

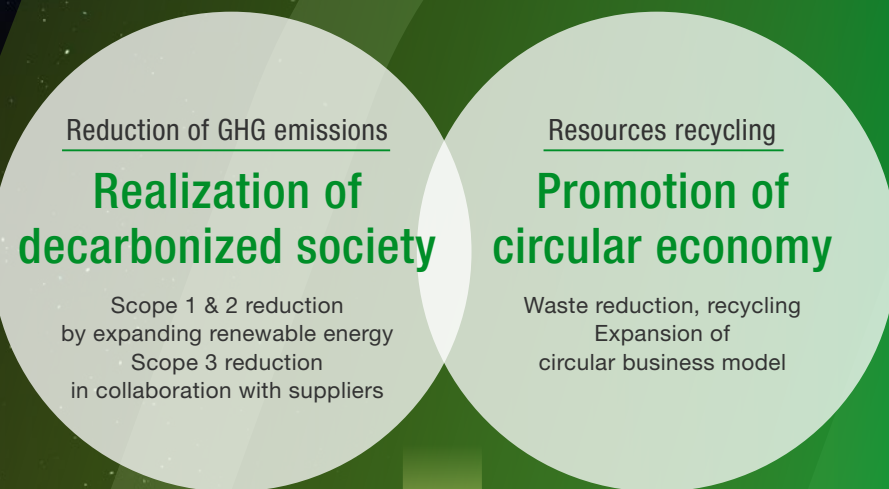
# Aiming to Achieve Net Zero\* by Fiscal 2050

Escalating global warming causes large-scale climate change and has a large impact on people's lives such as the natural environment and socioeconomy.

Human beings including the future generation as well as ourselves in the current generation are put at risk and it is becoming increasingly important to reach net zero emissions by 2050 in order to achieve the 1.5°C target (limiting the temperature increase to 1.5°C compared to pre-industrial levels).

The Group will aim to achieve net zero by fiscal 2050 by addressing its two materialities including the “realization of decarbonized society” and the “promotion of circular economy” to decarbonize the entire supply chain and recycle resources.

\*Deducting the amount of carbon absorbed by tree planting and forest management, etc., and the amount removed by GHG recovery and sequestration underground from GHG emissions so that the total is virtually zero.



JFR Group

# Net Zero by FY 2050

# JFR Group FY2050 Net Zero Transition Plan

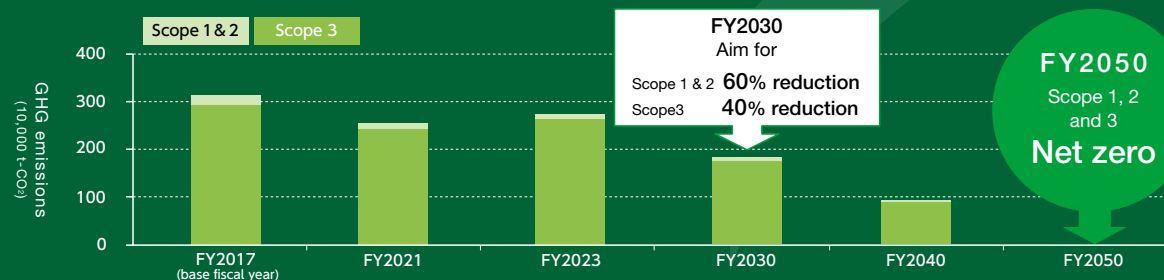
The Group is aware that climate change has a large impact on business strategies.

In fiscal 2019, the Group's Scope 1, 2, and 3 GHG emissions ("Scope 1, 2, and 3 emissions") reduction targets were approved by SBT initiative (the "SBTi")<sup>\*1</sup>. And in fiscal 2021, the Group raised its Scope 1 and 2 emission reduction targets from the previous 40% reduction to 60% compared to fiscal 2017 (base year) and it was approved again as the "1.5°C target" that is the new standard set by the SBTi. Going forward, we will aim to achieve "net zero by fiscal 2050" within the range of Scope 1, 2, and 3 emissions based on the Corporate Net-Zero Standard set by the SBTi.

"Net zero by fiscal 2050" the Group will aim to achieve is to simultaneously realize decarbonization of the entire supply chain and resources recycling by addressing both the "realization of decarbonized society" and the "promotion of circular economy."

The Group will work to reduce Scope 1, 2, and 3 emissions in collaboration with business partners who are suppliers and customers who are consumers, while strengthening 3Rs<sup>\*2</sup> and expanding circular business models, to reduce business risk and capture business opportunities at the same time.

JFR Group FY2050 Net Zero Transition Plan



Phase	Results (FY2017 to FY2021)		Short term (to FY2023)	Medium term (to FY2030)	Long term (to FY2050)
Results and reduction targets for GHG emissions (vs. FY2017)	Scope 1 & 2 FY2017	Scope 1 & 2 FY2021	Scope 1 & 2 FY2030		Scope 1 & 2 FY2050
	194,154 t-CO <sub>2</sub>	36.7% reduction	60% reduction		Net zero
Priority measures	Scope 3 FY2017	Scope 3 FY2021	Scope 3 FY2030		Scope 3 FY2050
	2,927,320 t-CO <sub>2</sub>	17.3% reduction	Aim for 40% reduction		Net zero
Priority measures	Scope 1, 2 and 3 reduction by continuing and strengthening energy-saving measures				
	• Scope 1, 2 and 3 (Category 3) reduction by expanding the switching to LED lighting in stores and introducing energy-saving, highly efficient equipment				
	• Scope 1 & 2 reduction by shifting to electric vehicles for company use				
	Scope 2 reduction by expanding renewable energy				
	• Scope 2 reduction by expanding the switching of stores and offices to renewable energy				
Scope 3 reduction in collaboration with suppliers and by promoting a circular economy					
• Scope 3 (Categories 1, 4, 5 and 9) reduction through the advancement of the existing 3 Rs in collaboration with suppliers and customers					
• Scope 3 (Category 1) reduction in collaboration with suppliers					
• Scope 3 (Category 5) reduction by reducing amount of waste disposal and improving recycling rate					
Scope 2 reduction by introducing an energy creation system					
• Scope 2 reduction through renewable energy capital investments, etc. in our own facilities					
• Scope 2 reduction by establishing corporate power purchase agreements (PPAs)					
Utilization of latest technologies, etc. and offsets					
• Use of electricity from non-carbon energy sources, such as hydrogen and ammonia					
• Offsets through tree planting activities to absorb CO <sub>2</sub>					

<sup>\*1</sup> Global initiative established for the purpose of promoting the achievement of science-based GHG emission reduction targets to limit the temperature increase to below 2°C compared to pre-industrial levels.

<sup>\*2</sup> The 3Rs stand for Reduce, Reuse and Recycle.

\*The plan is current as of the end of May 2022, and may be revised depending on business strategies going forward.