



Steadily Reducing Environmental Load

Recently, various environmental issues arise on earth. In particular, the emission of greenhouse gases (CO₂, etc.), which leads to global warming, and biodiversity loss, which affects food and health, are issues common to all humankind because they affect the entire earth.

Since the Group mainly operates a retail business, it can make the greatest contribution through product sales and other activities at stores and we believe that it is our social mission.

Therefore, we formulated the “J. Front Retailing Environmental Policy” and each company in the Group has in place a system to promote environmental conservation activities through business activities and conducts such activities.

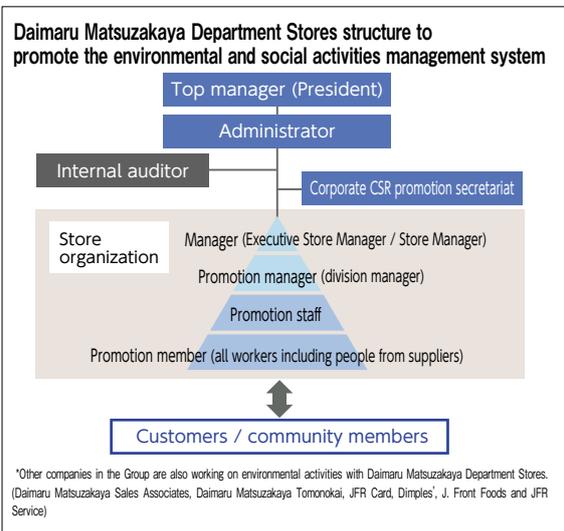
J. Front Retailing Environmental Policy

Recognizing our roles and responsibilities to hand down the irreplaceable global environment to the next generation, we at J. Front Retailing Group (the “Group”) proactively promote “environment-friendly corporate management” toward the “realization of a sustainable society” with customers, business partners and community members.

- 1 Recognizing environmental impacts and their causes, we will establish structures and systems to promote environmental conservation activities through the business activities of each company in the Group and strive for continuous improvement to reduce environmental load.
 - (1) Provision of environment-friendly products, services and information;
 - (2) Effective use of resources and energy;
 - (3) Reduction of CO₂ emissions;
 - (4) Waste reduction and recycling; and
 - (5) Promotion of environmental conservation activities and social contribution activities with customers, business partners and community members
- 2 We will comply with the requirements of environmental laws, regulations and agreements and strive to prevent contamination.
- 3 We will raise awareness of environmental conservation through educational and awareness activities to strengthen the foundation on which each worker in the Group will tackle environmental tasks voluntarily.
- 4 We will make this environmental policy known to all workers of each company in the Group and make the policy available to the public.

Environmental and social activities management system

Daimaru Matsuzakaya Department Stores expands the ISO 14001 environmental management system and has in place an environmental and social activities management system. In order to promote these activities, we appoint the Senior Executive General Manager of Administration Headquarters as an “administrator”, Executive Store Managers and Store Managers as “managers” and division managers as “promotion managers” and “promotion staff” members in charge of practical operations are placed. They educate workers including people from suppliers.



Goals for FY 2017 to 2021 Daimaru Matsuzakaya Department Stores environmental and social activities

Daimaru Matsuzakaya Department Stores set the medium-term quantitative environmental targets for FY 2017 to 2021 in conjunction with the Medium-term Business Plan to conduct environmental activities.

<Quantitative targets>

- Reducing CO₂ emissions from energy use by cutting energy use intensity by 5% in FY2021 compared to FY2016.

*CO₂ emissions in the business activities of department stores are caused by use of air conditioning and lighting.
- Reducing the intensity of final waste disposal volume (Volume of waste generated - Recycling volume) by 5% in FY2021 compared to FY2016.
- Increasing the food recycling rate to the 60% level by FY2021.

FY 2017 to 2021 Daimaru Matsuzakaya Department Stores quantitative environmental targets (including Hakata Daimaru, Shimonoeki Daimaru, Kochi Daimaru and Tottori Daimaru)

	FY2017	FY2018	FY2019	FY2020	FY2021
CO ₂ emissions (intensity) *1	0.0424	0.0414	0.0410	0.0405	0.0401
Energy consumption (intensity) *2	0.0204	0.0197	0.0196	0.0195	0.0193
Final waste disposal (intensity) *3	11.13	10.97	10.85	10.74	10.63
Food waste recycling rate *4	59.8%	57.0%	58.0%	59.0%	60.0%

*1 Intensity: CO₂ emissions (t-CO₂)/Business hours (h) × Total floor area (m²)
CO₂ emissions targets for FY2018 and beyond have been calculated using the CO₂ emission factor for FY2016.

*2 Intensity: Crude oil equivalent energy (kl)/Business hours (h) × Total floor area (m²)

*3 Intensity: Final waste disposal volume (kg) / Sales (¥million)

*4 Intensity: Volume of food waste recycled / Volume of food waste generated

Daimaru Matsuzakaya Ecoff recycling activities

Daimaru Matsuzakaya Department Stores conducts the “Ecoff recycling campaign” on a regular basis. Customers bring disused clothing, shoes and bags to the stores, and in exchange, we give them shopping support tickets so that they can buy new items at a small discount.



A total of 299,170 renewable articles were collected in the campaign in April 2018 and the total number of articles collected since the first campaign in August 2016 exceeded one million. The collected articles are recycled into bioethanol and coke as well as the raw materials of textile products.



Promoting the installation of high energy efficient equipments and LED lighting

The Group 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.



Installed LED lighting on the ceiling when the store was renovated (Daimaru Tokyo store)

Daimaru Matsuzakaya Department Stores strives to reduce electricity consumption and CO2 emissions by replacing existing lighting with LED units. In fiscal year 2017, we replaced approximately 7,000 units, mainly basic lights in the Tokyo, Kyoto and Kobe stores, with LED units, and by February 2018, 204,000 units, which account for about 48% of the total number of relevant lighting fixtures, were replaced with LED units.

Installing solar panels

At the Daimaru Kyoto store, a solar panel (rated output: 10kW), which is 11 meters long and 6.6 meters wide, was installed behind the peacock bronze sculpture. It is expected to generate approximately 6,000 kWh of electricity per year, which powers digital signage and external signs.

Forestation project

In October 2009, “Trojan,” Daimaru Matsuzakaya Department Stores private brand of men’s clothing, launched a project “Trojan Forest Carbon Free” in collaboration with Carbon Free Consulting Corporation. One larch tree is planted in a forestation site in Inner Mongolia, China, for every 10 Trojan suits or jackets sold and 250 trees were planted on the first occasion. After that, we continue to plant trees, and at the end of February 2018, a total of 4,350 larch trees are changing the drought-stricken region in Inner Mongolia to a green zone. The growing of “Trojan Forest” contributes to preventing global warming caused by absorbing CO2, preventing the desert from expanding, preventing yellow dust from blowing, and creating jobs of planting trees for local people.



Trojan Forest

Ginza Six was certified as an “Urban Oasis” under SEGES*

In October 2017, the rooftop garden of Ginza Six “Ginza Six Garden” was certified as an “Urban Oasis” under the “SEGES (Social and Environmental Green Evaluation System)” (administered by the Organization for Landscape and Urban Green Infrastructure), which recognizes comfortable and attractive urban green areas.

The Ginza’s largest about 4,000-square-meter rooftop garden “Ginza Six Garden” is located on the roof of the about 56-meter-high building with 13 floors above ground. A green area of approximately 2,200 square meters, which accounts for about 56% of the rooftop garden, was newly created. Our large-scale greening efforts in the prime downtown location were highly recognized and we obtained such certification.



*SEGES (Social and Environmental Green Evaluation System)
A system to recognize and certify outstanding green areas of the companies that contribute to society and the environment through greening activities