

→ Working Combined with Child and Family Care Initiatives to Improve Productivity Promoting Health Management

Working Combined with Child and Family Care

Encouraging More Involvement by Fathers in Childcare

▶ Long-term targets

2019
Introduced
“short-term
childcare leave”



2030
Percentage of
fathers taking
childcare leave
100%

Taking into account the increase in recent years of dual-income families and male employees wishing to take a greater part in the raising of their children, the Group introduced “short-term childcare leave” involving paid leave in 2019, in addition to the spousal leave for childbirth and short-term leave to support childcare. Greater involvement by fathers in childcare is acknowledged as leading to a better work-life balance, work style reforms, and also positively impacting on work.

Encouraging Fathers to Take Childcare Leave

The four companies of J. Front Retailing, Daimaru Matsuzakaya Department Stores, JFR Card, and JFR Service from March 2019 introduced short-term childcare leave allowing paid childcare leave to be taken for a short period of time (maximum of two weeks). The introduction of this system has made it easier for male employees to take childcare leave. Short-term leave to support childcare (four days paid leave) and spousal leave for childbirth (one day paid leave) are already in place to

allow fathers to actively take part in the birth and raising of their children. These systems provide more than is mandatory according to the law. The short-term childcare leave expands the scope to employees with children under three years old, encouraging them to take over two weeks leave consecutive with the short-term leave to support childcare, the spousal leave for childbirth, and standard paid leave.

The Group encourages male employees to take childcare leave, and in fiscal 2019, 18 male employees utilized the system.

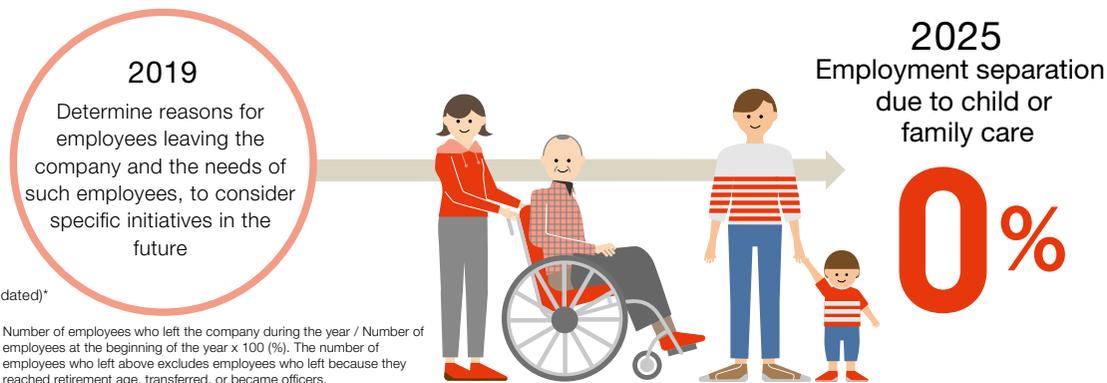
Number of Male Employees Who Took Childcare Leave in Fiscal 2019 (Daimaru Matsuzakaya Department Stores)

System	Content	User number
Short-term childcare leave *Introduced in March 2019	Up to 2 weeks of paid leave for children under 3 years old (Under the current law, employers can offer unpaid leave in such a situation)	18 (As of the end of February, 2019; all men)
Short-term leave to support childcare	Up to 4 days consecutive paid leave for children under 3 years old (No legal requirement)	8 (including 2 men)
Spousal leave for childbirth	1 day of paid leave (No legal requirement)	7 (All men)

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Initiatives to Prevent Employment Separation Due to Child or Family Care

Long-term targets



2019
Determine reasons for employees leaving the company and the needs of such employees, to consider specific initiatives in the future

The Group is making available several types of leave for child and family care, in order to make it easier to work for its employees.

We offer a good range of types of leave to allow mothers to continue working while raising children, as well as family care leave. These systems allow experienced employees to continue to work even while looking after children or family members.

We will continue in our efforts to provide a full range of types of leave that enhance the job satisfaction of our employees.

Employee job separation rate (consolidated)*

2018	3.3%
2019	3.9%

* Number of employees who left the company during the year / Number of employees at the beginning of the year x 100 (%). The number of employees who left above excludes employees who left because they reached retirement age, transferred, or became officers.

Initiatives to Prevent Employment Separation due to Childcare

J. Front Retailing and Daimaru Matsuzakaya Department Stores have introduced several types of leave over and above those mandated by the law, to provide environments where employees can both work and look after their children. As a result of systems such as childcare leave up to the final day of the month when the child enters elementary school and shortened working hours until the final day of the month when the child enters a junior high school, the percentage of those returning to work after a childcare leave of absence was 89.5% for Daimaru Matsuzakaya Department Stores in fiscal 2019.

In addition, from 2019 those on shortened working hours can work a full time day once a week, in order for them to independently expand their job opportunities. This allows them

to experience full time work, encouraging an early return to ordinary working hours. We have also made available flexi-time for those working on shortened working hours, and adopted a system where paid leave can be taken in half-day segments. The availability of these options will make it possible for employees to continue working while caring for their children, without having to leave the company or take a long absence.

Childcare leave greater than legal requirements and the number of leave-taking employees fiscal 2019 (Daimaru Matsuzakaya Department Stores)

System	Content	User number
Childcare leave	Up to the final day of the month when the child enters elementary school (Legal childcare leave lasts until the child reaches the age of two, at the longest)	161
Shortened work hours for childcare	Up to the final day of the month when the child enters elementary school (Legal requirement is until the child reaches the age of three). By opting for a "flexible work system," an employee may work shortened hours until the final day of the month when the child enters junior high school.	157
Leave to care for sick/injured child	Paid leave (Under the current law, employers can offer unpaid leave in such a situation)	46
Short-term leave to support childcare	Up to 4 days consecutive paid leave for children under 3 years old (No legal requirement)	8
Spousal leave for childbirth	1 day of paid leave (No legal requirement)	7

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
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Initiatives to Prevent Employment Separation due to Family Care

J. Front Retailing and Daimaru Matsuzakaya Department Stores have introduced several types of leave, to help their employees both work and look after their families. Leave of absences for family care can be taken in units of a month up to a year. Up to five days can be taken for family care leave each year. Family care leave can also be taken in half day units. Lost accumulated yearly paid leave can also be used as family care leave, or employees can choose to work with shortened hours for up to a year under the family care working system. This system creates an environment where workers can enjoy job satisfaction while continuing to work and look after their family.

We intend to further extend this system and also to build a database of reasons why employees choose to leave the company when they must care for family members, in order to lower the number of such workers in the future.

Family care leave greater than legal requirements and the number of leave-taking employees fiscal 2019 (Daimaru Matsuzakaya Department Stores)

System	Content	User number
Family care leave	Total within a year for family care for the same person; can be taken consecutively or separately. No limit on the number of times it can be divided. (Legal requirements allow it to be limited to 3 times within a 93-day period)	3
Family care time off	Paid leave (Under the current law, employers can offer unpaid leave in such a situation)	30

Area Limited Employee System

J. Front Retailing, Daimaru Matsuzakaya Department Stores, Parco, J. Front Foods, and JFR Service have introduced an area limited employee system that allows employees to limit the area they want to work in, based on the values and diversifying lifestyles of workers. The aim is to build a platform with an extended range of work style choices, so that people can take charge of their own career development balanced with their personal life. There are no limitations on the reasons for applying for this system. Every half year members can choose to leave the system if they wish to, with no limits on the number of times. This system means that employees with children don't have to worry about changing daycare centers or schools, and allows workers to look after family members to continue working.

At Daimaru Matsuzakaya Department Stores, 696 employees transferred to this system at its introduction in September 2017, and 538 as of the end of February 2020.

Introduction of Dedicated Employee System

A dedicated employee system was introduced in June 2017 to raise some working conditions not simply to make the term of employment indefinite, but to provide stabler employment categories and greater frontline strength at partners (fixed-term contract employees) of Daimaru Matsuzakaya Department Stores and Daimaru

Matsuzakaya Sales Associates (DMSA).

The specific improvements involved equalizing working conditions to the same level as employees for leave of absence support*1 and reductions for absences.*2 Once this system was introduced in June 2017, approximately 1,600 out of 1,800 partners who met the conditions switched to indefinite-term employment.

We will continue to actively appoint employees under fixed-term employment as dedicated employees.

*1 80% pay during the leave of absence

*2 60% pay for the time absent. Also applies to pre/post-natal maternity leave.

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
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Systems and initiatives supporting diversity and the work-life balance

Diversity						
Achieving diversity	Employment of People with Disabilities (Special subsidiary)	Mother recruitment	Re-employment for retirees	Mandatory retirement at 65 Introduced in March 2020		
Representative human resources development	JFR School (Business, Management, Leader)	JFR Women's School	JFR three-year training school for new employees with college degrees	Group open-entry training	Career development training	Career Support College Includes distance learning courses

Work-life balance						
Pregnancy	Expecting mothers leave of absence 3 weeks prior to maternity leave	Pre/post-natal maternity leave 10 weeks before birth, 8 weeks after birth (Legal requirements are for 6 weeks prior to giving birth)	Healthcare measures for expecting mothers Shortened working hours Extension of rest times/increase in number of times, etc.	Exemption from overtime, working on days off or at nights while pregnant	Lost accumulated yearly paid leave for infertility treatment	<div style="border: 1px solid black; padding: 2px;"> Health Contributions from the J. Front Health Insurance Association </div> <div style="border: 1px solid black; padding: 2px; margin-top: 2px;"> Mutual Contributions from the J. Front Mutual Aid Society </div>
Childcare [Leave]	Childcare leave Up to the final day of the month when the child enters elementary school (Legal childcare leave lasts until the child reaches the age of two, at the longest)	Leave to support childcare Child under 3 years of age 4 days paid leave (no legal requirement)	Leave to care for sick/injured child Up to the final day of the month when the child enters elementary school 5 days paid leave (Under the current law, employers can offer unpaid leave in such a situation)	Spousal leave for childbirth Males only 1 day paid leave (no legal requirement)	Short-term childcare leave Maximum 2 weeks paid leave (Under the current law, employers can offer unpaid leave in such a situation)	
Childcare [Work system]	Childcare working hours (shortened working hours) Up to the final day of the month when the child enters elementary school (Legal childcare is for children under the age of 3)	Flexible work system (shortened working hours) Up to the final day of the month when the child enters junior high school	Exemption from overtime, working on days off or at nights while raising children Up to the final day of the month when the child enters elementary school	Childcare time period Women with a child under the age of 1 Paid leave 30 minutes twice a day	Full time work one day a week for those on shortened working hours	
Childcare [Expenses subsidy system]	Childbirth allowance Health	Childbirth expenses loan system Health	One-off payment for childbirth/childcare Health	Additional one-off payment for childbirth/childcare Health	Subsidy for daycare costs Up to age 2 Mutual	Subsidy for use of babysitters 30 days a year for preschoolers Mutual
Family care [Leave/time off]	Family care leave No limits on consecutive or separate leave within a year (Legal requirements allow it to be limited to 3 times)	Family care time off 5 days paid leave (Under the current law, employers can offer unpaid leave in such a situation)	Lost accumulated yearly paid leave for family care			
Family care [Work system]	Family care working hours (shortened working hours) Up to 1 year	Flexible work system (shortened working hours) Time required for family care	Exemption from overtime, working on days off or at nights while caring for family			
Family care [Expenses subsidy system]	Subsidy for family care leave Up to 24 months Mutual	Subsidy for use of home help 30 days a year Mutual				
Types of leave	Consecutive leave for refreshment At age 30/40/50	Event leave Up to 3 days paid leave	Taking half-day annual paid leave Including those on shortened working hours	Transfer leave 3-7 days	Marriage leave 5 days	Career planning leave 5 consecutive days
	Volunteer work leave Unpaid, 10 days a year	Volunteer work leave Unpaid, from 1 month to 1 year	Personal training leave Unpaid, from 1 month to 1 year			
Work systems, etc.	Super flexi-time system Including those on shortened working hours	Area limited employee system	Indefinite-term employment of fixed-term employees 1 year (legally set at 5 years)	Variable working hours system	Free address system	Teleworking

*Managed in different ways depending on the operating company.