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# Evolve the Origin and Refine Our Strengths

plates filled with beautiful dishes and ingredients unique to the region, and without culture, they are just plates with nothing on them. Parco has set “increasing local appeal” as one of its six sustainability themes, and has declared its contribution to increasing the appeal of local areas through active participation in communities and other means. We hope to co-create with the culture of the local community at each PARCO store, including events in collaboration with local creators and local industries, and to prosper together with the city that is its foundation.

## Utilize diverse values

I joined Parco Co., Ltd. 33 years ago, but I had little experience in stores, and I have been working for the Parco Group companies for about 15 years. I am proud to be a rare type of person within Parco, having accumulated a lot of experience that is not a “Parco = store” scheme, such as launching new businesses and being involved in cross-sectional projects. When I was seconded to companies in the Parco Group, I thought all jobs, whether at Parco or at other companies in the Parco Group, were equally precious and interesting. In my late twenties, the groundwork was created to actively embrace new and different businesses from Parco, and this orientation has been carried over to my current self.

Last fiscal year, I spent one year at J. Front Retailing (the holding company), where I was involved in management strategy and carried out various tasks from the perspective of the importance of “overall optimization.” Since I became the President of Parco this spring, I have felt that while collaboration between Parco and Daimaru Matsuzakaya Department Stores in promotion and other areas is progressing, there is room for more collaboration and value co-creation with other Group companies. “Overall optimization” does not mean losing individuality and matching the whole. Rather, it is important for each

company to refine its unique strengths in order to improve the results of the Group as a whole. Based on this idea, I would like to make maximum use of Parco’s strengths and capabilities for the development of the J. Front Retailing Group.

I feel that Parco is a company with a high-context culture where employees are connected to each other through shared sensitivities and thoughts that cannot be put into words. Employees who joined Parco as new graduates have the strength of having been nurtured only within Parco, but I also believe that they have a fragility. Perhaps I felt this way because, thanks to the wide range of work I was given at the Parco Group companies and at J. Front Retailing, which is different from most Parco employees, I was able to develop a bit of an objective perspective on Parco in addition to my “love for Parco.” Last fiscal year, nearly half of the employees hired by Parco were mid-career hires. In other words, employee diversity is progressing rapidly within the organization of Parco. Parco has the potential for further growing while striking a balance between what must remain unchanged and what can evolve.

## As a member of “one universe”

I feel that the J. Front Retailing Group as a whole should, as an organization, acknowledge each other’s differences, interact more at the employee level, and get to know each other on a one-on-one basis. I don’t think the J. Front Retailing Group should be like Parco, and on the other hand, if the holding company asks me if we can tighten regulations because Parco’s freedom has gone a little too far, I would reply, “Parco’s free spirit leads to the enthusiasm and creativity of the employees themselves, so I want to value that.” As an organization, we are separate, and we want to continue to have different cultures and individualities. That should also lead to our strength as a group. As long as we are aware that the J. Front

Retailing Group is a place where people come into contact with each other and come together, I think we can become “one universe.” Instead of saying, “I belong to Parco” or “That person belongs to Daimaru Matsuzakaya Department Stores,” we consider the entire J. Front Retailing Group to be “us.” That is an important factor that is indispensable in this day and age.

When we take a bird’s-eye view of Japanese culture, the traditional or authentic culture represented by that in Kyoto and other places is a major attraction of Japan, while the new and very unique cultures represented by those in Akihabara and Shibuya are now very popular worldwide as Japanese unique attractions. The J. Front Retailing Group, which has Daimaru Matsuzakaya Department Stores and Parco as its operating companies, is a very unique corporate group with the large cultures of both. If they are successfully combined, I think we will be able to create great synergies.

## Tune Parco’s origin to the “present”

The origin of Parco, which opened Ikebukuro PARCO in 1969 to offer a fashionable lifestyle targeting “21-year-old female office workers,” is to “support women’s advancement in society,” so to speak. It could be said that the company was truly ahead of its time in terms of “diversity & inclusion.” We want to deliver not an imposition such as the “only right answer” or a uniform, but life and culture with the message that “you can stay as you are.” I believe that we will be able to realize evolution in the sense of adapting to the current era while keeping a close eye on this origin, and that we will be able to envision and implement the next move while synchronizing Parco’s value with the social and economic environments.

Within the J. Front Retailing Group, Parco will continue to create new value and contribute to society.

\*VUCA: Acronym for Volatility, Uncertainty, Complexity, and Ambiguity, which refers to a situation where it becomes difficult for society and business to predict the future

## Parco’s role with values diversifying

Since its establishment, Parco has been actively introducing cutting-edge culture, mainly fashion, but also music, art, and theater, and proposing new lifestyles. Our vision is “Excite,” “Design,” and “Create” to change the world with excitement beyond imagination, and our purpose is to “Change the World with Sensibility” to forge a new era with the next generation. We hope to realize Parco’s unique style while looking at the leading edge of the times and building a better relationship with society.

In an era when the youth population increased and various subcultures were born, youth culture and the characteristics of Parco were a perfect match, and Parco was able to grow its business performance centering on fashion. However, it is more difficult to categorize the “youth culture” of today’s Japan than in the past, and it is important to be aware that there are “several cultures” with diversified values. There is a growing tendency for people to spend time and money on “Oshikatsu” to support their favorite

idols and characters, and on supporting social activities that they can relate to. Fashion is no longer necessarily the object of the money spent on their hobbies. It is also an age of uncertainty and difficulty in predicting the future, as is often referred to as the “age of VUCA\*.” As consumers’ values are changing, we at Parco need to reconsider how we contribute to society and what strengths we should demonstrate from the starting point.

## Highly acclaimed internationally Shibuya PARCO

Shibuya PARCO and Shinsaibashi PARCO are commercial facilities that we created with the latest concepts and methods, but their opening coincided with the period of the COVID-19 pandemic, so they did not reach their full potential at the start. Since October 2022, when the situation of COVID-19 began to settle down, we have received the expected evaluations, including international ones, and we are getting a good response that it is leading to business results. Shibuya PARCO, which opened in November 2019, was designed to be a store where people

from overseas can also enjoy, with a target of inbound sales of 30%. After opening, the COVID-19 pandemic continued for almost three years, and the achievement of the target was postponed, but then, after October 2022, when border measures were relaxed, it changed to the post-COVID-19 situation at once, and the initial target was greatly exceeded. Witnessing the large number of foreign visitors in addition to Japanese people, I was once again convinced that Shibuya PARCO is a place that can be enjoyed by customers from all over the world. Shinsaibashi PARCO, which opened in November 2020, is actively collaborating with the adjacent Daimaru Shinsaibashi store and steadily achieving results.

On the other hand, PARCO stores, which are located in large suburban cities, mainly attract customers from a wide area of Japan. Each area where PARCO stores are located has its own unique characteristics. They can be found in a seasonal festival, the flavor of the local cuisine, or the local culture. Civilization is measured in certain ways - technological, material, or efficient - but culture varies from region to region. Culture and specialties are, so to speak,