**CSR Basic Concepts**

Our guidelines for ensuring CSR are “J. Front Retailing Group Philosophy” itself. We will incorporate CSR concepts into management in accordance with the Group philosophy toward the achievement of the Group vision. To this end, the Group has set and will steadily address seven subjects based on international standards ISO 26000 as its CSR activities. In addition, we will strengthen CSR to ensure accountability to various stakeholders including customers, shareholders/investors and business partners. Through these efforts, we will build trust relationships to achieve sustainable and profitable growth.

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**J. Front Retailing Corporate Philosophy**

We aim at providing high quality products and services that meet the changing times and satisfying customers beyond their expectations.

We aim at developing the Group by making a broad contribution to society as a fair and trusted business entity.

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**Group Vision**

We will establish a status as a leading Japanese retail company both in terms of quality and quantity with the department store business as its core.

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**Seven CSR subjects based on ISO 26000**

1. Community involvement and development
2. Human rights
3. Organizational Governance
4. Labor practices
5. Environment
6. Consumer issues
7. Fair operating practices

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**Organizational Governance**

In order for an organization as a collection of people to meet its social responsibility, it is essential to have an effective decision-making system to fulfill its purposes and roles. If clear and transparent decision-making is not conducted as an organization and its conduct is isolated even though each member thinks he/she judges and acts rightly, it cannot be said that organizational governance is enough. If organizational governance is not enough when addressing other six subjects, they will lack substance and it will be difficult to implement them. Accordingly, organizational governance is the basis for ensuring CSR.

JFR’s efforts to firmly maintain sound management, create economic value such as profit return to society through the creation of employment and tax payment, and ensure appropriate management and disclosure of corporate information include the improvement of corporate bodies and internal control systems, risk management, the implementation of compliance management and proper accounting and tax procedures.

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**Corporate Governance Structure**

As the core of the unified governance of the Group, JFR puts the strengthening of corporate governance at the top of its business agenda to ensure the transparency, soundness and compliance of the management of the whole Group and focus on and thoroughly fulfill its accountability to its stakeholders (customers, shareholders, employees, business partners, communities and others).

JFR has three supervisory units (Management Strategy Unit, Affiliated Business Unit and Administration Unit) in its corporate organization to clarify roles, responsibilities and authorities, thereby improving supervisory function and the internal control systems of the whole Group. In addition, a corporate officer system is in place to separate between decision-making and execution of the management, which facilitates speedier decision-making and implementation.

The term for Directors and Corporate Officers is one year and they are remunerated based on their individual annual performance to clarify their responsibilities for the enhancement of the management and business results.
Corporate Bodies and Internal Control Systems

JFR has the Board of Corporate Auditors and invites three outside corporate auditors to enable fairer audits. JFR also has a Compliance Committee in place, which consists of full-time directors, full-time auditors and a corporate lawyer, to advise the Board of Directors on compliance management. In addition, the Group adopts a whistle-blowing system called JFR Group Compliance Hotline, which also provides outside contact (corporate lawyer) for reporting and is available to all workers at the companies of the Group. Thus we are committed to resolving compliance-related issues.

Corporate governance structure and internal control system

Internal Control Systems

JFR develops internal control in line with the Basic Policy to Build Internal Control Systems. With respect to internal control over financial reporting, the General Affairs Division of Administration Unit has the function of maintenance and operation and the Internal Audit Division that has the function of independent assessment clarify their roles and authorities and continue discussion to make a fair assessment.

Risk Management

With President and Executive General Managers of three supervisory units as responsible supervisors, each division assesses and manages risks in a manner suited the division and reports the management status of important risks to the Board of Directors on a regular basis. With respect to particularly significant business risk factors thus identified, policies dealing with them are discussed and determined at the Group’s strategy meetings and concerned divisions implement them to prevent such risks from arising.

In response to increasingly diverse and complex business risks and growing social demands for companies to react quickly and accurately when risks occur, the Risk Management Guidelines were developed to set out the basic policy and framework for risk management. We have also formulated the Business Continuity Plan (BCP) based on the assumption of the occurrence of earthquake disasters and a new type of influenza to clarify the criteria for forming the emergency headquarters and its members. The plan also sets forth the initial response to disasters, emergency priority operations to continue business and emergency response procedures.

Compliance Management

JFR formed a Compliance Committee as an advisory body to the Board of Directors at its inception to make the Group thoroughly comply with laws and corporate ethics and establish a corporate social responsibility structure. Compliance promotion staff are assigned to each of business headquarters, department stores and the business units of the companies of the Group to improve a compliance structure, educate and enlighten workers, check the status of compliance with laws and rules in daily operations, prepare improvement plans and train workers to implement these plans at each site.

Practice of Compliance under Company Regulations and Operation Manual

JFR has developed various guidelines and operation manuals including JFR Group Compliance Manual as its company regulations to ensure the implementation of the Group Philosophy and the Group Policy on the job, while setting its own strict standards, particularly on quality control, the protection and management of personal information and fair trade, to promote the implementation of compliance management.

Four perspectives of compliance principles of action and code of conduct

1. Always putting customers first
2. Promoting high quality management for sound growth and development
3. Creating impartial and honest organization where the individuality and ability of each person are respected
4. Contributing to society (Good corporate citizen living in harmony with society)

Monitoring of Implementation

Persons in charge in each business site provide on-site guidance and inspection to check the steady implementation of compliance policies and rules. In case an accident should happen, it will be reported immediately to the Compliance Committee and remedial actions will be taken under the leadership of the Committee.
Human Rights

We believe that respect for human rights in the workplace will help create a desirable work environment and better motivate each employee to work, which will lead to higher productivity, the creation of new values and the offering of better products and services. In order to fulfill social responsibility and contribute to society through corporate activities, it is essential that each employee work with a solid human rights perspective.

JFR provides human rights education and strives to raise employees’ awareness of human rights from the perspective that each employee should correctly recognize and understand human rights issues and that we should further promote the creation of corporate culture and corporate social responsibility based on respect for human rights.

Harassment Prevention

There are some cases where various stresses cause mental illness and harassment to others against the backdrop of recent drastic changes in the environment surrounding companies. In particular, harassment will worsen a work environment, which will result in lower productivity, an increase in mental illness and the loss of human resources. These days when CSR and compliance including corporate duty of care for safety are subject to scrutiny, we recognize that harassment is a great risk factor that may not only greatly damage victims physically and mentally but also lead to the loss of corporate social credibility depending on how to handle it once it occurs.

Therefore, the department store chain and other companies of the Group are establishing systems to prevent all harassment including power harassment as well as sexual harassment, take prompt action at the time of occurrence, and prevent a recurrence by setting up the Harassment Prevention Committee and the Harassment Consultation Desk.

Labor Practices

Organizations create employment and pay workers wages, which helps maintain and improve the living standards of workers. These labor practices as well as the human rights discussed above have a significant impact on society and the economy.

In Japan, the Labor Standards Act and other labor-related laws set forth basic rules regarding labor rights including employment opportunities, working hours and health and safety and require both labor and management to comply with them.

Through the efficient reform of organizational human resource structure and the reform of human resource system underlying the structure as well as health care and the improvement of work conditions and environment, JFR strives to build systems to revitalize human resources. These efforts include the formation of an organization beneficial to both companies and employees, which takes into account work-life balance, the improvement of employee training programs and the creation of human resource development support programs.

Work-Life Balance

Development and implementation of various systems based on work-life balance

Work-life balance is becoming more important to secure human resources and keep employees healthy both mentally and physically with the backdrop of changes in society and family environment and changes in work environment. We will develop and steadily implement relevant leave and work systems.

- Development of various leave and work systems and encouragement to use the systems

  - We strive to reduce extra working hours by streamlining business operations and setting no-overtime day.
  - We have adopted a short-time working system for child and other family care in addition to existing working systems for child care and family care.
  - We encourage employees to take annual paid holidays by introducing a half-holiday system and an event leave system and raising employee awareness.
  - We have adopted a system to make available annual paid holidays after the termination of the right to claim them in case of long-term illness, family care and fertility treatment.

Health Care

Health care measures

Employees are the company’s greatest asset. And it is the most important of all things to keep employees healthy both mentally and physically in order to provide better services and a pleasant shopping experience to customers. Therefore, we believe that it is the important role of the management to create an environment in which employees can work actively and produce big results.

Since the number of people with mental illness is increasing, JFR considers mental health measures, as well as traditional health measures, as an important task in terms of corporate management and human resource and labor management and promotes not only physical but mental health care measures. Specific efforts are listed below.

- We focus on primary disease prevention based on changes in disease structure.
  - We conduct health examinations to prevent lifestyle diseases and gynecological examinations for all employees aged 35 and over, as well as legal regular health examinations, as disease prevention measures.
  - We conduct living conditions surveys as a self-care tool by dealing with mental health within the large framework of total mental and physical health care.
  - We pay attention to health guidance provided by health care team based on the results of the surveys above.

- Mental health measures
  - We provide the following four cares continuously and systematically.
    - "Self care" through stress check (living conditions surveys), etc.
    - "Care by the line management" through manager trainings, etc.
    - "Care by JFR’s industrial medical staff" through health guidance, etc.
    - "Care by outside resources" including specialized institutions
Environment

Modern society faces various environmental issues including global warming, the depletion of natural resources, air pollution and the collapse of ecosystems. With regard to them, organizations should take responsibility for the environmental impact caused by their activities as well as comply with laws and regulations. It is important to adopt a preventive approach and take preventive measures to minimize such impact even if the impact on the environment is uncertain.

Since JFR mainly operates retail business, it can most contribute to the environment through product sales and other activities at stores and we believe that it is our social mission.

Any organizations consume energy and produce waste, whether on a large or small scale, when conducting business activities and there are many environmental actions they can take. In addition to actions that can be easily incorporated into daily operations including energy saving and resource saving, which are regulated by laws, JFR will consider and implement other unique approaches feasible in terms of human resources, technology and finances. Daimaru Matusuzakaya Department Stores, Daimaru Kogyo and Consumer Product End-Use Research Institute operate ISO 14001-certified environmental management systems and implement sustainable improvement measures with participation by all workers to reduce environmental impact.

Environmental Management System

For example, Daimaru Matusuzakaya Department Stores promotes environmental conservation activities at its stores by appointing Executive General Manager of Administration Headquarters as Environment Administrator, Executive Store Managers and Store Managers as Environment Managers and Division Managers as Environmental Promotion Managers. Environmental promotion staff in charge of practical operations is assigned to each division to support Environmental Promotion Manager and educate and enlighten the members of the division. The Corporate Environmental Promotion Secretariat consisting of dedicated members considers company-wide activities and develops an environmental management manual and corporate purposes and goals to operate the management system.

Proposing Environment-Friendly Lifestyles

At Daimaru and Matusuzakaya stores, we provide ideas for smart eco-friendly living as a priority item of their environmental activities. After the Great East Japan Earthquake, we are actively offering products and organizing events including disaster relief actions and fairs to support power saving life in response to restrictions on electricity usage imposed due to the nuclear plant accident to meet changes in social conditions and customer demands.

Promoting “Smart Cool Biz” for summer 2012

For 2012, Daimaru Matusuzakaya Department Stores evolved the Ultra Cool Biz for 2011 into stylish and smart Cool Biz styles named “Smart Cool Biz.” A search system “Smart Cool Biz Navi” was introduced to stores to enable customers to search styles that would help them choose smart Cool Biz coordinates on iPad and 90 recommended styles were presented to customers.

Contribution to Creating Low-Carbon Society

JFR adopts various energy saving measures to reduce CO₂ emissions and prevent global warming. High energy efficient equipments are installed on the occasions of facility replacement, store renovation and new store opening.

Demand and supply of electricity and power saving measures in summer 2012

Based on the power saving requests from the government and electric power companies during summer (July to September) 2012, Daimaru and Matusuzakaya stores, particularly in the Kansai area where the supply and demand balance was tight, prepared a menu of power saving measures and developed power saving measures for in-store customer facilities and back-office areas to prepare for rolling blackouts. The stores achieved the required numerical targets in each area.
We stepped up company-wide power saving efforts by: (1) promoting the replacement of store lighting with LED units; (2) partially thinning out store lighting; (3) stopping operating some elevators; and (4) reducing the operating hours of air conditioners; and in back-office areas; (5) keeping the air conditioning at a set temperature of 28 degrees centigrade or above (installing electric fans in high temperature areas); (6) ensuring thorough light management using pull switches (always turning off lights when leaving desks); (7) curtailing the use of computers and other office equipment (cutting the use of high power consuming computers and other appliances in offices); and (8) promoting the use of stairs (two up and three down campaign).

Promoting the replacement of store lighting with LED units

We are replacing existing lighting with LED units to reduce electricity consumption and CO2 emissions.

In response to the supply and demand balance of local electric power companies and the power saving requests from the government in the wake of the Great East Japan Earthquake, we actively replaced the lighting of Daimaru and Matsuzyakaya stores with LED units. By October 2012, 155,000 units, which account for about one third of approximately 450,000 lights to be replaced with LED units in all stores, were replaced with LED lights. Compared to traditional lighting fixtures, annual electric usage and CO2 emissions are expected to decrease by 19,660 thousand kWh and 7,208 tons, respectively.

Since LED lights generate much less heat compared to halogen lights, they contribute significantly to improving the efficiency of store cooling.

Lights were replaced with LED on the occasion of the grand opening of larger store (Daimaru Umeda store)

Sales of Daimaru Matsuzyakaya original eco bags

Original eco bags are sold at all Daimaru and Matsuzyakaya stores to promote resource saving and reduce waste by the use of shoppers’ own bags. In April 2012, we changed their design so that more shoppers use them.

Designed by Wakisaka Kazuo at SOU-SOU, a textile designer working for renowned overseas brand as well as YOSO (including tax)

Reduction and recycling of waste

We implement thorough waste separation to decrease waste and promote recycling. At Daimaru and Matsuzyakaya stores, we promote recycling systems by using collapsible containers and standardized department store hangers with the cooperation of suppliers to reduce packaging and the total amount of waste. At Daimaru Tokyo, Kyoto and Sapporo stores and Matsuzyakaya Ueno store, we greatly reduce the volume of EPS waste generated in these stores by compressing and dissolving it to recycle it. In our store staff cafeterias, we use chopsticks that can be repeatedly washed and reused instead of disposable wabashiki chopsticks.

5 Fair Operating Practices

In order for an organization to fulfill its social responsibilities, it is necessary and fundamental to take an ethical action toward society as an organization. The organization that wrongfully profits from its fraudulent acts cannot be said to fulfill its social responsibilities. Tasks for fair operating practices include fair competition, the promotion of social responsibility in the value chain and the prevention of corruption.

JFR is aiming at high quality management for healthy growth and development by promoting fair, transparent and appropriate corporate activities and maintaining fair relations with business partners, which allow mutual growth, as set forth in its corporate regulations JFR Compliance Manual.

Specifically, JFR promotes compliance with laws and regulations including the Antimonopoly Act that prohibits unfair competition including bid rigging, the Subcontract Act that prohibits unfair trade practices and insider trading regulations. We also promote awareness of compliance to encourage employees to act in accordance with the right ethical standards as members of society.

Promotion of fair trade

We make a pre-agreed basic contract with each business partner and educate and enlighten employees to ensure compliance with the fair trade manual developed by the Japan Department Stores Association, the Financial Trade Commission notification to large-scale retailers under the Antimonopoly Act and relevant laws including the Subcontract Act and the Premiums and Representations Act, while developing systems to ensure appropriate business operations.

Appropriate management and disclosure of corporate information

JFR provides financial data and information related to shareholders meetings to relevant authorities including the Finance Bureau and the Tokyo Stock Exchange in a timely manner and promptly discloses such information online as needed. We also deliver IR information by e-mail magazine to help investment behavior.

Prohibition of insider trading

The companies of the Group have set rules for preventing insider trading to ensure the appropriate management of corporate information, while raising employee awareness by displaying posters and by other measures.

Severance of relations with antisocial forces

We declare that we will sever all relationships with antisocial forces in accordance with local regulations and we are working on reviewing existing trade practices.
6 Consumer Issues

We should not disadvantage consumers by using ambiguous and false advertising and should not endanger consumers by offering products that are defective in safety. It is also important to prevent the use of our products and services by consumers from causing adverse impact on society including environmental damage.

JFR believes that both companies that offer products and consumers who use them need to perform consumption activities so as not to adversely affect society.

There remain many consumer-related issues, for some of which laws including the Product Liability Act are in place, and new issues occur with changes in society. Thus the social awareness of consumer issues is increasing. In these circumstances, we focus on voluntary and active efforts including the securing of food safety, the protection of personal information and the creation of consumer contact points. Meanwhile, department stores strive to create safe and secure stores and environment and actively promote the efforts to offer useful services to consumers.

Thorough Quality Control

Companies help consumers live rich lives by offering products and services. However, some corporate behaviors may greatly affect consumers. JFR makes its companies use Consumer Product End-Use Research Institute, which specializes in quality control, to maintain and improve their quality control so that both companies as providers and consumers as demanders can conduct sales or consumption activities without anxiety and enhance the quality of their lives.

“Food” Quality Control

In order to ensure food safety, department store operators and food-related companies conduct appropriate management in accordance with management rules concerning food labeling and expiration dates, while periodically checking the status of food control in cooperation with Consumer Product End-Use Research Institute. The Group has in place a system that enables prompt action to be taken in cooperation with compliance promotion staff of each company of the Group when a serious food-related accident occurs.

Consumer Product End-Use Research Institute
—Totally supporting quality control operations as quality professional in retail industry

Consumer Product End-Use Research Institute is located in Osaka, Tokyo and Nagoya. Its operations include tests to identify product performance and the causes of complaints, the verification of product labels and expressions in sales promotion media under relevant laws and regulations, and consulting, trainings and seminars concerning product control in general. The Institute sends certified consultants to the consultation corners for consumers of a total of ten Daimaru Matsuzakaya and affiliated department stores.

For the companies of the Group, the Institute conducts various tests to ensure the safety of products in use including quality tests of various products for sale, load bearing tests of wrapping paper and shopping bags and color fastness tests, as well as pre-sale tests, product label checks at stores and hygiene inspections of food floors and restaurants.

Creation of Safe and Secure Stores

We conduct emergency drills on a regular basis and adopt an earthquake early warning system in preparation for earthquakes and fires.

In Daimaru and Matsuzakaya stores, we organize self-defense firefighting teams and regularly carry out drills with the participation of all store staff so that we can promptly notify of and extinguish a fire and guide customers to safety. When an earthquake measuring 5-tower or more on the Japanese intensity scale occurs, we receive the earthquake early warning alert, which is automatically announced over the in-store PA system in real time. We repeatedly conduct emergency evacuation drills based on our emergency action manual to ensure that we can take the most appropriate action reflexively in case of emergency.

When the Great East Japan Earthquake occurred on March 11, 2011, our store staff in the Tokyo metropolitan area could quickly and safely evacuate customers based on these drills. Daimaru Matsuzakaya Department Stores has installed AED (automatic external defibrillator) units in all its stores and continuously train employees to improve life saving measures in an emergency.

This system is already in place in Daimaru, Shinshakushu, Umeda, Tokyo, Kaisei, Kobe, Sapporo, Soma, Ashiya, Hakata Daimaru, Tenri and North Daimaru stores and all Matsuzakaya stores. We refer to install it in all other stores.

At the disaster prevention center of Daimaru Tokyo store, we centralize control through various monitors to confirm the safety of the whole building.

Training in case of receiving the earthquake early warning
(employees acting as shoppers who keep down as instructed by store staff)
(Matsuzakaya Nagoya store)

Efforts to help shoppers who have difficulty returning home in a disaster

From the experience of the Great East Japan Earthquake, the Tokyo Metropolitan Ordinance Covering the Measures for People Who Have Difficulty Returning Home was enacted in April 2013. In line with that, Daimaru and Matsuzakaya stores have organized a system in which they open part of their floor space to shoppers who have difficulty returning home as temporary evacuation space based on the ideas of self help, mutual help and public help.

Specifically, based on the estimated number of shoppers and employees who may have difficulty returning home when a great earthquake occurs, we store an equivalent quantity of hard tack and drinking water. In preparation of a shortage of these reserves, we explain to the suppliers of food products and restaurants and ask them to sign a memorandum to the effect that they agree to offer their products (before the expiration dates) on our store shelves.

[We have concluded this memorandum with approximately 400 suppliers as of March 2013.]
Community Involvement and Development

From the standpoint of fulfilling corporate responsibility, it is important for organizations to develop with the communities to which they belong by communicating and actively involving themselves with the communities in order to grow and develop the communities. They are expected to be involved with and contribute to communities in various forms including dialogues with community residents, the improvement of education and culture in the regions to which organizations belong and the creation of employment resulting from the development of organizations.

JFR strives to contribute to community revitalization and various social issues as a corporate citizen by using the assets of the Group companies and through its business activities. In this effort, we will select our activities by adding “contemporary and newsworthy” to four key words: “customer participation,” “education and enlightenment,” “parents with children and women” and “community-based” and continue and deepen them.

Social Contribution Activities
Charity Bazaars and Fund Raising

Daimaru and Matsuizakaya stores continue the efforts to widely contribute to communities using the department store’s capabilities to draw customers and transmit information. These stores organize charity bazaars and raise money with customer participation in order to preserve the global environment and support the regions suffering from severe hunger and poverty. When great disasters occur, we collect money in stores and offices and donate the money to disaster areas through the Japanese Red Cross Society.

“Let’s Collect PET Bottle Caps to Deliver Vaccines to the World’s Children!”

Daimaru and Matsuizakaya launched the “Let’s Collect PET Bottle Caps to Deliver Vaccines to the World’s Children!” campaign to coincide with their Christmas campaign for 2009.

Sakura Panda cap collection boxes were placed in stores to collect PET bottle caps from local supporters including customers, schools and companies. The collected caps are sent to recycling companies through the NPO “Re Lifestyle” and we donate the full amount paid for them to the authorized NPO “Japan Committee Vaccines for World’s Children (JCV)” to deliver vaccines to children around the world. The total number of caps collected from the beginning of the campaign to May 2013 is approximately 46 million, which is equivalent to polio vaccines for approximately 87,000 children. Children are the most important asset to be handed down to the future. Daimaru and Matsuizakaya will continue this activity to protect children’s health with cooperation from local people.

Company-wide Pink Ribbon Campaign

During the Pink Ribbon Month in October 2012, Daimaru and Matsuizakaya stores raised awareness by hanging vertical banners, putting stickers in restrooms, distributing awareness booklets and holding events to observe a mammography van (Matsuizakaya Toyota, Matsuizakaya Ueno and Daimaru LaLaport Yokohama stores) and to have mammography screening (Matsuizakaya Nagoya store and Hakata Daimaru) with support from Toshiba and Karasdaniikoto.

Daimaru and Matsuizakaya stores presented relevant products using common POP advertising of our original Sakura Panda Pink Ribbon mark in cooperation with suppliers to promote the campaign. At these stores, Paul Bocuse Bakery sold heart melon bread and baked heart donuts with the Pink Ribbon spirit.

At the information counters of the stores, we sold Pink Ribbon pins and donated their sales proceeds of ¥242,858 and the amount of ¥67,747 collected in the stores to the NPO “J, POSH (Japan Breast Cancer Pink Ribbon Movement).”

Observation of Toshiba mammography van (Panda Hiroba, Matsuizakaya Ueno store) Paul Bocuse Pink Ribbon limited original heart melon bread (¥525 including tax)

Matsuizakaya Nagoya store participated in the Pink Ribbon Smile Walk organized by the Executive Committee for Pink Ribbon Festival (sponsored by The Asahi Shimbum Company, Japan Cancer Society and Nagoya Broadcasting Network). Daimaru Sapporo store lighted up its exterior walls pink during the night.

JFR Card Co., Ltd., which continues to support the Pink Ribbon Movement as an official supporter of J, POSH since fiscal 2010, gave a gift of breast cancer screening to those selected in a drawing from among the customers who signed up for Sakura Panda Card during the month and donated to J,POS a certain percentage of sales made during the month.

Support the Tohoku and Make Japan Smile!

In March 2012, which marked the first anniversary of the great earthquake, we sold Sakura Panda charity pins and collected money and support messages for children in the disaster areas in all Daimaru and Matsuizakaya stores.
Sakura Panda pins (¥200 including tax) were sold to employees as well as shoppers in our stores and generated sales of ¥6,170,855, which we donated together with the money of ¥425,105 raised in our stores at the same time to the "JCV Kids Smile Project" organized by the authorized NPO "Japan Committee Vaccines for the World’s Children (JCV)."

Thanks to the cooperation of many shoppers, Sakura Panda pins (¥200 including tax) were sold out early in many stores.

Sakura Panda collected donations during Spring Thanks Festival.

Visited the Disaster Areas with Sakura Panda

The "JCV Kids Smile Project" (KSP) is intended to cheer up children and make them smile through the visit of performers including hospital clowns to kindergartens and children's halls in the disaster areas. Daimaru Matsuzakaya Department Stores donates part of the proceeds from sales of charity pins and the money collected in its stores in support of this project.

On April 7, 2012, Sakura Panda visited Konan Kaikan and Takasago Jido-kan in Sendai with performers including a magician. They had a good time with children living in adjacent temporary houses or nearby and introduced and handed to them approximately 700 support messages collected in Daimaru and Matsuzakaya stores.

Contribution to Art and Culture

J. Front Retailing Archives Foundation

J. Front Retailing Archives Foundation Inc. was established in March 2011 with the aim of passing on the collections of the cultural assets of the Group to the future generations and making an academic and cultural contribution. Specifically, the Foundation maintains and manages: (1) kimono fabric designs, industrial designs and historical materials; and (2) materials on the foundation and history of Daimaru Matsuzakaya Department Stores Co., Ltd., which is the core of the Group.

Matsuzakaya, which has a long history as a kimonos fabric dealer, has collected dyed textile products including kosode (small-sleeved kimono) of the Edo period in order to use the excellent designs and dyeing techniques of antique dyed textile products to make original luxury kimonos fabrics. The Foundation’s collection ranges widely from kosode and Han costumes to cloth including ancient cloth and foreign cloth and furniture.

The Foundation maintains and manages these valuable cultural assets and organizes their public displays and exhibitions to contribute to art and culture.

Historical Performance Data

Daimaru Matsuzakaya Department Stores energy saving and reduction of waste disposal

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Waste disposal

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Let's Collect PET Bottle Caps to Deliver Vaccines to the World's Children campaign

All Daimaru / Matsuzakaya stores

<table>
<thead>
<tr>
<th>No. of collected PET bottle caps</th>
<th>Annual total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2009 (in month)</td>
<td>1,900,000</td>
</tr>
<tr>
<td>FY 2010</td>
<td>10,200,000</td>
</tr>
<tr>
<td>FY 2011</td>
<td>16,300,000</td>
</tr>
<tr>
<td>FY 2012</td>
<td>1,900,000</td>
</tr>
</tbody>
</table>

YoY | +39% | +15%

No. of collected PET bottle caps is calculated at 400 pieces per kilogram.

Folio vaccine equivalent is calculated at approximately ¥200 per child (unit persons).

Charitable donations

Donated to | Description | FY 2011 | FY 2012 |
------------|-------------|---------|---------|
Japanese Red Cross Society | Aid for the Great East Japan Earthquake | 75,127 | 118 |
Japan Committee Vaccines for World’s Children (JCV) | Vaccination aid (Note 1) | 1,380 | 172 |
Kids Smile Project | 1,874 | 3,620 |
Japan Committee for UNICEF | Aid for the Great East Japan Earthquake | 664 | - |
J. POSH | Pink Ribbon campaign | 650 | 683 |
Funds to support the future and children of East Japan (from FY 2010) | Joint sales promotion with the Japan Department Stores Association "Department Stores Kitty" | 2,428 | 2,110 |

Note: 1. Vaccination aid (donated to JCV) does not include the proceeds from the campaign to collect PET bottle caps.
2. For donated money to children's relief funds in Fukushima, Aomori, and Iwate, including the Great East Japan Earthquake relief fund in Fukushima through the Japan Department Stores Association.