MUSEUM at Ikebukuro PARCO then moving on to Nagoya PARCO, Fukuoka PARCO, Kumamoto PARCO, Sendai PARCO, Sapporo PARCO, Hiroshima PARCO, Matsumoto PARCO, Shizuoka PARCO, Peter PARCO picked a peck of Pickled PARCO... excuse me. My tongue ran away with me. At any rate, I really felt that the PARCO stores in every region took it in turns to work with us, each one making a big effort to ensure that we had an exciting event at every store. I'm really grateful for their help.

In 2019, New Shibuya PARCO is to be completed. I remember visiting the former Shibuya PARCO once, prior to my moving to Tokyo to pursue my career. I went by myself to see an exhibition of Yusaku Matsuda. I recall looking at clothes and general merchandise, even though I didn't know anything about them, and getting a little drunk on the experience of being in Tokyo and Shibuya (Laughs). Ever since then, I have always felt that Shibuya PARCO is Shibuya. People might associate Shibuya with all kinds of things: scramble crossing, Shibuya Center-gai Street, the Hachi-ko dog statue, Nishimura Fruits parlor, Guardian Angels, Kenji Ozawa, Minoru Ujita, Drug store Sanzenri – but I think the real heart of Shibuya is definitely Shibuya PARCO.

I'm really looking forward to the completion of New Shibuya PARCO. And I would be really delighted if New Shibuya PARCO let me put on a fun event someday too.

Messages from PARCO Partners



Tatekawa Shinosuke
Rakugo performer

Expectations for New Shibuya PARCO

PARCO Theater was the stage of my dreams. My connection to the theater goes back 20 years. I've had the privilege of performing rakugo there (including a one-month show for 11 of those years), and the birth of countless new rakugo stories such as "Kanki no Uta" (Ode to Joy) would never have happened without PARCO; moreover, the development of its unique presentation style, with its theatrical presentation in terms of art, sound, lighting, and even the lobby, is really thanks to the efforts of PARCO staff. That's right. PARCO is the home of the Shinosuke-style rakugo. I can't wait for the day when I can perform again in my newly rebuilt "home."