

Top Commitment	Sustainability Promotion System	JFR Materiality Issues	Contribution to a Low-Carbon Society	Management of the Entire Supply Chain	Coexistence with Local Communities	Promotion of Diversity	Realization of Work-Life Balance	Operating Companies' ESG Initiatives	Governance	Data
----------------	---------------------------------	------------------------	--------------------------------------	---------------------------------------	------------------------------------	------------------------	----------------------------------	--------------------------------------	------------	------

Realization of "Job Satisfaction Transformation" Promotion of Diversity Women's Empowerment Empowerment of Employees of Advanced Age
 Employment of People with Disabilities LGBT Human Rights Human Resource Development → Promotion of Innovation Generation

Promotion of Innovation Generation

Actions for Innovation Generation

Systems to Support Employees in Taking on Challenges

The Group's Vision is "Create and Bring to Life 'New Happiness.'" To achieve that vision, we introduced the Challenge Card system in fiscal year 2017, as a way to support individual employees in taking on challenges. Once per half year, employees generate ideas as "Challenge Cards" in the three categories of "management measures," "operational improvements," and "new business." Submitted ideas numbered 1,726 in 2017, and 7,587 in 2019.

The best Challenge Cards in each company are gathered and presented for "the Group Creation Award," an annual event for the whole Group. In 2019, nine teams that won through heats within individual companies pitched their presentations to top

management at the Daimaru Shinsaibashi Theater. The Group's top management were joined by outside experts as judges who provided feedback. The Challenge Cards presented at the Creation Award include new business ideas for *chisan-chisho*, using local industries close to stores; operational improvements using IT; and many more creations. Many such efforts have already been developed into businesses and are improving our revenues.

Daimaru Matsuzakaya Department Stores developed its private label of fabric softener "Fuuai" as a new business. We created a system that enables buying through crowdfunding in collaboration with Makuake, Inc. and achieved the target amount of money. In August, Daimaru Matsuzakaya Department Stores started to sell the product online and in physical stores. We are considering further business development.

Communication Between Inside and Outside Companies

The Group fosters communication between people inside and outside its companies, so that "diverse connections" can generate new value, in forms such as new businesses and services, leading to creative innovation. In 2018, we ran "Diverse Connections Workshops" nationwide, which invited teachers from outside companies, brought up diverse individuality and values, and workshopped the formulation of new business ideas, in an effort to promote transformation to a "culture of creation" through diverse connections.

- First session** Theme: Learning frameworks for building new businesses
 Venues: Tokyo, Nagoya, Osaka
 (Held a total of 5 times)
 No. of participants: 207
- Second session** Theme: Experience artistic thought
 Venues: Sapporo, Tokyo, Shizuoka, Nagoya, Osaka, Fukuoka
 (Held a total of 7 times)
 No. of participants: 199



The Second Creation Award



Supporters applaud



Diverse Connections Workshop