



Materiality KPI & Progress: Social

 <p>Promotion of diversity & inclusion</p>	2030 Commitment	Realizing a highly diverse society in which everyone recognizes each other's diversity and flexibly demonstrates his/her individuality Based on the themes of diversity and flexibility, we will value the different individuality and perspectives of all our stakeholders, which form the essence of diversity, and create a company where diverse abilities can be demonstrated. We also aim to grow our business in line with the expectations of diverse customers by driving innovation through the mutual interaction and complementary functions of diverse individualities and abilities (inclusion).			
	Background & View	The decrease in the working population due to the declining birthrate and the aging population has become a social problem. The Group has an environment in which diverse human resources work together, such as women, elderly people, and mid-career workers. We have therefore taken one of our materialities a step further to the "Promotion of diversity and inclusion." We respect diverse abilities and create unity, which will lead to enhanced corporate competitiveness.			
	Indicator	2021 results	FY2022 results	FY2023 KPI	2030 KPI
	● Share of women in management	● 21.3%	● 22.2% ● Implemented a project to promote empowerment of women ● Held "Career Forum" for female management candidates	● 26% ● FY2025 30%	● Aim for 50%, equal to female labor share
	● Extension of retirement	● Operating companies that introduced retirement at 65 (Daimaru Matsuzakaya Department Stores, JFR Card, Daimaru Kogyo, JFR Information Center)	—	● Set retirement at age 65 in more operating companies	● Aim to set retirement at age 70
	● Employment rate of people with a disability (special scope of associates)	● 2.66% (June 2021)	● 2.93% (June 2022)	● 2.6%	● 3.0%
	● Fostering a corporate culture of diversity	● Establishment of LGBT-related systems (Same-Sex Partnership Rules, gender change support leave), creation of LGBT Consultation Desk ● Held LGBT events (Daimaru Shinsaibashi, Daimaru Kyoto, Matsuzakaya Nagoya, Shibuya PARCO)	● Unconscious bias survey (for employees) ● Held LGBT events (Daimaru Kyoto, Matsuzakaya Nagoya, Shibuya PARCO)	● Employee penetration of diversity and inclusion 100% ● Provision of sales floors, products, and services tailored to diverse customers including LGBT people	● Realization of business growth using diverse abilities stemming from diversity and inclusion ● Provision of sales floors, products, and services tailored to diverse customers
 <p>Realization of work-life integration</p>	2030 Commitment	Realizing Well-Being for employees and their families through new work styles for a future of diversity and flexibility We promote new work styles in the post-COVID era, one in which diversity and flexibility are the key, while maintaining physical and mental health at the same time. This will lead to the Well-Being of Life for our employees and their families, and to increased productivity in the organization.			
	Background and View	Work styles are diversifying due to the evolution of IT, the increase in the number of people who want to balance work and childcare/caregiving, and the spread of telecommuting and other forms of work resulting from the COVID-19 pandemic. In 2021, the Group evolved one of its materialities into the "realization of work-life integration" so that employees will strive to improve both work and life, which will lead to increased productivity of the company.			
	Indicator	FY2021 results	FY2022 results	FY2023 KPI	2030 KPI
	● Turnover rate due to childcare and caregiving	● 1.4%	● 1.8%	● Less than 1.0%	● 0%
	● Paternity leave usage rate	● 43.6%	● 68.0%	● 100%	● 100% regardless of gender
	● Work style	● Expansion of telework system ● Formulation of J. Front Retailing Health Declaration	● Increase in number of annual holidays ● Shortened annual working hours (Daimaru Matsuzakaya Department Stores)	● Establishment of systems and evaluations to build an organization that can work anytime, anywhere	● Increasing productivity through an organization that allows employees to work anytime, anywhere
	● Employee satisfaction (Employee satisfaction survey)	—	—	● 60%	● 80%



Realization of customers' healthy/ safe/secure life

2030 Commitment

Realizing a Well-Being life that is future oriented and satisfies the mind and body of customers

We offer high-quality, comfortable products and services that help our customers live healthy and secure lives in mind, body, and spirit, thereby providing them with their own personal Well-Being and an exciting and fulfilling future.

Background & View

In the wake of the COVID-19 pandemic, consumer values and lifestyles have changed significantly, and there is a growing need for products and services that provide solutions for environmental and social issues and enhance health. Against the backdrop of these changes in the external environment, the Group has strengthened its effort to realize customers' health, safety and security as its new materiality since 2021.

Indicator	FY2021 results	2022 results	FY2023 KPI	FY2030 KPI
● Ethical consumption	● Attracted shops that deal in ethical products	● Sales of products and services using certified products	● Started to strengthen the offering of certified products related to food safety and environmental preservation	● Expansion of ethical consumption in overall lifestyle
● Mental and physical health	● Opening of healthcare wellness mall Welpa (Shinsaibashi PARCO) ● Opening of showroom space "asumise" (Daimaru Tokyo)	● Think Wellness: A Wonderful Marché for the Heart and Body (Daimaru Kobe) ● Opening of Smart Aquarium Shizuoka, the first permanent aquarium in a department store	● Expansion of the entertainment business area, including traditional culture, art, and contemporary culture ● Launch of wellness business	● Provision of excitement to daily life and creation of new customer experience by expanding entertainment and wellness business
● Level of customer awareness and sympathy for sustainability activities	—	● 66% (customer survey)	● 30%	● 80%

2030 Commitment


Creating safe, secure, and resilient stores with an eye on the future


We will address disaster prevention, infection risks and a business continuity plan (BCP) to increase the resilience of our stores. At the same time, by building operational systems that utilize digital technologies, we will create new customer touch points with consideration for safety and security and promote the creation of stores that meet the expectations of society.

Background & View

In the wake of the COVID-19 pandemic, there is a growing need for safety and security with the aim of preventing infections. The Group will actively work on contactless communication so that customers can enjoy shopping in a safe and secure way.

Indicator	FY2021 results	FY2022 results	FY2023 KPI	FY2030 KPI
● BCP, disaster prevention, epidemic prevention	● Formulation of JFR New Infectious Disease Response Manual ● Virtualization of events and gift centers	● Continued to conduct BCP desk training based on the JFR Business Continuity Manual (Large-scale Earthquake Edition)	● Enhancement of BCP and quarantine measures ● Strengthening contactless customer touch points through digital communication	● Creation of highly resilient stores that incorporate state-of-the-art technology to prevent disasters and epidemics, and provide comfortable space health-conscious

 <p>With local communities</p> <p>Coexistence with local communities</p>	2030 Commitment	<p>Together with local people, we are creating prosperous future-oriented communities in which people gather, centering on our stores</p> <p>Together with local communities, governments, NGOs, and NPOs, we will use our stores as a base to contribute to the creation of sustainable communities that make the most of local assets. We will also identify and communicate the attractive qualities of each area to offer exciting new experience to visitors.</p>			
	Background & View	<p>As Japan's population is increasingly concentrated in urban areas while the birthrate declines and the population ages, boosting the attractiveness of local communities and revitalizing them has become a social issue. The Group is committed to working with local communities to enhance the attractiveness of local areas, centering on its nationwide network of stores.</p>			
	Indicator	FY2021 results	FY2022 results		FY2023 KPI
	● Community development	—	<ul style="list-style-type: none"> ● New entry into the residential business (PARCO) ● Construction of Nishiki 3-chome District Project (tentative name) started in Nagoya ● Shinsaibashi Project (tentative name) began in Shinsaibashi ● Establishment of J. Front City Development (2023) ● HAB@Kumamoto opens (2023) 		<ul style="list-style-type: none"> ● Making areas more attractive, leveraging local uniqueness including culture and history, developing in a way that contributes to drawing crowds to the areas ● Shift to CSV stores (making stores sustainable) throughout the Group
	● Collaboration with local communities	<ul style="list-style-type: none"> ● Opening of "city library" in Daimaru Suma ● Use of BOOSTER to increase Kyoto's attractiveness "Mikke! Kyoto" (Daimaru Kyoto) 	<ul style="list-style-type: none"> ● Think LOCAL web magazine started (Daimaru Matsuzakaya Department Stores) ● "Tsushima City, Nagasaki x Kyushu Expedition" Umigomi Tile Art Project (Daimaru Matsuzakaya Department Stores) ● Signed a comprehensive agreement with Kyoto City (Daimaru Kyoto) ● Signed a comprehensive collaborative agreement with Kumamoto Prefecture (Hakata Daimaru) ● Signed an agreement with Taito City and Local Food Cycling Co. to transform to a recycling oriented lifestyle (Daimaru Matsuzakaya Department Stores) ● Started a plan to support the development of sales channels for small and medium-sized enterprises using the crowdfunding site BOOSTER (PARCO) 		<ul style="list-style-type: none"> ● Promotion of local revitalization in collaboration with governments, educational institutions, NGOs, and NPOs ● Promotion of local revitalization by finding and providing local content, including local production for local consumption

 <p>With local communities</p> <p>Management of the entire supply chain</p>	2030 Commitment	<p>Realizing a sustainable supply chain created along with suppliers</p> <p>We will share our concept of sustainability with our suppliers and work together with them to fulfill our social responsibilities, thereby contributing to the creation of a sustainable society for the future by the entire supply chain. In addition, we will work together with our suppliers to create a workplace environment where the human rights of the people working in our supply chain are protected and they will be able to continue to work in good health.</p>			
	Background & View	<p>Human rights issues that arise in the supply chain, such as discrimination and forced labor, and the prolonged spread of COVID-19 have had a major impact on the supply chain. The Group aims to address hidden risks in the supply chain and create a sustainable supply chain.</p>			
	Indicator	FY2021 results	FY2022 results	FY2023 KPI	FY2030 KPI
	● Dissemination of JFR Principles of Action for Suppliers	<ul style="list-style-type: none"> ● Supplier assessment: Response rate 40.6%, dissemination rate 60% ● Sharing of JFR Principles of Action for Suppliers (PARCO) 	<ul style="list-style-type: none"> ● Dialogue with suppliers (Daimaru Matsuzakaya Department Stores) 	<ul style="list-style-type: none"> ● Assessment response rate 80%, dissemination rate 25% 	<ul style="list-style-type: none"> ● Assessment response rate 95%, dissemination rate 100%
	● Human rights	<ul style="list-style-type: none"> ● Human rights assessment ● Identification of human rights risks for FY2022 	<ul style="list-style-type: none"> ● Review of human rights risks ● Implementation of human rights education (PARCO and Daimaru Kogyo, 2023) 	<ul style="list-style-type: none"> ● Expansion of human rights due diligence initiatives ● Employee human rights education rate 100% 	<ul style="list-style-type: none"> ● Establishment of business activities that respect the human rights of suppliers and employees