→ Decarbonization

Challenges Toward a Decarbonized Society



The JFR Group aims to achieve net zero greenhouse gas emissions^{*1} throughout its entire value chain by 2050 through the two materialities of "Realization" of decarbonized society" and the "Promotion of circular economy" as we work on both the reduction of GHG emissions and recycling resources.

Towards Net Zero in 2050

Recently, climate change has progressed to a much more serious level, endangering not only future generations but all people, including the present generation. The Group has positioned climate change as an important issue in sustainability management and is taking countermeasures to address the risks and opportunities associated with climate change, based on the recognition that these risks and opportunities will have a significant impact on our business strategies.

Targets

The Company recognizes that setting ambitious mediumand long-term reduction targets and developing a roadmap to achieve them is a prerequisite for promoting climate change action throughout the Group. Based on this, we obtained certification through the Science Based Targets (SBT) initiative*2 in 2019 for our Scope 1, 2, and 3 greenhouse gas emissions reduction targets. In 2021, we reacquired SBT certification with a "1.5°C target," raising our 2030 Scope 1 and 2 GHG emissions reduction target from 40% to 60%

Target year	Targets with SBT certification
FY2050	Scope 1, 2, and 3 GHG emissions reach Net Zero
FY2030	60% reduction of Scope 1 & 2 GHG emissions (vs. FY2017)Target 40% reduction of Scope 3 GHG emissions (vs. FY2017)

(compared to base year 2017).

In February 2023, we obtained "Net Zero Target" certification for Scope 1, 2, and 3 GHG emissions by 2050.

Direction of Efforts Toward Net Zero Emissions

To achieve net-zero emissions by 2050, the Group will focus on "Reduction of GHG emissions" and "Resource recycling.

Specifically, we will work to reduce Scope 1 and 2 GHG emissions through extensive energy conservation and increased use of renewable energy in our stores. Scope 3 GHG emissions will be reduced through collaboration with our suppliers and customers, while strengthening 3Rs*3 and expanding circular business.

- *1. A thorough reduction of GHG emissions, with the remaining emissions being reduced to practically zero after subtracting the amount removed through forest absorption, CCS (CO2 capture and storage), etc.
- *2. The CDP was jointly established in 2014 by CDP, the UN Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF) to enable companies to set ambitious emission reduction targets in line with the latest climate science.
- *3. Reduce, reuse, and recycle are collectively called the three R's.

Reduction of GHG Emissions

Realization of decarbonized society

Scope 1 & 2 reduction by expanding renewable energy Scope 3 reduction in collaboration with suppliers

Recycling Resources

Promotion of circular economy

Waste reduction, Recycling, Expansion of circular business model

Net Zero by FY2050

→ Decarbonization

Expanding use of renewable power for sustainable stores

The Group, whose main operating companies are the retailers Daimaru Matsuzakaya Department Store and PARCO, generates more than 90% of its Scope 1 and 2 emissions from those stores, and approximately 80% of these emissions are associated with the use of electricity. Therefore, we recognize the need to save energy, improve energy efficiency, and switch to renewable energy sources for the electricity used in our stores.

Stores in the Kansai and Kanto regions are gradually switching to renewable energy. This began with Daimaru Shinsaibashi, which opened in 2019 and operates on 100% renewable energy. As a result, the ratio of renewable energy

in FY2022 was 33.6%, and Scope 1 and 2 emissions were 43.5% lower than in FY2017, the base year.

In April 2023, we switched over to large-scale stores in the Chubu region, including Matsuzakaya Nagoya (excl. the North Bldg.) and Nagoya PARCO, in an effort to further improve the re-energy rate.

We believe that stores operated with renewable electricity will improve the environmental value of the buildings and win the support of our suppliers and customers who are highly conscious of environmental issues. Therefore, we will continue our efforts to switch to renewable power going forward.

Contributing to the spread of renewable energy

Solar panels have been installed on the rooftops of Shibuya PARCO and Kyoto Zero Gate to generate their own

electricity. In the future, we will work to introduce additional* renewable power procurement and improve energy resilience by diversifying our procurement sources.



Solar panels installed on the roof of Shibuya PARCO

Expansion of electric vehicle (EV) charging stations

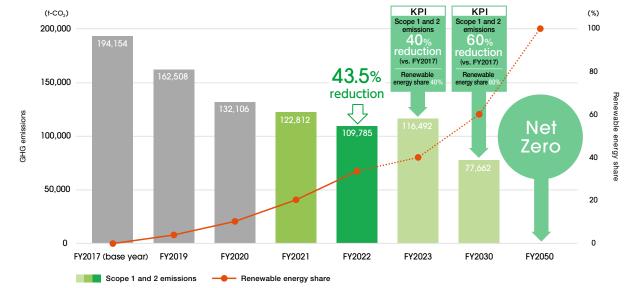
Angel Park, a Group company involved in the operation of parking facilities, has installed EV charging stations that customers can use free of charge. More stations were added in FY2022, bringing the total to 10. From April 2023, Angel Park will switch to 100% renewable energy for electricity throughout the building, which will not only improve

convenience for customers using electric vehicles. but will also contribute to the decarbonization of society.



EV charging station in Angel Park parking lot

Scope 1 and 2 emissions and renewable energy ratio



^{*}Contribute to the spread and expansion of new renewable power sources and be effective in reducing CO2 emissions