

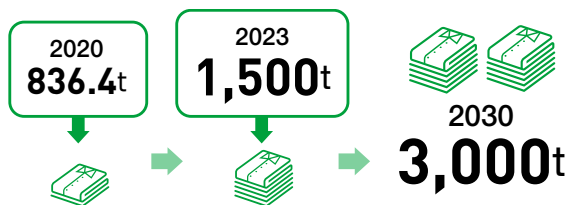
Evolution from 3 Rs to Circular Economy → Seizure of New Business Opportunities

# Seizure of New Business Opportunities

The mass disposal and incineration of apparel has become a major social problem in terms of the environment and consumer values shift from “ownership” to “sharing.” Accordingly, the Group will try a new business model with a focus on “sharing” and “upcycling” and aim to seize new business opportunities.

## Expansion of ECOFF

Weight of disused articles collected through ECOFF



Daimaru Matsuzakaya Department Stores works on the Think GREEN initiatives to offer sustainable products and services.

Through ECOFF, which is one of these initiatives, Daimaru Matsuzakaya Department Stores collects disused clothing, shoes and bags from customers in its stores to recycle and reuse them. It is a sustainable initiative to reduce environmental load with customers.

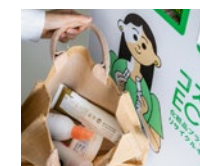
ECOFF started in 2016 and we collected a total of 836.4 tons of articles up to fiscal year 2020. In 2021, we launched a new initiative Cosme de ECOFF to collect plastic cosmetics containers and it is established as a project with customer participation. Even amid the

COVID-19 pandemic, this initiative gains popularity from customers partly due to contactless collection boxes.

Going forward, we will expand the items to be collected and review its collection scheme to collect a total of 3,000 tons of articles, which is a KPI to be achieved by 2030.



Contactless ECOFF collection box



Cosme de ECOFF



## Launched Fashion Subscription Business AnotherADdress!!

The Group will invite tenants that carry products for sharing and upcycled products and enter new businesses in collaboration with suppliers by 2023 to realize a circular economy.

Daimaru Matsuzakaya Department Stores took the initiative by launching a fashion subscription business AnotherADdress in March 2021. Daimaru Matsuzakaya Department Stores as its operating body accepts orders from customers and delivers clothing in partnership with a 3PL\* company, a delivery company, a cleaning

company and a recycling company, which promote unique sustainable initiatives.

Through the subscription-based stock business that accepts all orders online, AnotherADdress will try to depart from dependence on physical stores in a conventional department store business and aim to develop as a scalable platform.

\*3PL stands for third-party logistics. It means that a third-party logistics provider, which is different from existing logistics provider of the shipper, undertakes logistics services collectively through the provision of a logistics consulting function and a logistics information system.

### Business model of AnotherADdress

