With respect to the direction of store planning, we aim to create next-generation commercial space that provides appeal unique to Parco’s own real store including new shopping experiences using the latest technologies for customer services, payment methods and others, new ideas to meet changing lifestyles of mature urban consumers, and “learning” and “experiences” using “Parco Theater” that will be newly reborn. Using the advantages of commercial complex including offices, we will expand the business by expanding contact with various companies, provide advanced tenant services using ICT, and cooperate in the “creation of Entertainment City” in Shibuya-ku.

By spreading the new achievements and know-how gained through this project to other urban stores gradually, we will realize the evolution of the store brand of entire Parco.

**Expanding commercial real estate**

As the initiatives of the Parco Business to expand commercial real estate including Zero Gate and new formats, eight development projects are in progress in fiscal year 2018. Specifically, Kyoto Zero Gate, which partially opened in 2017, will fully open and three other stores including Harajuku Zero Gate and Sannomiya Zero Gate will open in fiscal year 2018. From late 2018 to fiscal year 2019, stores in new formats will open in Kinshicho and Urasoe, Okinawa. In addition, we decided to open Kawasaki Zero Gate in fall 2019 to cultivate the central part of Kawasaki-shi that is expected to grow and improve urban function.
Improvement of customer services and tenant services

In the stores business, we provide customer services and tenant services using ICT as a customer service and tenant support policy.

Aiming at digital transformation that is expected to be adopted on a full scale in new Shibuya Parco, which is planned to open in fall 2019, we conduct the pilot tests of the measures to provide new consumption experiences by expanding in-store services of commercial facility Parco.

For customers, we introduced a 3D scanner, which enables customers to post the 3D images of their coordinated styles on social media, at SR6 in Shibuya in December and use it to sell fashion items. We also developed voice search service Alexa Skill that provides voice guidance service in Parco stores and installed it in Ikebukuro Parco in April. Furthermore, aiming at improving our ability to offer information as media, we will implement various initiatives, beginning in the 2nd half of 2018, including increasing buying menu in conjunction with information on Pocket Parco.

For tenants and brands in Parco stores, we help them strengthen sales and the transmission of information. We changed the orientation training programs for newly employed people to be provided online so that they can take them at their convenient time and focus on customer services at stores.

When opened “Parco_ya” in Ueno Frontier Tower, we introduced at each shop Japan’s first service to analyze “store traffic” and “customer attributes” such as age and gender, which can be used to ensure appropriate personnel structure according to store traffic by time of day and changes in store traffic by date and time and revise product lineup according to customer attributes.

Revitalizing existing stores

In each Parco store, we promote renovation based on changes in consumption and store characteristics. In fiscal year 2017, we conducted renovation of approximately 35,000 square meters. In urban stores, mainly Nagoya Parco and Fukuoka Parco, “spaces” that offer new ways of communicating were provided and restaurants that offer information were introduced. In community stores, mainly Urawa Parco and Tsudanuma Parco, food floors, which play a central part in encouraging customers to make multiple purchases and stay longer in the store, were renovated and large-scale key tenants with strong ability to bring in customers were invited.

In fiscal year 2018, we are planning to renovate floor area of approximately 35,000 square meters under the theme of the creation of new added value that meets diversified consumption needs. By introducing key items, mainly “cosmetics” and “food”-related products, we will carry out renovations to expand the variety of fashion zones.

In urban stores, we will introduce “health & beauty” as a provider of added value for lifestyles and provide new food style ideas including formats and shop interior and common space decoration. In community stores, we will continue to strengthen their offering by introducing high quality supermarkets that meet market needs and improving food specialty shops.

Cultivating urban areas with growth potential by developing new formats in addition to Parco and Zero Gate

Management Strategy