

Content Resonant with Customers



Grand opening of Shinsaibashi PARCO

In November 2020, Shinsaibashi PARCO, which is the 18th PARCO store in Japan, opened in Shinsaibashi, Osaka, for the first time in about nine years. This store, which comprises 16 floors including two basement floors and 14 floors above the ground and a roof floor, is positioned as a flagship store in Osaka like Shibuya PARCO in Tokyo and Nagoya PARCO in Nagoya.

Its concept is "NEW COMPLEX Building." Beyond a fashion building and a department store, large specialty shops, a cinema complex and a multipurpose hall and event space were added. It was created as a complex building beyond conventional commercial facilities. It is a new urban PARCO store in which mode, animation, new restaurants, and art, which are the essences of Shibuya PARCO, which opened in 2019, and luxury, high class restaurants, and golf and other sports, which are the themes of a "department store," were added and "tangible and intangible goods," "daily lives and art," "real and technology" meet borderlessly.

For the Group, it is a building united with its adjacent main building of the Daimaru Shinsaibashi store to promote the realization of the "business model for growing with local communities." It is connected to the main building of the Daimaru Shinsaibashi store with the access ways on the 2nd to 10th aboveground floors as well as the subway concourse and the Daihōji-dori street. Only in the Shinsaibashi store, we provide a mutual point service using both Parco's and Daimaru's in-house credit cards to link Parco and Daimaru. They provide new values, intangible goods and experiences to various customers who visit Shinsaibashi using their respective strengths.

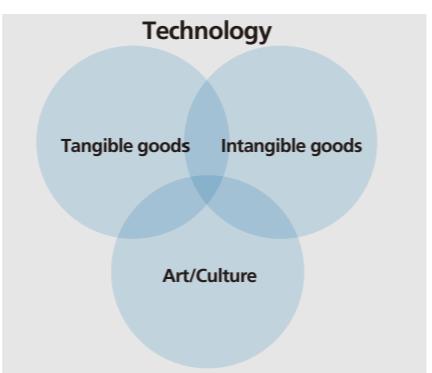
Though it opened when we started to see the signs of a third wave of COVID-19, it had a better start than imagined, attracting customer expectations. In March, a cinema complex on the 12th floor and Shinsaibashi Neon Shokudogai with

unique restaurants on the 2nd basement floor opened and distinctive Shinsaibashi PARCO was completed.

It generates synergy in the building united with its adjacent Daimaru Shinsaibashi store and performs above our internal plan. We would like to lead this merger of the Department Store and Parco to possibilities in other areas.

Four focus themes

Precisely because we are in the period of COVID-19, we provide or show differentiated and colorful tangible and intangible goods and art and culture that stimulate sensitivity using technologies to people who value individuality.



The symbolic zone unique to Shinsaibashi is the luxury zone on the 1st and 2nd floors. It is a zone with great diversity combining traditional luxury with trends and the uniqueness of Parco. It is also well received by the customers of its adjacent Daimaru Shinsaibashi store and drives synergy creation.

The 6th floor attracts attention as Japan's leading hub that disseminates experience-based Japanese culture from Japan to the world. It carries internationally popular content and provides not only goods but also experience value available only there. It globally provides strong content that attracts

customers.

Shinsaibashi Neon Shokudogai on the 2nd basement floor is unique. It has popular neo bars in Osaka and the most talked about, up-and-coming restaurants and bars, and in addition, Tank Hiroba, which disseminates entertainment and culture, is placed in the center of the floor. They provide



Shinsaibashi Neon Shokudogai on B2F (Shinsaibashi PARCO)



Entrance on the Midosuji side on 1F (Shinsaibashi PARCO)

one and only amazing-experience-based "stimulating food space" unique to Parco.

In addition, SPACE 14 and PARCO EVENT HALL, which took over the former Daimaru Shinsaibashi theater and event hall, serve as a western hub that disseminates information on Parco's culture coming from Shibuya including theaters, movies, music, art and culture.

Increase the appeal of physical stores by strengthening content

There is no doubt that digital and real are heading in the direction of merging. However, we think digital cannot function without physical stores' ability to disseminate information and experience value. We need to further improve physical stores, which are the Group's strength and customer touch points, in order to promote digitalization.

For example, by redefining the category of cosmetics as "beauty and wellness," the image of floor composition and zoning will be expanded. Beauty includes beauty care, anti-ageing and treatment. Wellness includes sleep and bath time. We think it is important to capture changes in customers appropriately and redefine the value to be provided.

We think we will also be able to add a new appeal that attracts customers in terms of "learning," "entertainment" and "incubation." They are Parco's strongest areas and positioned as a key for creating synergy to change the department store business model and the appearance of stores.

Importantly, however, "people" are the strongest content and the strongest media. We believe the gathered power of people who have customer touch points including sales people in stores, people who produce store space, people who plan promotions, people who develop content and people who support them will become a driving force for adding an exclusive appeal to stores as media.

Interview ▶ ANDO Ayako, Supervising Manager of Operations, Digital Promotion Department, Parco Co., Ltd.

Better Understand Customers Using Data and Provide Valuable Experiences

The mission of Digital Promotion Department is the promotion of DX. And we create a CRM execution environment, develop and operate apps and online stores and implement digital measures such as xR. I am responsible for PARCO points, which are the basic service of Parco's CRM, creating the system of PARCO's own QR code payment service POKEPARU PAYMENT, which can be used with our app POCKET PARCO, and analyzing and using data obtained from these services and customer touch points. I think the purpose of CRM is to "build high quality and good mutual relations between customers and the company while providing corporate value as customer value and to achieve a stable profit over a long period." I would like to achieve results from CRM by working with tenants in PARCO stores to provide the value and appeal of not only shopping complexes PARCO, but also entertainment, art, culture and their combination, which are valuable and attractive for customers. Now we need to use digital technologies and data to create and provide value by combining different fields. We will understand customers using data, provide valuable experiences physically and online, and furthermore, better understand customers using these data and change Parco's services and businesses to more valuable ones for customers. We aim for such DX.



*DX stands for Digital Transformation.

CRM stands for Customer Relationship Management.

xR stands for Extended Reality (generic term for technologies that combine the real world with the virtual world).