

Message from President



Putting our Corporate Mission into practice is how we carry out CSR

We view CSR as the concrete embodiment of our Corporate Mission and the backbone of our business itself. That mission is expressed as “Creating welcoming, forward-thinking, innovative spaces that provide an enjoyable experience for customers and help our tenants prosper.” CSR for the PARCO Group consists of working through our business activities to realize this mission while earning the trust and satisfaction of stakeholders. Forward-thinking, innovative activities in this context means to further the evolution of the points or origin that define PARCO, “Incubation,” “Urban Revitalization,” and “Trends Communication,” which also represent our role in society, while staying on top of the changing times. We have organized this approach in a system diagram to more fully integrate it into the company. In addition, to help bring our daily activities closer to the ideal of the Corporate Mission, we have set out the “Ten guidelines for PARCO employees and Five actions being taken by PARCO,” which are promoted throughout the company. Our aim is to develop and grow as a company by creating value that satisfies all stakeholders, including customers, tenants, shareholders and employees, continuing to provide that value, and securing appropriate levels of profit as a result.

In fiscal 2018, we established six themes and actively pursued them, taking a fresh perspective on the SDGs and recognizing the PARCO group’s social role is to create new value in sympathy with society and develop constantly. We consider the themes to be trust and satisfaction of our stakeholders and increasing our corporate value. They include the four themes of “Next generation,” which involves supporting the talents of the next generation’s workforce, “Culture,” in the form of providing new cultural value and culture-based markets, “Local communities,” which includes working to enhance the attractiveness of local communities and neighborhoods, and the “Environment,” in which we aim to create commercial spaces with minimal environmental footprint. To these we have added the themes of “Work style reform” and “Compliance,” as we promote initiatives aimed at sustainable management. We will continue to recognize the PARCO group’s responsibilities and roles in accordance with social issues and demands. Mindful of the SDGs, we will tackle the Six Themes through our three social roles as we strive to contribute to solutions for social issues.

PARCO CO., LTD.

President and Representative Executive Officer

Kozo Makiyama

Managing Executive Officer CSR Committee Chair Message



Managing Executive Officer
CSR Committee Chair
Masaaki Abe

To increase the quality of its CSR activities, the PARCO Group has formulated the PARCO Group Fundamental CSR Policy, clearly defining its position on CSR and establishing a system for its CSR activities. We consider the definition of CSR to be the embodiment of our Corporate Mission. We will gain our stakeholders' trust and ensure their satisfaction through our three social roles: "Incubation," "Urban Revitalization," and "Trends Communication;" and promote initiatives to enhance our corporate value. Furthermore, in the belief that CSR activities are in fact business activities, we have established four main themes in line with our business activities: "Next generation," "Culture," "Local communities," and "Environment," and we are actively engaged in these. To promote these activities, we have built a CSR management structure comprised of the CSR Committee, Diversity Committee and Risk Management Committee, which will advance our CSR activities even further.

In fiscal 2018, we aimed to achieve sustainable management with the SDGs in mind by actively addressing the issues of "Work style reform" and "Compliance," which have been added to our four main themes for a total of six themes, and carried out 117 initiatives. For "Next generation," we continued to support creators who will generate new expressions and discovered new shops and brands as well as supporting their development. For "Culture," we opened a new mini-theater, UPLINK Kichijoji PARCO, while works produced and invested by PARCO were well reviewed in the art field, receiving numerous awards. For "Local communities," we supported communities and people in Japan and overseas through the crowd-funding service BOOSTER, while each store cooperated with members of the local community and artists to contribute to regional revitalization. For "Environment," we continued our initiatives to save electricity, recycle, and reuse at each store and business. For "Work style reform," we revised the way in which employees work through measures such as expanding teleworking to continue providing support for diverse workstyles that do not require a specific workplace, and introduced a new second job program. For "Compliance," we systemized our risk management and worked to ensure thorough compliance.

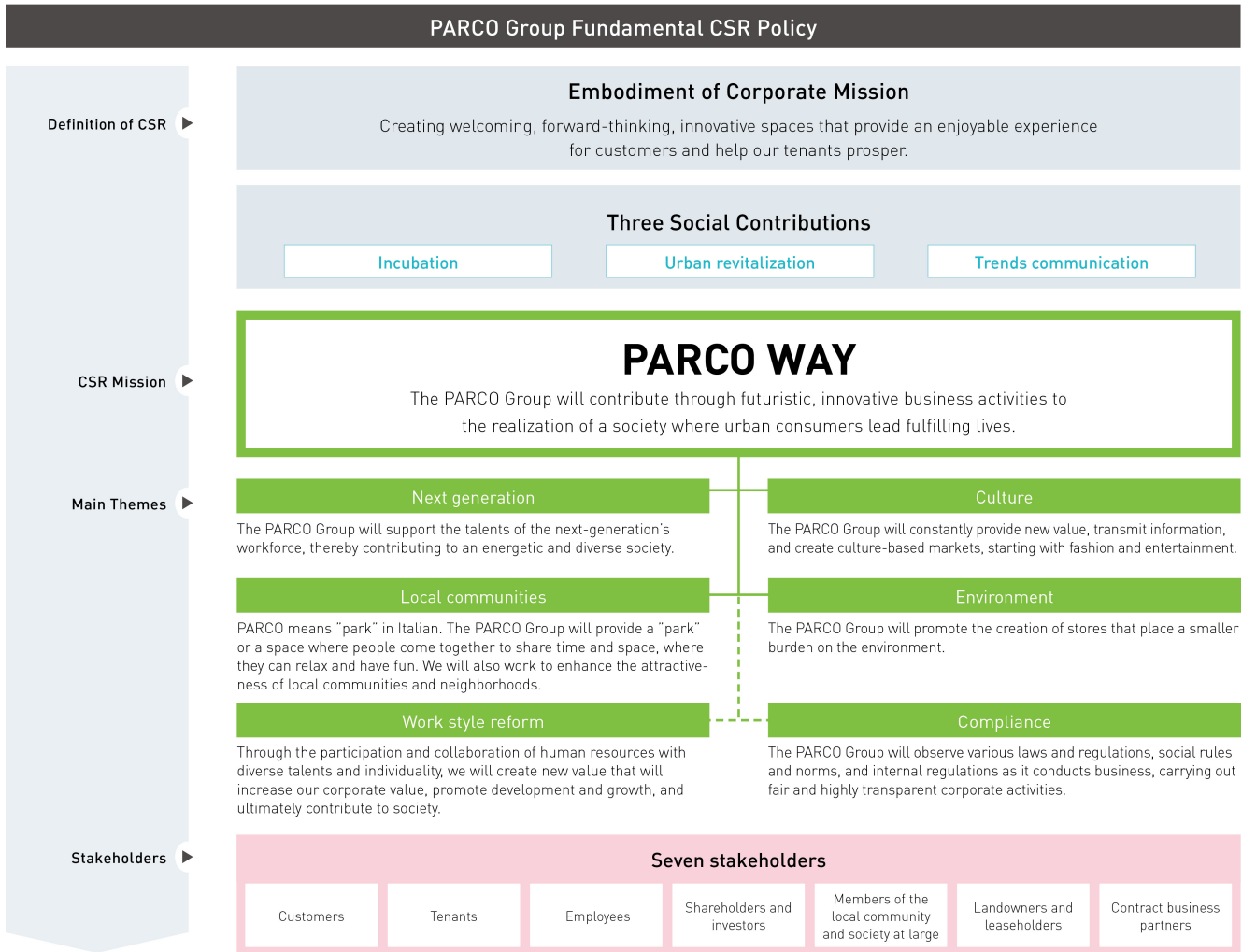
In fiscal 2019, as we mark our 50th anniversary, to ensure that we will continue to be sustainable going forward, we will take an ESG perspective and incorporate elements of the SDGs as we take active measures on our six main themes to contribute to resolving social and community issues. Moreover, at Shibuya PARCO, we will work to "create excitement with the surrounding community," "reduce environmental impact," and "collaborate with diverse companies and individuals."

[> Promotion of ESG Initiatives](#)

Fundamental CSR Policy

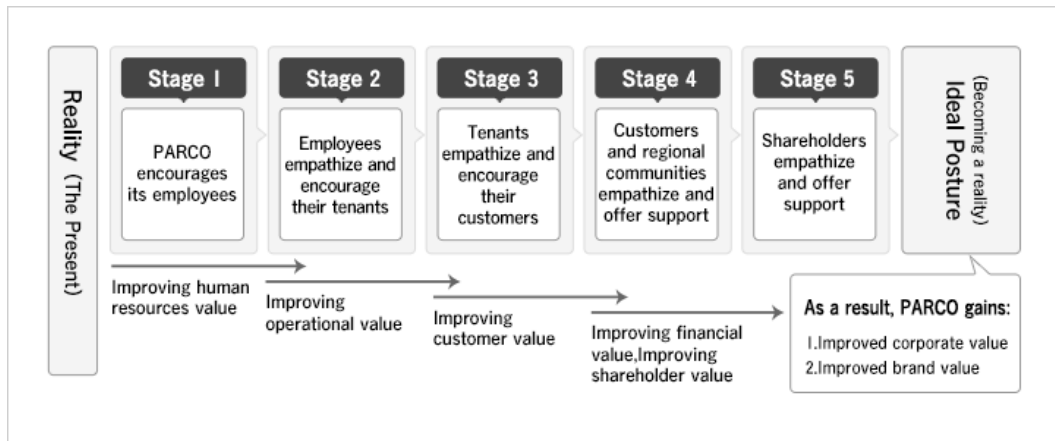
The PARCO Group considers the definition of CSR to be the embodiment of its Corporate Mission. We will gain our stakeholders' trust and ensure their satisfaction through our businesses and promote initiatives to enhance our corporate value.

The PARCO Group has formulated the PARCO Group Fundamental CSR Policy to increase the quality of its CSR activities by clearly defining its position on CSR and establishing a system for its CSR activities.



Process to enhance PARCO Group corporate value

Outlined below is the process by which we seek to raise the corporate value of the PARCO Group. Toward this objective, we work to gain the understanding and support of our stakeholders through CSR activities channeled through core business activities.



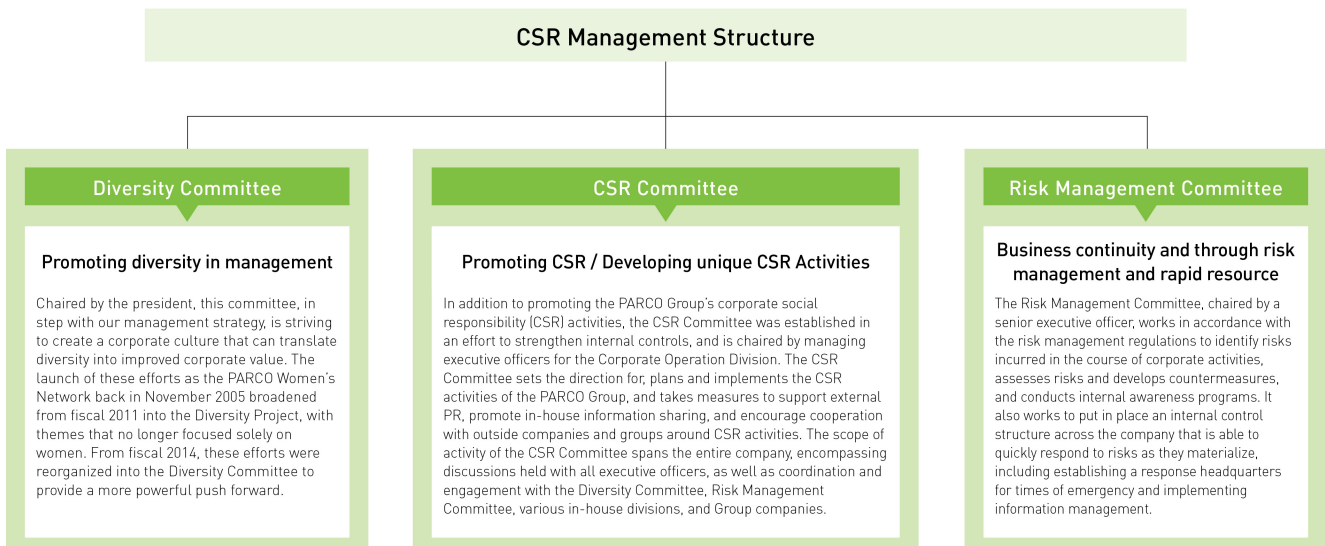
CSR management structure

To strengthen the foundation for our CSR activities, we have built a CSR management structure comprised of the CSR Committee, Diversity Committee and Risk Management Committee.

The CSR Committee and Diversity Committee are chaired by the president and work to strengthen internal controls and further advance activities.

In addition, the Risk Management Committee strives to manage risks incurred in the course of corporate activities and to put in place an internal control structure across the company that is able to quickly respond to risks as they materialize.

Each committee meets regularly, and all executive officers are involved as committee members, coordinating with each internal department and Group company to ensure that all employees of the PARCO Group are committed to society and promoting active initiatives.



Three Social Roles of the PARCO Group

Since its initial opening, PARCO has proposed new lifestyles to the public by actively introducing the cutting edge of culture not only in fashion but also music, the arts, theater, and other areas. By functioning as a space for the creativity of many new people of talent, PARCO has also created new value shared by society at large.

Amid the changing times and economic climate, and even transformation in consumer trends, facing these challenges and evolving the social role of the PARCO Group, namely its origin points of “Incubation,” “Urban Revitalization,” and “Trends Communication,” will become the foundation that spurs business growth.

