Realization of Work-Life Balance

Background
Due to the impact of the COVID-19 infection, the introduction and use of telework is spreading and work styles are being reviewed. It is also essential to create a work environment in which all employees, including those who work while raising children and caring for family members, can be motivated to work.

Outline of actions
We are strengthening the use of telework to prevent the infection of COVID-19. We are also expanding our leave system, improving our work system, and reforming our operations processes.

Future direction
We will reform individual work styles, create systems to support them, and develop systems to support childcare and nursing care. By doing so, we will create an environment in which everyone can engage in work regardless of life stage, thereby improving labor productivity.

Long-term targets
- **2030**: Ratio of men taking childcare leave: 100%
- **2025**: Turnover rate due to childcare and nursing care: 0%

Major actions in fiscal 2019 (partially in fiscal 2020)
- Encouraged male participation in childcare
- Efforts to prevent employees from leaving their jobs due to childcare and nursing care
- Promoted telework
- Promoted health management

Encouraging male participation in childcare
In 2019, J. Front Retailing, Daimaru Matsuzakaya Department Stores, JFR Card, and JFR Service introduced a "short-term childcare leave system" (paid, up to two weeks) for employees with children under the age of three. The introduction of this system has made it easier for men to take childcare leave.

We encourage employees to take more than two weeks of childcare leave by combining existing childcare support leave (four days of paid leave), spousal leave for childbirth (one day of paid leave), and regular paid leave.

*The number of men who took childcare leave: 18 (consolidated)

Efforts to prevent employees from leaving their jobs due to childcare and nursing care
J. Front Retailing and Daimaru Matsuzakaya Department Stores have introduced various childcare and nursing care support systems that exceed statutory limits so that they can balance work with childcare and nursing care and continue to work with satisfaction.

In 2019, Daimaru Matsuzakaya Department Stores introduced full-time work once a week and flexible work so that employees with shorter working hours for childcare and nursing care can voluntarily expand their work opportunities.

*Ratio of employees who returned to work after childcare leave: 89.5% (Daimaru Matsuzakaya Department Stores)

Promotion of telework
Since fiscal 2019, the Group has promoted the use of telework to improve a work environment aimed at improving productivity. We have created and promoted a telework environment by introducing mobile PCs, smartphones, and video conferencing systems. In order to prevent the spread of COVID-19, the national and local governments requested companies to reduce the number of workers in offices and to implement telework. And most employees in our administrative divisions were able to switch to telework smoothly. At the same time, we added video conferencing systems and made use of group chat to facilitate smooth communication among employees. Though telework, employees who were raising children were able to work while their children took long-term school leave.

We will continue to build a safe work environment for employees from the perspective of business continuity and further promote the use of telework that leads to improved labor productivity.

Promotion of health management
The Group promotes thorough implementation of occupational health and safety, as well as efforts to maintain and improve the health of employees. To prevent the spread of COVID-19, we conduct daily temperature checks and other measures to thoroughly manage employee health. In addition, Daimaru Matsuzakaya Department Stores provides online interviews by industrial doctors and EAP (Employee Assistance Program) counseling services by external specialist organizations.

<table>
<thead>
<tr>
<th>System</th>
<th>Description</th>
<th>Number of users</th>
</tr>
</thead>
<tbody>
<tr>
<td>Childcare leave</td>
<td>Until the last day of the month when the child enters an elementary school</td>
<td>161</td>
</tr>
<tr>
<td></td>
<td>(at the longest until the child reaches two years of age under law)</td>
<td></td>
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<tr>
<td>Shorter work hours</td>
<td>Until the last day of the month when the child enters an elementary school</td>
<td>157</td>
</tr>
<tr>
<td></td>
<td>(for children under three years old under law)</td>
<td></td>
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<tr>
<td>Family care leave</td>
<td>Up to a total of one year of leave per subject family member can be taken consecutively or separately any number of times (Up to 93 days of leave can be taken separately up to three times under law)</td>
<td>3</td>
</tr>
<tr>
<td>Nursing care leave</td>
<td>Paid (Unpaid leave is permitted by law)</td>
<td>30</td>
</tr>
</tbody>
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